

**POLICIES REGARDING
FIXATION
OF
RESERVE PRICE**

Subject: Policies regarding fixation of reserve price of commercial sites in respect of HUDA.

According to the present policy the reserve price of commercial sites in respect of HUDA sectors is fixed on the basis of following formula:-

1. Cost of land is taken at the latest rate at which the residential plots were sold in the estate.
2. Interest @ 15% p.a on item No-1 above from the date of plots offered for sale to the date of proposed sale.
3. Administrative charges @ 15% on Sr. No 1 & 2 above.
4. Development charges (3 times taken in the price fixation of the residential plots).
5. Total item No 1 to 4 above.
6. Un-foreseen charges @ 10%
7. Grand total

The amount so worked out is spread over the plottable area which is normally taken as 35% and the rates so worked out is taken as reserve price for the first auction for all types of commercial sites in the sector.

The first reserve price of constructed building is fixed as under.

1. Reserve price of the site as worked out above.
2. Construction cost of the building.
3. Administrative charges @ 15% on cost of construction.
4. Interest @ 15% per annum on construction cost from the date of construction to the date of fixation of reserve price.
5. Maintenance charges @ 2% per annum for the said period.
6. 10% unforeseen charges on the above.
7. Total = Reserve price of constructed buildings

The above said reserve is subject to the following conditions:-

1. 10% extra is to be added for corner sites.
2. The above reserve price will be valid for having 3 storey's or more but extra 25% allowance may be added in case

SCO/SCF sites of 4 storey's and in case SCO/SCF more than 4 storey's, 50% allowance may be added.

3. If the last auction of the commercial sites is one or more than one year old then increase at the rate of 15% p.a. or the interest as decided by the authority from time to time may be taken from the date of last auction till the date of next auction for the purpose of fixing the reserve price of the site.
4. The above reserve price will be valid for 6 months and for two auctions, for 3rd auction the average of the last 2 auction will be reduced by 25% for fixing the reserve price, but it will not be less than the original reserve price.
5. If basement is allowed in the booth sites, 25% extra may be added in the reserve price on account of provision of basement.
6. The reserve price initial will be valid for 6 months and for 2 auctions and for 3rd auction the average of the last 2 auctions will be reduced by 25% for fixing the reserve price but it will be not less than the original reserve price.
7. For subsequent auctions i.e. after the 1st auction, Zonal Administrators are competent to fix the reserve price on the basis of average of price fetched of the similar sites in previous auction.
8. Zonal Administrators are competent to devalue the reserve price by 20% i.e. @ 5% per auction in case sites are not sold in the 4 successive auctions. They are authorized to fix the reserve price by reducing it by 5% for each unsuccessful auction upto 4 auctions after which if sites are not sold, then a concrete proposal may be referred to the Chief Administrator HUDA. In any case the reserve price so fixed

after reduction will not be less than the original reserve price.

PRICE FIXATION FORMULA IN RESPECT OF RESIDENTIAL PLOTS.

a) LAND COST

i) Actual land cost is taken as per the award announced by the Land Acquisition collector for a particular sector.

ii) Interest @ 15% p.a from the date of award till the date of expected date of floatation of the sector.

b) DEVELOPMENT COST

External and internal development cost and its maintenance is taken in respect of the various sectors given as follow:-

S.No.	Name of Services
1	Water Supply
2.	Sewerage
3.	S.W. Drainage
4.	Roads including Bridges
5.	Electrification (including grid sub station)
6.	Street Light
7.	Community Building
8.	Diversion of H.T. Lines
9.	Horticulture. (Including Ist five year Mtc.)
10.	Horticulture (Including 2 nd five year Mtc.)
11.	Nominal Mts. of Roads Ist five years.
12.	Nominal Mtc. of road IInd five years.
13.	Resurfacing of roads after five years.
14.	Resurfacing of roads after ten years.
15.	Mtc. of Public Health Services for Ist five years.
16.	Mtc. PH Services upto 10 years
17.	Mtc. of Street Light for Ist five years
18.	Mtc. of Street Light beyond five years upto ten years.
19.	Conservancy for 1 st years

20.	Conservancy beyond five years upto 10 years
21.	Fencing of acquired land and entry point
22.	Development of Village.
23.	Development of Town parkas.
24.	Solid Waste Management
25.	Fire Fighting equipment's
26.	Sport infrastructures.

C) INDIRECT CHARGES ON THE DEVELOPMENT COST THE BREAK UP OF WHICH IS GIVEN AS FOLLOW:-

1	Commercial interest @15% for 60% amount for first two years on development cost.	i.e. 18%
2	Price escalation @ 5% for two years on development cost	i.e. 10%
3	Administrative charges @ of 15% on development cost.	i.e. 15%
4	Unforeseen charges @ 5% on developments cost.	5%
	Total	48%

d) CHARGES PAYABLE TO THE STATE GOVT.

I) License fee as applicable

ii) Conversion charges as applicable

iii) Scrutiny fee and services charges as applicable

E) The total cost as worked out above i.e. (A+B+C+D) is spread over on the plot table area of the sector and the price is worked out.

F) In the above said price infrastructural development charges as per the decision of Town & Country Planning Department are added and the price so worked out is called as nodal price.

G) DIFFERENTIAL PRICING

The differential price is charged in respect of bigger /smaller category of plots.

- I for 8, 10 and 14 Marla the nodal price is charged
 - II for 6& 4 Marla 10% less then the nodal price is charged
 - III for I Kanal plot 10% extra over and above the nodal price is charged.
 - IV 2 Kanal plot 20% extra over and above the nodal price is charged.
- H) EWS plots are allotted at the fixed rate of Rs. 500/- per sq yd. in the high potential zone, Rs. 400/- per sq. yd in the medium potential zone and Rs. Rs. 300/- per sq. yd in the low potential zone through cross subsidy i.e. by increasing the nodal price

Handicapped:

The plots upto 8 marla reserved for persons with disabilities are to be floated at further rebate of 10% of the price at G above through cross subsidy i.e. by increasing the nodal price.