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NAREDCO-UP urges Noida administration to reduce circle rate

Synopsis
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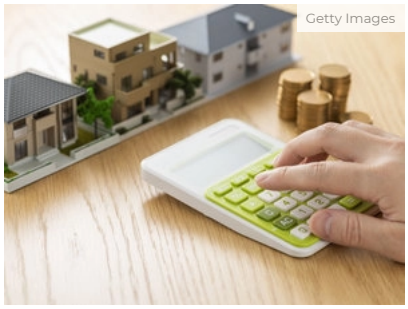

Uttar Pradesh chapter of the **National Real Estate Development Council (NAREDCO)** has urged the district magistrate of Gautam Budh Nagar to roll back the proposed hike in circle rate as it will dissuade buyers from investing in real estate property.

District Gautam Budh Nagar covers the land in the jurisdiction of Noida, Greater Noida and Yamuna Expressway Industrial Development Authorities.

The administration has sought suggestion from public till August 15 following which the rates will be revised. The administration has proposed hike upto 90%.

"Since our member developers are executing various types of projects under these authorities it is expected of the District Administration will consider our suggestions and objections also," said **RK Arora**, president, NAREDCO-UP.

In its letter to DM, the apex body of real estate developers have said that any increase in circle rate needs to be commensurate with the increase in the market rate of the property.

"Presently, already there is great disparity between market rate and the circle rate fixed for the district by the government . The circle rate kept on increasing by 10% every year whereas the market remained almost stagnant resulting in too much variation. The higher circle rate is also dissuading buyers from registering their flats due to higher stamp duty as a result of higher circle rate. Annual rental value of commercial property being based on circle rate, leasing business of commercial properties is also affected," NAREDCO has said in the letter.

NAREDCO has been persuading the state government to reduce the circle rate to be commensurate with the market rate.

"We are disappointed to learn about the proposal of the District Administration to increase the circle rate instead of lowering them. We reiterate our demand to reduce the circle rate instead of proposing to increase the same," Arora said.

Large number of projects are on the brink of collapse due to huge liquidity crisis as their revenues have dried up due to the impact of these unprecedented developments.

In these circumstances, the proposal to increase the circle rate would affect the demand for residential and commercial units.

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