

The Hindu 28.07.2009

Huge drop in applications for building plans

Staff Reporter

VIJAYAWADA: The cause or factors could be anything – recession, revised building rules, high prices and so on. But, the effect is a steep decline in the number of applications submitted for approval of building plans this year. Though the Vijayawada Municipal Corporation (VMC) is receiving applications for approval of plans for individual buildings now and then, the scenario is worst with regard to apartments and multi-storeyed complexes. The VMC has, literally, “not received even a single application” for construction of apartments in the city during the last three months.

According to official sources, the corporation received 10 to 15 applications during the last six months for construction of apartments or multi-storeyed complexes. The scenario was entirely different a year and half ago.

The corporation used to sanction building plans for apartments and group housing more than 60 a year. Sometimes, it even touched 80.

The corporation received 1,055 applications for approval of plans for houses in an area of less than 300 sq. yards, and 60 applications for buildings/houses in more than 300 sq. yards from January this year. A major chunk of these 1,055 applications were for sanction of approval for individual houses. The VMC, earlier, used to receive 1,400 to 1,500 applications a year. In the city, about 50 apartments and 2,500 individual houses used to be constructed every year on an average.

The town planning wing used to process 250 to 300 building applications a month, sources say.

Likewise, the town planning wing's receipts have also fallen to a greater extent.

The officials cite various reasons for decline in receipts, including withdrawal of 'infrastructure fund' that was earlier raised, collection of double amount of security deposits and so on. Officials point out that the Corporation is not collecting any security in view of the new building rules.

The builder/house owner would have to mortgage a portion of their building.

This clause was incorporated to ensure that building norms were followed rigorously.

The Corporation received only Rs. 2.57 crore from January this year. The building licence fee collected in 2006-07 was Rs. 3.5 crores.

It was Rs. 4.65 crores in 2007-08. The total receipts jumped to Rs. 23.15 crores in 2007-08, as two unusual components – infrastructure fund and Building Regulation Scheme – supplemented the receipts. The infrastructure fund was about Rs. 6 crore.