

The Hindu 22.06.2017

Chennai Corporation hikes rent for shops

Traders have appealed to civic body saying the hike is 9-10 times in some areas

The Chennai Corporation has increased rental rates for shops as per market value across the city.

Traders have started appealing to the Corporation to reduce the rent, claiming that the rates have been raised nine to ten times in some areas.

A few years ago, the Corporation started increasing rental rates for its shopping complexes. Based on recommendation by the Corporation's Revenue Department, initiatives were made to increase the rent.

Based on market value

The department sent a circular to revise the rent in all zones based on market value this year.

For example, in Ward 35, Muthamizh Nagar, traders in each of the 94 shops pay a rent of Rs. 11 per sq ft.

As per the market value, the rent is expected to be fixed at Rs. 20 per sq ft. In Ward 39, Suryanarayana Street, new shops have a rental value of Rs. 30 per sq ft. Rent for Corporation shops in Mottai Thottam in Ward 48 has been revised from Rs. 7 to Rs. 25 per sq ft.

After every three years, the corporation revises the rent for shops.

After completion of nine years, traders will get an opportunity to extend the lease by another nine years. In case the trader refuses to accept the revised rate, the shop would be auctioned.

The Chennai Corporation owns around 5,800 shops in the 15 zones of the city.