

Department of Public Relations, Chandigarh Administration

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PRESS RELEASE

Chandigarh, October 9 - The UT Administration has decided to review rules including the rules framed in 1960 for free hold property and 1973 for lease hold property so as to make the rules simpler, transparent, more precise and citizen friendly. Ever since the conceptualization of Chandigarh, the property in the city was being administered by two sets of rules framed in 1960 for free hold property and 1973 for lease hold property.

As a result of this initiative the Administration initiated the exercise to review the said Rules for which public opinion was sought. After undergoing a through consultative process with all the implementing agencies, it was felt that around 35 per cent litigation pending before the Estate Officer pertained to the payment of dues under these rules and therefore it was felt that a right balance has to be made between the rights of the citizens and the State and at the same time make the rules less discretionary as well as less litigation prone.

Accordingly, the Administration has clubbed both the rules namely the Chandigarh (Sale of Sites and Building) Rules, 1960 and the Chandigarh Lease Hold of Sites and Building Rules, 1973 and framed the new rules known as the " Chandigarh Estate Rules, 2007". The salient feature of the same are:-

- The allotment of commercial and residential properties will be done by way of auction.
- The interested bidders will have to deposit an earnest money of Rs. two lakh in order to be eligible for participating in the auction.
- The highest bidder or applicant will have to pay 25 per cent of the total bid or consideration money, at the fall of the hammer or within 30 days of the communication from Estate Officer respectively. The remaining 75 per cent will have to be paid within a period of 90 days from the date of auction.
- On payment of 25 per cent of bid amount money, an agreement to sell will be entered into by both the parties. If the allottee defaults in making the timely payment of remaining balance of 75 per cent within the stipulated time period, the 25 per cent paid by him will be forfeited and the property will be put to auction. Similarly, if the

Administration fails to fulfill its obligations to transfer or lease out the property for any reason other than the reasons connected with public order, security of State or change in Public policy, the Administration will be liable to pay the allottee an equivalent amount, as damages for non performance.

- If the highest bidder fails to pay the equivalent of the required 25 per cent as stipulated, the earnest money of Rs. two lakh deposited by him will be forfeited.
- Letter of allotment will be only issued on receipt of full and final consideration money.
- The encumbrance free possession of the property will be handed over only after the receipt of full consideration money and within 15 days of the execution of the deed of conveyance or lease deed. Ground rent in case of lease hold sites will be payable after the delivery of possession.
- The construction period for completion of a building, will be three years for all categories of sites from the date of execution of conveyance deed or lease deed instead of from date of auction/allotment

Those who cannot complete the building within three years may do so in the next five years on payment of extension fee as under: -

- (a) First year (beyond the said period of three years) @ 10 per cent of the total consideration money of the site;
- (b) Second year @ 15 per cent of the total consideration money of the site;
- (c) Third year @ 20 per cent of the total consideration money of the site;
- (d) Fourth year @ 25 per cent of the total consideration money of the site;
- (e) Fifth year @ 30 per cent of the total consideration money of the site.

No further time whatsoever would be granted for the purpose and in case the construction of the building is not completed within the aforesaid period, the Estate Officer may initiate proceedings under Section 8-A of the Act and the allottee or transferee or lessee would have no claim to any damages.

- The Estate Officer has been allowed to receive payments in cash up to Rs. two lakh in place of Rs. 500;
- Acceptance of money through the electronic transfer in addition to cash and demand drafts has been allowed;
- Special provision regarding lump sum deposit of ground rent allowed to Government institutions or educational institutions or charitable institutions has been done away

with, to bring parity and also to ensure regular stream of income every year.

- No site or building allotted on concessional rates and/or on lease hold basis shall be allowed to be transferred before expiry of 15 years from the date of allotment.

In the case of transfer after the expiry of 15 years by the original transferee (allottee/lessee) by way of sale or gift or mortgage or otherwise of the site or any right, title or interest therein, 1/3rd of the unearned increase in the value shall be charged.

- Monthly misuse charges would be levied @ Rs. 500 per sq. ft. of the area under misuse which shall be paid by the occupier or the owner as the case may be. The charges could be recovered as arrears of land revenue in case of non payment.
- The rates of ground rent remains the same i.e. 2.5 per cent of the premium for the first 33 years, 3.75 per cent of the premium for the next 33 years and 5 per cent of the premium for the remaining 33 years period of the lease.

The revised rules would ensure easy compliance and reduce litigation as these are simpler, transparent more precise and citizen friendly.