

The New Indian Express 03.11.2009

Study to fix rents in city

Express News Service

HYDERABAD: The Centre for Economic and Social Studies (CESS), based at Ameerpet will conduct a study for fixation of standard rent of buildings in Greater Hyderabad Municipal Corporation (GHMC) area at a percentage of the capital value of the building. Establishing new Rent Control Legislation is one of the mandatory reforms committed by State Government to Government of India under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and should be completed by March, 2010.

The State Government has entrusted the preparation of Rent Control Legislation to NALSAR University of Law. Fixation of standard rent is one of the most important items in the Rent Control Legislation. NALSAR University of Law has tentatively suggested that standard rent may be calculated on the basis of ten

percent per annum of the aggregate amount of cost of construction and the market value of the land comprised in the premises on the date of commencement of the construction.

The CESS has submitted a proposal to Government for the study on fixation of standard rent of buildings in GHMC area at a percentage of the capital value of the buildings at a cost of Rs 6.70 lakh. GHMC officials said that under JNNURM preparation of New Rent Control Legislation is mandatory.

JNNURM was launched in 2005-06 at an estimated cost of Rs 50,000 crore. JNNURM wanted the State Governments to undertake seven mandatory reforms and ten optional reforms at State-level over a period of seven years to have access for financial assistance

from Government of India. Establishing new Rent Control Legislation is one of the mandatory reforms, is one such reforms.

As the State Government has issued orders, the study will be taken up soon.