

Noida authority may open joint account with realtors

TO SPEED UP DELIVERY Authority to ensure that homebuyers' money is used to complete housing projects; authority to recover 30% of deposit for land costs



Many realtors in Sector 107 are yet to resume work on incomplete housing projects.

BURHAAN KINU/HT PHOTO

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NOIDA: The Noida authority on Monday said it may open joint accounts with builders to ensure that the builders spend money collected from homebuyers on completing housing projects instead of diverting it to other projects or use it for other purposes.

The move is aimed at winning the trust of homebuyers, who have stopped paying instalments to builders due to delay in delivery of flats. The account will be jointly controlled by the authority and the builder.

Transactions can be made only with the consent of both the parties i.e. the authority and the builder concerned.

"We are working on the modalities of a joint account of the Noida authority and builders

OFFICIALS SAID THAT BUILDERS DO NOT HAVE MONEY TO COMPLETE PROJECTS AS BUYERS HAVE STOPPED PAYING THE INSTALMENTS

to ensure fast delivery of group housing projects. We have directed a builder to submit the detailed working model for the same. Once we study the model and are satisfied with the outcome of the joint account system, the authority will implement it," Saumya Srivastava, deputy chief executive officer of the Noida authority, said.

The Greater Noida authority, on September 8, had come up with the idea of opening a joint account to restore homebuyers' trust in builders. Homebuyers

have stopped paying remaining flat cost to the builders because they fear that their payments were being diverted by the builder, resulting in failure to deliver their project on time.

The Greater Noida authority has already finalised the terms and conditions of the 16-point agreement under which the account will function.

Noida authority officials are hopeful that builders will submit all necessary details to them in the next few days. "We will take the final call on it without delay and also get it approved at our upcoming board meeting on October 3," the DCEO said.

There are 86 under-construction group housing projects in Noida, most of which are in advanced stages of construction.

"The account, if opened, will be operated by the builder and the Noida authority jointly.

Once the money collected by the builders is deposited in the account, the authority will ensure that 30% of it goes into paying land dues and 70% is spent on completing the project," a Noida authority official said.

Work on 95 group housing projects in Greater Noida was stopped midway as builders did not have funds to carry on with the construction, officials said. Disruption of work has affected around one lakh homebuyers in Greater Noida and thousands in Noida.

Builders have failed to pay ₹2,600 crore land dues to the Greater Noida authority citing a slowdown in sales. In Noida, builders are yet to pay ₹7,200 crore to the authority for land cost. Officials said that the joint account will persuade buyers to start payment, resolving the ongoing deadlock in the market.