

**htestates****LAW BOOK**

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Can a developer reduce the percentage of undivided interest of the allottees in common areas and facilities of the project? The project in question is located in Andhra Pradesh.

– Sugandha Rao

As per Andhra Pradesh Apartments (Promotion of Construction and Ownership) Act, 1987, after the plans, specifications, and the nature of fixtures, fittings, amenities and common areas as sanctioned by the local authorities or urban development authority concerned, are disclosed to an intending transferee, and a written agreement of sale has been entered into, the developer is not entitled to make any additions and alterations therein. Any additions/alterations that affect all apartments can only be carried out after obtaining prior approval of the local authority or concerned urban development authority.

The percentage of undivided interest of each apartment owner in common areas and facilities as expressed in the declaration filed by the developer, may not be altered without the prior consent of all apartment owners, expressed in an amended declaration duly executed and registered as provided in this Act.

I am the original allottee of an under-construction flat. As I am unable to continue paying the installments, can I transfer my allotment? Is stamp duty to be levied on such a transaction?

– Shankar Lal

If you wish to cancel your allotment and know of a third party who is willing to purchase this under-construction property, you may request the developer for transfer/ endorsement of the allotment in favour of such third party buyer, in accordance with the specific transfer procedure set out by the developer and as per the terms and conditions contained in the flatbuyers' agreement. For enabling transfer of allot-

ment of an under-construction property, a developer may demand payment of transfer charges prescribed by the developer which are usually calculated on a per square foot basis. There are certain states in which agreement to sell (including buyer's agreement) are compulsorily registerable and requisite stamp duty is required to be paid.

I have received a demand letter from the developer of a project, regarding increased payment towards EDC and IDC. What is the difference between EDC and IDC? Is the developer entitled to raise such a demand?

–Anjuman Shah

External development charges (EDC) are usually payable towards utilisation and repair, maintenance and strengthening of external development works such as water supply, sewerage, drains, roads, colleges, hospitals, fire stations, etc. These works are undertaken in the periphery of the colony/area or outside the colony/area and internal development charges (IDC) are utilised towards works that are necessary in the interest of development of a colony such as metaling of roads, sewers, etc.

Although developers are required to pay EDC and IDC to the local/urban development authority/body, they usually recover the same on pro-rata basis from prospective buyers. As per current market practice, most flat buyer's agreements stipulate that the developer would have the right to collect additional amounts towards EDC/IDC from prospective buyers, in case of an enhanced liability to pay the same arises.

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