

## **CHAPTER XIII**

### **PUBLIC SALE PROJECTS**

#### **No Objection Certificate for Public Sale Projects**

110. All commercial/multistoried buildings to be constructed for onward transfer of title in piece meal (in the form of sub lease etc) are bound to obtain NOC for sale from PDOHA in accordance with these regulations.

111. **Application for NOC.** A builder applying for NOC to PDOHA shall furnish the requisite documents and particulars in prescribed Form as appended to these regulations, duly signed by all concerned.

112. **Undertaking of the Builder or Professional.** The builders and their architect or engineer submit the undertaking alongwith the prescribed Form. The undertaking of the builder, as architect and engineer shall be on a stamp paper in accordance with format specified in Form.

113. **Determination of Price and Cost Estimate.** A builder shall submit the selling price of various units for registration purposes with details, specifications and work programme for the project as specified in Form. This price shall be quoted in all the advertisement and promotion literature published by the builder, no escalation in the cost shall be allowed except where inflation (as defined by the Ministry of Finance) is above double digit for particular year in such case excess over the double digits shall be the percentage of price increase. In this case the builder shall simply inform the PDOHA alongwith relevant inflation figure. No escalation shall be granted to the builder who has failed to complete the project in time.

114. **Fee for NOC.** A builder shall pay to PDOHA a fee for the "NO OBJECTION CERTIFICATE FOR SALE" to publish a notice on the salient features of each public sale project (name of project, address, builder, office address, architect or engineers, number of floors, number and sizes of shops, flats, offices, compulsory open spaces, date of completion, and draft agreement, etc) within seven days of issuance of "NOC for Sale."

#### 115. **Security Deposit**

- a. The builder shall deposit cash security equivalent to one percent of the cost of construction of the project with the PDOHA to be held in a separate account which shall be recovered in advance from owner or builder before issue of approval of building plan or NOC for sale. In addition, in case of delay in completion of the project, where such delay has not been condoned as per regulation 128, deduction from the security shall be made in proportion to the extent of the delay. This amount or lesser amount shall be refunded on the successful completion of the project and after obtaining the Occupancy or Completion Certificate and the expiry of the maintenance period as enunciated in the NOC granted by the PDOHA.

- b. PDOHA shall have the right to utilize the security deposit to remedy any fault or defect in the construction of the building after receiving complaints or notice and if the builder fails to rectify the same by himself or violation of any condition of the NOC granted by the PDOHA that come to light at the time of the completion of the project or in case the builder fails to comply with any of the following, namely:-
- (1) To construct the building in accordance with the design specifications agreed with the purchaser and approved by PDOHA.
  - (2) To complete the building on time as per agreement with the purchaser.
  - (3) To provide services as per agreement with purchaser.
  - (4) To obtain Occupancy Certificate from PDOHA.
  - (5) If builder is found to be involved in any unlawful activities in the project.
  - (6) To rectify defects after occupation provided the builder is at fault.
- c. Any such defect or violation shall have to be made good by the builder at his own cost and risk and the cash security deposit, shall not absolve the builder of his responsibility to the project as per condition of NOC.
- d. This security deposit shall not, in any way prejudice the PDOHA's rights under these regulations to initiate any other proceedings or action in the event or violation of any of these regulations.
- e. The deposit shall be released to the builder after one year of obtaining Occupancy Certificate but after meeting all builder's liabilities as cleared by the PDOHA.

116. **Application Form for Allotment.** After the receipt of NOC from the PDOHA the builder shall get filled in an application form from a person intending to book a unit in the project.

117. **Execution of Sub-Lease.** A unit shall be offered for sale on cash or cash-cum-loan basis as per schedule of payment. Sub-lease shall be executed as per sale and allotment conditions, in favour of allottee, before delivering the possession of the unit. The allottee shall own the building structure of his unit and shall proportionately share the price or rent of land of the unit with other allottees of the project.

118. **Confirmation of Allotment.** The builder through an allotment letter to the allottees shall confirm the allocation of the unit, within fifteen days of booking. The allotment letter shall specify the unit number, floor, floor area of the unit, general facilities, fittings and fixtures with their make and material, the total price of the unit and details of

other charges together with the key plan of unit in line with key plan approved by the PDOHA at the time of NOC.

119. **Agreement with Allottee.** Within fifteen days of the issuance of allotment letter and before calling other installments in respect of the unit, the builder shall execute an agreement with the allottees.

120. **Payment of Installment**

- a. The payment of installment shall be made by the allottee strictly according to the schedule of payment. In case of failure a fifteen days notice shall be issued by Registered Acknowledgement Due or registered courier service on the last given address and if the allottee fails to make payment within the above period another notice shall be issued by the builder upto another thirty days. In case of further failure a cancellation letter shall be issued to the allottee and a copy of which shall be endorsed to the PDOHA. The builder shall not rebook the cancelled unit within thirty days of receipt of copy of cancellation letter by the PDOHA. Provided that builder shall publish the cancellation notice in the two leading news papers (English and Urdu) under the heading of cancellation of flat or unit.
- b. In response to the above cancellation notice, if the allottee intends to continue the booking, the builder shall restore the allotment, after receipt of pending payment and charging the markup on the prevailing bank rate for the period of delay on unpaid installment.
- c. If no response to the PDOHA is received from the allottee during the said period, the cancellation of the unit shall be confirmed automatically. In case the cancellation is made before allocation, the builder shall refund the total amount paid till that time by the allottee within thirty days. However, after allotment of unit, the builder shall retain four percent of the amount paid that far, and the rest of the amount shall be refunded within thirty days.
- d. In spite of failure to make payment of installments in time, if the builder does not resort to cancellation as provided in these regulations, the builder may or may not charge markup on the unpaid installments at the prevailing bank rate and the allottee shall be informed accordingly.

121. **Loan Component.**

- a. The builder may arrange the availability of loan, if the project contains a loan component. If the loan is refused or reduced due to any reason whatsoever by the loan giving agency, the allottee shall pay the loan amount from his own resources. However, extra time of at least six months shall be given to allottee to pay the loan component to the builder.
- b. The allottee must complete all documentation for lease and loan within one hundred and twenty days of booking as written in the agreement and the builder shall issue a reminder. The repayment of the loan installments shall

be made by the allottee or borrower to the loaning agency as an when it falls due as per rules of the relevant agency. The allottee or borrower shall abide by the arrangements of loan and will follow rules and regulations and orders and instructions of the loaning agency.

122. **Documentation and Connection and Meter Charges.** Documentation charges for sub-lease and loan, and external service connection charges for gas, electricity, sewerage and water shall be paid in proportion to the unit area in accordance with the actual payment made to these agencies plus fifteen percent as service charges for their respective services. This amount should be paid at the time of deposit of challan. In case any allottee fails to make this payment he shall pay mark up on the amount at the prevailing bank rate.

123. **Minor Changes.** The builder shall construct the building strictly according to the approved building plans. However, minor changes, if any, within the unit may be made by mutual arrangement between builder and allottee provided that these do not contravene the regulations and such changes do not effect the structural stability of the building and do not usurp the right of the other allottees.

124. **Clearance of Dues for Execution of Sub-Lease.** The sub-lease of the unit shall be executed in favour of the allottee before handing over the possession of the unit, provided the allottee has made payment of outstanding amount up to that time.

125. **Timely Completion of the Project.** The builder shall maintain steady progress of work irrespective of the situation of payment by the individual allottees and availability of loan by the loan-giving agency. The builder shall fulfil the obligation of the timely completion of the project by arranging the deficit finances from his own resources. The builder shall inform the allottees every three months regarding progress of the project.

126. **Withdrawal of Allotment.** The allottee can surrender his allotment of the unit by surrendering the original letter of allocation or allotment to the company and in this event the builder will refund to the allottee the amount deposited till that time. In case the cancellation is made before allotment the builder shall refund total amount paid by the allottee till cancellation within thirty days. However, after the allotment of unit four percent of the amount paid that far, for the unit, shall be retained by the builder and the rest of the amount shall be refunded within thirty days.

127. **Extension in Date of Completion.** Extension in date of completion shall be allowed to a builder if he produces documentary proof that more than fifty percent of his clients have defaulted in payments of two or more installments for over six months period. The builder shall also submit consent of atleast fifty percent of the allottees while applying for the extension in time.

128. **Sublet and Transfers of Allotment.** The allottee can sublet, transfer or sell his unit to any one, with prior written permission of the builder, who shall allow transfer on receipt of all outstanding dues up to that time and transfer fee at rate of half percent of total price of unit, and no transfer fees shall be charged in case the transfer is made within three months of allotment.

129. **Physical Possession and Caretaking Charges.** The builder shall, after obtaining Occupancy Certificate from the PDOHA, which shall include the provision of electric, gas, water and sewerage services (obtained by the builder from respective civic agencies), issue intimation letters to the allottees. The allottee shall take over possession of the unit within thirty days of receipt of such letter from the builder. In case of delay, the builder shall charge per month as specified in the agreement from the allottee for caretaking of the unit in good condition.

130. **Delay in Completion and Compensation for Period of Delay.** The builder shall complete the project and hand over physical possession of the unit complete in all respect to the allottee by the time specified by the PDOHA. In case of delay in handing over possession, the builder shall pay markup to the allottee at the rate of prevailing banks rate on the total amount paid, for the period of delay calculated from the completion time specified by the PDOHA or extension made thereof.

131. **Abandonment of the Project.** If, for any reason, the project is abandoned by the builder, the builder will refund the total amount received from the purchaser with mark up at the prevailing bank rate on the same, for the whole period of retention of the money, alongwith an additional compensatory amount equal to ten percent of the amount received from the allottee up-to-date against the booked unit, within sixty days of the announcement to the effect of the abandonment of the project.

132. **Defect Liability.** The builder shall assume defect liability of the unit for a period of one year in respect of structure and six months in respect of fixture from the date of offering possession of the unit after obtaining Occupancy Certificate, and all defects shall be rectified.

133. **Sale or Transfer of the Project (Excluding Special Projects).** No builder shall sell or transfer the whole project to any one for sale, or transfer the units of the project to the general public, unless prior intimation to the PDOHA is given and No Objection from the two-third majority of the allottees is obtained. The new builder shall assume all responsibility and liabilities of the agreement made between outgoing builder and allottees after completing the transfer procedure as per Transfer Regulations of PDOHA. In addition, the new builder must get a fresh NOC from PDOHA in his favour. In case the owner/transferee fails to comply with these regulations, A/B Lease shall be determined forthwith by PDOHA.

134. **Formation of Association and Maintenance of Utilities.** The allottees would form an association to handle the affairs of the project and maintenance of the services and amenities. The rights of easement, appurtenances and other common rights shall be transferred to such association.

135. **Settlement of Disputes.** All disputes of the builder and allottee shall be referred to the PDOHA. Any appeal against the decision made by the authorized officer of the PDOHA may be filed before the Administrator PDOHA, whose decision shall be final and binding.

136. **Instructions of PDOHA.** Besides the above regulations, the orders and instructions of the PDOHA in accordance with these regulations, issued from time to time, in this regard shall be followed strictly.

137. **Use of Amenity Spaces.** Common use or amenity spaces, recreational area, parking area in the project shall neither be converted nor mis-utilized but will be used exclusively for the benefits of the allottees of the project as per approved plan