Circular No:P/2/2017-4, Dt: 09-06-2020.

In the project registration process, Authority has observed that many promoters are submitting the Estimated Cost of the Project wrongly to this Authority and there are few no of Quires which is related to the estimated cost of the project. In this regard by keeping in view of Section 2(v) of the RERA Act, 2016, AP RERA has decided to give a clarification in this matter. AP RERA for the better understanding has divided the Estimated cost of project into two parts i.e., Land Cost and the Construction cost/Development cost. The cumulative of both the components will be Estimated Cost of the Project which the promoter has to submit while registering the project with AP RERA. In this regard AP RERA has decided to inform as to what components falls under the Estimated Cost of the Project. They are as follows:

Land Cost Components:

<table>
<thead>
<tr>
<th>Cost Component</th>
<th>Meaning</th>
</tr>
</thead>
</table>
| Acquisition Cost of Land (to be considered as on RERA Application date) | • If the land is acquired/purchased – cost of acquisition (or) latest revised value as per Sub-registrar records whichever is higher  
• If the land is inherited – cost of land is the latest revised value as per Sub-registrar records |
| Acquisition Cost of Development Rights               | • Amount paid for acquiring rights through registered Development Agreement or deed for the purpose of execution of project under consideration |
| Lease Premium / Rent                                  | • Value as per registered lease agreement which is under force                                 |
| Interest cost incurred or payable on Land Cost       | • Applies in case the land is acquired by obtaining a loan – secured or unsecured  
• Amount of Interest payable/paid to the lender for acquiring the land on which the project shall be executed.  
• Also, includes bank charges & other expenses incurred to obtain the loan on land |
| Legal cost                                           | • Amount paid to lawyer/advocate/court (in case of                                             |
disputed land) to obtain opinion on clear title of the land
- Any other amounts paid to lawyer/advocate/court (in case of disputed land) in the process of acquisition of land or in the process of obtaining development rights

| Amount of TDR payable to obtain: (i) development rights (or) (v) additional floor area (or) (vi) fungible area | Transfer of Development Rights (TDR) means making available certain amount of additional built up area in lieu of the area relinquished or surrendered by the owner of the land, so that he can use extra built up area either himself or transfer it to another in need of the extra built up area for an agreed sum of money
- Amount paid towards purchase of TDR’s

Duties & Taxes
- Amounts payable to State Government or competent authority or any other statutory authority of the State or Central Government, towards stamp duty, transfer charges, registration fees etc.,

Development/Construction cost Components:

<table>
<thead>
<tr>
<th>Cost Component</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chartered Engineer’s Certificate (for estimation)</td>
<td>Estimated cost of Construction as Certified by Engineer</td>
</tr>
<tr>
<td>Chartered Accountant’s Certificate (for actuals)</td>
<td>Actual Cost of construction incurred as per the books of accounts as verified &amp; certified by the CA</td>
</tr>
</tbody>
</table>
| Onsite Expenditure development of entire project | Salarico, consultant fees, site overheads, development works, cost of services including water, electricity, sewerage, drainage, layout roads etc.,
- Cost of machineries & equipment including its hire & maintenance costs, consumables etc.
- All costs directly incurred to complete the construction of the entire phase of the project registered |
| Taxes, Cess, Fees, Duties etc., | Payment of Taxes, Cess, fees, charges, premiums, interest etc to any statutory Authority |
| Finance/Interest Cost | Interest payable to financial institutions, scheduled banks, nonbanking financial institution (NBFC) or money lenders on construction funding or money borrowed for construction
- Bank Charges |
Keeping in view of above two tables, AP RERA hereby directs all the promoters who have registered the projects to alter the estimated cost of the project/who are going to register the projects with AP RERA has to keep in mind and submit the exact information while registering the projects.

If any promoter is submits the false information to this Authority, action will be taken as per Section 60 of the RERA Act, 2016, where such promoter is liable to pay the penalty which may extended up to 5% of the cost of the Real Estate Project.

Copy to:

1. Members of the AP RERA
2. Sr. ITO Officer, AP RERA to publish in the website.
3. Officers/staff of AP RERA.
4. To be kept in record.