

EXPRESSION OF INTEREST DOCUMENT

December 2018



EXPRESSION OF INTEREST DOCUMENT FOR RESIDENTIAL TOWNSHIP

25.9 ACRES, YENDADA, VISAKHAPATNAM

Visakhapatnam Metropolitan Region Development Authority

1. PROJECT BACKGROUND

Visakhapatnam Metropolitan Region Development Authority (VMRDA), the urban planning authority of the city of Visakhapatnam in the state of Andhra Pradesh, is currently in possession of a land parcel admeasuring approx. **25.9 acres (Sy. No. 1/2p)** located in Yendada, Visakhapatnam.

The micro – market of Yendada is emerging as a prominent organised residential hub and is in proximity to delineated IT/ITeS hub of Madhurwada. Considering the growing population of the city and the objective of housing for all, VMRDA proposes to develop a residential township catering to various product positioning viz. affordable, MIG & HIG categories along with support amenities.

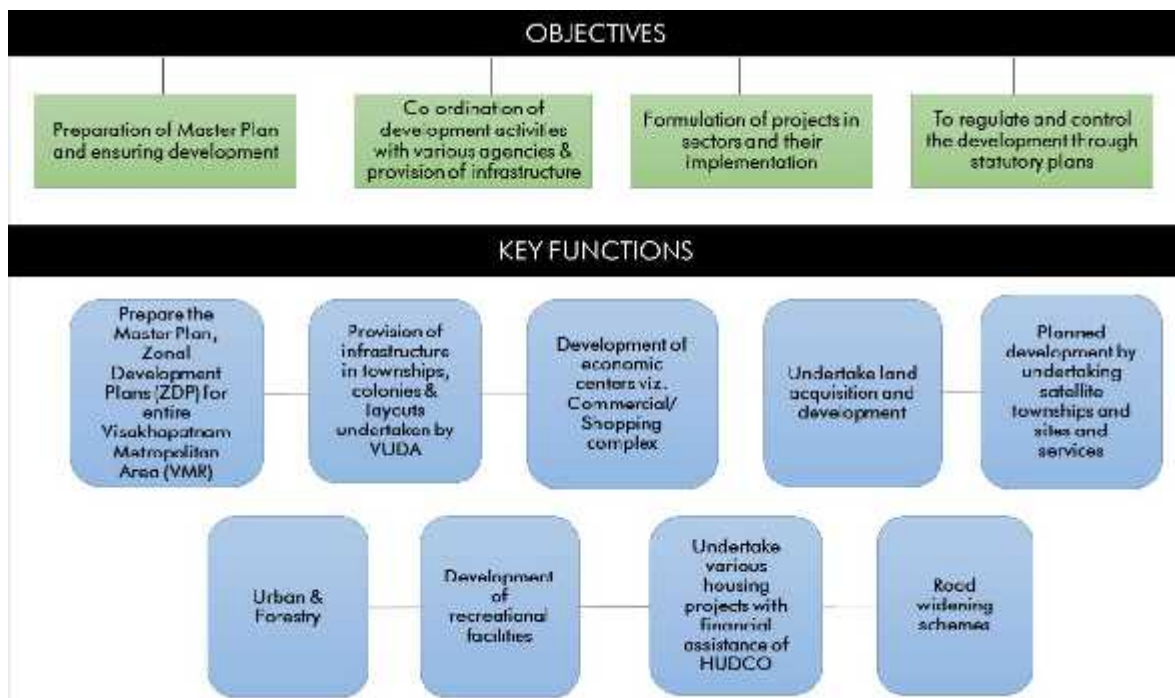
In this context, VMRDA invites interested developers/ firms / corporates to develop the residential township on PPP basis and partner with them in this endeavor.

The subsequent sections provide detailed understanding of the prevalent market dynamics in the subject micro-market that can be taken into consideration while evaluating and responding to the opportunity at the subject site.

2. ABOUT VISAKHAPATNAM METROPOLITAN REGION DEVELOPMENT AUTHORITY (VMRDA)

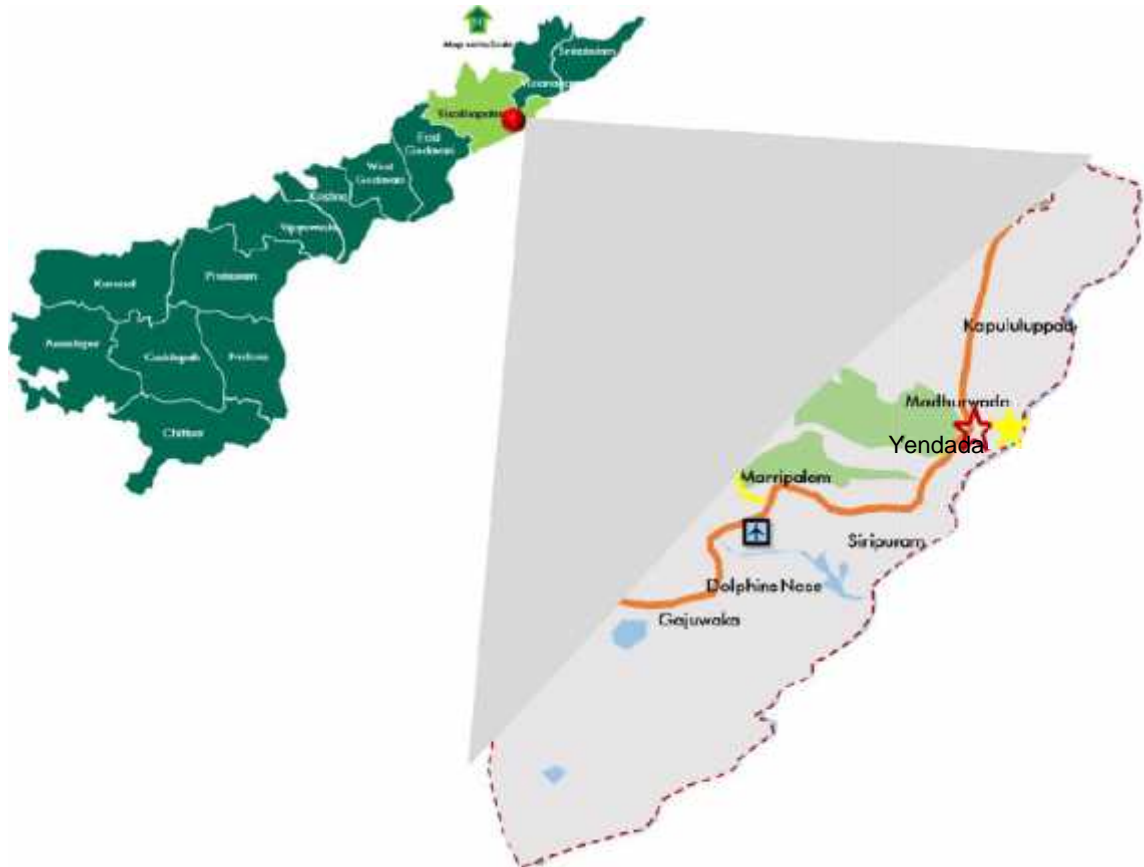
Visakhapatnam Metropolitan Region Development Authority was constituted on 05th September 2018, under AP Metropolitan and Urban Development Authorities Act, 2016 duly dissolving Visakhapatnam Urban Development Authority (VUDA) with its jurisdiction extending over Greater Visakhapatnam Municipal Corporation, Srikakulam Municipal Corporation, Municipal towns namely Vizianagaram, Amadalavalasa, Yelamanchali, Nagar Panchayats Rajam and Nellimarla and also including 1312 villages, comprising an area of 6501.65 sq.kms.

VMRDA, as part of its specified objectives, prepared a Master Plan for the entire Visakhapatnam Metropolitan Region (VMR). The zonal development plans of Vizianagaram, Bheemunipatnam, Gajuwaka and Anakapalli towns have been sanctioned. In the peripheral area zonal development plans of Madhurawada, Rushikonda and Gopalapatnam have been sanctioned. VMRDA also has the responsibility of coordinating and implementing important Urban Development Plans. The objectives & functions of the nodal agency are mentioned below:



3. ABOUT VISAKHAPATNAM

Visakhapatnam city is located along the eastern seashore of India and is the largest urban agglomeration in the new state of Andhra Pradesh, renowned for its tourism, natural seaport and a long coastline. The Visakhapatnam Metropolitan Regional Development Authority (VMRDA) covers an area of 6501.65 sq.kms including Srikakulam, Vizianagaram, and Visakhapatnam Districts.



Key Information	Visakhapatnam	VMRDA
Area (Sq. Km)	540	6764
Total Population as of 2011 (in mn)	1.73	5.39
Literacy Rate (%)	67%	62%
Gross District Domestic Product (at constant prices)	65,458 INR Cr.	91,887 INR Cr
Major Economic Driver ¹	Service sector (trade owing to port) followed by Industry sector (Oil & Gas refining, metallurgy, F&B processing)	
Major Corporates Present	Ispat (Visakhapatnam Steel Plant), Hindustan Petroleum Corporation Ltd., National Thermal Power Corporation Ltd., Hindustan Zinc Limited, Mahindra Satyam, HSBC, IBM, Wipro, Kenexa, etc.	

4. LOCATION AND SITE DYNAMICS

The subject property is located towards the northern periphery of the city in the micro – market of Yendada. The micro – market considered as one of the fast emerging organised residential hub. Traditionally the surrounding around the subject land parcel was dotted with unorganized real estate activity in terms of standalone residential apartments and a few commercial developments. However, in due



course of time, several large residential projects by prominent developers have developed in the immediate vicinity of the site. ‘Panorama Hills’ by Shriram Properties is one of the noted residential townships in the influence zone and is located adjacent to the subject property.

Given below is the distance from key landmarks of the city to the subject site:

Landmarks	Distance from Subject Land Parcel (km)
Rushikonda Beach	4 – 5
Ramakrishna Beach (RK Beach)	11 – 12
Visakhapatnam City (CBD Areas like Siripuram)	13 – 14
Visakhapatnam Railway Station	14 – 15
Bheemili Town	16 – 17
Visakhapatnam Airport	21 – 22

The subject land parcel is located between National Highway – 16 and Beach Road and within a distance of 3 – 4 km from the IT/ITeS cluster on the hills of Madhurwada.

The subject land parcel is surrounded as follows:

- North: Government Land (Part of Hill)
- South: Government Land (Part of Hill)
- East: Privately Developed Residential Township – Shriram Panorama Hills
- West: Government Land (Part of Hill)

The map below highlights the profile of surroundings in the Influence Zone of the subject property:



 Key commercial/ retail developments	 Key hospitality developments
1 Startup Village	10 Sai Priya Resort
2 Symbiosis Technologies	11 6th Avenue
 Key residential developments	 Key social infrastructure
3 Shriram Panorama Hills	12 Gitam University
4 MK Gold Coast	13 Ambedkar Group of Institutions
5 Vaisakhi Skyline	14 GVP College of Engineering
6 Lorven Altius	 Recreation/ Entertainment/ Tourism
7 India Bulls Sierra	15 Andra Tourism
8 The Address	16 Indira Gandhi Zoological Park
9 The Summit 696	17 YSR Cricket Stadium

4.1 KEY SITE ATTRIBUTES

Key Site attributes	
Location	Yendada, Visakhapatnam
Land Extent	25.9 Acres
Survey No.	Sy. No. 1/2p
Zoning	'Hill' category under 'Conservation Zone'
Accessibility	Currently, the land parcel is land locked with no presence of access roads. VMRDA to develop access road
Frontage	NA
Topography	Hilly Terrain
Site Layout	Irregular shaped land parcel
Current Use	Vacant Land Parcel

Map below highlights the site plan of the subject property

VMRDA to PROVIDE

4.2 ACCESSIBILITY, LINKAGES AND PROFILE OF IMMEDIATE SURROUNDING

DEVELOPMENTS

During the site visit, it was observed that the site is currently land-locked and does not have any access roads. However, based on discussions with VMRDA, we understand that a primary access road for this property would be developed emanating from 30 m wide under construction road which connects Yendada & Madhurwada. Further, it is to be noted that the site is near (less than 1 Km) to National Highway 16 (Chennai – Kolkata highway) on the eastern side

The map below highlights the arterial roads, linkages from the subject site to the key nodes of the city and highlights the profile of immediate surrounding development:



Source: CBRE

4.3 SITE IMAGES



View 1 of Subject Land Parcel



View 2 of Subject Land Parcel



View from the summit of the land parcel – Northern Side



View of the subject land parcel – Northern end



View of Panorama Hills



View of road leading to Panorama Hills

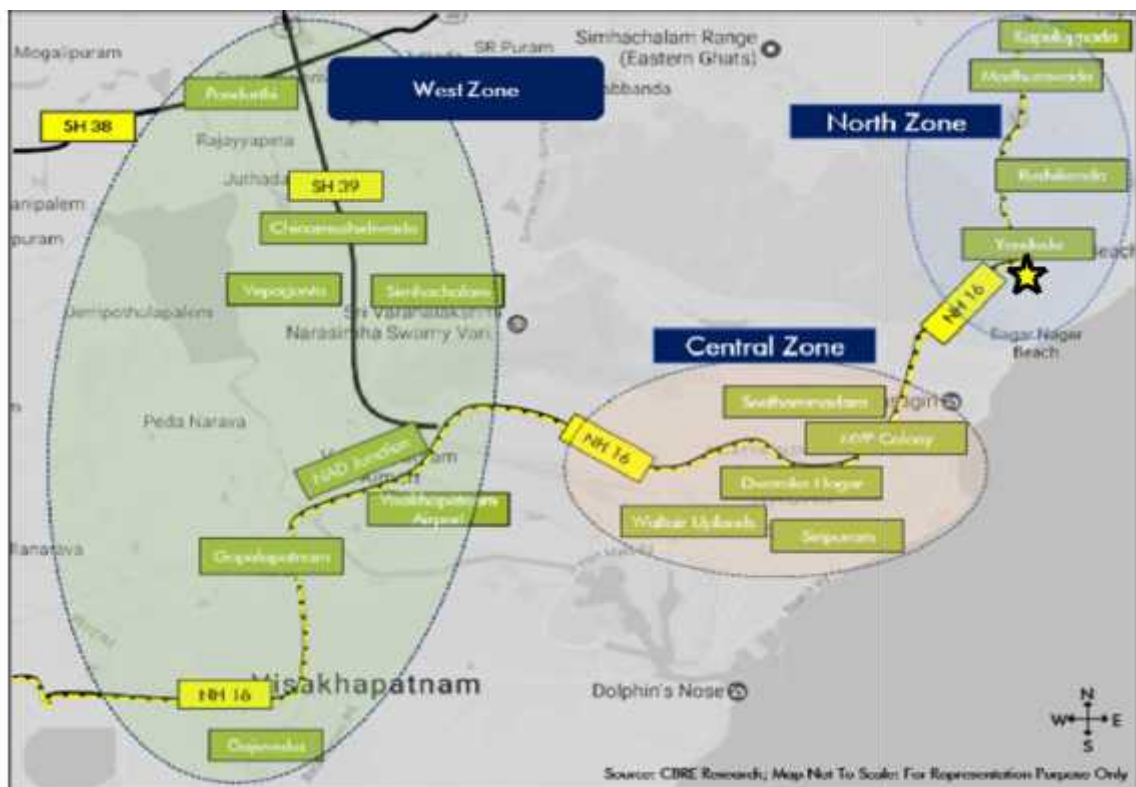
5. OPPORTUNITY ASSESSMENT FOR SUBJECT SITE

5.1 RESIDENTIAL MARKET OVERVIEW

Traditionally, the residential activity in the city was limited to independent houses and builder floors clustered around the center of the city. The city was dominated by low rise developments. However, with the delineation of IT/ITeS hub at Madhurwada and initiation of several initiatives to promote economic development, the city witnessed advent of organized developers developing residential township over the last decade.

Currently, the city has the presence of multiple residential development formats such as residential apartments by local/ reputed developers, Villas, Independent houses, etc. The residential market in the city can be classified in to three key vectors such as central, north and west based on the concentration and profile of development activity. These vectors can be further sub classified in to multiple micro markets as detailed below

- **Central Zone** ~ Siripuram, Waltair Uplands, Seethammadhara, MVP colony, Dwaraka Nagar, etc.
- **North Zone** ~ Madhurawada, Yendada, Rushikonda, etc. (subject region)
- **West Zone** ~ Gajuwaka, Vepagunta, Chinamushidiwada, Pendurthi, Gopalapatnam, NAD junction, etc.



5.1.1 MARKET OVERVIEW – NORTH ZONE

North zone of Visakhapatnam comprises of micro – markets of Madhurwada, Yendada (subject micro – market), Rushikonda, etc. North zone is a geographic extension of central zone and hence has witnessed spillover of demand from central areas. Factors contributing growth of residential activity in North Zone include escalating land values in established residential hubs and growth of IT/ITeS segment in North Zone.

Most of the residential developments (existing/ under construction projects) in this region primarily comprise of small to medium scale apartment developments (ranging between 20 and 50 Dwelling Units (DU's)). However, the zone has witnessed launch of a few large-scale residential developments (in excess of 100 units) offering superior specifications and improved amenities in the recent past viz. MVV City, Indiabulls 'Sierra', Shriram Properties 'Panorama Hills', The Celest, etc.

North zone attributes to over 69% (approx. 7,400 units) of the city level supply and is characterized by the presence of mid to high end residential developments. Minimal unsold demand witnessed in the region approx. 92% (approx. 6,900 units) reflective of healthy demand levels in the market. Given below are the prominent developments in the region:

Sl. No.	Development Name	Developer Name	Zone	Number of DU	Absorption DU (as on date)	Current Capital Value (INR/ per sft)
1	Indiabulls Sierra	Indiabulls	Madhurwada (North)	620	490	3,400 – 3,500
2	Panorama Hills	Shriram Properties	Madhurwada (North)	1312	1013	3,500 – 3,800
3	MK Gold Coast	MK Builders & Developers	Yendada (North)	555	200	3,400 – 3,500
4	Vaisaki Skyline	Vaisakhi Developers	Yendada (North)	612	213	3,700 – 3,800

Source: CBRE Research

As highlighted in the table above, prevailing capital values witnessed in the North Zone (subject zone) are in the range of approx. **INR 3,500 – 3,800 per sft.**

5.1.2 OPPORTUNITY ASSESSMENT

Enablers

Strategic location – subject property is located in the emerging organized residential hub of the city

Proximity to the Commercial hub – located in the delineated IT/ITeS hub of the city leading to opportunity to cater to demand from IT/ITeS populace

Superior Connectivity ~ enjoys excellent connectivity via. NH - 16 and proposed metro rail (nearest station of Madhurwada) will further enhance the connectivity to the subject development

Topography – Provides panoramic view of the area viz. Eastern Ghats and the sea

Challenges

Lack of Accessibility ~ Subject site currently lacks access roads, VMRDA to develop access roads

Higher development and infrastructure costs owing to terrain and topography

Keeping the existing residential market dynamics, site location and connectivity in perspective, it is opined that the subject site is well suited to develop a residential township

6. PROJECT PROPOSAL FOR THE SUBJECT SITE

VMRDA has envisaged to develop **a residential township spread across an area of approx. 25.9 acres** for which interested developers, partners, corporates & parties of repute can be provided land for the following segments:

Development Potential at the Site based on G.O. 119 (currently, the land parcel does not possess accessibility and the development potential for the same has been calculated assuming VMRDA would develop a 100 ft wide access road)		
Land Area	25.9	
Abutting Road Width (ft)	100ft (to be developed by VMRDA)	
Height Permissible (m)	Over 55	
Set – back requirements	16 m on all sides and additional setback of 0.5 m for every 5 m of height is insisted post 55 m	
Parking Requirements	20% of the total built – up area	
Residential Township		
Sl. No.	Asset Class	Description
1.	Residential Apartment development	<ul style="list-style-type: none"> ➔ Comprising of affordable, MIG & HIG units ➔ Expected capital value – approx. INR 3,500 – INR 3,800 per sft

7. PROPOSED STRUCTURING

Option I

Residential Township Project

Joint Development Model – Space Sharing Basis

The Authority being Land Owner under this model will offers his land and the developer puts equity for development of the land. The land owner and the builder share the constructed area in the pre-agreed ratio and retain the saleable rights of such portion of the residential flats.

- A developer having requisite technical and financial credentials and offering highest share in the project will be selected through a bidding process.
- Joint Development Agreement will be signed.
- Execution of the Project (b) by the Selected Bidder.
- VMRDA will have its agreed share and shall have the leasable and saleable rights of its share of Project

Option II

Residential Township Project

Joint Development Model – Revenue Sharing Basis

The Authority being Land Owner under this model will offers his land and the developer puts equity for development of the land. The builder will share a percentage of the revenue with the land owner in a pre-agreed ratio and will be responsible for construction, management and marketing of the project. The land owner will receive the revenue as per the pre-agreed ratio as quoted at the RFP stage

- A developer having requisite technical and financial credentials and offering highest revenue share in the project will be selected through a bidding process.
- Joint Development Agreement will be signed.
- Execution of the Project (b) by the Selected Bidder.
- VMRDA will have its agreed revenue share on the overall sales of the project

Formats for Submission of Expression of Interest

Expression of Interest (EOI) for Development of a residential township on a 25.9-acre land parcel located in Yendada

FORM - A

**DECLARATION REGARDING ACCEPTANCE OF TERMS & CONDITIONS CONTAINED IN
THE EXPRESSION OF INTEREST (EOI) DOCUMENT**

To

Sri. P. Basanth Kumar, I.A.S

Metropolitan Commissioner, VMRDA

Visakhapatnam Metropolitan Region Development Authority

8th Floor, Udyog Bhavan, Siripuram Jn.,

Visakhapatnam-530003

vcvuda@yahoo.com

Sir,

I have carefully gone through the Terms & Conditions contained in the EOI Document [No. _____] regarding applications for Expression of Interest (EOI) from interested firms/ developers for development of a residential township.

I declare that all the provisions of this EOI Document are acceptable to my Company/ Consortium. I further certify that I am an authorized signatory of my company and am, therefore, competent to make this declaration.

Yours truly,

Signature:

Name : _____

Designation : _____

Company : _____

Address : _____

Expression of Interest (EOI) for Development of a residential township on a 25.9-acre land parcel located in Yendada

FORM – B

DECLARATION REGARDING CLEAN TRACK RECORD

To

Sri. P. Basanth Kumar, I.A.S

Metropolitan Commissioner, VMRDA

Visakhapatnam Metropolitan Region Development Authority

8th Floor, Udyog Bhavan, Siripuram Jn.,

Visakhapatnam-530003

vcvuda@yahoo.com

Sir,

I have carefully gone through the Terms & Conditions contained in the EOI Document [No _____] regarding applications for Expression of Interest (EOI) for Development of residential township. I hereby declare that my company/ Consortium has not been debarred/black listed by any Government / Semi Government organizations. I further certify that my company has authorized me to make this declaration.

Yours truly,

Signature:

Name : _____

Designation : _____

Company : _____

Address : _____

Expression of Interest (EOI) for Development of a residential township on a 25.9-acre land parcel located in Yendada

FORM – C

A. GENERAL INFORMATION (TO BE FURNISHED FOR THE SINGLE BIDDER/EACH MEMBER OF THE CONSORTIUM SEPARATELY)

- i. Name of the Firm / Company:
- ii. Type of Firm / Company (Proprietary/Partnership, Private Ltd. Co. / Public Ltd. Co. etc.):
- iii. Details of Main Business:
- iv. Date of Incorporation/ Commencement of Business:
- v. Registered Office:
- vi. Postal Address:
- vii. Contact / Fax / email:
- viii. Details of Proprietor / Partners / Directors etc.:
- ix. Details of Contact Person for this EOI (Give names, office & residence addresses, Telephone, Fax, Email etc.)
- x. Details of Registration of Firms / Company etc.:

(Note: Certified copy of certificates for Date of Incorporation, Commencement of Business shall be submitted. In case of partnership Firm, Certified True copy of the Registration Certificate shall be submitted)

Signature of Applicant (with seal)

*by a person having necessary authorization / power of attorney to do so on behalf of the firm / company etc.

B. Details of Projects undertaken as developer in Public Private Partnership (PPP) Projects

S. No.	Name of the Project with details	Client (with contact details)	Value of the Project	Period of Execution and Date of Completion	Present Status of the Project

(Note: Documentary proof to be attached)

[Attach additional sheets if required]

Signature of Applicant (with seal)

*by a person having necessary authorization / power of attorney to do so on behalf of the firm / company etc.

C. Details of Industrial / large township developments (with residential being core component)

S. No.	Name of the Project with details	Client (with contact details)	Value of the Project	Period of Execution and Date of Completion	Present Status of the Project

(Note: Documentary proof to be attached)

[Attach additional sheets if required]

Signature of Applicant (with seal)

*by a person having necessary authorization / power of attorney to do so on behalf of the firm / company etc.

D. Details of Minimum Tangible Net Worth of Applicant

(Details of tangible Net Worth of the applicant, as per the audited financial results of the preceding financial year, to be provided)

S. No.	Details	Figures as per Latest Audited Annual Accounts (INR Crore)
1	Share capital (excluding Preference Share Capital and Share application Money)	
2	Reserves and Surpluses (Other than revaluation reserve and Intangibles)	
3	Intangible Assets, Misc. expenses not written off, Losses, Amortization etc.	
	Net worth (1+2-3)	

E. Annual Turnover, Profit after Tax Statement of the last three financial years

(Annual Turnover, Profit after tax statement of the applicant for the last three financial years to be provided, duly certified by the statutory auditor)

S. No.	Financial Year	Annual Revenue (INR Crore)	Profit After Tax (INR Crore)
1			
2			
3			

Enclose Audited Annual Accounts of last three financial years

Signature of Applicant (with Seal)

*by a person having necessary authorization / power of attorney to do so on behalf of the firm / company etc.

Yendada Feedback for the implementation of the project and bidding process:

S. No.	Description	Applicant's Response
1.	Whether you would be willing to anchor the residential township development as a master developer	Yes / No (In case of Yes, please give brief details)
2.	Would you be willing to develop the area as a sole developer or in joint venture with any other entity	
3.	Preferred Structing	Option I Option II Please specify if any other
4.	Scale (area) of the Project envisaged / envisioned at the site	
5.	How do you want to develop the area	Single Product specific / multi product specific etc.
6.	Considering the extent of area and the available resources, how much time it would take for you to develop the site	
7.	What support is expected from State Government/ VMRDA for this project	
8.	Would you prefer the VMRDA/ Government to be an equity holder in the Project	Yes / No (If Yes, then how much)
9.	Provide suggestions on the bidding parameter	Other than the model prescribed
10.	Would you be interested in participating in the bidding if this project comes for bidding?	Yes / No
11.	Preferred option for payment of land cost other than prescribed above	Upfront / Deferred with interest (specify time period)/ Annual Payment Method / Revenue Share / if any other (please elaborate)
	Your opinion on Eligibility / Qualification Criteria	
	i. Minimum turnover	
	ii. Threshold Net Worth	
	iii. Similar industrial projects done in the past	
	iv. Other past project experience	
	v. Any other parameter	

Note: Aforesaid table is only indicative. Interested firm / companies can use additional sheets to substantiate their averments in detail.

