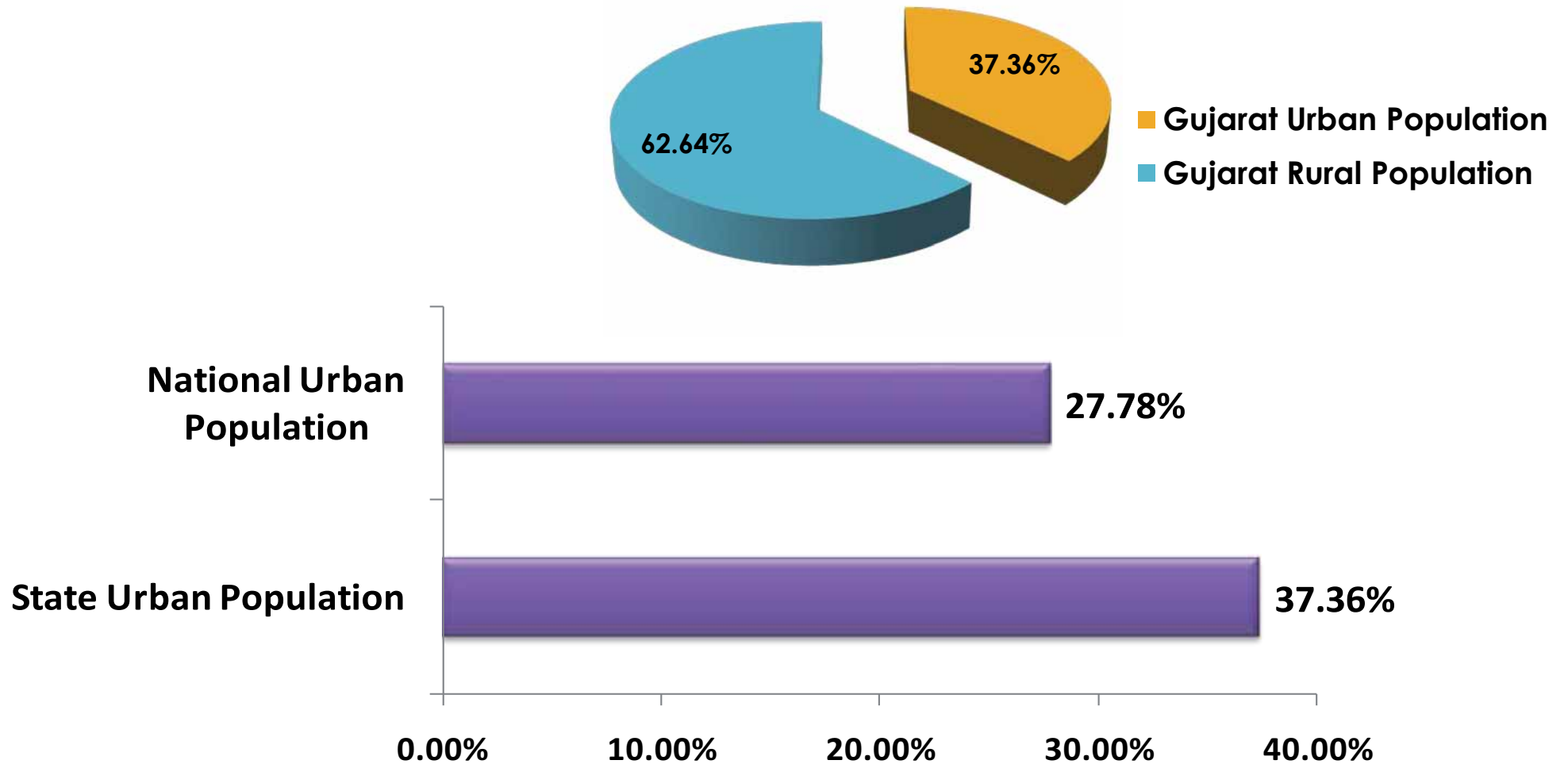


Future Prospects for Unlocking Land Values In India.....

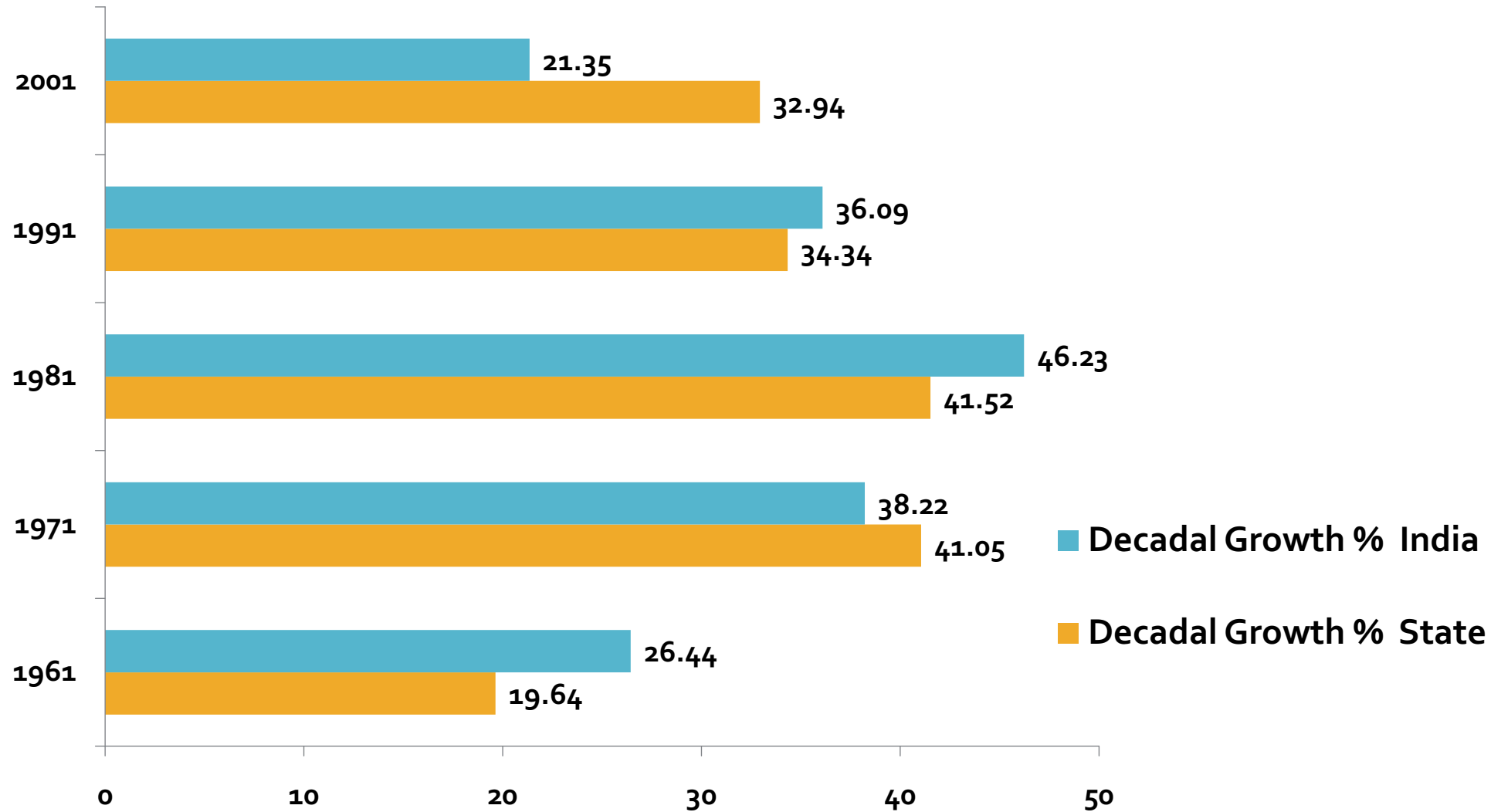
Presented by Principal Secretary UDD Govt of Gujarat
Urban Housing & Urban Development Department
Government of Gujarat.

URBAN PROFILE

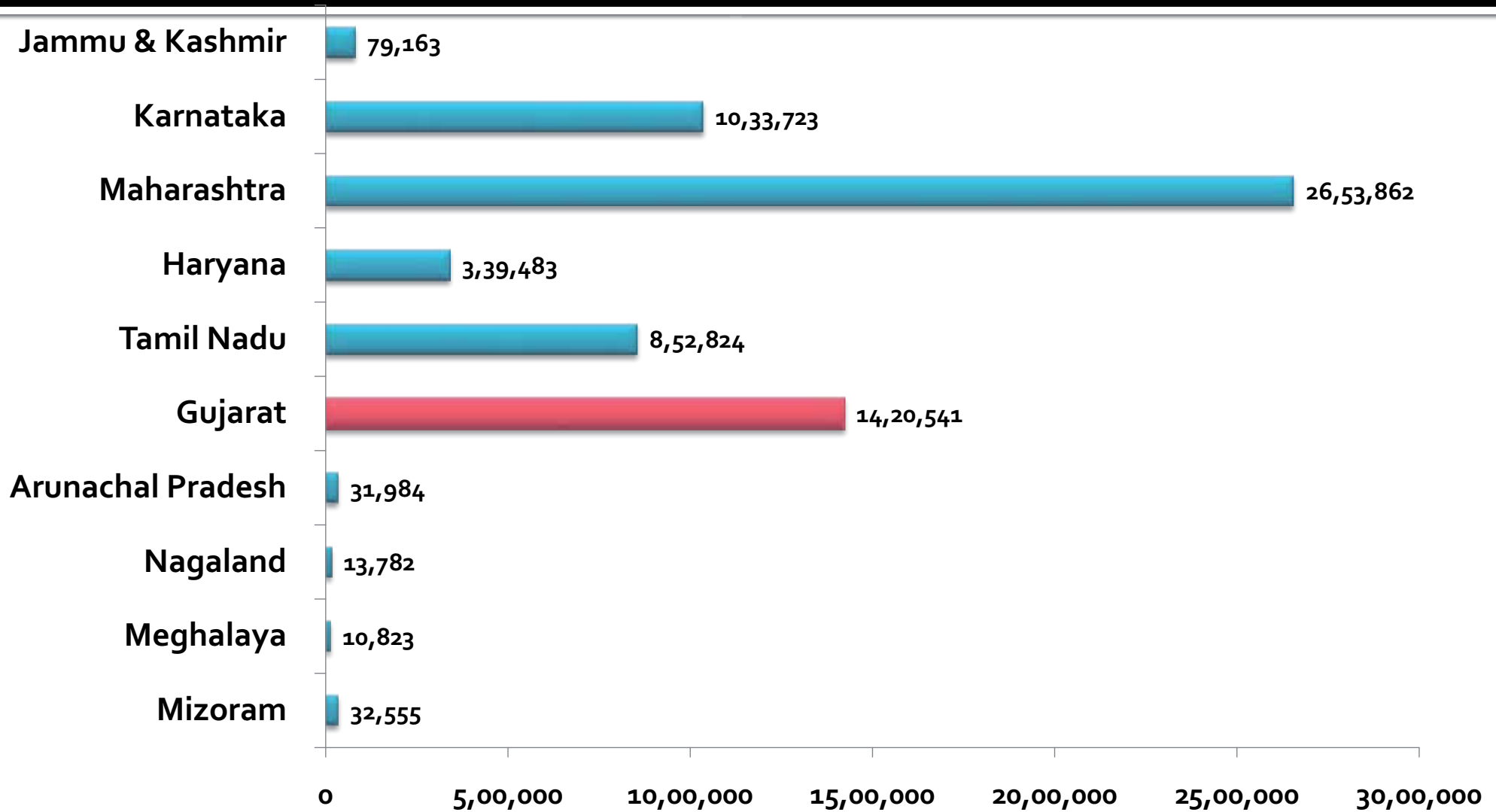
- Total Population of Gujarat 5,06,71,017
- Gujarat Urban Population 1,89,30,250 (242 Urban Areas Population as per Census 2001)



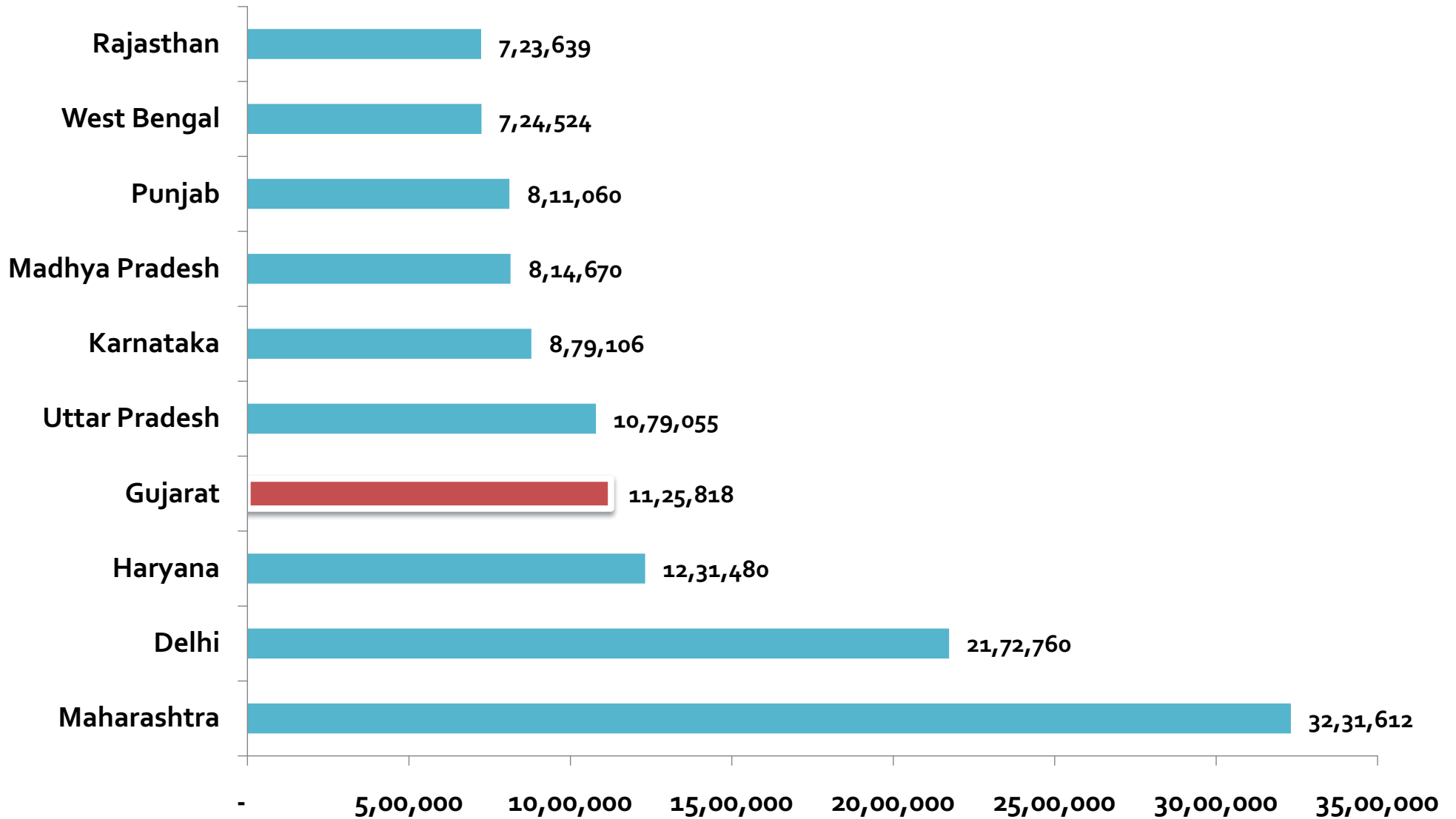
TRENDS IN URBANIZATION



Rural to Urban Migration



In-Migrants from other States (2001).....



Institutions involved.....

Provision of Act	Nos.	Authorities / Municipal Corporation /Nagarpalika
BPMC Act	7	Ahmedabad, Vadodara, Surat, Rajkot, Bhavnagar, Jamnagar & Junagadh
Nagarpalikas	159	
Under section 22 of Act (Constituted)	6	AUDA, SUDA, VUDA, RUDA, GUDA, Junagadh UDA
Under section 5 of Act (Constituted)	10	Bhavnagar, Jamnagar, Kevadiya, Alang, Bhuj, Bhachau, Rapar, Anjar, Ambaji, Vadinar
Under section 6 of Act (Designated)	113	Most of the Nagar Palikas
Notified Urban Area	1	Gandhinagar
Notified Industrial Area	3	Special Investment Region

Issues Discussed.....

- Release of land by Government & Govt Agencies (Egypt)
- High Density Corridor development and levy of betterment (Bogota)
- Government funding to be done in projects which would add value to land (Indian Railways)
- Regional Development – a requirement of 74th Constitutional amendment. (MMRDA)
- Regional mobility – conditioned development and transportation responsive landuse planning (Chacabuco Plan case, Santiago Chile);
- Town Planning Mechanism – Inclusive Development through Reforms & Partnership Development (Gujarat);

Development Plan Issues Under Consideration

- Rationality in the designation of landuse zone;
- Rationality in the density zones;
- Reservation of land for public purposes & inability to acquire;
- Increasing land values;
- Not effective in providing affordable housing;
- Differential FSI causing scarcity of marketable Floor Space;
- Inaccuracy in plan preparation leading to frequent variations;

Development Plan Issues Under Consideration

- Linkages for access and mobility for the regional growth and viability of public transportation;
- Absence of scientific tools leading to inefficient / inappropriate use of land;
- No tool to address the growth in the periphery of urban development authorities;
- Less emphasis on the transportation – complete absence of mobility plan;
- Financing part inappropriately addressed in development plans;
- Lack of programs and strategies to implement the development plans;

Provisions in Town Planning Schemes

- Allotment of land for
 - 10 % for S & EBC Housing
 - 15% for roads
 - 5 % for parks, play grounds, garden & o.s.
 - 5 % for social infrastructure plots
 - 15 % for sale for res., comm. or industrial
- Laying out or relaying out of land , Lay out of new roads
- Infrastructure facilities like drainage, water supply & lighting
- Preservation of historical or national monuments.

What could achieve from TPS

- 80,000 hect of Planned Development through 600 no of TPS;
- Funds to meet the infrastructure requirements;
- 860.38 Hect of Land for Socially & Economically Weaker Section Housing which can accommodate more than 1.75 lakh households;
- Land for Public purposes 1600 – 2000 hect;
- Parks and Open 1600 – 2000 hect;
- Sale for Commercial & Residential purposes about 5000 hect.

Town Planning Scheme - Issues Under Consideration

- Town Planning Scheme is becoming more a generic tool more focused to acquire land. In addition to land requirements focus is needed on development
- Objectives of the scheme and the size:
 - Present norms address the needs for residential neighborhood level services only. Need to expand the scope for IT townships, Knowledge townships, specific objective oriented townships;
- Deductions:
 - Rationality, reasoning while implicating deductions ;
 - Importance of requirement of land for public purpose;
 - Transparency in decision making;
- Design:
 - Does not completely address the needs of parking, bus-stops and urban design principles;
- Finance:
 - Specific provisions required to raise funds for capital investments and recurring O&M purposes;

Issues Under Consideration

- The available tools lack to address:
 - the growth challenges because of large investments;
 - dynamism & scale of growth in urban areas;
 - the character of growth and type of buildings coming-up;
 - rationality, objectivity in decision making, transparency & ambiguous/confusions in interpretation, lack of demistified approach;
- Results:
 - Municipal Corporations and Development Authorities prefer to:
 - Keep away in approving the proposals;
 - Take ad-hoc decisions which usually are not policy focused
 - Relax the regulations as suited;
 - Wait till the permission by relaxing the clauses from the government;
 - Government also takes decisions on specific case to case basis.

Tools for Development.....

- Large Projects through PPP Modes
 - GIDB Act for large scale projects. Chief minister being the chairman of the board;
- Regional Development
 - Special Investment Regions;
 - Periphery development policy;
- Urban Area Development
 - Town Planning Schemes;
 - Sector Specific Regulations for:
 - Slum Rehabilitation;
 - Residential Township;
 - Health, Education;
 - Hospitality;
 - Retail Commerce

Issues Under Consideration contd....

General Development Control Regulations

- Hospitals, Hotels, Education and Retail
 - Regulated through General regulations covering all these uses as commercial.
 - The GDCR does not address:
 - to the needs of entrance canopy, Atrium
 - increase in height to accommodate equipments,
 - Parking Requirements at:
 - multiple levels of basements;
 - parking on upper floors,
 - Vehicle lifts,
 - Staking areas in case of Retail Malls
 - Refuge areas, skip floors, escape routes;

Slum Rehabilitation / Reconstruction

Issues to be addressed

- Long term Sustainable Policy;
 - Link slum improvement to general development;
 - Sharing of Financial burden;
 - Enforcement using mobilizing with private sector support;
- Make land available by:
 - Compensation through FSI rather than cash;
 - Through town planning schemes;
 - Government land;
 - Specific provisions required for Zoning & facilities

Residential Township

Issues to be addressed

- Protocols and powers to approve;
- Townships to be permitted in any zone including agriculture, in areas of different permissible FSI;
- Excluding the townships from Town Planning Schemes - decide on deductions;
- Higher FSI to be permitted:
 - On what basis – as per demand or fixed maximum capping limits;
 - Should premium be charged on FSI higher than permissible;
- Funding for
 - On site infrastructure;
 - Offsite infrastructure;
- Maintenance of infrastructure
 - sharing of cost,
 - Responsibility period for maintenance;
 - Empowering the developer for recovery of maintenance expenditure;
- Ensuring the developer to deliver the maintenance period;
- Compensate for the Impact of development on local government;

Urban Areas - Sources of Income

- **General** - Amenities fee, Scrutiny Fees,, Subdivision Fees, Development Charges, Grants - Water Supply, Sewerage, Housing, Deposits - Security Deposits (Building Permissions / Tender), Government Grants, Loans;
- **Unlocking of Land** - Impact Fee, Incremental Contribution, FSI charge, Sale of Properties, Sale of open Land, Houses, Commercial Premises

Unlocking of Land & Urban Finance

- Development Authorities
 - Direct Cost based Finance:
 - Contribution by local authority under section 24;
 - Development charges under section 99;
 - Contribution from Local Government;
 - Amenities Fees
 - Land Related Finance:
 - Incremental Contribution (Betterment charges) under section 78 & 79;
 - Premium on the Floor Space Index (**yet Not Fully Explored**)

Income/Expenditure of Authorities 2008-09

- Expenditure Rs in million
 - Capital 2294.2
 - Revenue 746.9
- Income Rs in million
 - Capital 2979.2
 - Revenue 766.7

Land Values & Factors....

Factors	FSI Development Potentiality	<ul style="list-style-type: none"> •Location •Size i.e. Area •Shape •Physical conditions including Access 	<ul style="list-style-type: none"> •Development in the Vicinity Area •Physical infrastructure •Upcoming Major Projects in the area •Infrastructure 	<ul style="list-style-type: none"> •Restrictions / promotional regulations like TPS, New tenure land, Zoning etc.
Contribution	Regulations (Govt.)	The Owner	Developer (Other than Owner) & Government	Government
% Impact on Land value	30 - 50 %	15 - 25 %	15 - 25 %	20 - 30 %
	The FSI can be changed	Most of these cannot be changed easily	Most of these cannot be changed easily	Not so easy to change

Thank You.....