

PUBLIC PRIVATE PARTNERSHIP IN THE DELIVERY OF SERVICED LAND IN DELHI

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Land as a Resource

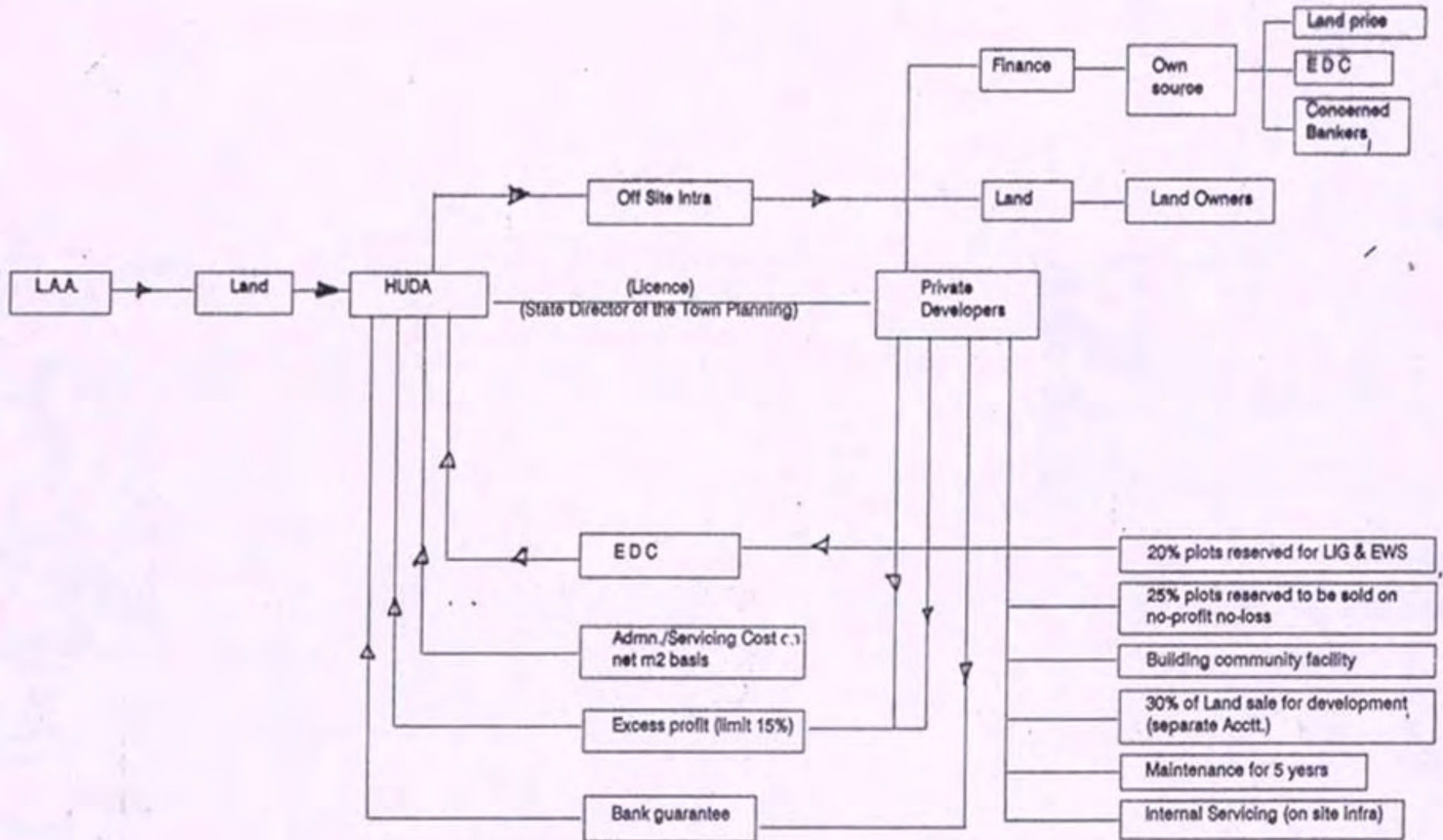
During 60s and 70s, dominant view was;

“Large-scale advance acquisition of land is by far the best and perhaps the only way to put an end to speculation in land and to capture subsequent increases in land values.”

(Examples DDA, Navi Mumbai by CIDCO and many development authorities on a smaller scale.)

- But this method of land value capture seems to be neither adequate nor feasible.
- Draft LA Bill does not recognise town development as public purpose

Haryana Joint Development Model



Haryana Land Acquisition & Rehabilitation & Resettlement Policy, Sept.7,2010

- Number of Zones determining Minimum Floor Rate (MFR) increased from 3 to 6
- MFR increased from Rs.20 lakh/acre to Rs.40 lakh/acre. Farmer gets 72 lakh/acre
- No litigation incentives – 20% of basic rate of land
- Annuity – Rs.21,000 per acre/annum with an increase @Rs.750/- every year for 33 years (earlier – Rs.15,000/acre/annum and increase of Rs.500/- per year).
- For built-up self occupied residential house – allotment of plots of 90 sq mt to 450 sq mt. as compensation.
- For 1 to 4 acre of plot size acquired – allotment of industrial plots vary from 450 to 1000 sq. mt. as compensation.
- Plot to be allotted to land oustee at 20% less than the nodal price.
- Reservation of developed commercial/industrial sites by HUDA/HSIDC to land oustees, subject to 1 acre of land acquisition.
- Job for one dependent(C & D category) in case of more than 75% of land acquired.
- Waiver of stamp duty and registration fee to land owner for purchasing alternative agricultural land within 2 years.
- One per cent of land compensation set apart for skill development initiatives for dependents of oustees.
- Policy applicable to any land acquired for Central Government/PSU/NHAI/ Railways in the State.

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Zone 1 – Gurgaon Municipal Corporation MFR – 40 lakh/acre

Zone 2 – Faridabad and Panchkula Municipal Corporation
Gurgaon & Manesar Urban Complex
Sohna, Sonipat & Kundli – MFR-30 lakh/acre

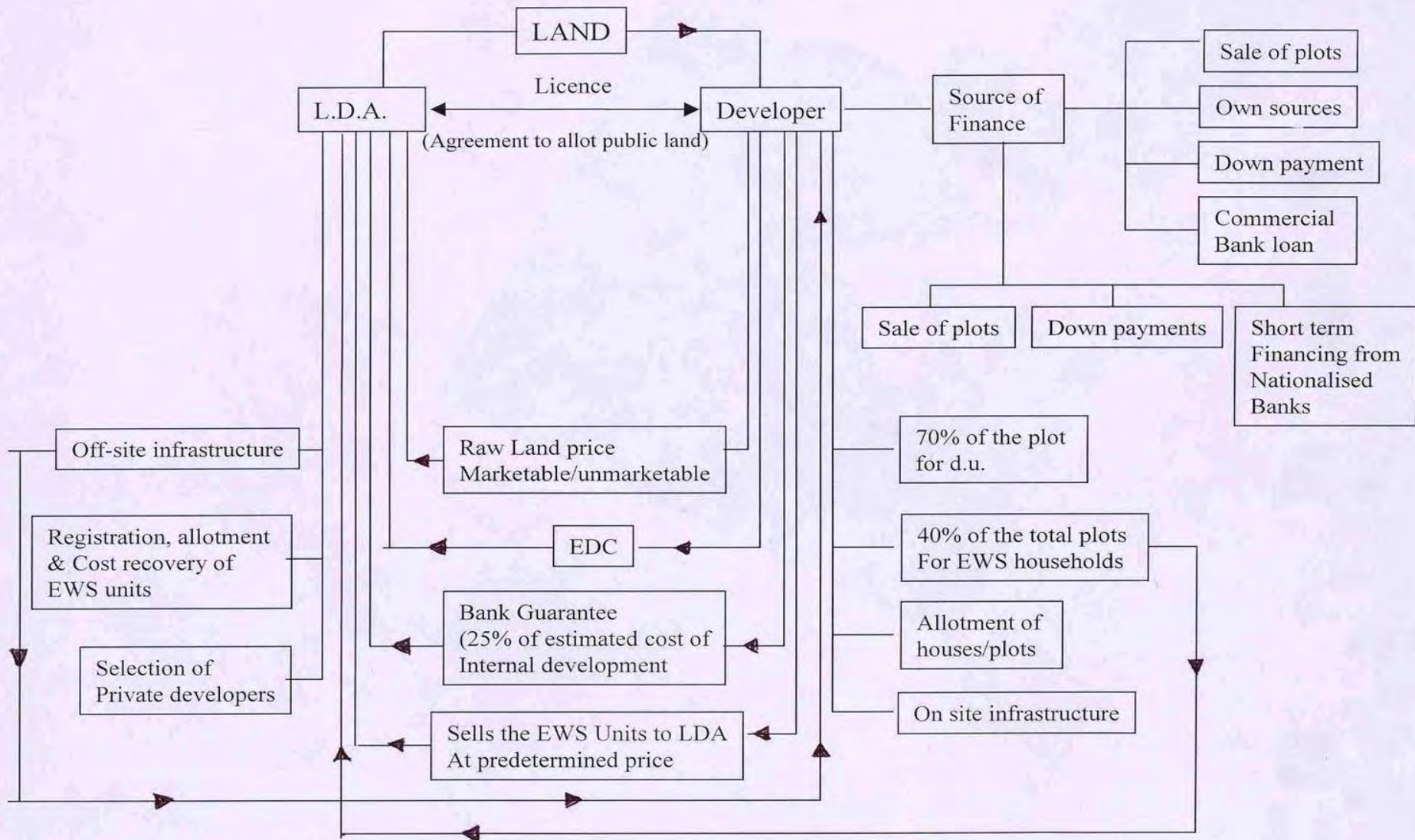
Zone 3 - Development Plan of Bahadurgarh, Rohtak, Rewari, Dharuhera, &
Panipat town. MFR – 25 lakh/acre

Zone 4 - Rest of NCR outside the limit of Panchkula MC & within DHQ outside
NCR. MFR – 20 lakh/acre

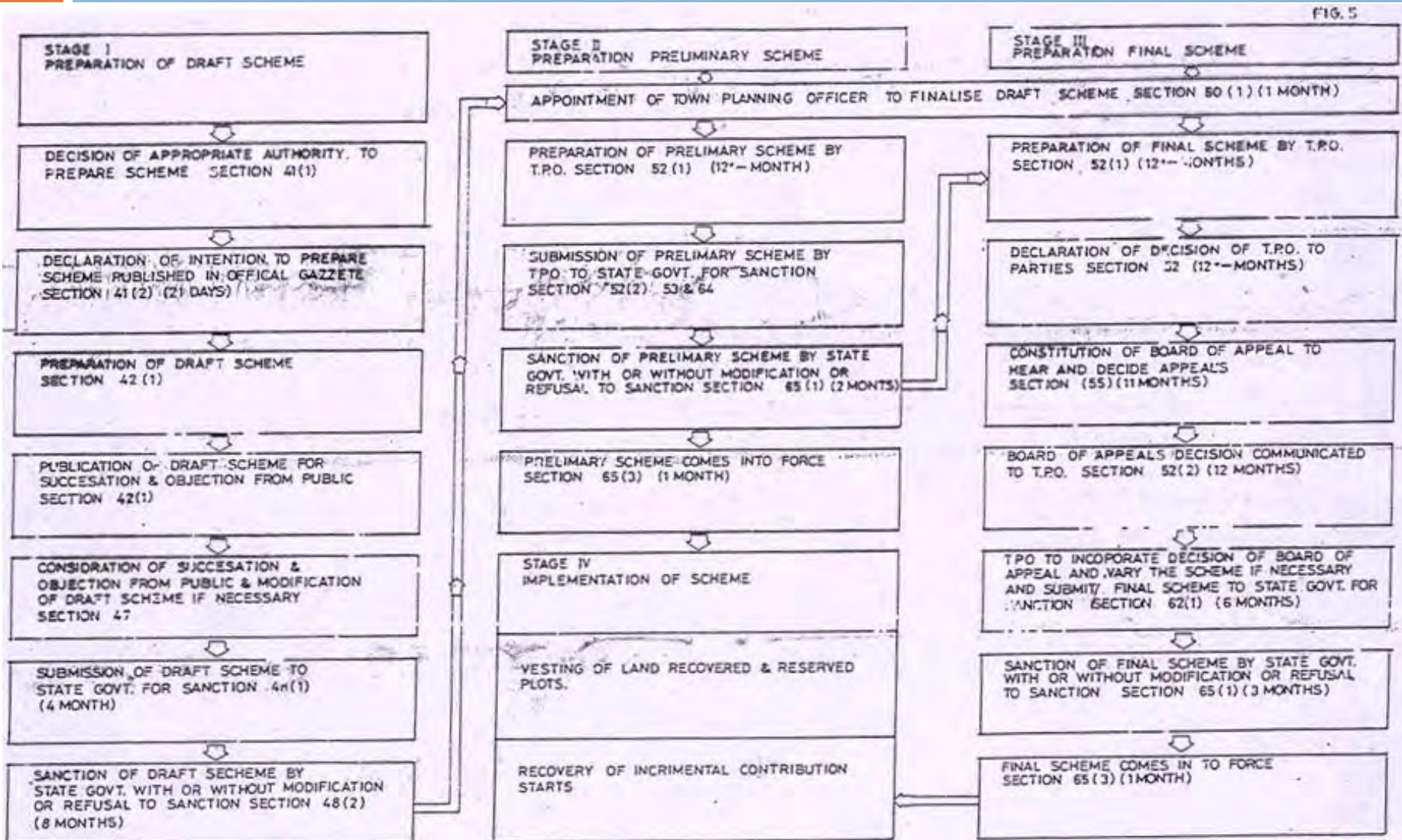
Zone 5 - Land situated within development plan of town, other than DHQ
outside the NCR. MFR – 28.80 lakh/acre

Zone 6 - Remaining part of Haryana. MFR – 12 lakh/acre

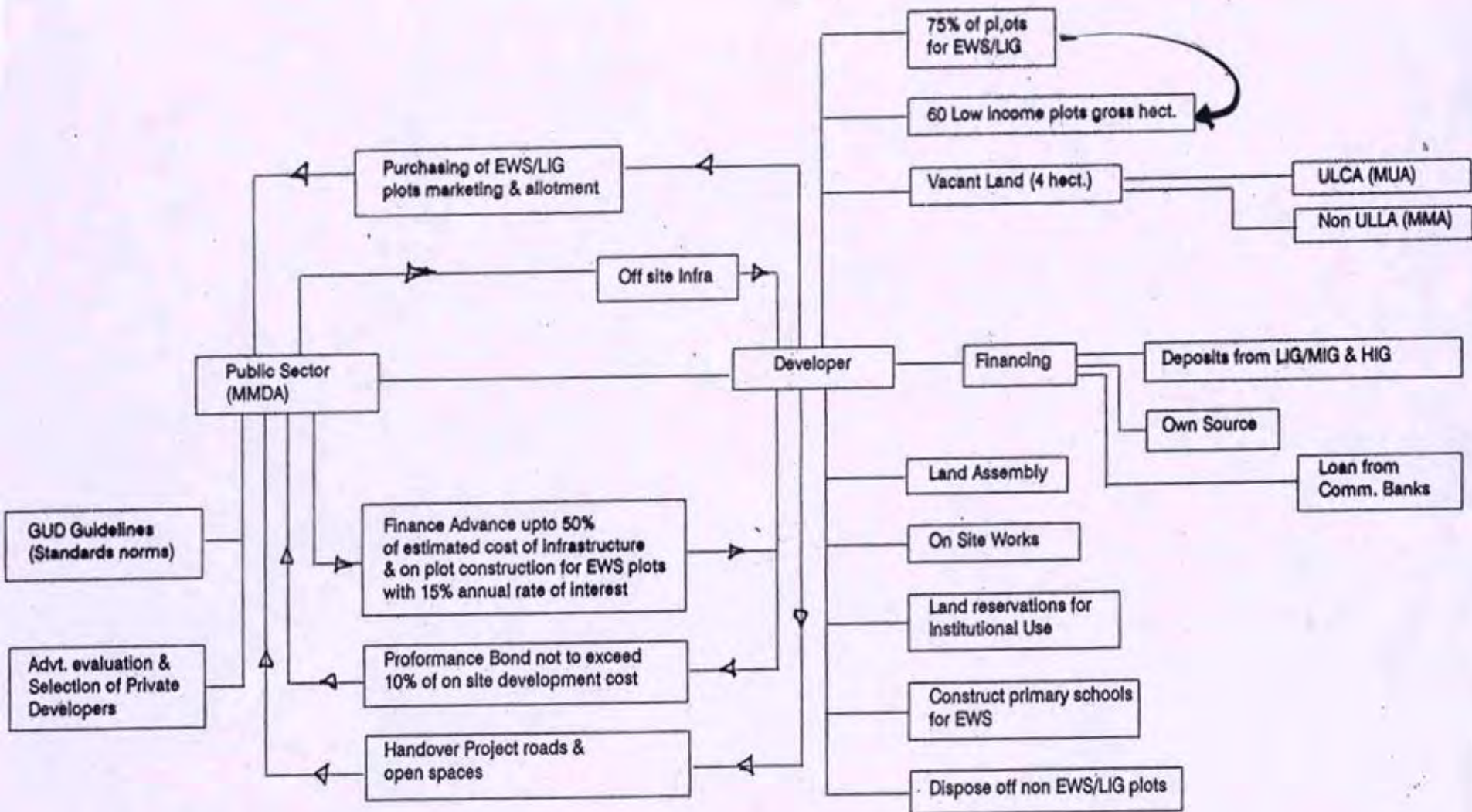
Lucknow Development Authority Model (LDA)



Town Planning Schemes (Gujarat & Maharashtra)



Guided Urban Development: MMDA Model



TDR in India

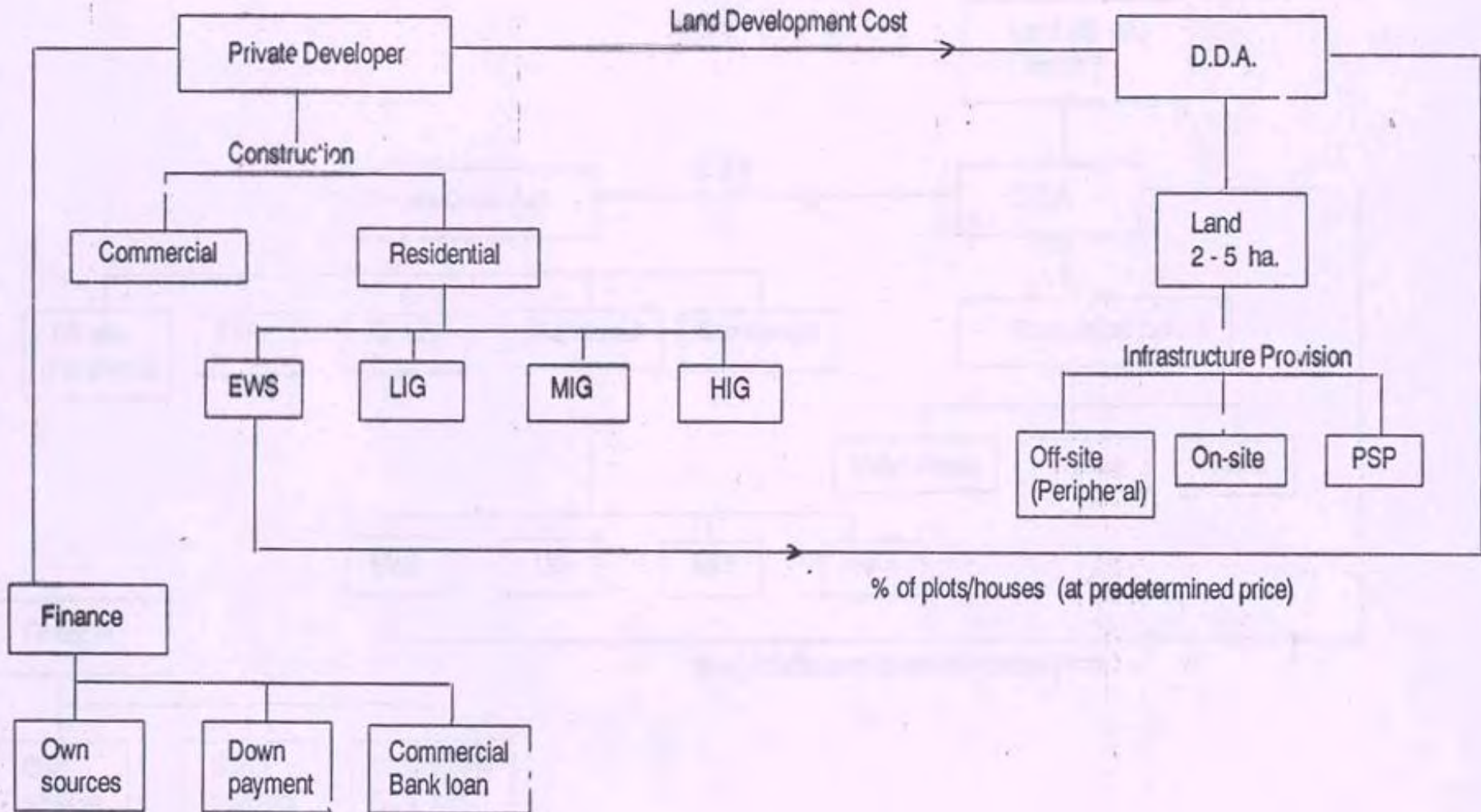
Monetary Compensation	TDR
<ul style="list-style-type: none">• Monetary compensation is to be given• Land acquisition proceedings start irrespective of title disputes. Title clearance is to be done only before compensation is awarded.• Process of clearing land of encroachments is to be done by the public authority• Being a lengthy procedure, it can take up to 10 years• Use of land is not available at times, even after acquisition, due to encroachments• Property owners are at a loss as compensation is based on market values which the owners always undervalue• Land is removed from tax rolls after acquisition, as the new owner is public authority representing govt.	<ul style="list-style-type: none">• Compensation is given in the form of TDR• Only lands with clear titles are cleared• Land is surrendered un-encumbered. Clearance is done by the owner• Speedier procedures, takes only one year at most• Land is immediately usable• Property owner is free to trade TDR in the open market• TDR is a negotiable instrument- its transaction is taxable and development charges are payable at the time of consumption

Summary Evaluation

Evaluation Criteria/mode	Bulk Land Acquisition Model	Licensed colonizer (Public-private partnership)	Private Developers on freehold land
Equity Share of the poor	Variable, depends on project but higher than other formal	Medium exists over..ly forced by legislation	Very low In LIG ousing, low profit margin, no legislation to force them
Affordable to the poor	Low Highly priced despite cross-subsidization	Very high Cross-subsidized	Very low Developer's profit maximizing motive high costs of DU
Market Efficiency Timeliness	Poor Delay in acquisition development and dispose	Medium Developing land takes long	Medium-low Long period of ac..... for demand rise
Locational efficiency	Medium Depends on land availability, irrespective of travel convenience	High Located to serve regional housing market	High Also to serve regional housing market
Quantity	High Operates on a large scale	Medium License given to land parcel of minimum size	Medium-low must take into account rural land ceiling limit
Operational Efficiency	Low	High	Medium
Efficient use of Funds	No economy of scale seems to operate. Heavy administrative	Scales of economy operate Land Cheap	Land costs are high as demand realised here
Profitability	Medium EWS, LIG, MIG cross-subsidized by high returns of commercial auction plots	Very high Despite ceiling by act, huge profits are reaped	Very high Huge profits reaped

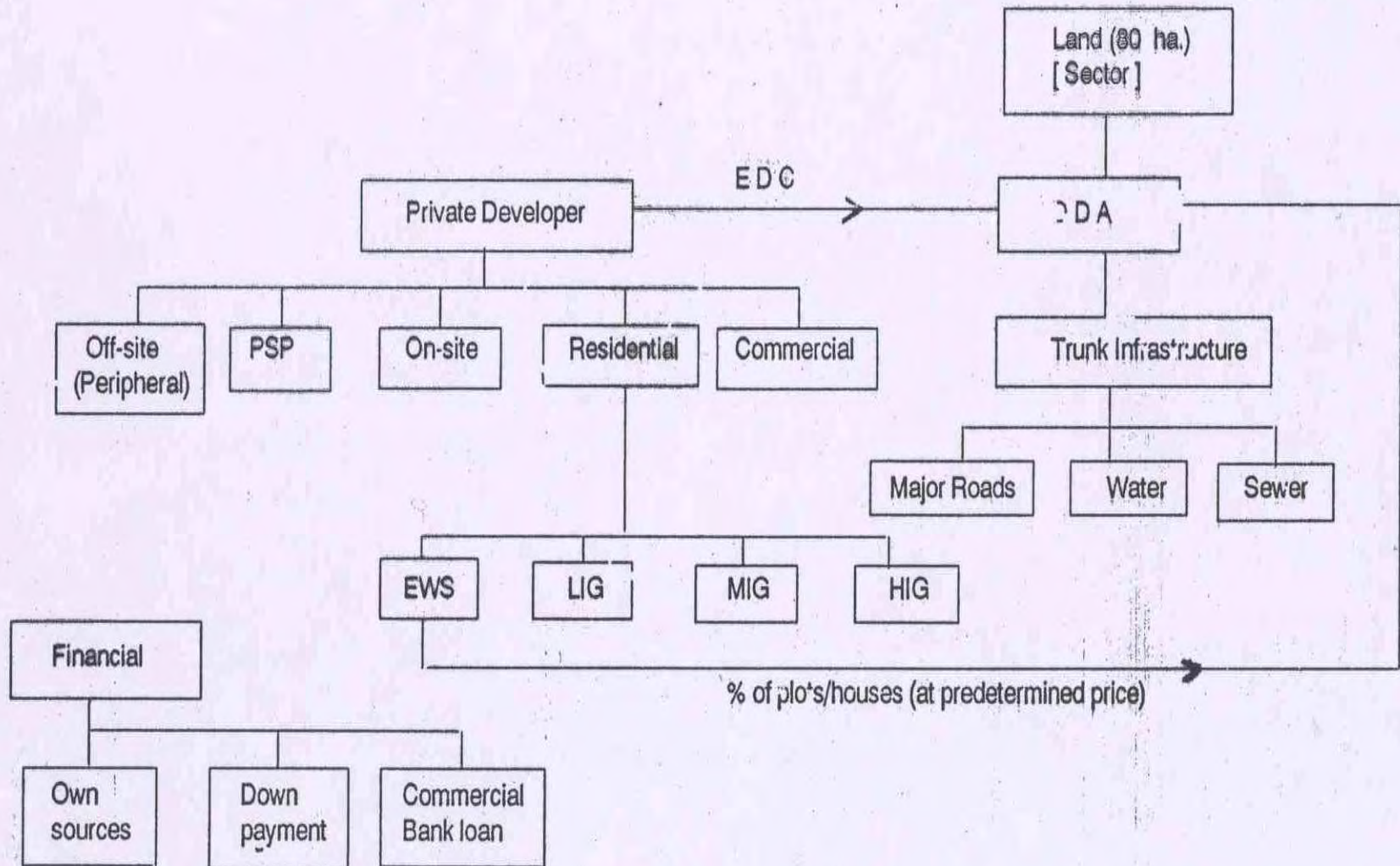
Public Private Partnership (Option – 1)

(5 Ha)



Public Private Partnership (Option – 2)

(80 Ha)



Funding

PUBLIC PRIVATE PARTNERSHIP (OPTION – 1)			
[5 Ha.]			
(Figures in million Rs.)			
DDA			
A	Receipts		
	1	Land cost Rs.2150 Sq.mt. @15% over the break even price	107.50
	2	50 per cent of the total EWS units	7.00
	3	25 per cent of the total LIG units	5.50
	Total Receipts		120.00
B	Expenditure		
	1	Off-site infrastructure	15.00
	2	On-site infrastructure	13.50
	3	PSP	1.00
	Total Expenditure		29.50
C	Net Revenue		90.50
PRIVATE DEVELOPER			
A	Expenditure		
	1	Land cost @ Rs.2150 per Sq.mt.	107.50
	2	Construction of houses	96.00
	Total Expenditure		203.50
B	Receipts		
	1	50% of EWS units at predetermined price	7.00
		50% of EWS units at current sale price	17.50
	2	25% of LIG at predetermined price	5.50
		75% of LIG at current sale price	33.75
		100% of MIG units	100.00
		100% of HIG units	64.00
	3	Sale of commercial plots/property	50.00
C	Net Revenue		64.75



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राजस्थान सरकार



Building Affordable Homes

Affordable Housing Policy 2009

With focus on EWS & LIG Housing
(For Urban Areas of Rajasthan)



Department of Urban Development,
Housing & Local Self Government
Government of Rajasthan

December, 2009

New Initiatives & Target



- New affordable housing policy-2009 to promote EWS/LIG housing through private participation.
- 1,25,000 houses for EWS, LIG and MIG category to be constructed in next four years.

Various Models

Five Models in the Policy

Model No-1:

Mandatory Provisions:

- ❑ Rajasthan Housing Board to construct at least 50% plots/ houses/ flats of EWS/LIG category in its schemes.
- ❑ All Urban Local Bodies including Jaipur Development Authority (JDA), Jodhpur Development Authority, Urban Improvement Trusts and Municipal bodies to allot/construct at least 25% plots/houses/flats of EWS/LIG category in their residential/ housing schemes.
- ❑ Private developers to reserve 15% of the dwelling units for EWS/LIG housing in each of their Township/Group Housing Schemes.

Various Models

Five Models in the Policy

Model No-2:

Private Developers On Private Land

- ❑ Selected developers to take up construction of EWS/LIG/MIG-A flats (G+2/G+3 format) on minimum 40% of the total land
- ❑ Buy-back of flats by the nodal agency (Avas Vikas Limited) at pre-determined prices, to be allotted to the eligible beneficiaries
- ❑ Developer free to construct HIG flats/commercial on remaining land
- ❑ Several incentives offered to developers

Various Models

Five Models in the Policy

Model No-3:

Private Developers On Acquired Land

- Developer can take up construction of EWS/LIG /MIG-A flats (G+2/G+3) on the land acquired by ULBs. Land would be made available to developer on payment of compensation (Land Acquisition cost + 10% Administration charges). Special zones are being carved out for this purpose.

Various Models

Five Models in the Policy

Model No- 4:

Private Developers On Government Land

(For Rental Housing or Outright Sale Basis)

- Earmarked Government land to be offered free of cost to the developer . Developer offering maximum number of EWS/LIG flats (G+2/G+3 formats) free of cost to the ULB, would be awarded the project. At least 50% houses should be of EWS category.
- Developer free to use the remaining land as per his choice for residential purpose with 10% for commercial use.

Various Models

Five Models in the Policy

Model No-5:

Slum Housing in PPP Model

- The model is based on various schemes approved by Government of India i.e. BSUP, IHSDP, RAJIV AVAS YOJNA and also on the lines of "Mumbai Model" of slum redevelopment with private sector participation.

Incentives to the Developers

- Complete waiver of –
 - External development charges,
 - Building plan approval fees,
 - Conversion charges
- Ground coverage for EWS/LIG plot area upto 50%.
- Commercial use upto 10% of plot area.
- Fast track approval of the project – within 30 days.
- Additional far – double of the permissible far on the whole land area which can be used as TDR
- flats to be handed over to the nodal agency at pre-determined price of Rs 750 / sq ft on super built up area
- Additional incentive of 0.5 far for timely completion of the project.

Financing Model

- ❑ AWAS VIKAS LIMITED – nodal agency for implementation of the policy
- ❑ HFC'S/BANKS to provide loan to the beneficiaries - to be kept in escrow account
- ❑ Amount to be released in 5 installments to builder based on progress of work
- ❑ Tri-partite agreement to be done between AVL-developer and local body.
Also separately with banker
- ❑ Allotment/lease deed of the flat-directly mortgaged to the bank
- ❑ Extra comfort to the banks by ULBs in case of default-possession of the flat to be taken & reallocated to next beneficiary
- ❑ Some subsidy element envisaged under GOI schemes

Reduction in Stamp Duty

- A major initiative has been taken by Government of Rajasthan in July,2009 in drastically reducing the stamp duty in the case of EWS/LIG from 8% to a mere Rs.10/- for EWS and Rs.25/- for LIG. In other cases the stamp duty has been fixed at 5% with a reduction of 1% in the case of women.

Other Initiatives

- Setting up of shelter fund in each local body under the building regulations- to be used for creating external infrastructure.
- Setting up of an SPV for housing finance with IFC, NHB, HDFC and Government of Rajasthan as partners.

Boost PPP in Land Development

A. Land and Infrastructure

- Optimum utilisation of scarce urban land resources
 - Higher densities
 - FAR/FSI
 - Change of norms to suit local condition

- Change of land use procedures to be simplified

- Master Plans-
 - Time bound
 - To accommodate all sections of society

Contd....

Contd...

- Urban reforms to be speeded up
- Urban land held as stock in trade to be exempted from Wealth Tax

B. Legal and Regulatory Framework

- NHHP
- ULCRA
- Rent Act
- Stamp Duty
- Urban & Municipal Reform
- Simplification of project sanctioning
- Computerisation of land record
- Rating and licensing of developers

Reform Initiatives on Urban Land Management

A. Central Government Initiatives

- National Urban Housing & Habitat Policy 2007
- Jawaharlal Nehru National Urban Renewal Mission (JNNURM) 2005 – 2012
 - BSUP
 - ISHDP
 - Affordable Housing in Partnership
 - Rajiv Awas Yojana
- Increase in land supply through removal of ULCER, 1976 (29 states)
- Notification of Rent Control Act (9 out of 12 states)

Reform Initiatives on Urban Land Management

B. State Government Initiatives

Andhra Pradesh

□ **Master Plan of Hyderabad**

- Reservation for min-area of 4 Ha.
- 5% of developed area for EWS (50sq.mt.)
- 5% - LIG (100 sq.m.)

□ **For Group Housing Schemes**

- Reservation for Min. Area – 4000 sq.m.
- 5% EWS units (25 sq.m)
- 5% LIG (50 sq.m)
- Waiver of fees/charges – 25% for LIG & 100% for EWS

□ **Rajiv Swagruha**

- 1,75,000 units (APHB)
- Housing cost – 25%, less than market rate.

State Government Initiatives

Gujarat

- Repealed ULCER & transferred surplus land to ULB
- Owner/developer to provide min. built up area of 20 sq.m. to slum dwellers (min. carpet area 14 sq.m)

Haryana

- 20% of gross area in plotted colonies for EWS
- In Group Housing, 15% of flats (each flat 200 sq.ft.) for EWS, 10% service flats (140 sq.ft.) for urban poor.

Madhya Pradesh

- M.P State Housing & Habitat Policy – provision for additional FSI for EWS/LIG Housing
- Land acquired on concessional rates – 30% area for EWS/LIG
- Land purchased by developer – 15% area for EWS/LIG

State Government Initiatives

Maharashtra

SRA (Mumbai, Pune, Nagpur)

- NSDF (National Slum Dwellers Federation)
- For BSUP & IHSDP Projects, provisions for additional FSI upto 2.5 for projects developed by municipality
- MMRDA – ESI upto 4 to promote rental housing
- CIDCO – Mass housing scheme in Kharghar (Gharonda Housing)

Tamil Nadu

CMDA – 50% additional FSI for EWS units (30 sq.mt.)
– 30% additional FSI for LIG units (Less than 50 sq.mt.)

Karnataka

April 2010, Urban Property ownership record (UPOR) project.

KHB – Integrated housing township projects (PPP) for provision of EWS/LIG/HIG/ group.

Inclusive Cities - Issues

- State Housing Policies versus State Town Planning Laws
- No adequate provision for inclusive planning in State Town Planning laws
- No specific focus on innovative solution to promote PPP for delivery of serviced land
- Absence of clear and firm tenurial rights
- No appropriate locations for informal sector activities
- Concern for capacity building efforts to mainstream the urban poor.

Implementing the Reform on Land for Urban Poor

- **Estimate Demand for Land/Housing the Urban Poor**
 - Estimating number of households in the BPL/EWS and LIG categories
 - Deciding on extent of reservation required in the city
 - Review city master/spatial plans to identify potential lands for development
 - Identify tenable slum settlements for development
 - Re-conceptualizing development form horizontal to vertical and virtual
 - Vertical land development.

Implementing the Reform on Land for Urban Poor

- Review and Amend Current FAR Permissible in Master Plans/Development Plans
- Prepare a City Specific Urban Housing Policy/Road Map for Housing the Poor
- Upgrade the Land Management Information System (LMIS)
- Inclusion of a database on slum tenure arrangements within LMIS
- Review and revise the City Master Plan for making reservations for the poor
- Determine proportion of land that must be reserved and notify reservation of land within private housing projects
- Review and revise Building Bye Laws

Implementing the Reform on Land for Urban Poor

- **Creating incentives to increase supply of land**
 - Land readjustment
 - Land pooling
 - Transferable Development Rights/Incentive Zoning
- **Ensuring that no building plans are sanctioned without the earmarked land**
- **Creation of Shelter Fund**
- **Set up an Urban Planning Cell in the ULB**
- **Township Development through Public Private Partnership.**
- **Revise the State Town and Country Planning Act**
- **Linking with other urban reforms**

Land Based Instruments

- FSI
- Amenity Space
- Accommodation Reservation
- TDR
- Infrastructure TDR
- Land Value Tax and Vacant Land Tax
- Special Assessment District
- Town Planning Scheme/ Land Readjustment Scheme
- Development Charge & Impact Fee
- Compounding Fee



THANK YOU