CHAPTER - V

LAND ACQUISITION UNDER URBAN LAND CEILING & REGULATION ACT AND ITS IMPLICATIONS ON THE GROWTH AND EXPANSION OF MYSORE URBAN AREA

5.1 INTRODUCTION

Land ceiling refers to the imposition of a ceiling on vacant land in urban agglomerations, acquisition of such land in excess of the ceiling limit in order to regulate the construction of buildings on such land and for setting a maximum ceiling for the land to be retained by the owner and the excess land to be transferred in favor of the State. The act of urban land acquisition under Urban Land Ceiling and Regulation came into force in 1976. The principal objective of the Urban Land Ceiling & Regulation Act 1976 was to facilitate the availability of urban land by increasing its supply in the market at affordable price and thereby establishing an efficient land market.

However the urban land ceiling act was abolished 1999 due to the fact that it totally hampered the entry of the vacant urban land into the land market this in turn led to an increase in urban land prices which reached astronomical heights due to artificial scarcity of land created by Urban Land Ceiling & Regulation Act.

The abolition of this act has created various problems in urban management chiefly related to increased land hoarding and speculations which has hampered the easy supply of land to common citizen which has added to the already grim situation in the back ground of rising demand for land due to ever-increasing population, rural migration, and economic development, most of the prime fringe lands have already been amassed by the multinational companies and by the local population who have invested in the real estate business. Hence Land Acquisition under Urban Land Ceiling and Regulation Act has continued to play a dominant role in the growth and expansion of Mysore city.

In the present time due to lack of a ceiling act there is an intense concentration of urban property in the hands of few persons and there is a huge speculation and profiteering in the urban property. In order to bring about socialization of urban land in
urban agglomerations it is necessary to implement a land ceiling act to sub serve the common good by ensuring its equitable distribution. This act can be a powerful tool to discourage the construction of luxury housing leading to conspicuous consumption of scarce building materials and to ensure equitable distribution and utilization of such materials and secure orderly urbanization.

5.2 HISTORY OF THE URBAN LAND CEILING ACT, 1976

The Urban Land ceiling Act (ULCRA) was introduced during Prime Minister Indira Gandhi’s regime as a means for lower income sections to fulfill their dreams for a home. The main purpose of the Act was to prevent hoarding or excess land holding of land in urban agglomerations by few people so as to facilitate proper distribution and uniform development of all sectors of urban areas. It had been noticed that private dealings were leading to speculation and huge profiteering by the land developers. Therefore prevention of this kind of trade was one of the objectives of the UCLRA. This act was applied to large cities because the shortage of land was felt more grievously in larger cities, as there is there a constant influx of population. Urban Agglomerations were covered in their entirety by the Act and the peripheral areas were specially considered to prevent haphazard growth.

The statement of objectives of the Act reads as follows: - “The Repeal Act is intended to achieve the following objectives:-
(i) To prevent concentration of urban property in the hands of a few persons and speculation and profiteering therein;
(ii) To bring about socialization of urban land in urban agglomerations to sub serve the common good by ensuring its equitable distribution;
(iii) To discourage construction of luxury housing leading to conspicuous consumption of scarce building materials and to ensure the equitable utilization of such materials; and
(iv) To secure orderly urbanization.”

The land acquisition act has been a great failure in urban planning although it has great potential in urban land use management. The problems of Bureaucratic processes, corruption and nepotism have surely failed this enactment.
Never the vacant acquired land was put to any beneficial uses nor the land is surely used for public good. As a result of the unsuccessful outcome of this act the law was abolished.

5.3 AIMS AND OBJECTIVES
The main objectives of this chapter are as follows,
1) To examine the spatial implications of urban land acquisition under Urban Land (Ceiling and Regulation) Act on the nature of land speculation and land value in Mysore urban area.
2) To evaluate the land use management issues of the acquired land at micro level.

5.4 MATERIALS AND METHODS
The present chapter is based on following methods:
1. Formal and Informal discussion: The researcher has collected primary data through interactions with the officials, urban planners and citizens of the study area.
2. Questionnaire Method: An interview schedule was used for the officials and planners to draw their perceptions.
3. Study Documents: Secondary data from official documents, records, and files were collected from various organizations related to the land acquisition under ULC’s act.
4. Observation Method: The observations related to the ground truth/ survey for testing the policy implementation and to the application of policies, inferences and experiences have been added to strengthen the study.
5. GIS Method: The data were processed by graphical and GIS (Geographic Information System) method.
5.5 ADVANTAGES OF THE URBAN LAND CEILING & REGULATION ACT

The following are the important advantages of the land ceiling act.

1. The land ceiling act can be used as a tool to control the land prices in urban areas.
2. This act will disallow the multinational companies to acquire large extent of urban land which is actually used as urban reserves for future purposes.
3. The land acquired through ceiling act will be eventually used for public utilities. Hence it can be mentioned that this act is definitely a measure for infrastructural development.

5.6 DISADVANTAGES OF THE URBAN LAND CEILING & REGULATION ACT

1. The acquired land from the private owners is not utilized immediately for urban purposes. These lands are kept in a very unaesthetic manner as pockets of
undeveloped lands within the urban scene for long period of time thereby leading to disutility.

2. The fundamental right to property is hampered and the confidence of citizen upon the government will be lost giving rise to many problems related to peace and harmony in urban areas.

5.7 URBAN LAND PROBLEM IN MYSORE URBAN AREA

During the past 10-15 years Mysore has become one of the favorite residential spots in Karnataka especially due to its salubrious climate and the rate of economic and regional development and its increasing concentration of population urban problems have also increased. There is a greater need to have a control over the land use in order to regulate the growth and development generally in all urban areas. However the problem in Mysore is crucial since the past decade due to the rapid increase in land values as a result of the liberal economic policy adopted by the Government of Karnataka.

One of the most important aim of the act was to control the prices of urban land. Ceiling on the possession was limited since the demand for land could be controlled, but when the ceiling was lifted there was a complete liberty to the land developers, investors and land hoarders to possess any extent of land in the urban area. This phenomenon has influenced the land market enormously.

The prices within the residential locations in 1994-95, ranged between Rs 800 / Sq.Ft. and Rs 1000/ Sq. Ft. and the land values in commercial locations was about Rs.1200 / Sq.Ft. But during 1998-99 there was a slight inflation in the land values compared to 1994-95. The prices within the residential locations ranged between Rs 1800 and Rs 2000 / Sq.Ft and the commercial locations is about Rs.2500 / Sq.Ft. 2006 onwards the prices in the residential locations in Mysore however ranged between Rs 400 and Rs 4500/ Sq.Ft. And the prices are still in the range of Rs 3,000-Rs 5,000 / Sq.Ft.

Land speculation and land value is unevenly distributed in Mysore urban area especially where Bangalore metropolitan area is the nearest neighbor with a tremendous growth rate. The influence of the growth of Bangalore has been stimulating land values in Mysore and the speculation in land market is growing at an exorbitant rate.
5.8 LAND ACQUISITION UNDER ULC’S IN MYSORE URBAN AREA

In Mysore totally an area of (2,87,324 hectares) 51,57,890.31 acres of land has been acquired under this act. The excess land acquired by the government is mostly in the periphery areas of the city. Approximately 80% of the agricultural area was acquired under this act. This valuable land, which could have been utilized for public purposes and weaker sections of the city.
Table – No.5.1  Land Acquisition under Urban land ceiling act in Mysore urban area

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Name of the Locality</th>
<th>Survey Number</th>
<th>Area in Sq.Meters</th>
<th>Year of Notification</th>
<th>Present Status of Land use</th>
<th>Land use at the time of acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hebbal</td>
<td>155</td>
<td>3136.49</td>
<td>1976-77</td>
<td>Vacant land</td>
<td>Vacant land</td>
</tr>
<tr>
<td>2</td>
<td>Hinkal</td>
<td>5</td>
<td>8599.8</td>
<td>1976-77</td>
<td>Vacant land</td>
<td>Vacant land</td>
</tr>
<tr>
<td>3</td>
<td>Bogadi</td>
<td>167</td>
<td>5868.16</td>
<td>1976-77</td>
<td>Vacant land (Regrant to Excise Department)</td>
<td>Vacant land</td>
</tr>
<tr>
<td>4</td>
<td>Dattagalli</td>
<td>21</td>
<td>5907.52</td>
<td>1976-77</td>
<td>Vacant land (Regrant to MUDA)</td>
<td>Vacant land</td>
</tr>
<tr>
<td>5</td>
<td>Nachanhally</td>
<td>79</td>
<td>4850.17</td>
<td>1976-77</td>
<td>Regrant to Adult Education Department</td>
<td>Vacant land</td>
</tr>
<tr>
<td>6</td>
<td>Uttanahally</td>
<td>35</td>
<td>9432.76</td>
<td>1976-77</td>
<td>Regrant to Adult Education Department</td>
<td>Vacant land</td>
</tr>
<tr>
<td>7</td>
<td>Lalithadripura</td>
<td>22</td>
<td>4269.23</td>
<td>1976-77</td>
<td>Regrant to Adult Education Department</td>
<td>Vacant land</td>
</tr>
<tr>
<td>8</td>
<td>Allanahally</td>
<td>56</td>
<td>4570.5</td>
<td>1976-77</td>
<td>Diary</td>
<td>Vacant land</td>
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<tr>
<td>9</td>
<td>Yaraganahally</td>
<td>36</td>
<td>1637.22</td>
<td>1976-77</td>
<td>Vacant land</td>
<td>Vacant land</td>
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<tr>
<td>10</td>
<td>Devanur</td>
<td>70</td>
<td>2344.46</td>
<td>1992-93</td>
<td>Vacant land</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Hotagally</td>
<td>12</td>
<td>7504.58</td>
<td>1976-77</td>
<td>Vacant land</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Shadanahally</td>
<td>53</td>
<td>16064.12</td>
<td>1976-77</td>
<td>Regrant to Slum Clearance Board for constructions of houses</td>
<td></td>
</tr>
</tbody>
</table>

Source: Deputy Commissioner’s Office
5.8.1 Utilization of acquired land under ULC’s in Mysore

The customary practice of using the acquired land under Urban Land Ceiling & Regulation Act is generally for the purposes of public uses such as utilization for the construction of educational institutions, health organizations, and other public utilities. It is also desirable to use the land as reserves for future use and keep it vacant for a stipulated period of time but such lands are not permitted to be disposed to private land developers because it should not be used for gaining profits.

5.8.2 Urban Land Ceiling Act and Micro level local land use planning

The present study investigated 4 case studies pertaining to the utilization of acquired land. There are at least 12 major cases where large areas of land have been acquired by the government under this act.

1. Case study 1
2. Case study 2
3. Case study 3
4. Case study 4
Case study 1

The case study 1 is situated in north-western parts of Mysore urban area. It consists of a cluster of Hebbal, Hootagalli and Hinkal areas. In these areas the land was acquired in the year 1976-77. The land use at the time of acquisition was vacant. Even after a span of 35 years these parcels of land are still vacant. The major land use existing in the surrounding region of the acquired land in Hebbal is generally residential; however there is also a very negligible proportion of land under commercial, public/semi public and parks. Based on the local demand, it is preferred to convert the vacant land for recreational use since there is an absolute scarcity of recreational land in the surrounding areas. It may be criticized that the acquisition of excess land from the private owners has actually not helped to achieve the objectives of the urban land ceiling act.

In Hootagalli the acquired land is used for industrial purposes. The land use existing in the surrounding region of the acquired land is partly residential, industrial, public and semi public and public utilities.

In Hinkal the acquired land is used for Parks. The land use existing in the surrounding region of the acquired land is partly residential, commercial and public and semi public. In this planning division the acquisition of excess land from the private owners has really succeed to achieve the objectives of the urban land ceiling act.
Case Study 2.

This study area is situated in south-western parts of Mysore urban area. It consists of Dattagalli and Nachanahally areas. In these areas the land was acquired in the year 1976-77. The land use at the time of acquisition was vacant. Even after a span of 35 years these parcels of land are still not in any urban use.

In Dattagalli the major land use existing in the surrounding region of the acquired land is residential; however there is a small proportion of land under commercial, public/semi public and parks only. But in case of Nachanahally village the acquired land is used for residential. The land use existing in the surrounding region of the acquired land is residential, industrial, and park & open space. Hence, it may be criticized that the acquisition of excess land from the private owners has actually not helped to achieve the objectives of the urban land ceiling act.
The case study 3 is situated in south-eastern parts of Mysore urban area. It consists of Uttanahalli, Lalithadripura and Alanahally areas. In these areas the land was acquired in the year 1976-77. The land use at the time of acquisition was vacant. In Uttanahalli and Lalithadripura the acquired land is used for residential. The land use existing in the surrounding region of the acquired land is residential, industrial, and agriculture. The objective of acquisition of excess land from the private owners has actually not helped to achieve the objectives of the urban land ceiling act. In Alanahally the major land use in the surrounding region of the acquired land is generally residential but a small proportion of land use is already under public and semi public.
Case study 4

The case study 4 is situated in the north-eastern parts of the Mysore urban area. It consists of Belavatha and Devanur areas. In these areas the land was acquired in the year 1976-77. The land use at the time of acquisition was vacant. Even after a span of 35 years the parcel of land is still not used for any urban uses. In Belavatha the acquired land is used for residential. The land use existing in the surrounding region of the acquired land is residential, industrial, public/semipublic and park & open space. In the case of these acquired lands also it may be criticized that the acquisition of excess land from the private owners has actually not helped to achieve the objectives of the urban land ceiling act. In case of Devanur the acquired land is generally residential, but there is a small proportion of land under industrial use.
Case Study: 4

Even though government took over a considerable amount of land, it did nothing at all to meet these objectives. The land that was easily available earlier became scarce because it completely went out of circulation and the buying process came to a standstill, creating shortage in housing. The bureaucrats/politicians and builders came together and the government gave the land as 10 per cent from the chief minister’s quota to take care of the problems of shortage in housing. The land was either being exempted under Sec. 20/21 altogether or being acquired under Sec. 6-14 but not being used for the purposes of the Act and therefore, not affecting the housing market favorably. Thus the Urban Land Ceiling Act (1976) distorted land markets in urban areas, exacerbated the growth of slums and limited the growth of private enterprises by creating an artificial shortage of land where none existed and this led to land rates shooting up beyond their actual value. This completely defeated the objectives of the Act, as the land was further out from the reach of the marginalized sections of the society than before the Act was passed. The Central Government repealed this 1999, but the state governments have not followed the lead. States like Punjab, Uttar Pradesh, Madhya Pradesh, Rajasthan, Gujarat and Haryana have repealed this act but states like Maharashtra and Bihar, Delhi are still favoring the ULC Act. [Nipun Vaid (2006) Urban Land Ceiling Act, 1976 A Critical Analysis of impact on Housing]
It may be concluded that the abolition of this act has resulted in:

5.9 ABOLITION OF THE URBAN LAND CEILING AND REGULATION ACT

Repeal of the act has been included as one of the mandatory reforms suggested in Jawaharlal Nehru Urban Renewal Mission (JNNURM). States have to commit to repealing it within a committed time frame. It is envisaged that the repeal of the act would go a long way in reviving the stagnant housing industry and facilitate construction of dwelling units both in the public and private sector. (Repeal of Urban Land Ceiling & Regulation Act – State Level Reform).

5.9.1 Advantages of abolition of the ULC’S

1. Vast tracts of land in cities are expected to be released for development. This will bridge the gap between demand and supply in the real estate sector of various states.
2. The housing sector will receive a big boost. The increase in the supply of land will improve accessibility and affordability for the urban poor.
3. It will tend to improve transparency and efficiency in land acquisition, which would encourage domestic and foreign investment in the real estate sector.

5.9.2 Effects of the abolishing of the ULC’S

1. Increase in quantum of land that becomes available for development.
2. Increase in the share of housing stock by permitting land developers to buy land and develop for housing purposes.
3. Registration of land increased
4. Increase in construction activity
5. Increase in the ownership ratio
6. Released land used for construction of houses for EWS/LIG
7. Reduction in time for getting permission for development
5.10 RESULTS AND DISCUSSION

As from the observations on the implementation of urban land ceiling act more than 40% of the acquired land still lies as vacant land, not utilized for any purposes. Nearly 30% of acquired land was regranted to adult education department. The remaining land has been regranted partly to MUDA, and Karnataka Dairy industry, and the remaining has been regranted to Slum Clearance Board for construction of houses. It can be summarized that land acquisition could not achieve its targeted objectives; hence it was an absolutely unsuccessful exercise.

![Location of Sample areas (Survey Numbers)](image)

Fig.No.5.6

The urban land issues therefore needs a carefully drawn policy which can regulate on one hand the easy supply of land by a well regulated machinery and on the other hand to limit the ownership of large amounts of urban land. This will be able to prevent private people to amass urban land, leading to lesser speculation and larger land availability.
5.11 CONCLUSION

The ceiling policy sets a limit for land grabbing and concentration of land among few fortunate citizens. Continuation of the act will definitely be helpful to the common citizens in view of slackening land markets.