CHAPTER I

INTRODUCTION AND IMPORTANCE OF THE STUDY

1.1 INTRODUCTION

Housing is one of the three basic needs of man; other two are food and clothing. Proper shelter exercises a profound impact on people’s health and helps to develop a strong character in them. The house should be hygienic and reasonably comfortable and must have the essential amenities of community life. In addressing the problem of urban housing during the last five decades the co-operative housing movement in India has grown to a greater strength of a commendable figure of 92000 when compared to a mere 5564 housing co-operative in the beginning of 1960s. Housing co-operatives also display a proud membership 6.6 million people at present. Since the early 1990s India’s population has grown at an of 2% annually, with in which the urban population, mega cities and slum population grew by 3%, 4% and 5% respectively (NCHFI). Due to the large influx of rural population to cities in search of employment and better quality of life, the increasing population density in urban areas has created enormous burden on cities in terms of housing. Providing houses in suitable locations to all the people in cities has been an enormous task since it involves physical space for expansion and huge financial resources for building houses.

In a modern city complex, where there is segregation of functions of land uses, greater care has to be taken to locate houses so that other requisite facilities are at least easily accessible. The facilities which are in huge demand are medical care, education, shopping, recreation etc. As Charles Abram Planner (1964) aptly observes, “housing does not frame work public services, transportation, schools, recreation as essentials of urban life”. The new world experience shows that the households having better economic status and cultural background tend to live away from the city center. The poor prefer to live near the city center to save the cost of transportation and other decisions are not influenced by environmental considerations. Though the above statement does not apply in the Indian context there is never the less a tendency to
follow the western pattern in recent years due to scarcity of land in the central parts and the changing values of the people.

The quality of housing in the urban depends on the economic status and the affordability of the households. The location of housing in relation to accessibility to community facilities along with favorable topography of the area, absence of congestion and industrial effluence reveals the quality of housing in a residential neighborhood (IJQRM-V29-9). The value of the houses in the urban areas varies from city center to peripheral areas. The value chiefly depends on the floor area, age structural quality, access to community facilities and economic status of the households, in addition to the value of the urban space for commercial use. The quality of life of the households in the urban areas is to a greater extent determined by the environmental quality. The rapid increase of population followed by high density of housing in the Indian cities has caused several environmental problems.

Unlike food or clothing, housing is immobile. Better methods of cultivation and advancement in transportation and trade, can move food from the place of surplus to the place of scarcity. Similarly clothing problem can also be solved more or less on the same lines. But owing to immobility of housing as a commodity, development of transport and trade has little impact on housing problem. Unlike food and clothing, housing requires a heavy initial investment because of which many are unable to have adequate housing facilities (HECP-Report2011). Housing problem dovetails into several other problems such as population, land, finance, transport, taxation, building industry etc. Consequently, dealing with housing problem tantamount to dealing with all these allied problems, which is a herculean task. Because of these constraints peculiar to housing commodity, housing problem grows with economic growth while food and clothing problems are almost stifled. Malthus in his Essay on the Principles of Population (1798) says that, it is a universal experience that housing has immense sociological, biological, and economic benefits and that it promotes economic development, human welfare and capital formation much more than most of the comparable commodities. Benefits from food and clothing are considerably nullified by bad housing. But the anomaly is that despite its paramount importance housing problem has not yet received adequate attention in economic literature either at home or abroad. In explaining the problem of urban housing, Professor Memoria says that
the number of urban housings increased from 6.5 million in 1931 to 10 million in 1951 in a span of just two decades. The urban population in 1951 was estimated at 62 million the shortage of houses was estimated to be about 2.5 million. All human beings irrespective of their economic and social background need housing for shelter, comfort, recreation, and privacy. As Bayer (1968) rightly puts it, housing should provide comfort, contentment, health, and aesthetic satisfaction. Generally it is found that though the houses in olden days provided shelter, they did not lay much emphasis on sanitation and other aspects of amenities. With the passage of time a house was no longer considered as a mere shelter to live in but also a place for social interaction and other related functions.

Housing has been recognized as a basic human need. Several initiatives at the centre and state levels have focused on “housing” as an integral part of the growth process. Housing is known to have multiple linkages with the rest of the economy and investments in housing have orchestrated impact in the region and on the broader economy. Housing initiatives must be viewed in the background of the overall economic development and the needs of the people. An assessment of the magnitude and nature of housing shortage in the state will determine the nature of policy prescriptions and policy interventions. Good and timely policy prescriptions help in establishing a well-functioning and sustainable housing market. The proposed State-Housing policy for the state of Karnataka is expected to serve the larger overarching goal of “Affordable Housing for All”. Providing housing for all and better living conditions for people across all market segments is a challenge before the policy makers and the institution responsible for serving the sector. In this context, urban planning and governance structures are also critical components of any policy framework, needing to be made more effective, functional, and responsive to the ground realities. The draft policy will seek to recommend policy measures that would result in better funds position for the sector, with higher levels of investments and credits from different stake holding institutions. The core issue of “adequate and affordable housing” has to be addressed through a multi-pronged strategy and programme, keeping in view the market development, the institutional depth of the sector, the legislative and the legal environment in which the market operates, the trends in the housing credit, demand and supply and the profile of the market segments most affected by the effects of noiselessness.
The National Urban Housing & Habitat Policy 2007 (NUHHP-2007) has been formulated keeping in view the changing socio-economic parameters of the urban areas and growing requirement of shelter and related infrastructure. The policy seeks to promote various types of public-private partnerships for realizing the goal of “Afford Housing for All” with special emphasis on the urban poor. The policy seeks to promote sustainable development of habitat in the country with a view to ensuring adequate supply of land, shelter, and services at affordable prices to all sections of society. An “efficient and easy to implement” State-housing policy will enhance the confidence of all stakeholders, including the financing and construction agencies. The need for Karnataka Housing and Habitat Policy emerges from the growing requirements of shelter and related infrastructure both at rural and urban centers. Continued changing economic and social environment, growing urbanization, mismatch in demand and supply of developed land and houses at affordable prices and inability of poorer sections of the population to have access to formal land markets and finances from financial institutions necessitates on such policy.

Karnataka is the eighth largest state in India both in area and population. While nearly 69% of the population lives in rural areas, urbanization is rapidly increasing. Bangalore, the state capital, is one of the fastest growing cities in the world today, with a population of over 6.5 million as per 2001 census, up from 4.8 million as per 1991 census. The fast growing urbanization has also witnessed significant shift and changes in the occupational profile of the people, including changes in the income and spending patterns, the capacity for contracting debts and resulting changes in housing demands. At the macro level, there is growing state wide demand for housing, housing finance, land availability, and supporting infrastructure. Karnataka Government therefore, has adopted a definite and implementable habitat agenda offering a vision to achieve sustainable development of both rural and urban areas with a healthy and safe environment. In this direction, Government of Karnataka is creating an enabling political and administrative environment to ensure people’s participation in achieving this holistic agenda. “Affordable Housing for All” will be the underlying theme of the policy consistent with the overarching objective of the National Urban Housing and Habitat Policy adopted by the Government of India in December 2007. (Karnataka Housing and Habitat Policy- 2009)
The meaning of the term "HOUSING" is imperative before the shortages in the context of urban low income housing is considered. The concise Oxford dictionary has given the meaning of this term as "The provision of dwelling -houses collectively; shelter, lodging". Various bodies of United Nations have given the following meanings:

"It is the residential environment, neighborhood, micro district or the physical structure that mankind uses for shelter and the environs of the structure including all necessary service facilities, equipment and devices for the physical, health and social well being of family and the individual”.

An expert group of United Nations in 1962 stated that housing is not "shelter or household facilities alone, but comprise a number of facilities and utilities which link the individual and his family to community and the community to region in which it grows and progresses”.

In 1970 an adhoc group on social programming of housing in urban areas concluded that, "In the fulfillment of social needs housing plays both a direct and an indirect role and both roles are decisive. In its direct role housing serves as the area where the individual becomes capable of experiencing community and privacy, social well -being and seeking shelter and protection against hostile and physical forces and disturbances. In its indirect role housing serves as the area where an abundant supply of social relationships and services are accessible such as place for social interaction, education, recreation, sports social welfare and health protection services shopping and transportation.

The concept of housing thus comprises community facilities as well as social amentias and should receive equal or greater attention than the housing unit itself. Housing is not merely a physical shell but it engulfs the complete range of ancillary and community facilities which are required and necessary for the human well being and his growth.
1.2.1. Modern Definition of Housing

Housing is generally considered to be more or less a mere collection or accumulation of bricks and mud in a symmetrical form. But really housing is much more than that. Satisfactory solution to the problem of housing involves, in the first place, the adoption of the concept of modern housing. As Catherine Bauer observes:

Modern housing has certain qualities and embodies certain methods and purposes which distinguish it sharply from the typical residential environment of the past century. For the thing, it is built for efficient use over a period of years: therefore, it is not designed primarily for quick profits. It is planned and so it must be non-speculative. This new housing method recognizes that the integral unit for planning, the economical unit for construction and administration, and the social unit for living, is the complete neighborhood, designed and equipped as such. As modern housing development does not, therefore, constitute mere mechanical extension of streets and agglomeration of individual competitive dwellings. It has a beginning and an end and some sort of visible organic form. One part is related to another part and each serves a particular slum, or a blighted area, or a case for expensive remedial city planning. Moreover, modern housing provides certain minimum amenities for every dwelling, cross ventilation for one thing, sunlight, quiet and pleasant outlook from every window, adequate privacy, space, and sanitary facilities, children’s play space adjacent. Finally, it will be available at the price which citizens of average income or less can afford.

Thus, the concept of modern housing is quite different from the general view. A modern house is built for efficient use. It is planned in such a way that different parts serve various purposes. It provides certain amenities such as ventilation adequate privacy, sanitary fittings, isolation in times of maternity and sickness. That is to say, a modern house is a multitudinous term which refers to a shelter in healthy surroundings with facilities such as kitchen, bathroom, latrine, water taps, etc. Such housing tends to be very expensive, but every effort should be made to make it available to all irrespective of their economic ability, because it is a must for formation and preservation of human capital nutshell.
1.3. ORIGIN, IMPORTANCE AND SIGNIFICANCE OF HOUSING

Housing is a basic need of man. In importance it is second only to food. The importance of housing was universally recognized from the dawn of history. Even the Neolithic man who lived between 10,000 and 2,000 B. C. built durable habitations like pit dwellings and beehive huts. However, its functions increased manifold over the years. Primitive man sought some kind of protection against wild animals and natural elements. For example, people living in Arctic and tropical regions needed housing protection more than anything else. Housing protection was sought against enemies as well. For instance, cliff-dwelling Americans sought strong houses mainly to protect them from their enemies.

Housing is both- consumption and investment good. It is consumption good in the sense that it provides security, and minimum civic facilities and privacy to the human beings for decent living. It is also an investment good since it will have positive impact on the individual’s physical and mental health and happiness enhancing their productivity. Housing being an important economic asset, will have resale value, therefore, it becomes an investment good. Housing, besides satisfying one of the basic necessities, is an important economic activity and plays a significant role in the socio-psychological development of the individual. As the World Bank Housing Sector policy paper observes: “Housing is important to development in both economic welfare terms. It typically constitutes 15 percent to 20 percent household expenditure. For all, but the wealthy, it is usually the major goal of family saving efforts. Investment in housing represents up to 20 percent to 30 percent of fixed capital formation in countries with vigorous housing programmes, and it is increasingly recognized as a profitable investment item yielding a flow of income. For some of the self-employed, house is also the place of work. In countries with substantial underutilized labour material, and financial resources, housing can make use of such resources at low cost. The import content of housing construction is usually relatively low, so that multiplier linkages tend to be substantial”. Further, well planned housing “can increase national productivity, economies” in urban space and minimize the cost of urban infrastructure. Improved location of dwellings in relation to jobs leads to reductions in traffic congestion and increased household take-home pay by reducing commuting expenses”. The share of housing investment to GNP is two % for the
poorest countries, but it increases to 6-8% for middle income countries. As the World Bank paper rightly observes, “Housing has substantial social benefits including the welfare effects of shelter from the elements, sanitation facilities, and access to health and education services. Improved health and education and better access to income-earning opportunities can lead to higher productivity and earnings for low-income families. It is thus, for sound economic reasons that after food, housing is typically the largest item of household expenditure for poor families and that they are willing to go to great lengths to obtain housing at location with access to employment even if this means, incurring the risks of illegal “squatting”. However for quite a large numbers of people, all over the world, housing which provides these socio-economic benefits is a far distant dream. For many millions, the sky is the roof under which they sleep and billions dwell in unsafe and unsanitary settlements where the basic facilities are conspicuous by their absence or chronic inadequacy. Thus, “despite man’s unprecedented progress in industry, education, and science, the simple refuge affording privacy and protection against the elements is still beyond the reach of most members of the human race. The unevenness of man’s advance from the lower species is best illustrated in his struggle for shelter”.

Housing is one of the major parts of settlement which is one of the important branches of Geography. It is rightly observed that, “housing has substantial social benefits including the welfare effect of shelter from the elements, sanitation facilities and access to health and education service”. Besides providing shelter which is the basic purpose, housing also plays an important role of helping the achievement of some of the socio-economic development objectives of the native. The Planning Commission of India observes “In fulfilling the basic needs of the population, housing ranks next only to food and clothing in importance”. A certain minimum standard of housing is essential for healthy and civilized existence. The development of housing therefore must enjoy high priority in a poor society like ours where housing amenities are for below the minimum standards that have been internationally accepted. Housing activity serves to fulfill many of the fundamental objectives of the plan providing shelter, raising the quality of life, particularly of the poor section of the population creating conditions which are conducive to the achievement of crucial objectives in terms of healthy, sanitation and educations, creating substantial additional employment and dispersed economic activity, improving urban rural and inter
personal equity through the narrowing down of differences in standard of living (Planning commission of India).

Similarly housing property forms an important share of the total property of the household in India in general. Another important contribution of housing is the generation of employment. This is of particular importance to a country like India where unemployment is a very serious problem.

1.4. SIGNIFICANCE OF THE STUDY

The present study is an attempt to bring out the impact of private housing co-operative societies and land developers in solving housing problem in Mysore City. For this study, Mysore city has been selected because of the large scale housing problem and also because, quite a good number of private housing co-operative societies and land developers are registered in Mysore. Next to Bangalore, Mysore city is one of the rapidly progressing cities of Karnataka educationally and industrially where there is good demand for houses or sites, The government agencies like MUDA, KHB, HUDCO are developing and distributing sites very slowly and are not in a position to fulfill at least 5% of the demand, which in turn has increased the demand for the private housing co-operative societies. This study is mainly concerned with the private housing co-operative societies and land developers in Mysore city. To what extent are these societies able to solve the problem of housing to their members?

In Mysore housing co-operatives societies-both government agencies like MUDA, KHB and HUDCO and private housing co-operative societies mainly concentrates on giving sites to their members rather than constructing houses.

At present there are totally 828 housing co-operative societies functioning in Mysore city. These co-operative societies are purchasing land from the farmers of the nearby villages of the city and get converted the agricultural land into residential purposes from the District Commissioner’s office and then get the plan approval from the MUDA according to the norms. The co-operative societies are gaining importance these days as they perform the same function as MUDA and also provide same facility. It is easy to get sites from private co-operative houses compared to the MUDA. In co-operative societies, if an individual takes the membership he will be assured of a site though it costs little high when compared to the sites allotted by the
MUDA. But he need not wait for a long time as in the case of MUDA. Many people who are residents of these layouts are of the opinion that they prefer co-operative society rather the MUDA layouts.

In the process of developing the layouts, the housing co-operative societies are gaining more profit and at the same time it gives more money to the land losers. The farmers who lose their farms are also happy as they get more amount than the MUDA. As these societies are developing layouts around the city by converting the agricultural land into residential plots its impacts is twofold- one, on the land use and second, on the urban structure, growth and development of the city.

1.5. HOUSING SOCIETIES AND LAND DEVELOPERS

Housing co-operative society is an arrangement in which an association or corporation owns a group of housing units or sites and common areas for use by all residents. The individual participants own a share in the cooperative which entitles them to occupy an apartment, house or site as if they were owners to have equal access to the common areas, and vote for members of the Board of Directors which manages the cooperative. The housing societies largely found in urban centers help their members in securing a site or construction, improvement and repairs of houses by extending long term loans and advances. These societies also formulate house sites and distribute them among its members under the guidance of urban development authorities. The first housing society started in Mysore was the City Co-operative Housing Society in 1916, but on record it is Southern Railway’s Low-income Group House Building Co-operative Society in the year 1965. According to 2012 MUDA report, at present Mysore city has more than 868 private housing co-operative societies and land developers like Southern Railway, Telecom etc. The land developers are the sole authority and decision makers of the property. They purchase land, create layouts and finance the project from beginning to end and sell it according to the demand of the market. They plan the building schedule and design, obtain the necessary public approval and financing, build the structure put it on lease, manage, and ultimately sell it. The developers work with different counterparts along each step of this process, including architects, city planners, engineers, surveyors, inspectors, contractors, leasing agents and many more.
Home is more than where the heart is. A home also has to suit our lifestyle. These land developers make our dream come true. They take us towards our dream house. With them, one gets the luxury of living away from noise pollution and in close proximity of the facility of communication, transport, shopping malls, banks, gardens, meditation centers as well as education institutions. A part of delivering exceptional customer service is providing them with knowledgeable, professional, and qualified consultants to assist with all aspects of the home-buying process. At present more than 100 land development agencies are distributed in and around Mysore city.

1.6. STATEMENT OF THE PROBLEM

Housing is indeed a global problem. Although the problem is very chronic in the developing countries most of the advanced countries also face this problem in varying degrees and dimensions. Neither the capitalist USA which is regarded as an affluent society nor the socialist super power Russia is free from the housing problem. In the case of our country the annual rate of growth of gross capital stock in housing has been very low. It is around 1.5 to 1.6% in comparison to almost 5% and above in developed and even some developing countries. Investment in housing is being encouraged by governments through many incentives like easy access to housing finance; interest subsides on housing loans etc. Shelter is the basic human requirement that needs to be met on priority basis. While accepting the fact that housing is essentially a private activity, housing policies and programmes have to recognize that state intervention is necessary to meet the housing requirements of the vulnerable sections and to create an enabling environment in achieving the goal of “shelter for all” on self-sustainable basis.

India is still grappling with the growing shelter problem, especially of the poor, despite efforts to deal with the situation in the different plan periods. Increasing population, rapid industrialization, and regional development are major factors that have aggravated the housing scenario over the years. The problem has further been compounded by rapid increase in urban population. Constant migration of rural population to cities in search of jobs puts unbearable strain on urban housing and basic services. The National Building Organization has estimated the 1991 urban housing shortage at 8.23 million units, expects the absolute shortage to decline progressively to 7.57 million units in 1997 and 6.64 million units in 2001(NBO).
Habitat-II estimates, however, indicate that the shortage will increase to 9.4 million units in 2001 (UN- Habitat-II). Realizing these problems in Mysore City it was felt necessary for revision of comprehensive development plan as per provisions of section 24 of Karnataka town and Country planning act 1961 (MUDA). The town planning authority has requested the Government, seeking the approval for revision of master plan. Keeping in view these housing problems, many private housing cooperative societies (PHCS) are set up in the city and also land developers have set up individual agencies for urban land development and providing shelter to the needy. While developing the layouts, these private housing cooperative societies and land developers in turn are responsible for the changing urban structure, urban land use and for the growth and development of cities.

1.7. OBJECTIVE OF THE STUDY

The study aims to accomplish the following objectives:-

1. To study the history of private housing co-operative societies (PHCS) and land developers in Mysore City.

2. To analyze the temporal trend and spatial distribution of private housing co-operative societies and land developers in Mysore City.

3. To evaluate the role of Private Housing Co-operative Societies and land developers in the development of Mysore City.

4. To make a comparison between PHCS and others like (Mysore Urban Development Authority and Karnataka Housing Board)

5. To identify the problems of PHCS in the study area.

6. To determine the issues that needs solution to overcome the housing problems in Mysore City.
1.8. METHODOLOGY

To achieve the set goal and objective the study methodology followed is designed in Flow chart

**Methodology**

- Define the Goal and objectives
  - Review of literature
    - International level
    - National level
    - Local
  - Primary
    - Questionnaire, personal interview & observation
  - Secondary
    - Data, records, documents from MCC, MUDA, Journals, books and E journals and internets
  - Map from MUDA on scale of 1 cm=4km
  - Required data collection
    - Compass of MUDA, MCC, KHB, data with Private housing cooperative societies
    - SPSS analysis—t test, Annova, Garote ranking

- Analysis of data, preparation, representation of data on maps with Auto cad, Arc view, and ArcGIS
- Writing Thesis
- Findings and Conclusions
The study is mainly based on primary and secondary data. The primary data mainly includes personal observation, field, and questionnaire survey. This is to study the customer satisfaction about the layout facility provided by the private housing cooperative societies and land developer. This will help in comparison of public and private housing cooperative societies and land developers. Secondary data regarding establishment, sites allotted and number of private co-operative societies will be collected from City Corporation, Mysore Development Authority (MUDA), District Statistical Department, Sub-Registrar office, Village Accountants and private land developers. The secondary data pertaining to the study includes Spatial, temporal growth and distribution of private housing co-operative societies and land developers and spatial temporal change in land use pattern. The processed data of primary and secondary will be represented through the tables, graphs and on the map of the study area with GIS software. The collected Map of the study area from MUDA on a scale of 1cm=4 km will be altered and processed through the AUTO CAD and GIS software like Arc GIS and Arc view. The location map of the study area, location of private housing co-operative layouts and land developers layout will be represented in the Mysore city Map. The number of private layouts, number of sites allotted by the private housing cooperative societies and land developers in comparison with the government agencies will be represented by the pie diagram in the respective villages or layouts. This will be helpful for comparative study.

1.9. ORGANIZATION OF THE REPORT

The thesis is organized in seven chapters such as:-

I. Introduction

This chapter deals with the introduction to the research topic, research significance, importance, and statement of the problem, objectives, and methodology.

II. Study area

For any study, the Geographical knowledge of the study area is very much essential and is presented in this chapter. It is a descriptive account of the study area and gives a brief history of Mysore, location and physical background, economic activity, growth and development of Mysore city from 1883 to 2011.
III. Review of literature

It includes a broad review of International, National and Local related literature.

IV. Demographic character and Land use

This is the important chapter of the study as the demography and land use of the study area which immensely influences the growth and development of the cities and also influences the growth and development of the private housing co-operative societies by creating a demand for the residential areas.

V. Housing cooperative societies in solving housing problems in Mysore city

This chapter deals with the housing shortage, housing problems, development of housing co-operative societies and its trends and growth in Mysore city. It fulfills the first, second and third objective of the study.

VI. Comparative study of public (MUDA, K.H.B and HUDCO) and private housing co-operative societies and study of problems and prospects of housing co-operative societies and land developers in Mysore city

This chapter is the crux of the study- it is related to comparison between MUDA, KHB, and HUDCO with private housing co-operative societies and also analyzes the relationship between members and private housing co-operative societies and also studies the problems faced by the land developers and co-operative societies and their prospects in nearby future in the city. It fulfills the fourth and fifth objectives of the study.

VII. Suggestions, Findings and Conclusions

This chapter is the concluding chapter, which provides a summary of the thesis. Besides presenting the findings, it also has recommendations and suggestions that have emerged out of the study and fulfills the last objective of the research.