CHAPTER VI

SUMMARY AND CONCLUSION

Urban land problems are attracting the attention of urban planners and policy makers as these problems forbid the effective implementation of development programmers relating to housing and infrastructure. Generally, the urban land management emphasizes more on physical regulation by means of certain instrument such as master plans, zoning, building codes etc. However, a holistic approach on urban land management needs to take into consideration all relevant socio-economic issues pertaining to urban land like access to land by the poor, control on land speculation and land price inflation. Hardly a few studies are available for the state of Tamil Nadu in this regard. Main reason is lack of access to data on urban land value especially at the Registrar’s office. Even if primary survey with households is proposed, households desist from divulging information in this regard due to fear of hike in property tax. However the present study has attempted to take into consideration some of the socio-economic issues surrounding the urban land.

Boom in the real estate market had been witnessed in most of the metropolitan cities in the early eighties. This phenomenon started to spread to other smaller cities too. Consequently, the land values have risen abnormally which resulted in speculation and concentration of lands in a fewer hands. Needless to say how urban lands went away from the reach of the poor.
The extent of hike between market and guideline values, prevalence of sociological factor viz., caste and religion along with economic factors and the rate at which lands in the fringe areas are being converted for urban use have been the focus of the foregoing chapters.

Urban land, a scarce economic resource, quickly appreciates in value. Increasing pressure of population owing to industrialization, migration, and housing, leads to intense competition for this scarce resource. This consequently results in an abnormal rise in land prices. The second generation problems like urban poverty, homelessness, deterioration of civic amenities and facilities, and land crisis follow. Behavioural as well as non-behavioural, and socio-economic forces affect the land use pattern and force a value to urban land. Pressures on land also distort the land market. Since the process is complex, state intervention is inevitable in the form of urban land policy. Regulating land supply and controlling its prices, optimizing the land use and its equitable access to various income groups, across locations and for various activities is the primary role of such policy intervention.

The present study seeks to analyse, in comparative as well as historical perspective, the cause of fluctuation in land value, factors influencing land market and conversion of agricultural land for human habitation in Thuraiyur Municipal Corporation (TMC) between 1994-95 and 2003-04.
The study finds that guideline value adopted for official purpose is much lower than its market value in each of its three uses as primary residential, mixed residential and commercial area. The study establishes that not only the land value is highest in commercial use followed by mixed residential area and primary residential area but also the increase in guideline value at constant prices follows the similar pattern.

Among the different religions the Hindu religion standout as the largest urban holding group (70%) in TMC and among the various castes the Backward Castes stand out as the largest holding group (70%) in TMC.

Among the different land classification of ownership, going by numerical strength, the public collectives stand out as the largest urban land holding group (90.82) in TMC. The institutional ownership of urban land in TMC is quite considerable as they belong to institutions of several religious denominations and minorities. The percentage of change in residential area remains the lowest when compared to the other land uses. Another important observation that the percentage of increase in industrial land clearly points out to the fact that industrialization as one of the dominant factors of urbanization, which includes transport and communication, improved infrastructure facilities.
Urban land value appreciation

Regarding appreciation and extent of variation in land values across different location, the mixed residential areas showed an increase of 3.53 per cent between 1994 – 95 and 2003 – 04. The primary residential land values had increased to 119.20 per cent during the years 1994 – 95 and 2003 – 04. The commercial land values stands at first in the guideline value. The primary residential land values had increased to 34.28 per cent between 1994 – 95 and 2003 – 04. The mixed – residential had increased to 17.93 per cent between 1994 – 95 and 2003 – 04. The commercial area land value had increased only to 50.11 per cent between 1994 – 95 and 2003 – 04. The commercial area stands out first in the market value. Land values in the central part of the city through associated high socio – economic status, have increased at a lower rate while the peripheral land use reveals relatively higher rate of increase.

Difference between Guideline value and Market value

The difference between the guideline values and market values in TMC presents a wide variation. The variation for the primary residential was Rs.12.9 in the year 1994 – 95 for the mixed residential, it was Rs.75.63 in the year 1994 – 95 and for the commercial land, it was Rs.96.39 in the year 1994 – 95. During the year 2003 – 04, the variation for primary residential was Rs.116.87 for the mixed residential, it was Rs.154.08 and for the commercial land, it varied Rs.477.10. The significant of this variation between the guideline value and market value has been established by the verification of hypothesis.
Land use and land value

The spatial distribution of land values in the central parts of the cites is higher when compare to other areas. There is a declining pattern of land values for the city centre to the periphery, although the rate of increase has been higher in the newly developed extensions of TMC. Land in commercial areas is found to have higher values than in the mixed as well as primary residential areas. The significance of relation between the land use and land value has been established by the verification of hypothesis.

Households and Land Values

The primary residential land values had increased to 96.59 per cent between 1994 – 95 and 2003 – 04. The mixed residential increased to 71.35 per cent between 1994 – 95 and 2003 – 04. The values in commercial area increased only to 141.93 per cent between 1994 – 95 and 2003 – 04. The factors influencing values variations in land values in the city are indicated below: The Commercial uses stands out first in the land value appreciation.

There is a wide variation in guideline values rate per square foot of land as against the market values. The primary residential has varied to Rs.21.18 in the year 1994 –95. The difference in the mixed residential was Rs.45.60 in the year 1994 – 95. The commercial land values varied up to Rs.110.17 in the year 1994 – 95. The primary residential varied to the extent of 144.92 rupees in 2003 – 04. The mixed residential
varies up to Rs. 181.20 rupees and the difference in the commercial land value worked out to Rs. 603.30 in the year 2003 – 04.

**Streets and Land Values**

Regarding appreciation and extent of variation in land value across different streets and its location. The primary residential areas showed an increase of 30.6 per cent between 34.45 per cent in co-operative Nagar. Sengunthar street percentage increase in the residential streets when we compare the other streets like Lakshmikantha puram, Malaiappan street, Thiyagi Singaravelar street, Old Post office street, Vadamalai street, Kutta karai street and Pudu street. But there streets also have appreciation in the land values Lakshmikantha puram per cent 39.86, Malaiappan street 57.64 percent, Sengunthar street 35.50 per cent, old Post Office street 72.15 per cent, Vadamalai street 48.36 per cent, Thiyagi Singaravelar street 30.64 per cent, Santiveerappan Kovil street 35.98, Kutta Karai street 8.28 per cent and Pudu street 65.95 per cent, showed in increased in land values between this may be one of the indicators for increasing migration from rural to under for civilized life in Urban.

Regarding appreciation and extent of variation in land values across different streets and its location. The commercial areas showed an increase of 5.30 percent between 31.14 per cent in Perambalur road.

Municipal corporation road is also showed an increase of 79.99 per cent and 114.19 per cent areas. Hospital road also plays a vital role for business activities. And other streets showed the land value are the Chinneri road 5.85 per cent 307.98 per cent,
Gandhi road 66.11 per cent and 249.72 per cent, Market road 43.63 per cent and 114.70 per cent, Keelakadai street 22.40 per cent and 114.79 per cent, Bus stand 42.07 per cent and 35.89 per cent and the Palakarai street showed 51.20 per cent and 144.79 per cent. These streets showed an increase in the land value between 1994-95 to 2003-04. This may be one of the indicators for increasing business activities.

**Trend Values in TMC**

Data in recent study of land values in the TMC indicates that urban land values have increased greater than other commodities. Urban land values have increased the over periods 1991 – 92 to 2003 – 04. Not all urban property had increased the same rate, however, commercial area has increased in value at a rate greater than primary residential and mixed residential area in TMC. It is arguably right that comparing the land value with inflation rate will not be meaningful and thus the demand for it is increasing frequently resulting in continuous increase in land values. This argument will hold good so long as the price hike is within the reach of low and middle-income groups. But when there is spurt in land value resulting in abnormal increase, this becomes a matter of concern for social scientists in general and economists in particular.

**Socio – Economic Factors influencing urban land values**

About 22 respondents were of the view that employment opportunity had increased the land values in TMC. 20 respondents strongly agreed, the water facilities had increased land values increased in TMC. From the analysis, it concluded that a
significant relationship exists between increase in the land values and the socio economic
c_factors in the present study area.

The caste is one of the main factors which determine the land values in the city. The significant of relation between the land value and caste has been established by the verification of hypothesis.

Urban Land conversion in TMC

In Thuraiyur too the scenario of land conversion is quite apparent. Information obtained on land area from village administrative officers are use in this regard. The conversion is high in Aathur Road and Tiruchirapalli Road, these two areas are located very close to the Business Centre when compared to the other areas like Musiri Road and Perambalur Road. As the land values are quoted abnormally high in the Business Centre, the propensity of conversion is also high in areas nearby Business Centre. Tendency on the part of inhabitants to move to areas where they manage to get lands for relatively lesser prices are be attributed as reason for this process. This appears to be an inevitable feature for future urban growth, however, the present study is in favour of regulating the indiscriminate conversion of agricultural lands in the fringe area. Lands under agricultural purpose once converted there is no scope for bringing them back for the original use.
Results of the study summarized above would lead to the following conclusions

1. While the increasing in land values in observed in all land uses, it is highly significant for the mixed residential area and primary residential area followed by the commercial area.

2. There is under valuation of land is official records, in spite of the government fixing guideline value below which the value of land will not be accepted for registration purposes. Official values as recorded in the registration offices are always less than the value as assessed by professional REPs, while in turn are less than the value imputed to owners of land.

3. The findings reveal that the benefits of modernization for the untouchables are limited, and that their disabilities continue to persist and;

4. The annual rate of conversion is higher in wet area and lower in dry areas.

5. In Thuraiyur, there is only one housing board. So, few people can survive and rest of the poor people had to search houses for rent. So that the land value increases in TMC. Government can take step to construct another housing board for welfare of people.

6. In TMC, there are no industries. Thus, the lack of employment opportunities exists in TMC. So that industries are introduced in TMC for the purpose of employment opportunities.
Policy Implication

The first step in formulating an integrated urban land policy is to identify the critical issues pertaining to the region.

The government can establish a research wing at Town and Country Planning Cell to observe open land market operation. This will give full knowledge for fixing the guideline value for survey numbers.

The government can decentralize its powers to local government particularly to the District Registrars with regard to fixing the guideline value.

Training program can be organized for local officers, REPs, lawyers, legal administrators, and individual decision makers to enlightenment on the dynamics of open land market operation in the city.

The government can be develop a standard form for land registration and fixing the land values for survey numbers.

A publication on the guideline values could be brought out for the public, which may down the land values.

The government can levy tax on REP’s income as their income from land transaction earning exceeds the income tax ceiling.

The activities of the District Registrar’s Office can be enlarged that the office also provides needed information, guidance and counseling to interested public.

The experience is that urban land policies have proved not very successful as evidences showed the prevalence of speculation and concentration of land holdings. What is more disturbing is that policies have resulted in adverse effects on social welfare. In the backdrop of current economic reforms ipso facto globalization, liberalization and
Privatisation, policy makers trend to debate and prescribed development patterns relying on market force. It is also to realize that without planning and regulation, land markets are likely to generate enormous social costs and will fail to produce public spaces. Therefore, the solution to ineffective land policies is not to do away with government intervention. The upshot is to find a synergy or balance or division or responsibilities among the state, market forces, national and local government in urban land development.