Chapter 6

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 programmes relating to housing and infrastructure. Generally, the urban land management emphasizes more on physical regulation by means of certain instruments such as master plans, zoning, building codes etc. However, an holistic approach to 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.

Among the different religions the Hindu religion stand out as the largest urban holding group (58%) in TUA and among the various castes the Backward Castes stand out as the largest holding group (70%) in TUA.

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 TUA. The institutional ownership of urban land in TUA is quite considerable as they belong to institutions of several religious denominations and minorities. The percentage of change in residential area remained 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 1957.36 per cent between 1983-84 and 1993-94. The primary residential land values had increased to 1966.66 per cent during the years 1983-84 and 1993-94. The mixed residential stands at first in the guideline value. The primary residential land values had increased to 1926.33 per cent between 1983-84 and 1993-94. The mixed-residential had increased to 1953.24 percent between 1983-84 and 1993-94. The commercial area land value had increased only to 497.20 per cent between 1983-84 and 1993-94. The primary residential 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 TUA presents a wide variation. The variation for the primary residential was Rs. 8.35 in the year 1983-84 for the mixed residential, it was Rs. 12.5 in the year 1983-84 and for the commercial land, it was Rs. 101.74 in the year 1983-84. During the year 1993-94, the variation for primary residential was Rs. 29.68 for the mixed residential, it was Rs. 60.2 and for the commercial land, it varied Rs. 525.2. 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 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 TUA. Land in commercial areas are found to have higher values than in the mixed as well as primary residential areas. The verification of the hypotheses determining effect the land use and land value. The significant of relation between the land use and land value has been established by the verification of hypothesis.
Trend Values in TUA

Data in recent study of land values in the TUA indicates that urban land values have increased greater than other commodities. Urban land values have increased over periods 1981-82 to 1993-94. 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 TUA. 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.

In this regard, when compared to neighbouring cities like Maduari, Salem and Coimbatore, the situation in Tiruchirappalli is not alarming. Nevertheless, values prevailing in posh localities in Tiruchirappalli city is comparable with other cities of the state.

Socio-economic factors influencing urban land values.

About 37 per cent of the REPs were of the view that housing loan facilities from various financial institutions had increased the land values in TUA.
The operation of plot promoters or flat builders and REPs as the reason for increasing land values is supported by 18.75 per cent, educational facilities 23.75 per cent and essay availability of lands 20 per cent. From the analysis, it concluded that a significant relationship exists between increase in the land values and the socio economic factors in the present study area.

The caste is one of the main factors which determines 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 TUA**

In Tiruchirappalli too the scenario of land conversion is quite apparent. Information obtained on land area from village administrative officers are use in this regard. The percentage of conversion is as high as 63.0 in Tiruchirappalli North and 61.3 in Tiruchirappalli west. These two areas are located very close to the Central Business District (CBD) when compared to the other areas like Somarasampettai, Vengur and Sriragam. As the land values are quoted abnormally high in the CBD, the propensity of conversion is also high in areas nearby CBD. Tendency on the part of inhabitants to move to areas where they manage to get lands for relatively lesser prices an be attributed as reason for this process. Notwithstanding the fact that most Asian countries do encourage
physical expansion regardless of transferring agricultural lands for urban uses. This appears to be an inevitable feature of 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 is 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 in 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.

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

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

2. The government could 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.

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

4. Training program could 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.

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

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

7. The government could think of to regulate the activities of REPs as a check against possible illegal activities.

8. The government could levy tax on REPs' income as their income from land transaction earning exceeds the income tax ceiling.
9. The activities of the District Registrar’s office 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* globalisation, liberalisation and privatisation, policy makers tend to debate and prescribed development patterns relying on market force. It is also to realise 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 between the state and market forces and national and local government in urban land development.