Chapter 7

Issues, Constraints and Potentials
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7.0  Introduction

According to a study by the UNCHS, India has the most unfavourable land to man ratio among the 20 largest countries of the world (in terms of area). The ratio has steadily decreased from 0.99 hectares per capita in 1901 to 0.39 hectares per capita in 1991; it is further expected to fall to 0.22 hectares per capita (projection) by 2051. The idea of land being a very finite and scarce resource is thus emphasised in the Indian context. Yet, the use and management of land in urban areas has been unplanned and poor, with uncoordinated development leading to exploitation and abuse.

"It is an established fact that Land is crucial in the creation of wealth. In societies where there are fewer restrictions on land and related issues, there is likely to be greater wealth creation. The relatively free market that has existed in land development is at least part of the reason that the United States remains by far the most affluent nation in the world, in per capita terms"\(^1\).

While this idea of the ownership of land as a basic tool for wealth creation is known to many, it can only be utilized by a few, since in a developing nation, lack of access for the lower income groups is a serious issue. Access is minimized by the spiraling price of land on the one hand and the lack of alternative means and facilitation by public authority on the other.

The McKinsey Report\(^2\) "Unlocking Potential: Remove Barriers to India's Growth" appropriately mentions that -

"Widespread distortions in India's land and property markets result in nearly 1.3 percent loss of economic growth each year. Land-market distortions, so far largely ignored in

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\(^1\) Cox, W., Reconciling Smart Growth with Traffic, 2002.
public debate, limit the land available for activities apart from retailing, which is the largest domestic sector after agriculture. Land scarcity has made Indian land prices the highest amongst all Asian nations relative to the respective average incomes of the nation”.

It is now understood that some of the prime causes of distortion of the urban land market are rigid zoning controls and the existing rent and tenancy laws. In the dynamic urban context, rent controls and protected tenancies in combination with rigid zoning laws tend to arrest the natural processes of urban renewal. This causes degeneration of central urban locations, freezing land that can be made utilized for new housing/retail activity in unproductive uses.

In the Indian context, housing and land issues are the domain of the State Government, who have a very important role to play in stimulating housing growth. The housing sector is in the State Government domain in the Indian context. The State Governments follow Central directives suitably customized for local requirements. In recognition of this, the National Housing and Habitat Policy (NHHP) was prepared in consultation with the State Governments in 1998. The implementation of the Policy guidelines on a priority basis is imperative to secure housing for all and satisfy the basic need for shelter.

7.1 Major Policy Constraints for land delivery

The major policy constraints which operate against the public sector’s ability to deliver land to the low income sections of the population effectively are:

- Lack of clarity in prioritizing user need groups
- “No pro poor orientation” - Formal sector land delivery process likely to be skewed in favor of special interest groups with better access to the bureaucracy, while the low income groups are forced into the informal market
- Difficulty in meeting distribution goals with respect to lower income groups for serviced plots leading to inadequate coverage.
• Objectives for fixing pricing pattern for developed plots governed by the need to recover investment in order to recycle capital
• lack of adequate land information including inventory of public sector land holdings
• Failure to use mixed land use as a tool in development schemes
• windfall development gains to the Development Authority not always used to achieve social land policy objectives
• Lack of coordination and "fuzzy status" of public agencies responsible for facilitating housing provision
• Spiraling land prices and lack of access to credit of lower income groups

The land delivery process is hampered by many bottlenecks which impact upon both the Process and the Product i.e. the processes of land assembly, land use sanctions and development of on-site/ off-site infrastructure; and the product outputs such as developed layouts, individual plots and group building sites.

7.2 Land Cost as determinant

The inflated land prices that prevail in the Indian land market result in a high ratio of land cost to per capita GDP. A global evaluation of the relation of land costs to the GDP undertaken by the McKinsey Global Institute emphasizes this:

<table>
<thead>
<tr>
<th>City</th>
<th>Land Cost to Per Capita GDP Ratio (base New Delhi = 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kuala Lumpur</td>
<td>2</td>
</tr>
<tr>
<td>Bangkok</td>
<td>7</td>
</tr>
<tr>
<td>Tokyo</td>
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<tr>
<td>Bangalore</td>
<td>52</td>
</tr>
<tr>
<td>New Delhi</td>
<td>100</td>
</tr>
<tr>
<td>Mumbai</td>
<td>115</td>
</tr>
</tbody>
</table>

Source: McKinsey Global Institute
7.3 Housing needs in the city

The city of Bangalore contained a population of 5.7 million in the year 2001, making it 7 times bigger than Hubli-Dharwar, the second largest city in the State (population of 0.76 million in 2001). Bangalore also accounts for 60 percent of all urban employment, 57 percent of total commercial tax collected and 40 percent of total registered vehicles in Karnataka.

The primate city of Bangalore has shown a steady to exponential growth pattern over every decade since Independence. This status of primacy has been achieved by the City’s intrinsic capacity for growth, coupled with other factors like the skewed economic development and financial investment policies which constantly favoured the Southern (Mysore) region over the underdeveloped Northern parts of the State.

The fast expanding metropolis of Bangalore with a population of nearly 5.7 lakhs today is spread over an area of approximately 2190 sq. kms. By 2011 the population is expected to reach 80 lakhs, occupying a total urbanized area of about 1,000 sq. kms. If the current population growth rate continues, the city would have a population total of 10 million by 2025 and the spread of the city could exceed 1500 sq. kms. The footprint of the city would then be large enough to qualify Bangalore as one of the largest metropolises in the world.

Migration into Bangalore District accounts for 26.2 percent of total migration in the state, compared to Dharwad 9.6 percent, Belgaum 7.5 percent, and Mysore 6.3 percent as per 2001 census. Considering the quantum of migration coupled with the quantum of natural growth, a substantial annual addition to housing stock is required. The deficiency in affordable housing makes the poorer sections of migrants move into the periphery of the city. The pressure on land leads to high land costs or prevailing high rents leading to illegal occupancy of vacant/public land through huts which over time develops into a slum.

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While the CDP of 2001 and revised CDP of 2001 both project a housing shortage of more than 10 percent of the existing stock, private computations by International Property Consultants like Jones Lang Salle estimate that an addition of more than 1.35 million housing units are required in the Bangalore Metropolitan region and that by 2011 the housing shortage will reach 1.65 million units.

7.4 Criteria for Evaluation of Supply

The following indicators have been identified as basic criteria in evaluating land supply:

- Land development laws, regulations and land policy – As stated previously, several legislative enactments at both the State and Central levels govern the purchase, sale, development and use of land for various purposes.

- Plan Policies and Objectives – The Master Plan or Comprehensive Development Plan of a City is the basic document for putting in place the framework of development and the parameters for implementation of the schemes formulated for development. The ideological orientation of the Master Plan very much determines the direction, pace and quantum of growth of the city. Thus a study of the Master Plan with respect to the recommendations on Housing and Land Policy will serve to identify the comprehensiveness of approach and effectiveness of intervention for housing the urban poor as proposed by the Development Authority.

- Quantum of Supply – The assessment of the quantum of supply of housing/land for housing with respect to the housing need is an immediate indicator of the adequacy of supply. Further detailing of categories of supply assessed against the categories and quantum of need will establish the appropriateness of the supply categories.

- Location and Accessibility – supply of residential land with respect to location of work centers and their accessibility. This is important in view of the fact that the lower income groups cannot afford to spare either time or money for extensive
commuting. Therefore, proximity to the work place would then be a major factor in selection of residential locations. Government schemes which overlook this criterion are bound to have limited success.

- Disposal and Pricing Policy – A realistic disposal policy with appropriate pricing elements is essential for the schemes to benefit the targeted groups.

- Coverage of Beneficiaries – Study of population strata served by various forms of formal supply and groups not catered for with respect to their housing need will establish the areas of gap in supply.

- Land Prices – Market prices of land with respect to the affordability of various income groups are a key indicator to describe availability of appropriate housing options to all income groups.

- Development Norms - Prevailing development norms prescribed the Development Authority have an impact on housing activity with respect to development costs and affordability.

- Land Titling – The Revenue Department plays an important role with respect to tenure issues as the administrative body governing all urban and rural land, as the main organization for defining land titles and as the custodian of all government land.

- Action for securing Tenure – The proactiveness of Public Agencies in undertaking action for providing secure tenure to marginalized groups is an important indicator.

7.5 Land development laws, regulations and land policy

The chief Central legislations that affect land supply are the Land Acquisition Act of 1894, the Urban Land (Ceiling and Regulation) Act of 1976 and the Urban Land (Ceiling and Regulation) Repeal Act of 1999. At the State level, applicable Legislations include the Karnataka Town and Country Planning Act of 1961, the Karnataka Industrial Area Development Board Act of 1966, the Bangalore Development Authority Act of 1976 and the Bangalore Metropolitan and Regional Development Authority Act of 1985. As stated before, the overlapping provisions of the various Acts create conflicts and
contradictions that have had the cumulative effect of hampering development activity. The processes of land development in Bangalore have produced the effect of high land prices, increased pressure on existing infrastructure and rapid change in land use in the urban fringe.

Traditionally, housing policies fail to consider the contribution made by unconventional housing supply systems. Conventional housing would generally imply a dwelling on legally owned land, involving wage labor in its construction, using standard materials and methods, and would also generally include the provision of support services for housing like sanitation, waste disposal, water and electricity supply. In contrast, unconventional housing is built using cheap locally available construction materials, involves little or no wage labor, and is sometimes located in illegal areas without adequate urban infrastructure.

7.6 Plan Policies and Objectives

The Master Plan 2015 Vision Document for Bangalore states that the question of public housing has to be addressed by the Government since there are no affordable market solutions that can respond to the needs of the lower income categories. It further states that “the poor encounter difficulties in obtaining decent housing”; and therefore it is essential to “plan specific measures to house the most needy”. This policy statement requires to be translated into specifics for implementation e.g. The Delhi Development Authority’s revised Master Plan for 2001, in force since 1990 and currently being revised for the year 2021, requires 25 percent residential development in the form of plots for the poor.

Some urban researchers have pointed out problems in the process of comprehensive planning for development, suggesting that it is too static; is too focused on physical and land use planning; neglects the costs of development and infrastructure; and takes too long for implementation and approval. The major public tool to manage urban development, the existing comprehensive planning method, is being challenged by the
market economy, which makes it more difficult to estimate future urban development demand. Population is more controlled now by the market economy than by the centrally planned policies. It is important to recognize the increasing strength of the market forces that affect urban structure and explore methods of bringing them into the planning process, as a means of achieving urbanization process controls.

Observers in Delhi have also pointed out that low income families in Delhi were anticipated and have become squatters in slums only because statutory housing provisions have not been implemented. "This is the most crucial point missing from the discourse on slums and housing rights; the slum problem is embedded in the larger problem of subversion of planned development. "Denial of entitlements of the poor serves to 'spare' land meant for them for profitable but unintended up-market uses that stress infrastructure". This phenomenon results in what is termed the "perpetuation of discrimination".

In effect, this means squatting in Delhi is a direct fall out of the implementation backlog on planned development. In Bangalore, no specific requirement for implementation exists, and there is only the intention for positive intervention.

7.7 Quantum of Supply

The actual addition to housing stock in terms of number of dwelling units per year is estimated to be in the range of 12,000-15,000 over all segments of housing supply including the private sector (SRE-Crocean). This is approximately half the total annual requirement of new housing for all income groups. Since only 50 percent of annual demand is met, the backlog of housing deficit increases correspondingly every year. Also the new additions to housing stock generally meet the requirements of the high and middle income house holds (HIG and MIG) and the low income groups (LIG) and the economically weaker sections (EWS) are the worst sufferers.

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2 MSDI, BDA Bangalore
Public Agency contributions can be enumerated as follows:

CITB : distributed about 65,000 sites during the period 1945-75

BDA : distributed 42,000 sites in 10 years i.e. 1976 - 86 and a further 35,000 sites between 1986 - 90

KHB : distributed 87,430 houses all over Karnataka from inception to 2001

KSCB : focused on upgradation and granting of hakku patras (tenure) in slums located on public lands

According to various estimates, the Government and public sector organizations have built 10,000 houses in all in Bangalore.

Considering the housing shortages and the growing demand, it is clear that the contribution to the housing requirements by the govt. agencies has been meager or negligible. The private sector is very active but this is useful only in meeting the demand created by the higher income groups. It is apparent that the major contribution in meeting housing needs has been through the efforts of the people themselves, as individuals and by cooperative effort.

The informal land market has a strong presence with a vast number of ‘revenue layouts’ being developed every year. Such areas not entitled to standard services due to their illegal status. Largely speculative land markets have resulted in scarcity of serviced land at affordable prices leading to a lack of housing options.

The various modes adopted to improve access to land of the urban poor are meager in comparison to the requirements of this group. The large-scale acquisitions of land for industrial uses will likely lead to further shortages of housing for lower-income groups. The only unsubsidized affordable alternatives are slums in the city and unauthorized settlements. For access of all groups to improve, continuation of subsidy is unavoidable.
7.8 Location and Accessibility

With a view to reduce land acquisition and infrastructure costs, the BDA tends to acquire vacant land for development purposes in large adjacent tracts. The BDA allows that they would not venture to develop land in locations where they can assemble less than 1000 acres in a contiguous single parcel. Vacant land in such large tracts cannot be acquired in the immediate vicinity of the urban built-up area and has to be sourced in the urban fringes. Therefore there is a tendency to "leapfrog" over smaller parcels of vacant land which are close to the city but not large enough to meet the BDA's efficiency criteria for development. Thus the spatial aspects of public sector activity / intervention need to be evaluated.

7.9 Disposal and Pricing Policy

The disposal policy of the BDA is based on plot sizes with each size linked to an income range. After announcement of a scheme, the applicants for site allotment are categorized by plot sizes, and not by income category. The lowest plot size is ascribed to the economically weaker section. A principal criticism to this approach would be that the BDA have not taken into consideration the demand pattern and affordability of different sections on the population particularly the lower income strata. In addition, the enormous pressure on land leads to high prices and the risk of elite capture.

In terms of pricing, BDA plots are sold on "cost plus" basis, and not at the market value. Observers have pointed out that the difference between the buyer's costs for a plot and its immediate resale value is very large, at least 100 percent larger in most cases.

7.10 Coverage of Beneficiaries

The urban poor are also highly unlikely to have the awareness and skills to organize themselves into housing cooperatives and avail the benefits extended to the cooperative sector. The activities of private entrepreneurs remain beyond the reach of the urban poor.
The only agencies that can be approached by the bottom 30-40 percent of the population belong to the public sector.

The activities of the KSCB are also not widespread enough to provide relief. The slum population in the city was estimated to be nearly one million in 2006 (KSCB, 2006a), comprising of about 180,000 households. Yet the proposed VAMBAY Scheme as of now covers only 4,400 households for housing provision (KSCB, 2006b).

7.11 Land Prices

The rapid growth of population and of economic activities have created a large and growing demand for land vis-à-vis the existing limited developed land and inadequate built-up space. Such high demand for scarce land creates a tendency for rapid rise in land values and also premature conversion and subdivision of suburban agricultural land. The trend is aggravated by speculation in urban land, as land rarely depreciates and capital gains on sale transfer are enormous.

The rate of increase in urban land values is much higher than the general price increase. Prices of developed residential land in inner city areas range from Rs.2000/- to Rs.8000/- per Sq.Ft. while on the periphery, the smallest plot (21 square meters) serviced with electricity, water supply and sewerage costs not less than Rs. 1,20,000 at current market prices, rendering the provision of land for all slum dwellers beyond the means of any public agency.

Employees of the formal-sector have access to land in residential areas developed by the BDA or can afford to purchase apartments developed by private-sector builders. For the poor and lower middle classes employed in the informal sector, there are fewer housing options, especially as regards the purchase of residential plots. The asset ownership pattern and the nature of borrowings of the lowest income categories comprising largely of the urban poor make it clear that bringing them into the fold of the formal banking
system is still a far away goal.

7.12 Development Norms

The zoning plan of Bangalore divides the city into 3 zones labeled A, B, and C. The inner city areas with highest population density are delineated as Zone A while the outlying low density suburbs are designated as Zone C. The intervening districts with medium density of occupation are designated as Zone B. The Master Plan of 1995 permits an FAR for residential areas in the suburban areas covered by zone C that is 60 percent higher than the permitted FAR in the city center area of Zone A. For commercial areas, the permissible FAR is 33 percent higher in the suburbs than in the center. The consequence of this policy is to discourage the redevelopment of the centrally located and best accessible areas in the city and to encourage the development of dense suburbs. This approach requires large investments in infrastructure in suburban areas, increases the length of vehicular trips and decreases the financial viability of public transport. Thus the high pressure on land can be attributed to low density sprawl. The low FAR prevailing in the inner city and other well developed areas leads to underutilization of serviced land and has led to the creation of dense suburbs in the CMC areas, with corresponding employment dispersal from center city to suburb.

Density is another important issue. As a policy guideline, 125 persons per ha in built-up areas is used as the density planning criterion in all of Karnataka for the assessment of land requirement, irrespective of the city size. This is based on the Urban Development Planning Formulation and Implementation Guidelines 1996 from the Ministry of Urban Affairs which recommends 80-125 persons per ha for different types of cities. For a fast growing city like Bangalore, this low density guide line of 125p/ha compares unfavorably with most other large cities in Asia for e.g. in China, Shanghai has a density of 280 persons/ha, Tianjin has 230 persons/ha and Guangzhou has 360 persons/ha.

As a landuse policy guideline, 50 percent of urban land use is reserved for residential land use and as a characteristic, almost half the urban households live in independent
houses. This preference for low density housing cannot be sustained given the trend in population growth in the cities.

7.13 Land Titling

A report by the McKinsey Global Institute states that as many as 90 percent of land titles in the country are under litigation with legal disputes in one form or other obscuring the ownership. Land markets attach great importance to clear and valid titles and require up to date records of legal ownership of land for efficient functioning. This is evident from the fact that land with unclear legal or disputed title is rarely purchased. Thus many properties cannot be traded and are “off the market”, contributing to the dearth of marketable land. Presently the process of computerizing land records and transactions is in progress, paving the way to greater transparency in land ownership.

7.14 Action for securing Tenure

The KSCB is the statutory body empowered to deal with slum and squatter settlements in Karnataka State. Its main activities are to identify and declare the slum areas as per Karnataka Slum Areas (Improvement and Clearance) Act 1973, to undertake clearance and redevelopment of slums, to provide basic amenities and to construct houses in declared slums. The KSCB has acted to regularize those declared slums which are located on Government or Public land and provide Hakku Patras or lease documents to the residents of these slums. In the case of declared slums occurring on privately owned lands, the KSCB negotiates to pay compensation to the land owner following which Hakku Patras are issued. Only a few slums on private lands have been regularized over the years, due to the high cost of land and lack of funds with the KSCB.

The problem is compounded in the case of undeclared slums since such slums lack the quasi legal status of a declared slum that prevents arbitrary eviction and bestows eligibility for improvement and upgradation/service delivery.
7.15 Issues, Constraints and Potentials for Land Supply

In summation, it can be said that the land market in Bangalore Metropolitan Area is a resultant of the complex interplay of forces with constraints and lacunae that give rise to certain major issues which are grouped as follows:

- Land Policy
- Development Norms
- Land Cost
- Income Inequalities
- Increase of Informal Sector Activity
- Role of Development Authority
- Role of Private Sector
- Financial / Taxation Policies
- Lack of adequate Data Base
- Availability of Land For Future Development

7.15.1 Land Policy

- There is no stated land or spatial development policy formulated for Karnataka State. A policy framework both at state and municipal levels is necessary to direct the spatial development. Such a policy should be evolved from the social and economic objectives of the State, with stated goals and implementation guidelines.

- Urban expansion is favored over redevelopment as the tool to accommodate additional growth needs, an expensive mode that implicitly allows speculation and holding of land for future gain. Also, development of peripheral areas with respect to job creation and employment opportunities occurs over time, while inner city areas offer multiple ready opportunities for employment at the lower end.

- Formal supply is inadequate due to delays in acquisition, development and disposal. This has resulted in scarcity of serviced land at affordable prices leading
to a lack of housing options.

7.15.2 Development Norms

- The use of low FAR in inner city areas to discourage congestion does not allow optimum use of developed land and ignores the economic costs of under utilizing well developed land in central locations. This can be termed as inefficient use of land caused by restrictive FAR regulations.

7.15.3 Land Costs

- As already stated, the past decade has seen enormous increases in urban land values at rates much higher than general price increases. On average, prices in the developed areas of the city have risen by 33 percent in the period from March 2004 to March 2005, by 60 percent from March 2005 to March 2006 and again by 60 percent from March 2006 to October 2006. The least priced housing in the formal market is observed to be unaffordable by the majority of citizens. The high rents and land prices in the central areas of the city lead to slums and suburban settlements becoming the only available housing alternative for low income families. Kumar\(^1\) has found an increasing marginalization of the poor occurring in Bangalore through reductions in the land available to lower-income groups.

7.15.4 Increase in Income Inequality

- Since the IT industry has established itself in Bangalore, income inequality in the city has grown dramatically. The income differential between the lowest and highest income groups in the city increased from 1:5 to nearly 1:50 during the 1990s\(^2\) (Benjamin, 2006).

\(^1\)Kumar, Political Perspectives to Chronic Poverty, 2001  
\(^2\)Benjamin, From Income to Urban Contest in Global Settings, 2006.
7.15.5 Increase of Informal sector Activity

• The inability of Planning Authorities to provide adequate developed land at affordable prices coupled with the high cost of land on the market has resulted in the proliferation of illegal layouts. Agricultural land is often purchased by middlemen undertaking layout formation and subdivision and sold to individual buyers without permission, in violation of Section 95 of Karnataka Land Revenue Act 1964 which requires permission for conversion from agricultural to non-agricultural uses and Section 17 of Town and Country Planning Act, 1961 which pertains to approval of layouts. Section 32 of the Karnataka Urban Development Authorities Act, 1987 is also violated in terms of illegal land use if the area is under jurisdiction of the UDA. The illegal development of “Revenue” sites on the periphery of the city is an issue of critical magnitude; observers have estimated that about 45,000 ha. of suburban land is covered by revenue layouts. The total agglomeration area in 2001 was 53,100 ha. This suggests that there is an unauthorized city existing side by side with the urban area falling under the ambit of the Development Authority.

7.15.6 Role of Development Authority

• Though the share of private development in the total land area developed per year has not been computed, it is obvious that after a period of low activity in the 1990's, the BDA is once again playing a crucial role in the development of Bangalore. The BDA provides a significant number of plots (about 30 percent of total number) affordable to EWS categories in socially integrated schemes.

• Previously, the Karnataka Housing Board supported and supplemented the activities of the CITB by providing seed housing as part of a residential area development scheme. This acted as a catalyst to the accelerated development of the layouts formed by the CITB.

• The BDA ceased its housing operations in the 1980s and no longer constructs public housing for lower-income groups, restricting its role to land acquisition and
site preparation for residential and commercial end users. The BDA has stopped building housing altogether, thereby reducing the housing options available to the poor.

- There are no specific provisions to distribute land to lower-income groups in the RCDP. The system and standards adopted do not make allowances for reservations for marginal/marginalised groups. This can be termed as the failure of the agency to provide land to poorer segments of the population.

- Slum policies have evolved from the clearance approach of the 1950s and 1960s to protection of slum occupants and provision of civic amenities since the late 1970s. The three principal agencies involved in housing activity namely the BCC, KSCB and BDA have concentrated their efforts mainly on provision of physical infrastructure and housing; either in-situ or at relocation sites.

7.15.7 Role of Private Sector

- The role of the private sector in land delivery is not adequately explored, as shown by the study by RC Gupta on methods of land assembly and dispersal in selected cities of Delhi, Calcutta, Hyderabad and Jaipur.

- Draconian laws like the ULCRA and the Rent Control Act provided no incentives for private land development for creation of housing stock in the past. Rents controlled at below-market rates reduced private incentives to invest in rental housing. It is a well documented that the majority of low-income families depend on rental housing options to meet their housing needs.

- The process of informal housing is dynamic and provides the majority of shelter needs. But this process is not being rationalized, validated or capitalized on as an important means of meeting low income demand.

7.15.8 Financial / Taxation Policies

"The capitalization of urban growth benefits into urban land values has an important distributional consequence. In the absence of a confiscatory tax on land value increments,
land owners reap full benefits of urban growth, as has been recognized in many theories of rent; there is a definite need to recapture land value increments for public purposes.\(^1\)

- Taxation policies are fragmented and not comprehensive in approach
- Property taxes are based on rental values rather than on capital values; since rentals are controlled under the Rent Control Act, taxes collected do not reflect or capitalize on high land values
- Land value increments post development are not captured and land owners reap full benefits of urban growth though they do not contribute to development activity
- Very low property taxes create an incentive to hold vacant or underused land, thus decreasing the amount of land on the market. Tax on vacant land has been introduced but the applicable rates are not adequate to curb or have an impact on speculative tendencies. e.g. the annual vacant land tax payable for a 40x60 site in a BDA layout is Rs. 7000/-

### 7.15.9 Lack of adequate Data Base

The absence of a strong database on the real estate sector which is considered a critical agent of development in the context of on-going reforms in India is well recognized. The real estate sector is a traditional engine of growth that gains more importance in a rapidly urbanizing context. Lack of accurate information seriously undermines the capacity of the Development Authority to develop and analyze effective urban policy as a response to the sustained and systematic appraisal of urban problems. The public agencies also have no means of understanding and appreciation of what their own remedial policies and programs are in fact achieving. Existing tools for urban policy in both developing and developed countries have been largely inadequate in providing the means for understanding the relationship between policy and urban outcomes, nor do they provide an indication of the relationships between the performance of individual sectors and the

\(^1\) Edel and Beckerman, Habitat International, 1990.
broader social and economic development results. Precise data on the demand and supply of housing is always difficult to obtain. However, there is an absolute necessity to have very detailed data for policy making, considering the magnitude of the problem and the extent of housing requirement for weaker sections. There is an immediate need for Effective Housing Indicators as a valuable tool is the user needs assessment.

7.16 Availability of land for future development

The rapidity with which partially developed land is added in the informal market clearly shows that there is no dearth of land available for future development. With regard to planned development, the main issue is that much of the accessible land at the urban fringe has already been acquired by private developers. The holding capacity of the private market causes an artificial price rise; the lower and middle-income groups have been priced out of the land market within the city boundaries due to soaring prices and limited supply for some time now. In response to a growing low and middle-income market demand, substantial portions of land at the urban fringe have already been acquired, subdivided and sold in unauthorized colonies. According to interview sources, estimates are that by the time BDA acquires land and extends trunk infrastructure, substantial additional parcels will already be developed.

7.17 Conclusions

The merging of the BMP with the seven CMC's and one TMC as a single entity named the Bruhat Bangalore Mahanagara Palike (BBMP), together with the formation of the LPA's of BIAAPA, BMICPA, Kanakapura, Anekal, Hoskote, Nelamangala and Magadi under the umbrella of the BMRDA has exponentially increased the footprint of the city. This phase of the city's development offers excellent opportunities to the Development Authority to redress inequalities and imbalances by putting in place land delivery systems based on equitable supply models generated in response to recorded need data produced by urban observatories. It is possible to record accurate city indicators with a combination of tools like satellite data, maps generated from Google-pro, and statistics.
from Food and Civil Supplies Department, Revenue Department, Rajiv Gandhi Rural Housing Corporation etc. The Development Authority can initiate a data coordination unit to collate data from all these sources on which need based programs can be developed.