

Land Value: Result of Legislations and Market Forces

Abhay Jaipurkar^{1,*}, J. C. Gogte^{1,2}, K. G. Talnikar^{1,3}

¹S.Y. M.Arch, Jawaharlal Nehru Engineering College, Aurangabad, Maharashtra, India

²H.O.D, Department of Architecture, Jawaharlal Nehru Engineering College, Aurangabad, Maharashtra, India

³Architect, Urban planner, Aurangabad, Maharashtra, India

Abstract: Urban areas are identified as drivers of economic growth. Land as one of the natural resource is extensively used in urban centers and is derived as land value in the context. Various aspects play an important role in determining land value, while land value in turn determines the nature and identities of the city. Aurangabad has transformed from a town of 2.0 Lakh populations to a population of 11.0 Lakh within a very short period of time of less than 40 years. This rapid transformation has converted the land in and around Aurangabad as a valuable land. From formulation of development plan, enforcing various laws and legislations and mandating development regulations have defined and governed the development of the city. Besides laws and legislations and interplay of components of planning the market activities as a force has been the resultant of the land values.

Keywords: Land Value, Land Use Planning, MRTP, Market Speculations

Aim

This paper tries to identify and define major aspects of Acts, Legislations and Regulations and the Market activities (forces) that govern the land value in the city.

Objectives

- 1) To analyze the aspects of Land-Use planning.
- 2) To study impact of various laws and legislations that apply to development of an urban region and their role in determining land value in the city.
- 3) To understand various activities in the market which force determination of the land value in urban centers?

Scope and Limitations

The paper is presented in framework of the objectives. Whilst there are many more factors like political, social & economical that effect directly or indirectly the land value; the paper limits the study in the framework.

Material and Method

Figure 1.1 shows the process of material and method used to understand the effects of the legislations; which are explained in detail in the subsequent paragraphs.



Figure 1.1

1. Introduction

Land if treated as a commodity then the determination of land values depend mainly on the demand, supply proportion. Yet it also depends on various laws and legislations that govern the development of a region permit different uses on the land parcel, the interrelation of the various uses and the market activities in land dealings.

The land uses are defined and determined during the process of land-use planning, which is the most widely adopted policy for establishing socio-economic and physical

development of a region. Designing the cities is conventionally managing growth and development inside the cities and to set long term plans and regulations to control the development.

1) Land-Use Planning

Land as a chunk needs planning for various uses to achieve proper development. Without planning the development and use of land becomes haphazard. Almost all countries provide for land use planning as an approach for development. In India, land use planning is an integrated part of the 5-year development plan of the central government since the inception of Panch Varshik Yojna. It has been adopted as a formal approach from 1980 after a rapid migration of rural populations to the urban centers.

The objectives of land use planning are to achieve planned development, optimal allocation of land and other resources to different parts of a region, equitable distribution of the resources, reduced need for transportation, reduced travel time and distance which would result in to proper development, reduced pollution, improving environmental conditions and providing healthier living conditions.

The land use planning adopted three tier systems. The first tier is at central level and it adopts planning development as economical development of a region. It is a sector wise allocation of money/ funds for development of the region. The second tier is in form of a development plan for the region. The development plan is prepared by classifying usage of land and integrating different usage through physical planning. The classification of land is done on basis of activities coming up in an area and spatial allocation for the activities is done in the development plan. These allocations are called as zones. Nine major activities are identified and Seven of which are of greater concern in urban planning namely Residential, Commercial, Industrial, Recreational, Amenity, Transport and Utility. The industrial and commercial zones provide land for economic activities while the residential zone provides for accommodation of the population. The transport, amenity, recreational and utility zones are support activities. For easy understanding of the land use plan/ development plan the plans are color coded uniformly throughout the country with minor differences of alteration of color in different states. The color coding defines the boundaries of land for the specific activities.

Further, planning is an act of co-ordination for the physical development of the region or even a town/ city. The existing conditions and future needs with population as basic parameter are considered. The content of a development plan include boundary of the land, spatial arrangement of activities and their inter-relations. It includes co-ordination between parts of the city, zones and inter-dependence and interactions of the different activities. The various factors that affect LUP in India are Population density, Infrastructure (road, power, communications etc), level of industrialization in different parts, need for creation of jobs, eco-sensitive regions, tribal regions, historical monuments, etc. ^[1] The development plan also concerns with framing policies for proposals of development and developing codes and regulations for the development. Thus, a development

plan intends to develop a region or a city as a combined unit that maintain balance between the spatial allocations. The preparation of development plan is a long process carried under Town-Planning department of the state and is generally prescribed a time frame of two years.

a) Appraisal of land-use planning

Although the objectives and process of land-use planning is systematic and structured the success of the outcome i.e. development occurs only after the publication of the plan is made. The process of land use planning is lengthy and involves public participation at various stages. It is obvious that land values in economic zones and residential zones defined by the land-use plan are higher than the land values in the supportive zones.

Higher land values are most important considerations for people trading in land and the real estate sector. The information of intent of the development and spatial arrangement in the land-use planning is misused by few people to acquire and possess land during the time period of the process of land-use planning. The so acquired land is then sold at a higher cost of the prospective user of the land. The objective of equitable distribution of land as a resource is hampered by this market activity. This has been a major cause in speculation of development and ensuring uniform and affordable land values.

2) M.R & T.P. Act 1966

Maharashtra has been a pioneer state in adopting the land-use planning system; in-fact it has been a state that had initiated town planning in the British Empire. The 2 tier development model of development, spatial arrangement and land allocation in the region has been adopted by the state in 1966. Maharashtra Region and Town Planning Act have been enacted in 1966 with an objective of balanced regional development through Regional Plan and Development Plans at city levels. ^[1] It aims at land allocation for various activities and spatial planning of various zones.

a) Regional Plan

The development (Socio-Economic and Physical) is planned by forming a region under the MR & TP act. The region so formed is along with Regional development board and Regional planning committee. The planning committee prepares a development plan under title of a Regional plan. The process remains same and aligned to the land use planning process involving steps of data collection of existing land uses, population projections and many other factors, drafts the proposal for development as a plan with public contributions and obtains approvals for the same from the state authorities.

The regional plan intends optimization of regional resources and the equitable distribution for a balanced growth and development of the region. It also concerns for environmental and heritage preservation and conservation.

b) Development Plan

Development plan is generally called as the Master Plan for a city or a town. It is a small part of the overall development of the region and it implies to singular city or a town. Even though it is a small part it is a major and broad paint brush

that outlines development of an urban center which is eventually the economic drivers of the region.

The objectives of a Master Plan are balanced distribution of zones and activities and a proper linkage and relation of these varieties of activities. It also caters to different activities to be provided in the broad zones for providing proper amenities and infrastructural facilities to the occupants of the location. The Master Plan also intends preservation and conservation of natural features and Heritage sites in its jurisdiction.

The Master Plan follows the same procedures as the regional plan at a micro/ city level and hence has benefits and problems of the regional plan and land use planning.

c) Appraisal of the MR & TP Act

The regional plan is in broader perspective integrating balanced development of the entire region and creating linkages through Transport and Transit corridors between the different parts of the regions. It hardly focuses on the details of the Master Plan of the urban centers; while the master plan functions in the delineated limit of the city. Both Regional and Master Plan envision development in their jurisdiction for predicted 20 years of development.

It is generally seen that the regional plan and the master plan for a town in the region do not work in tandem from view-point of time of preparation of the plans. The two plans are prepared at different points of time. This non-uniformity of time may result into differences of objectives of the two tier planning system. The time lag and non-uniformity provides space for market to play their role in determining 'locations' to yield higher profits. The market players thus influence land prices and values by concentrating private developments on their determined 'locations'.

The linkages between different parts (master plans) inside a regional plan play important role in maintaining urban and rural relation (dependency and consumption) of the parts. The Transit and Transport corridors are the linkages. Although the linkage corridors are part of the plans their implementation vests with a different authority namely the Public Works Department.

This is a classical example of various implementation authorities working independently for the planned development in different time slots. The implementation of the planned development has been a major factor hampering the desired outcome of the planned development. The organizational set-up, political intentions and social willingness/ un-willingness towards the implementation of the development lacks at a major level. This results in very less output of the planned development. One reason for such implementation strategy depends on the rate of the growth of the development which is ultimately in public arena. It can be then said that the public intentions and actions are major governors of the development.

3) Town Planning Schemes

The planning authorities for purpose of proper implementation of the final development plan proposal may prepare 'Town Planning Schemes' for an area or thereof. The town planning schemes is an important tool provided in

the act and needs publication from intention to final proposal. The town planning schemes may make provision for any matters included in the development plan, including comprehensive development, suspension of any rule or regulation for the purposes of proper carrying out of the scheme.

There have been two approaches to manage urban growth. In the first approach the authority acquire large piece of land and then re-plan them in desirable manner. This is called as Land Acquisition method. The other is more practical method or a tool where authorities pool together a group of owners of land, reshape every parcel of land in a manner that it gives regular shape and proper access to the land piece/ plot and provide infrastructure like road, water supply, sewage, electricity and others. This method is Land Readjustment and pooling method. This is a type of Town Planning scheme. To illustrate the Town planning schemes Gujarat model of development needs to be discussed.

The central government enacted Gujarat Town Planning and Urban Act (GTPUDA) in 1976. The objective of GTPUDA mandated delineation of development areas around the cities or towns for planning purposes. ^[2] A much larger area ensures and allows better planning and guidelines for the development of the area. A village is treated as a basic spatial unit and every development area is combination of various villages and further every village is an agglomeration of land parcels or plots.

The development plan is prepared as a macro strategy that focuses on the direction of growth and a vision of city's infrastructure for the designated area. It is a comprehensive document including components of development and specific proposals in its respects. It includes Land Development (Zoning), Road Networks & Transportation and essential Public Infrastructural Facilities including Environmental and Heritage Conservation issues. The process includes public participation at Survey Level, Objections and Suggestions at Draft D.P. level. The objection suggestions are addressed to and incorporated in the Plan as Modifications as per act. The modifications are again put to objections and suggestion from the public for the proposed modifications. This public participation creates a large public awareness and helps in curb speculations to a certain extent and also limits the larger investors. Thus it ensures providing equitable distribution.

The Town Planning Schemes mark smaller areas about 100 to 200 Hectors. Micro plans are prepared involving 100 to 250 owners of that land and are specially named by the villages they 'Fall-in'. The D.P. is a broad brush that painted the development of the region whilst the Town Planning Schemes were much localized solutions that offered both planning and design of smaller parcels/ plots of land which were made regular.

A complex system to reorganize the land parcels into regular plots with proper approach set for land for public purpose from portions from each land holdings. Detailed infrastructural design and estimate of cost are prepared and the process involves appropriate increments in land values. Procedure of preparing TPS involves repetition of entire

process of survey of land (village) with land holdings and preparing of ELU's with public participation, preparation of detailed Plans and Design with estimate of Cost of development and finalization of cost of final plot is constituted. This process is also with public participation at temporal levels of ELU publication, Draft Plan/ Design publication and cost fixation. The Final draft is submitted for approval to the state along with the enclosure of estimates of cost.

No person shall institute or change the use of any land (other than Agriculture) after the publication of the final notice or a previous permission from the Municipal Corporation/ Council within whose area the land is situate and elsewhere of the Collector. Without prejudice to the provisions in this clause any person intending to execute a special Township Project on any Land may make an application to the State, And the State finding it deem fit may allot permission under Special township Project by notification in the official Gazette.

a) Appraisal of Town planning Schemes

The Town Planning schemes have been an effective tool for implementation of the development plan. They provide a uniform situation for land owners pooling their land parcels. The TPS are massive efforts on part of the government machinery and planning authorities. Their needs implicit trust that is displayed between the land owners and the government and its officials. This is something which is quite rare. In scenario of mistrust between the private and public players the entire effort of a TPS will not be successful or it will get messed up in undue controversy and scams.

Even in Gujarat with a large scaled effort for TPS has lead into legal battles that had delayed the entire process. In Maharashtra the efforts of TPS a few decades ago in Pune, the Deccan Gymkhana – Shivajinagar has benefitted the area tremendously. This is evident even today in its regular roads and plot sizes. The creation of landmarks like Bal Gandharva Rang mandir, huge green spaces of Shambhaji Park and Kamla Nehru park were possible because of the TPS. Land values in the TPS area have raised and almost uniform in the designated area.

4) Floor Area Ration (F.A.R.) or Floor Space Index (F.S.I.)

Urban planning is a discipline that has a lot of relation with other disciplines of Architecture, Engineering, Transportation and Environmental Planning. The shape of a city is defined by the density and design.^[3] Designing city spaces is conventionally about managing growth and development within a city through a set of long-term plans and regulations that control the development.^[4] With concentrated development in the urban centers demand for land is demand for F.A.R. Floor Area Ration or F.S.I. is a ratio of built area to the plot area. In Maharashtra the FAR is generally kept low and near 1.0 which means the allowed built up area equals the plot area. The FAR is generally uniform for the city with very marginal difference in different parts of the city. The intention of keeping the FAR low has been to reducing central city congestion. The central city with existing development would need a huge

infrastructural transformation if the densities are increased. This will add to acquisition of land for infrastructure, renewal of infrastructure and reinforcement of infrastructure for increased population and its impacts.

F.A.R. has been a tool in the regulation of development plan which decides the quantity of the development. In recent times the state government has marginally increased the FAR limits to accommodate more population in the city limits.

a) Appraisal of F. A. R.

A major consequence of FAR in Indian cities has been urban sprawl. The FAR limited the highest and best use of available lands in the city. The limited use of land also results in increased prices within the city and compels people outside the city in search of lower prices. A political unwillingness to acknowledge this fringe area into urban areas is also seen. (A case of Satara & Deolai in fringe of Aurangabad has not been undertaken for more than fifteen years by any urban authority). This creates a situation of lack of governance and facilities in these fringe areas. There is no urban planning for these areas which is desperately needed. The real estate interests in the vicinity of cities try to extract more profits and rents by delaying the change of land use from rural to urban areas. They also extract benefits of these non regulated Periurban areas for more profits. Subsequently the land values are more market driven than comparative regulated urban areas.

5) Smart City Mission

There is no specific definition of a Smart City. A Smart City will have different connotations in different countries, regions and cities. The definitional boundary required to guide the mission in India, is the picture which contains a wish list of infrastructures and services describing the aspirations of people for Institutional, Physical, Social and Economical infrastructure. The mission of Smart City approaches with objectives to promote cities that provide core infrastructure and decent quality of life, a clean and sustainable environment and also applications of smart solutions through newer technological advances. The Indian Mission is meant to set examples that are replicable both within a city and outside and catalyzing for development of similar Smart city.

a) Contents of a Smart City

The core infrastructural elements in a Smart City would include Public Infrastructural facilities (Water Supply, Sanitation, SWM, Assured Electricity, Urban Mobility) along with Affordable Housing to Poor population, Robust IT Connectivity and Digitalization, Good and Transparent Governance, Safety and Security to Citizens, Health and Education.

These components of a Smart City would seem to result into 'Balanced distribution' of Land. The balancing of land uses ultimately affects the Land Values. The purpose is to drive economic growth and improve the life quality of the citizens by enabling local area development and harnessing technology.

The Smart City Mission mandates Area Based Developments (ABD) which will transform the existing areas into better planned areas improving livability, and the application of smart technological solutions and information will improve infrastructure and services. The ABD is formulated into 3 sections of Retro-Fitting, Redevelopment and Green Field Development. In Retrofitting an area consisting of 500 Acres (existing built up) will be identified in the city with consultation of public. Depending on the existing infrastructure services in the identified area and the vision of the citizens the cities will prepare a strategy to become smart. In Redevelopment an area of more than 50 acres identified by the city in consultation with the citizens and a new layout plan of the identified area will be prepared with mixed land-use, higher FSI and high Ground coverage. Green-field development will be introduced in previously vacant areas (more than 250 acres) using innovative planning, plan financing and plan implementation tools.

Features of a Smart City. Some typical features of the Smart city will include promoting mixed land-use in ABD, Planning for unplanned areas containing a range of compatible activities close to each other to make land use more efficient, Providing for flexible land use and bye-laws to adapt the change, Expand housing opportunities for all. Creating walk able societies, Reduce congestion, air pollution, resource depletion, boost local economy, promote interactions and ensure security. The road network is created not only for vehicles and public transport but also pedestrian and cyclists.(preserving and developing open spaces), Create Parks, playgrounds and recreational areas to enhance quality of life and reduce Urban Heat effect, TOD Transit Oriented Development, public transport and last mile Para-transport connectivity, Increasing rely on online services to bring about accountability in governance and Development based on local economic activity like health, education, arts & crafts, culture, sports etc.

b) Appraisal of Smart City Mission

The Smart city Mission in India was announced in 2015. About 100 cities were selected to transform the existing cities into smart cities. The selection of smart cities was made on the public participations, aspirations and intentions for the city. Various infrastructural, economic, social aspects were mandated to the city authorities for collecting the ground level data for each city. An organizational set-up to ensure proper working is also established. A special purpose vehicle (SPV) is also instituted for the planning and implementation of the mission.

The smart city concept is relative new concept and has been started very recently. Most of the cities selected under the mission are in process of planning the transformation while some cities like Indore have begun certain implementation programs. The resultant of such an ideal looking mission is much awaited for the outcome of the nature of development, character of the development and the effects of development on land values.

6) Urban Land Ceiling and Regulation Act

Land as the major component and resource for development needed to be provided in the urban centers. Land vested with few people in the urban centers and needed an equitable

distribution for proper and balanced development. The Urban Land Ceiling and Regulation Act was enacted in 1976.[ii] The objective of this act was to reduce land crises and up-going prices of land in urban areas. The acts aimed at imposing ceiling on excess and vacant land in singular belongings and make more land available for public purposes. The act also regulated construction of buildings on such lands and refrain concentration of assets (land & building) in hands of few who would profit from these lands. The ULCRA 1976 was initially adopted by 11 states in the country including Maharashtra. In Maharashtra a Ceiling limit was defined as per the class of tier of the municipal corporation for example Mumbai had a ceiling up to 500 m². Ceiling limit of 500m² to 2000 m² for various tiers of city were fixed. The Act was repealed in Maharashtra in Nov. 2007 and about thousand acres of land was released.

Appraisal of ULCRA 1976

The Act was generally applicable to larger cities which experienced a large influx of migrated population. The available land had felt shortage of supply for the masses. This allowed concentration of populations in developed area as the owners had to sell their excess land in these areas. These lands were usually purchased by the builders and also resulted in corrupt practices in the government department while development and re-sale of the land. The act also lacked in providing green areas in the urban centers.

The government took a lot of land under this act but was not able to utilize the land for the intended objectives. The reasons were more political than technical. It created a room for nexus between the major actors—politicians, administration, land owners and developers—and institutionalized corruption such that the net losses could be thwarted via resource transfers.^[5] The ULCRA was repealed in Maharashtra in 2007. The introduction of Repeal Act of ULCRA in the state legislature invited a strong opposition and the government kept postponing a decision on the same from one Assembly session to another in a bid to borrow some time perhaps to appease the sections opposing it.^[6]

7) Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Re-settlement Act 2013 (LARC)

The Act provides the Union and State government in India to acquire private land for the purpose of Industrialization, Development of Infrastructure, and Urbanization on Private land AND provides compensation to the affected land owners and their rehabilitation and resettlement.^[iii] Till 2013 Land Acquisition in India was governed by Land Acquisition Act 1894.

The aims and objectives of the act were to acquire land for purpose of Industrialization, development of essential infrastructural facilities and urbanization. It was mandated with a least disturbance to the owners of land and other affected families and was expected to be participative, informed, transparent and humane process of land acquisition. The process had to be in consultation with local self governments and Gram Sabha. The act provided fair compensation to owners whose lands were acquired or proposed to be acquired. It also made provision for rehabilitation and resettlement of the affected families. The

government had to acquire land for immediate and declare use for public purpose.

Appraisal of the L.A.R.C. 2013

Some important issues about Land Acquisition Act were Legislative and implementation differences. The constitution of India provided a right to property. The Act insists on fair compensation by rehabilitation, resettlement and fair market value. Clause 26 (Sub-clauses 1,2 & 3) in chapter IV provide collector of district to determine fair market value of the property. The fair market value is generally considered as average of sale prices of similar lands in the similar type of area. This method of awarding of compensation invites legal challenges from land owners as they feel and find that the fair value of land is much more than the compensation paid. Besides the land value the other risks of land acquisitions have been studied by Micheal Cerena. The consequences of land acquisition in India: Micheal Cernea's "Impoverishment Risk Model" broadly enumerates eight 'risks or dimensions' to common resources.^[7] Landlessness, Joblessness, Marginalization, Loss of access to common property resources, increased morbidity and mortality, Food Insecurity, Homelessness and Social Disarticulation. L.K. Mahapatra has added Loss of education as another risk in situation of displacement. These are the social inferences of the act. But apart from the direct and immediate effects of land acquisition there are more subtle and indirect effects of this centralized legal procedure. The Act contradicted the later formed policy of de-centralization of administrative powers and collective development efforts. Another is the peasant resistance against governmental land utilization in Singur and Nandigram in West Bengal has gained both national and International attention.

Land acquisition in name of building industry in Singur and Nandigram in West Bengal has seen popular opposition from various political entities and intellectuals.^[8] In the Draft of Government's national policy of rehabilitation states that about 75% of displaced people since 1951 are still awaiting rehabilitation. Replacement policies aim a social infrastructure created by the Government (generally). These pieces of land experience escalation in land values, but a general study of such developments after passage of time shows a huge depilation in the infrastructure affecting the Land Prices.

8) Rent Control Act

The Rent Control Act was passed by Indian government in 1948 [iv], it regulates tenancy and land ownership and to curb exploitation of either the Landlord or the Tenant due to rent or occupancy. It provides provisions both in favor of the landlord and the tenant for the rightful rent control and occupancy of a property.

The provisions (major) of Act in favor of Landlord Evicting a tenant: under the act landlord has right to evict the tenant on basis of personal bonafied requirement. The bye-laws vary from state to state, Temporary recovery of possession: In order to make necessary repairs, maintenance, alterations and changes the landlord has a right to recover temporary possession of the property, Rent charge: the rent cannot be unreasonably high or increased suddenly however the upper

hand remains of the landlord and he can periodically increase the rent of the property.

The provisions (major) in favor of tenant Fair Rent: the fair rent is usually supposed to be 9% of the value of the building including cost of construction and the market value of land and amenities provided, Eviction: in order to evict a tenant the landlord is required to approach a court and a notice has to be given 90 days prior filling a suit in the state of Maharashtra. Maharashtra follows Maharashtra Rent Control Act 1999.

The act was used by government offices to form basis of Rents and thus the values of properties. This Act was also repealed in the State.

Appraisal of the Rent Control Act 1948

The population growth in cities led to a rise in the property prices. The Rent control act was imposing price ceiling lower than the market rates. This causes increase in demand even if the supplies go down. The landlords were not ready to provide supplies at ceiling prices. Hence they had to pay more to keep their property in good condition. The vacant properties resulted in loss of property tax revenue, increased administrative costs and indirectly increased corruption.

Secondly the method of computing the rents were based on the land prices which was a vicious circle complete of ceiling land prices and computing the rents. The act provided security to the rights of owner and tenant (both) of the property but had a very minimal impact on curbing rise in land prices and costs.

9) Maharashtra Stamp Act 1958

Stamp Duty Act as popularly known the Maharashtra Stamp Act 1958 governs the transactions of land in the market.^[v] The Town Planning and Valuation department determines Annual Schedule of rates for land values. The Annual Schedule of rates as popularly called as Ready Recknor rates. The location including District Taluka and Village, Type of User allowed, unique C.T.S. No or Final Plot No or Gut No are basis of forming the Ready Recknor value of a property. The Ready Recknor in form of a table and provides a rate in rupees for per square meter of the property. The value of the property is a simple multiplication of the rate and admeasuring area of the property.

The purpose of stamp duty act was to determine and define market value of properties in every specific location. The Ready Recknor rates provide for the value of property which in turn decides the revenue an investor needs to pay during the transaction of the property. The government benefits by receiving certain percentage of the land value to register the transactions.

Appraisal of Maharashtra Stamp Act 1958

The Stamp duty Act is a base document for deciding market value of a property. The Ready Recknor rates are arrived after an extensive study of all major factors that imply to the property. It is generally seen that the actual considerations for properties vary from the Ready Recknor rates. The actual considerations are generally on the higher side of the Ready Recknor rates. The market players tend to register their

transactions at the Ready Recknor rates to save on the extra percentage to be paid to the government. This gives rise to difference in rates for registration and actual considerations. The resultant is black money generation but tax/ charge evasion. There has been no system, by the law to know the actual considerations. This opaqueness in transactions also leads to hiked land values as the considerations are discussed orally between different market players.

10) Market Activities

The market in land dealing majorly depends on demand and supply of productive land where the appreciation of land values is important. It is a known fact that land value keeps on appreciating and that always has been a plus point for the investors. The investor's choices for land are Location; as a foremost factor, uses permitted, amenities and facilities, condition of land; for instance fertile agriculture land fetch higher values and surroundings: those things that boarder the land; for instance a land desired for residential and commercial development, with lavish greenery will definitely have higher value than a land near Industrial estate. It clearly states that land that has superior appeal will have higher value.

The market is broadly divided into 02 stakeholders namely the land owners, investors & real estate and the prospective buyers. The land owners, investors & the real estate people trade into land and try to misuse the legislations and investors choices for better profits. Prospective buyers and users of the land are other stakeholders in determining the land value. The above mentioned choices for investors are similar to the potential buyers and users, yet financial affordability for purchase of land is an important issue. A social stratification of masses in India as defined by the Government are 04 different economical classes namely Economically Weaker Section, Low Income group, Middle Income group and High Income group.

The public mentality at large has been the same and invests in properties in a preferential manner. A preferential mindset to occupy land in similar economical strata has been predominant in India. Besides economic strata religious classification, caste bifurcation and income levels also determine the location of investment and settlement.

Financial institution namely banks funding the investments are other stakeholders in deciding the land value. The rate of interest has an inverse relationship. The higher the rates of interest the lower will be investments and the lower the rate of interest the higher will be the investment. In scene of lower rate of interest with increased investment in properties the value of land rise up. This is a simple demand to supply equation.

Various practices in the market especially in real estate and construction sector tend to overrule and violate the regulations for bigger profit. The laws regulate development but fail in curbing illegal practices. Over 50 % of built properties in Aurangabad city of Maharashtra do not comply with the Occupancy conditions as prescribed by the law.

2. Result and Discussions

The current land-use plan along with the MR & TP Act concentrates on land use zoning and density patterns. The major components of land use policy like functional land use, zoning regulations, policies towards urban design with renewal, Transportation & infrastructural development function in isolation at implementation phase. This results into subsequent un-intended development. The resultant outcome development does not acquire the shape of the intended planning.

The process of planning begins with projection of population and estimate of house hold size together with income level to determine the demand of residential area in the development plan. The requirements of Industries, offices, retail spaces are based on the projections from economical prospects. The transport pattern follows the land use pattern. In Master Plan for the city, it restricts to the physical plan within the limit and pays very less attention to the immediate periphery. This promotes to an illegal urban sprawl or fringe areas around the master plan limit.

The Town planning Schemes have an included and implicit factor of trust which is a rare occurrence and in scenario of mistrust the schemes are delayed and end up with a pile of legal litigations and battles or controversies and scams.

The restrictions on FAR add to scattering the population towards the periphery of the town and does not allow fullest potential to available land in the city centers.

The laws, legislations and regulation intend fair and equitable distribution of land as a resource to the entire population but the flaws of implementation, organizational set-up, individual interests and political intentions hamper the ideal objectives of the laws.

Most of other countries prescribe differential FAR within a city. The CBD as a node of assembly has higher FAR and the sub centers have moderate to low FAR. It is so admitted that mass transit system plays important role in making the differential FAR work. A classic example of Honk Kong and Bangkok is where FAR in the CBD are 9 & 8 respectively. This has attracted major business in the cities. An example of Greater Copenhagen 'Finger Plan' with 05 new towns of Bundang, Hsan, Pyungchon, Joondong and Sabon in Metropolitan area has enhanced inter-city mobility and transportation. This mobility and transportation plays important role in economic and balanced growth.

Speculative behavior and mobility of un-used lands are essentially two-side of the same coin which can be monitored through central and State controls. Many countries have experimented with Vacant Land taxes (VLT). Seoul in Republic of Korea which experienced 136% increase in land prices in 1978 mainly due to massive speculations. This motivated Government to impose VLT. Any land parcel vacant for 2 years was considered as 'Idle land' and subjected to 5% property tax as against normal 2% and similarly 7% & 8% would apply for 3 and 5 years respectively.^[9] The government would confiscate the land if the taxes are not paid. In India a few cities have initiated the

process of introducing VLT/ OPT. Vishakhapatnam introduced the policy in 2011 with VLT/OPT to a tax rate of 0.5% of the assessed value of the property. It lowered the rate to 0.2% yet in 2013 the city identified 1300 owners in the city and owed a sum of Rs. 170000 million to the authority. Visakhapatnam has indeed opened doors for progressive and productive strategy for urban land management.

Another flaw in the framing of the development plan has been the negligence of incorporating market players in determining the scale and location of economical activities. Although the legislations provide for financial planning and public participation, the incorporation of financial planning along with master plan remains only a part of the document and the implementation of development plan pertains only to physical development of the region. This has been a huge cry in the entire country which has come to conclusion that development plans do not necessarily improve economical condition at micro-level.

A weak institutional capacity and changing political and governance along with the interests of various players decide the outcome of the planned development.

The land transactions in market are governed Stamp Duty Act. A tendency to save an extra percent to be paid to the government creates a misinformation of land value in the market and generally leads to increased land value in the next offer and transaction.

The Market activities are majorly mentality driven and try and exploit the lacuna in systems for their benefits. There has been a land Mafia involving investors, builders, politicians and officials working hands in hand to exploit the market and earn profits. The percent of such operators is less yet their influence on market is a major factor on Land values.

3. Conclusions

The Indian urban planning has been top to down system. The planning focuses much on zoning, land uses, spatial allocation and balanced growth of every sector and equitable distribution of resources. The inclusion of economical growth and transit corridor does not seem to be as importance as the zoning. The inclusion and action on economic growth of a region/ city and its occupants may increase affordability conditions of the buyers; thus, reducing impact of higher land values.

Transit Oriented Development planning may eliminate urban sprawls and could also form a good basis for equal distribution of population in both rural and urban area. It may provide a solution to living in a village and working and earning in the city. This needs a strong implementation of mass transit systems. The rapid mass transit systems may reduce migration loads in urban area and lower or stabilized land values.

The Town planning Schemes have proved very effective tool for development in Gujarat. The implicit factor of trust can be replicated for better execution of the development plan.

Differential FAR can add to creation of intended nodes especially economical centers. This needs a very careful understanding of the existing infrastructural and social conditions along with intended social and economical growth. The Town planning Schemes offer a consistent Land values in the delineated area.

The inclusion of technology in city as incorporated in Smart City mission providing safety, security and adequate infrastructural facility along with regional cultural identity will also contribute to better development. The objectives of the mission seem provide equitable distribution of resources including land.

The ULCRA, LCRA and RCA need a overhauling of more inclusion of market players in deciding these supportive acts to function properly and curb the market speculations maintaining desired land values.

Similarly Maharashtra Stamp Duty act may change a course and not needing to decide the market values of land on Final plot basis. A range of block rates in planned different zones of the city may become a basis for transactions and revenue collection. The revenue can be collected as a fixed amount for the different zones and inter zone activities. This might also curb the opaque transactions during registration and misleading land values in the market.

The involvement of public with trust between the public and private players in planning, regulating and implementing the development plan may bring better outcome of the plan and desired land values.

These conclusions may seem difficult in present scenario but the changes in legislation and trust building is not too far from reach.

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