



WRI INDIA  
—ROSS CENTER

Capacity Building for Improving the Implementation of Affordable Housing in Indian Cities

# Meeting Land Requirements For Affordable Housing Needs



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# Introduction

# Module Overview

## Objective

To build a comprehensive understanding of the various Central and State Government policies as well as City Mechanisms used to access land for affordable housing needs.

## Outcomes

Participants will understand how a critical and finite resource such as land may be accessed for affordable housing which is a public purpose need. It will include policy options as well as land development mechanisms that can be operationalized by a municipal or development authority.



*Image Source: Associated Press*

# Significance

## Economy

Ways to access serviced land and affordable housing for the poor are managed through tools such as reservations, incentives and land auctions, value capture, PPP etc, reducing the financial burden on government agencies and ensuring good returns to landowners while providing a liveable environment to all citizens..

## Environment

Enabling the use of mechanisms that plan and service land prevents haphazard growth of peripheries that would otherwise get unsustainably locked in, in unplanned urbanisation. Planning also ensures the conservation of key environmental features such as valleys, drains and water bodies and dense tree cover.

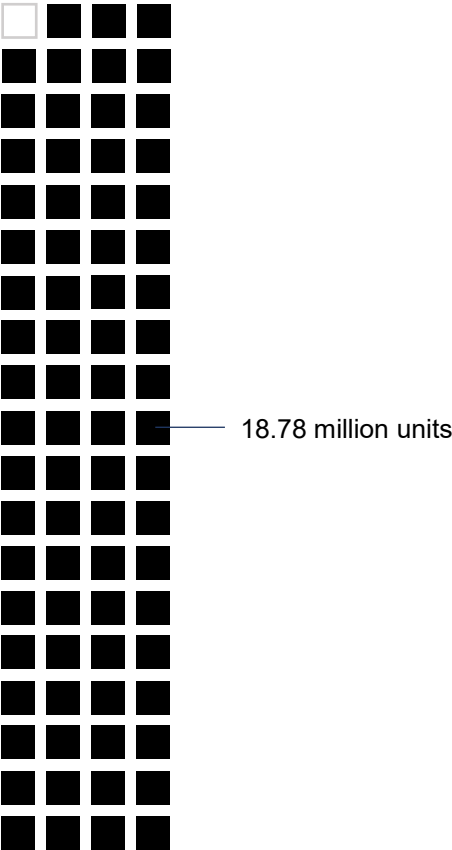
## Equity

Ensuring planned and serviced land and affordable housing units are made accessible to the poor at proximate distances to their livelihoods through appropriate policies, plans and projects. Reserved lands are further leveraged through Central and State Schemes to construct affordable housing.

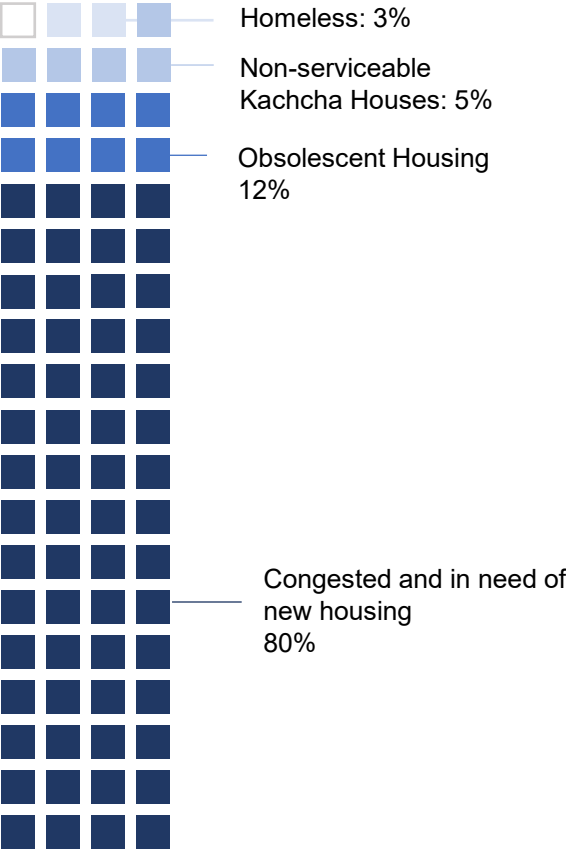
# Scenario

## India's Urban Housing Shortage – 'Inadequate Homes'

Total Shortage



Housing Condition



Income Group





# Scenario

## Housing Needs by States in 2022

**30%** in **2 states**

(Uttar Pradesh and Maharashtra)

**70%** in **9 states**

(Uttar Pradesh, Bihar, Maharashtra, West Bengal, Madhya Pradesh, Andhra Pradesh, Telangana, Rajasthan, Tamil Nadu and Karnataka).

**USD 2** trillion investment would be required to achieve the vision

**78%** of investment in housing gets added to the GDP

**1.7-2.0** lakh hectare land is likely required to meet urban housing need

*\* KPMG estimates*

- [Decoding housing for all by 2022, KPMG](#)

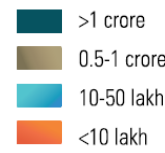
### NORTHERN REGION

State	Urban	Rural	Total
Uttar Pradesh	54	146	200
Madhya Pradesh	22	51	74
Rajasthan	21	45	66
Delhi	30	3	33
Haryana	11	14	25
Punjab	10	13	23
Total	148	272	421

### HILLY REGION

State	Urban	Rural	Total
North-Eastern States	14	29	42
Uttarakhand	4	5	9
Jammu and Kashmir	3	5	8
Himachal Pradesh	1	5	6
Total	22	44	65

### State wise housing need by 2022



(Nos. in tables are in lakhs)

### WESTERN REGION

State	Urban	Rural	Total
Maharashtra	50	55	104
Gujarat	29	21	50
Goa	2	1	3
Total	81	77	157

### SOUTHERN REGION

State	Urban	Rural	Total
Andhra Pradesh (including Telangana)	37	40	77
Tamil Nadu	39	18	57
Karnataka	28	21	49
Kerala	27	8	36
Total	131	87	219

### EASTERN REGION

State	Urban	Rural	Total
Bihar	19	69	88
West Bengal	34	42	76
Orissa	9	26	35
Jharkhand	11	18	29
Chhattisgarh	8	14	22
Total	81	169	250

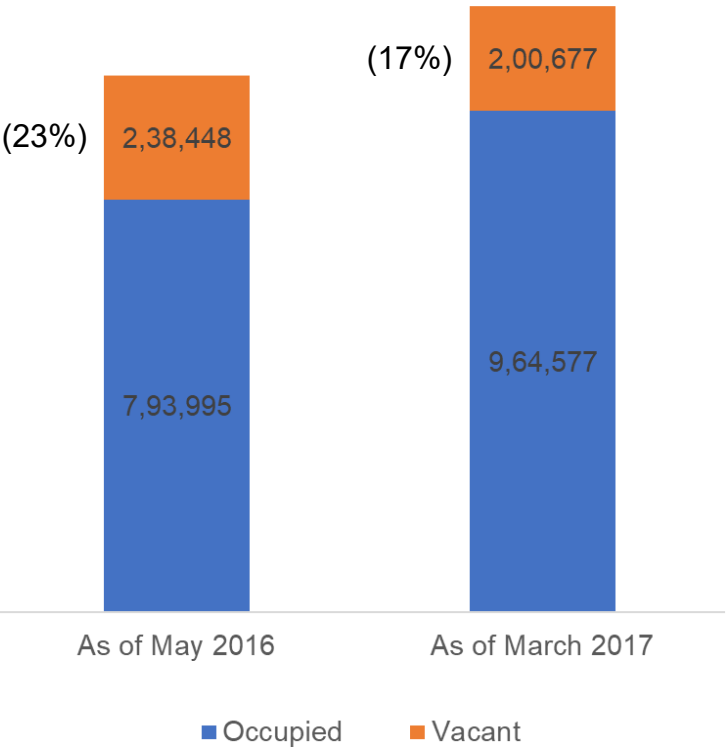
Source: Report of the Technical Group on Urban Housing Shortage (2012-17), Ministry of Housing and Urban Poverty Alleviation; Working Group on Rural Housing for XII Five Year Plan, Ministry of Rural Development, 2011; Census 2011; KPMG in India analysis

Note: UP — Uttar Pradesh; WB — West Bengal; AP — Andhra Pradesh; TN — Tamil Nadu; MP — Madhya Pradesh

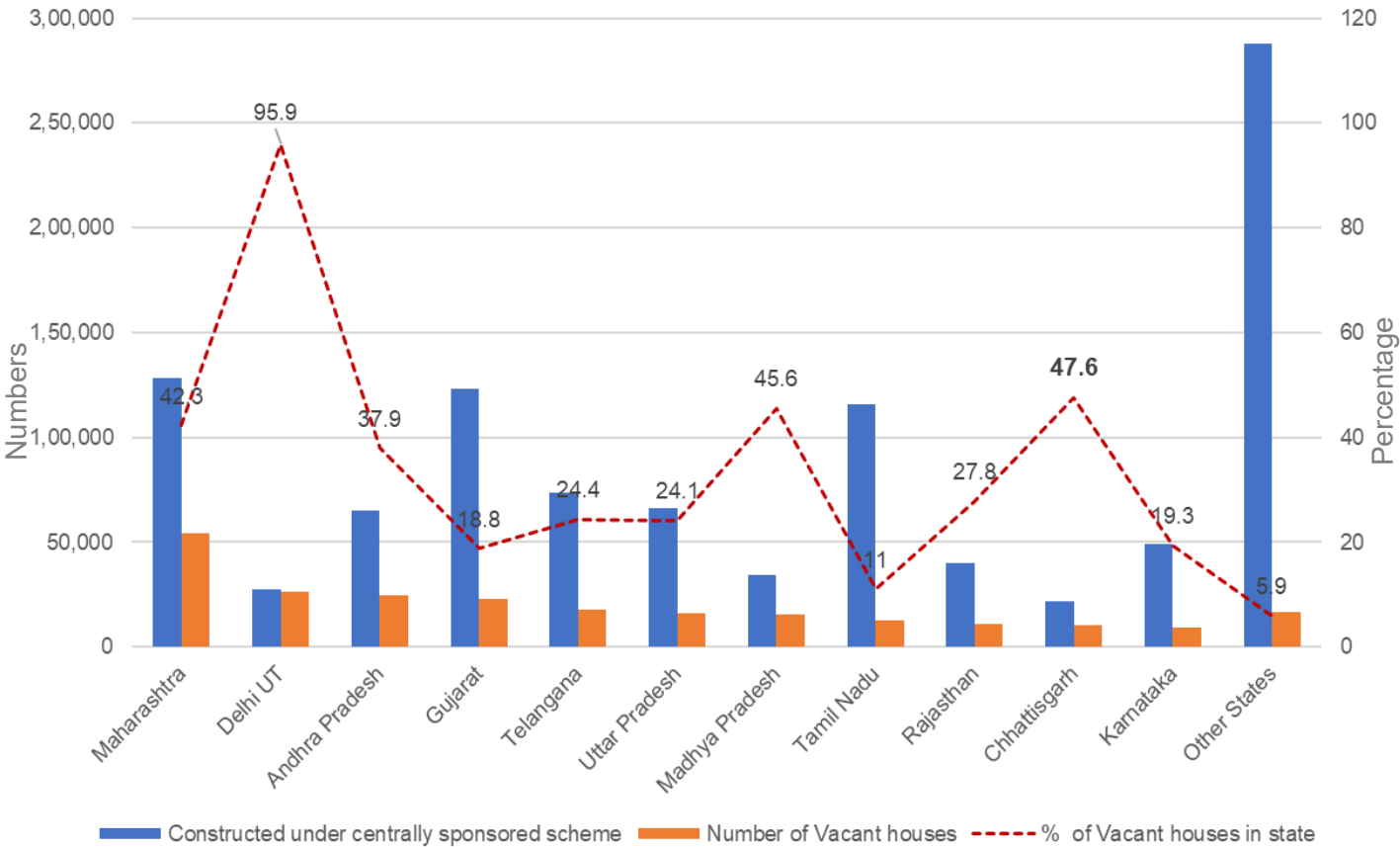
# Scenario

## Vacant Housing Stocks across States

Status of centrally sponsored housing under JNNURM, RAY and PMAY(U) in urban India



State-wise status of Centrally Sponsored Housing in India as of May 2016



Data Source: Lok Sabha Starred Question No. 256 Answered On May 11, 2016; Rajya Sabha Unstarred Question No. 991 Answered On March 09, 2017

Source : Gandhi Sahil and Munshi Meenaz (2017) ,Why are so many houses vacant? The Leap Blog, <https://blog.theleapjournal.org/2017/05/why-are-so-many-houses-vacant.html>

Scenario

# MISSING BASIC SERVICES

Low Uptake

Poor Maintenance

Low employment  
opportunities nearby

Single Land Use

## COMMUNITY FORMATION ABSENT

House Abandonment

# DISTANCE

LOW QUALITY CONSTRUCTION

NO SOCIAL AMENITIES

High Transportation Costs

Social Exclusion

Inflexible/ Poor Design



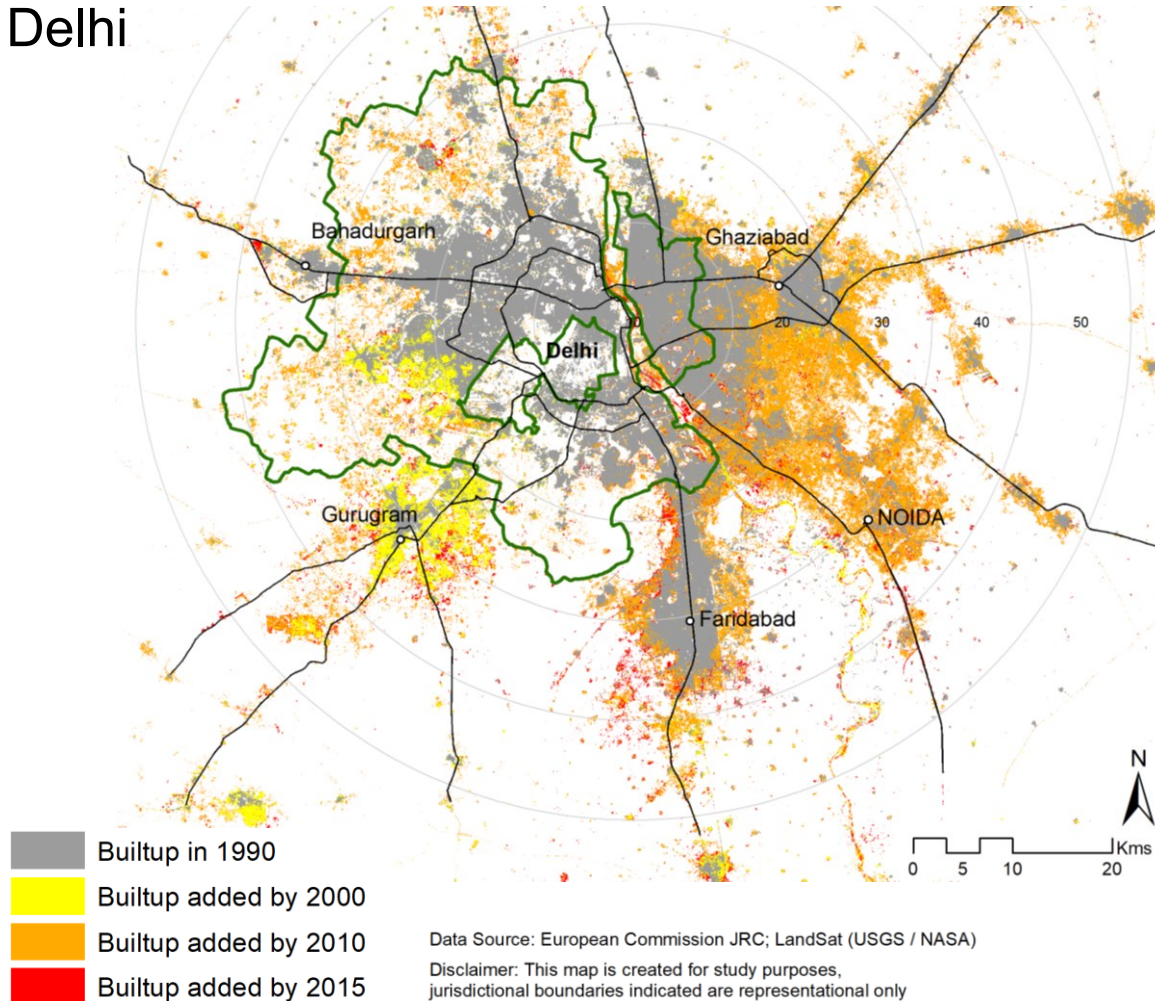
# Challenges

- **High land cost** in the core city areas making any real estate built on it inaccessible to most within city limits and financially unviable for affordable housing;
- **Artificial shortage due to strict regulations** in the centrally located urban areas pushes development to peripheries and makes recycling of land difficult
- **Lack of marketable land parcels**, as several government authorities and state-owned entities own large tracts of urban land in central areas and other such inefficient uses persist;
- **Titling issues and lack of information**: Lack of transparency in getting correct transactional information. Mapping of land inventory has not been carried out comprehensively nor is accessible to buyers

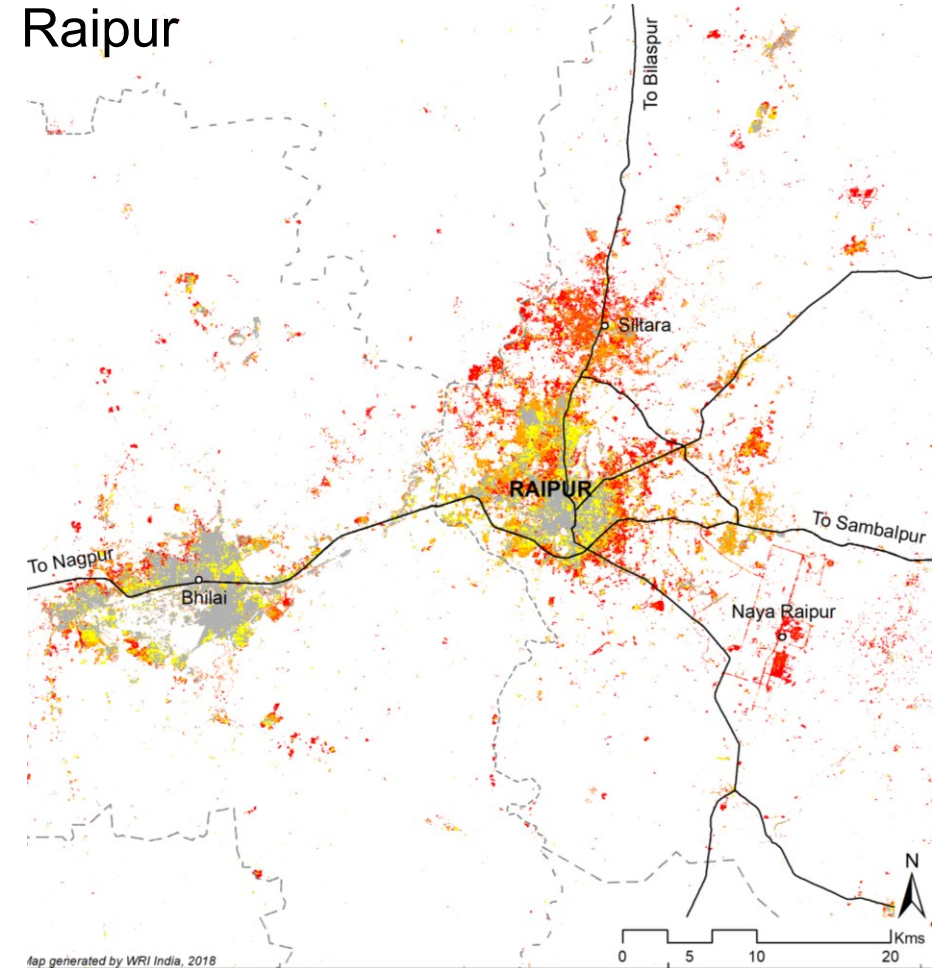
# Challenges

**Rapid urbanization** further exacerbating land challenges even as demand grows steadily.

## Delhi



## Raipur



# Opportunities

- **Affordable land would mean affordable housing**
- The **sustained release of serviced land parcels** towards affordable housing projects both **within a city's municipal limits and in its expanding periphery** are critical to locating successful housing projects
- Affordable housing has been a priority since Independence and the Centre, States and cities have over time devised policies, Acts and regulations that ensure land is accessible through methods such as reservations, subsidies, development incentives, land banking and land readjustment as we will see in this module.

# Overview of Policy Frameworks at National Level

# National Urban Housing and Habitat Policy 2007

## Intention

To develop sustainable habitat in the country by ensuring equitable supply of land, shelter and services at affordable prices to all sections of the society

One of its aims is to increase supply of land by facilitating accessibility to serviced land and housing with focus on economically weaker sections and low-income group categories and suitable restructuring for enabling institutions at State, Central levels and private sector for increasing land supply

## Specific action areas proposed

- 10 to 15% of the land in every new public/private housing project or 20 to 25 percent of Floor Area Ratio (FAR) / Floor Space Index (FSI) whichever is greater will be reserved for EWS/LIG housing through appropriate legal stipulations and spatial incentives
- Suitable percentage of land developed by public sector will be provided at institutional rates to organizations like Cooperative Group Housing Societies, which provide housing to their members on a no-profit no-loss basis.

# Pradhan Mantri Awas Yojana (Urban)

- States /UT to make suitable changes in procedure and rules for removing the need for separate Non -Agricultural (NA) permission if land already falls in the residential zone earmarked in master plan;
- States/UT to provide additional FAR/FSI/TDR and related density norms for slum redevelopment and low -cost housing if required

**Under affordable housing in partnership with public and private sector (One of the four verticals under PMAY scheme), following strategies proposed**

- **Private Land for affordable housing in exchange for permission for more intensive utilization of land:** Private entities granted higher FAR/FSI on land parcels owned by them in exchange for making available a portion of that land or other land to the government for affordable housing;
- **Private Land for affordable housing in exchange for permission to build high-end housing:**  
Private sector builders will be allowed to create high-end
- **Government Land for affordable housing by unlocking unutilized/underutilized parcels of government owned lands:**  
Land owned by various central and state government departments and agencies which are in excess of their requirements can be effectively pooled and brought under affordable housing
- **Land for affordable housing through Redevelopment of underutilized urban areas:**  
Government agency can help in unlocking the lands that are underutilized by providing regulatory oversight and negotiating with landowners and private players to participate in the redevelopment project
- **Land for affordable housing through Policy reform on Change of Land Use (CLU) of Agricultural Lands:** Government need to create an enabling environment for the prices of land to decline to affordable levels by increasing the supply of land through the process of change in land use.



# National Land Acquisition Act

## Housing as Public Purpose

### The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013

- The provisions of RFCTLARR, 2013 is applicable when the appropriate government acquires land for its own use, hold and control, including for Public Sector Undertakings and for public purpose;
- The central act allows acquisition of land for affordable housing purposes, as they fall under the public purposes listed in the Act.
- Projects for housing such income groups specified by the appropriate government from time to time and land for residential purposes for the weaker sections in the urban areas are included under public purpose
- Projects for residential purposes to the poor or landless or persons residing in areas affected by natural calamities, or to persons displaced or affected by reason of the implementation of any scheme undertaken by the Government, any local authority or a corporation owned or controlled by the State also fall under public purpose needs

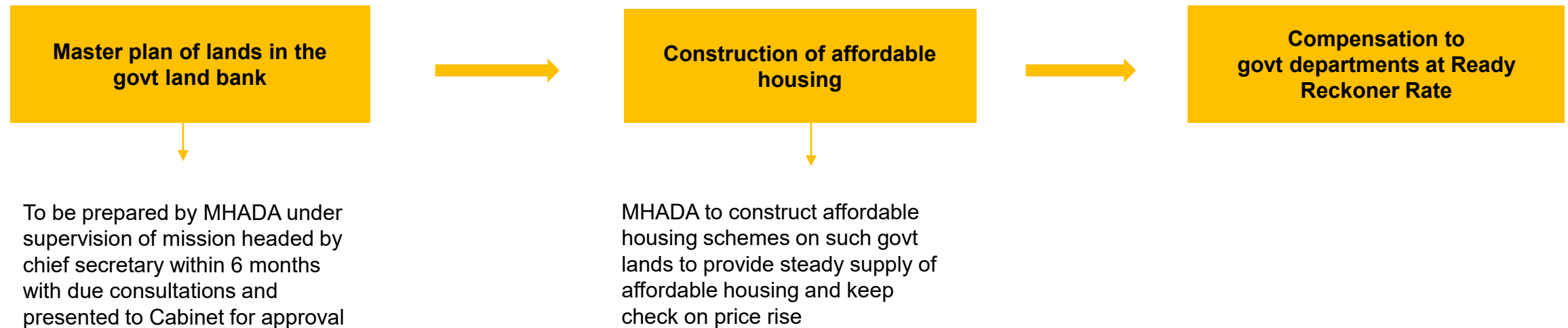
# Overview of Policy Frameworks at State Level

# Maharashtra – New Housing Policy & Action Plan 2015

**One of its objective: Creation of Government Land Bank through pooling of land which are at the disposal of State government entities**

Lands at the disposal of State government entities such as MIDC, ULBs, CIDCO, MHADA and MMRDA are to be pooled together and used for affordable housing.

## Suggested plan of actions for pooling land

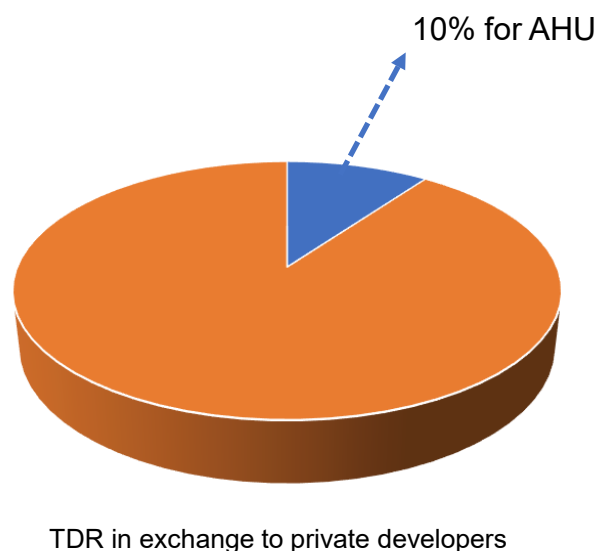


# Karnataka Affordable Housing Policy 2016

Three out of seven models proposed in the policy included strategies for making available land for affordable housing

## Model 1. Plotted development sites with house and service model

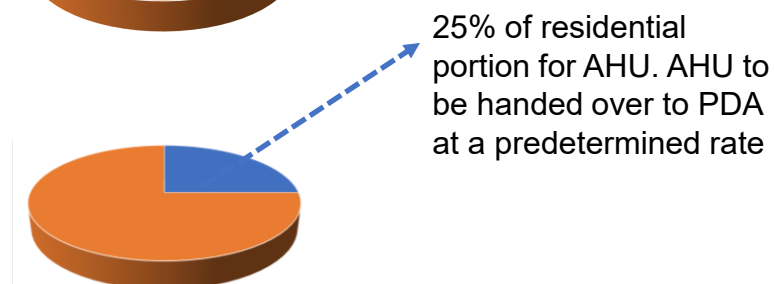
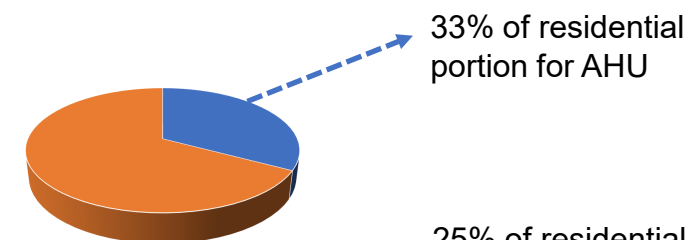
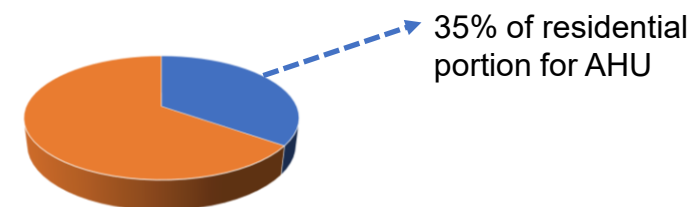
### A. Reservation mandated in Project of Private Developers of area 1 ha or more



### B. Reservation mandated in Project of Public Development Agencies (PDA) of area 1 ha or more

#### Three types :

- (i) Land Acquisition model: Existing vacant land to be used/acquired by PDA
- (ii) Land sharing model: between PDA and private developers. A portion handed over to PDA in exchange for development in remaining land
- (iii) Joint venture model: between PDA and interested private developers

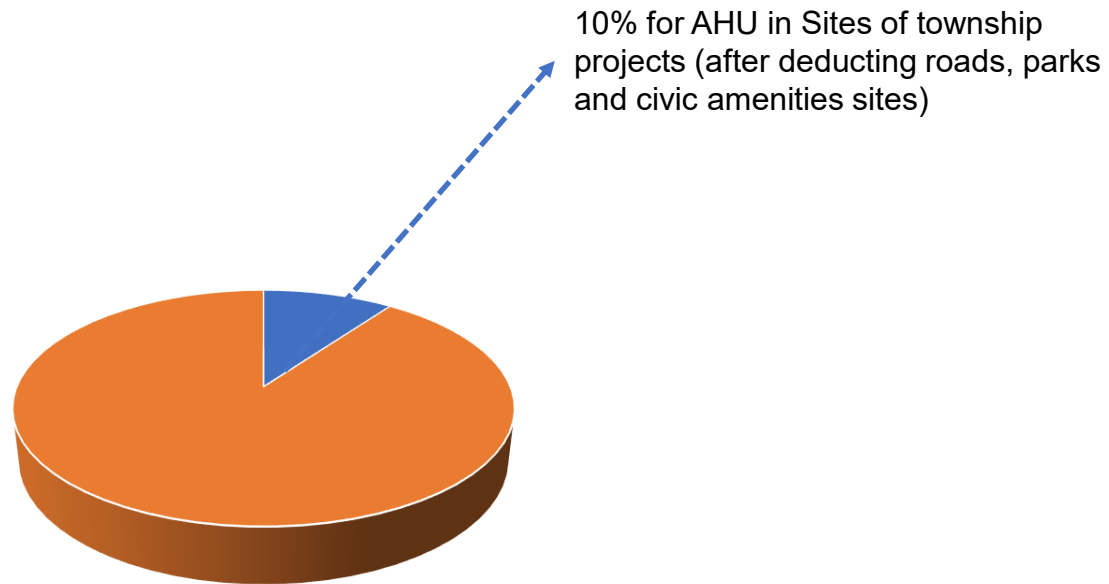


# Karnataka Affordable Housing Policy 2016

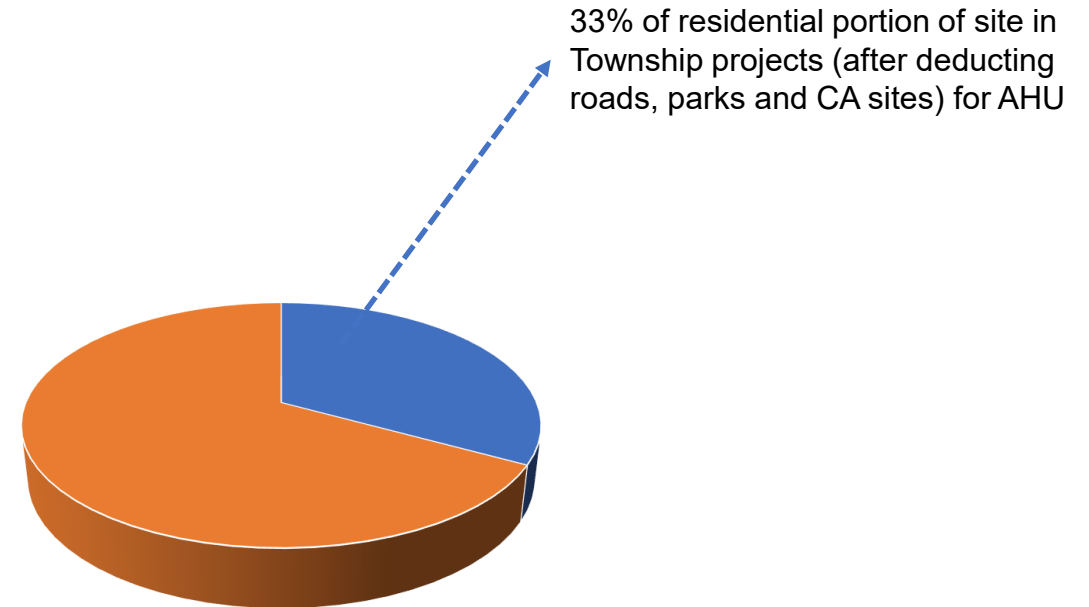
Three out of seven models proposed in the policy included strategies for making available land for affordable housing

## Model 2. Group Housing and Township Project

### A. Reservation mandated in Project of Private Developers of area 1 ha or more



### B. Reservation mandated in Project of Public Development Agencies (PDA) of area 1 ha or more



# Karnataka Affordable Housing Policy 2016

Three out of seven models proposed in the policy included strategies for making available land for affordable housing

## Model 3. Affordable Group Housing in Partnership

### A. Partnership with Private Developers on their land

- Private Developers can develop AHUs in a proportion of their land over and above the mandatory reservation mentioned in the group housing and township project model
- Compensation :
  - Additional FSI
  - TDR
  - PMAY funding

### B. Partnership with Private Developers on vacant government land

- Private Developers can develop AHUs on at least 40 per cent of identified vacant government land as approved by the SLECAH (State level Empowered Committee for AH)
- The remaining portion of the land may be transferred to the private developer with full use rights as per the Master Plan/CDP
- Land Use and local Zoning Regulations, as decided by the SLECAH on a project by project basis.

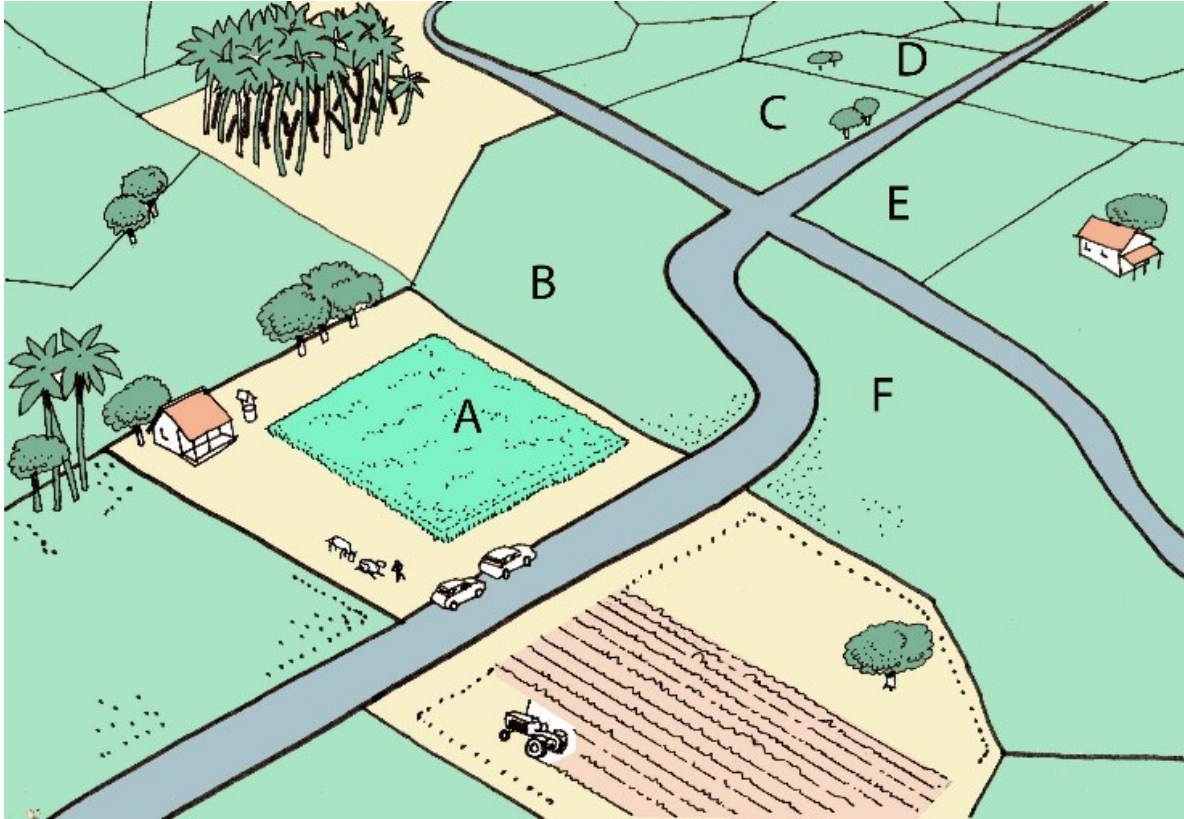


# City Level Mechanisms

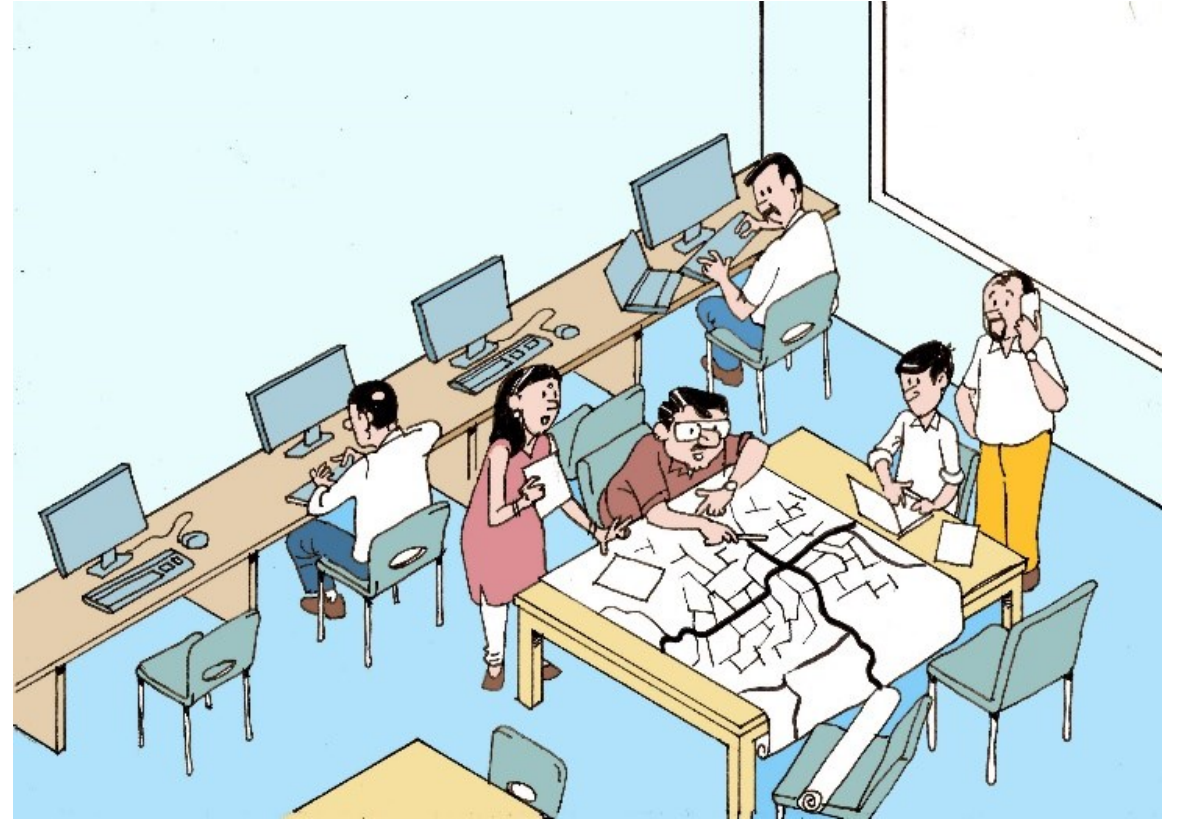
# Schemes Considered

1. Town Planning Scheme, Gujarat
2. Joint Development Model, Haryana
3. Accommodation Reservation – Transferable Development Rights, Mumbai, Maharashtra State

# Town Planning Scheme Process

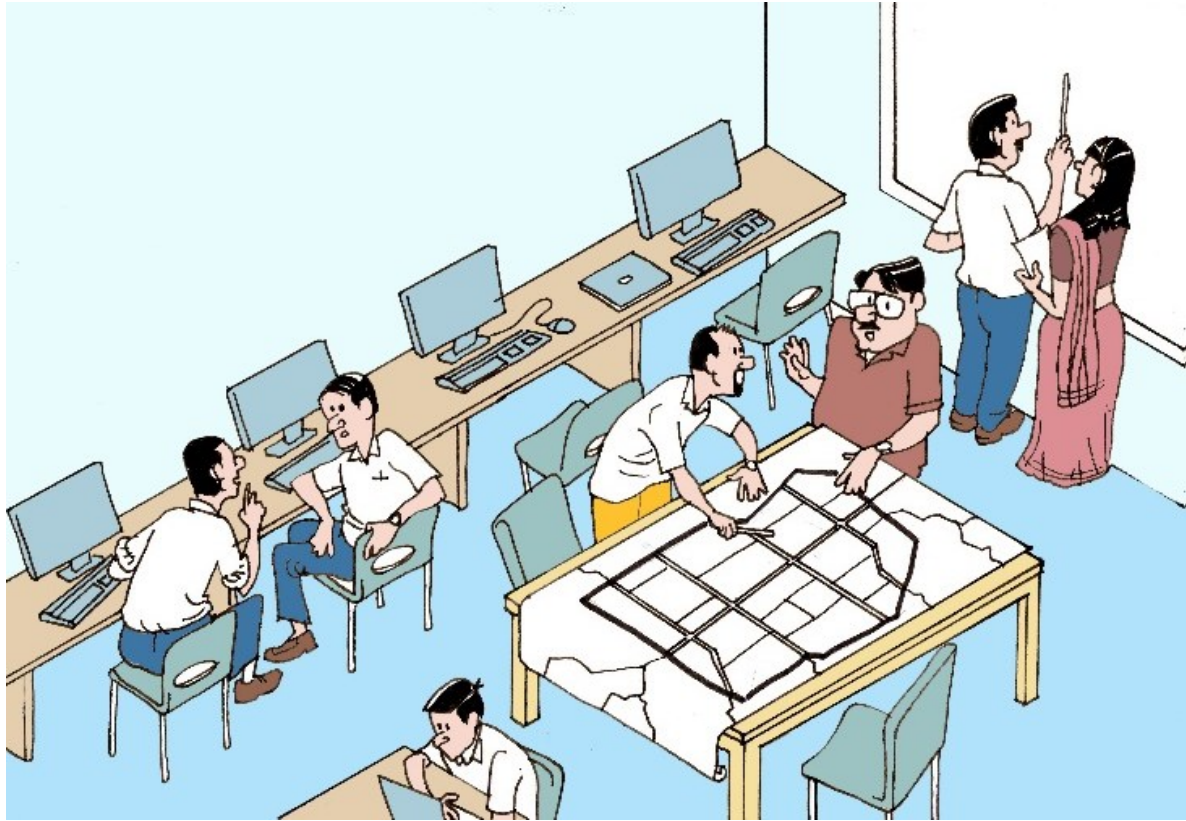


1. Public declaration to prepare TPS and survey of the area identified

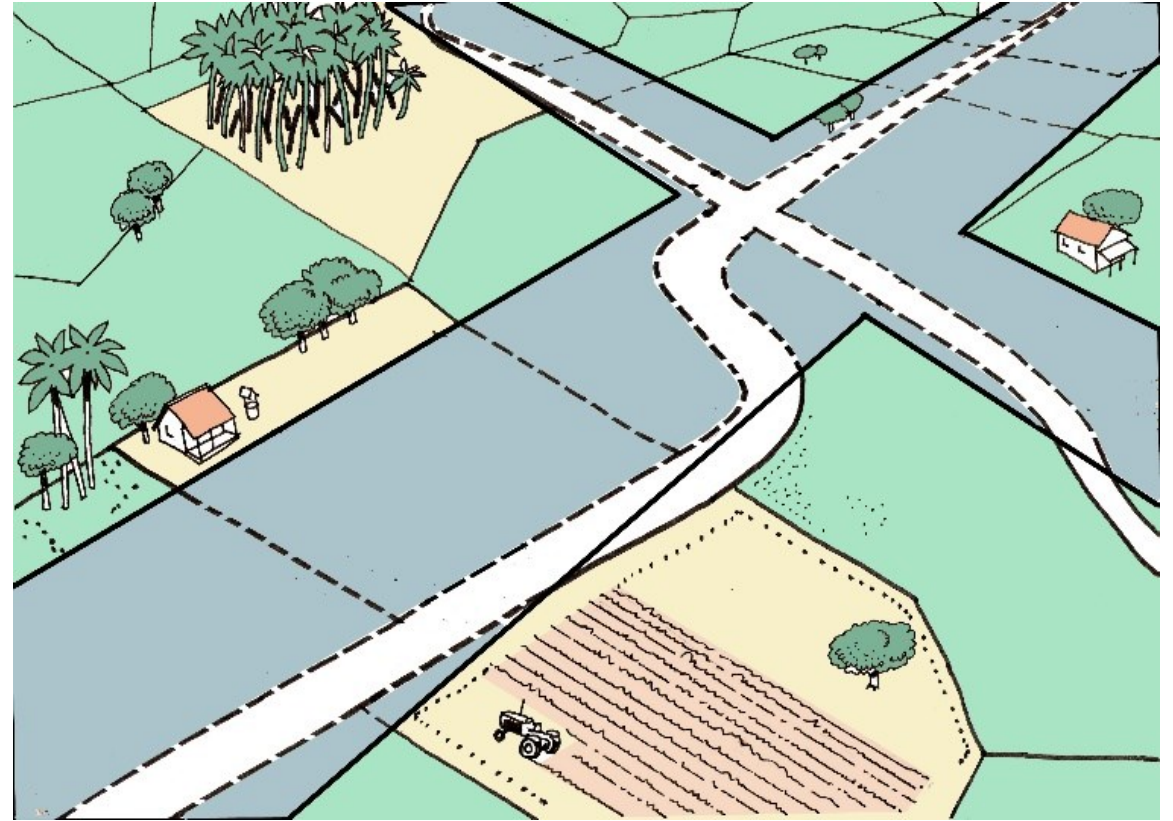


2. Authority prepares draft scheme, calls for meeting of landowners to seek opinion on tentative proposals

# Town Planning Scheme Process



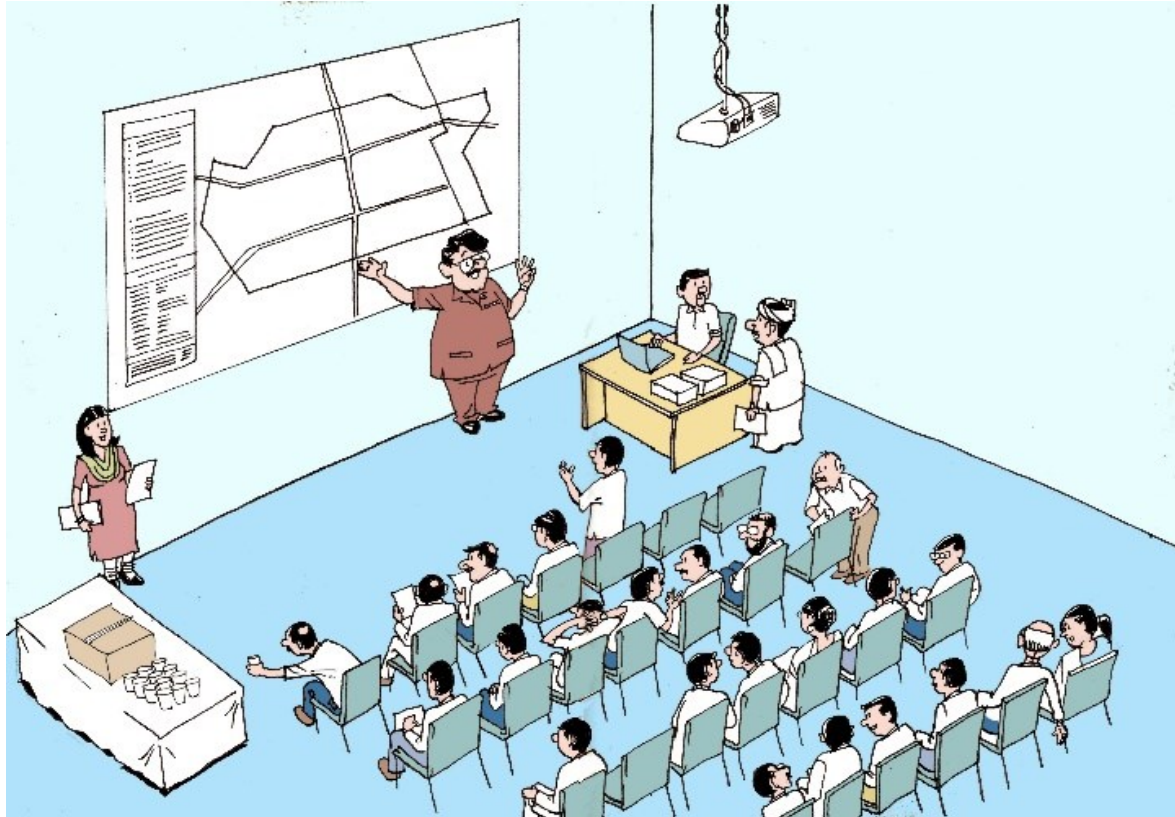
3. Authority modifies tentative proposals and publishes draft scheme seeking objections and suggestions from landowners



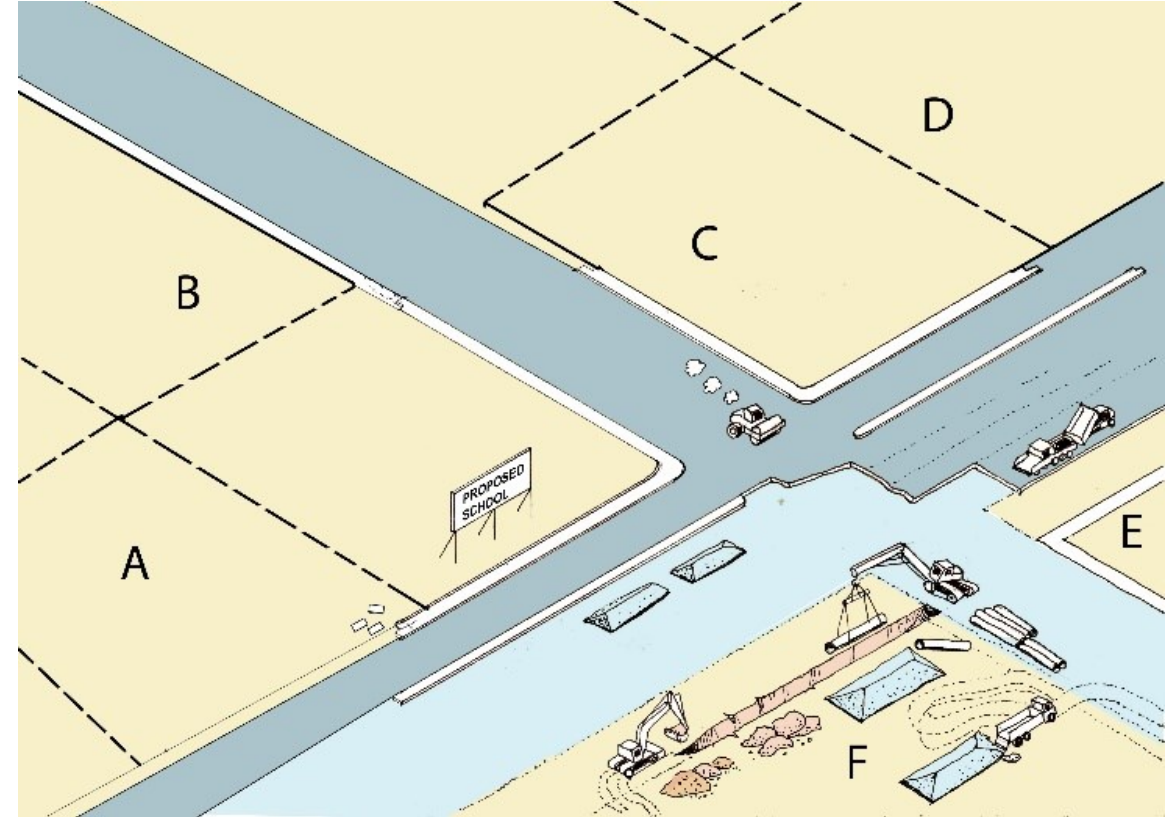
4. State govt sanctions draft scheme after enquiries and authority takes over land for roads. Scheme then becomes preliminary scheme



# Town Planning Scheme Process

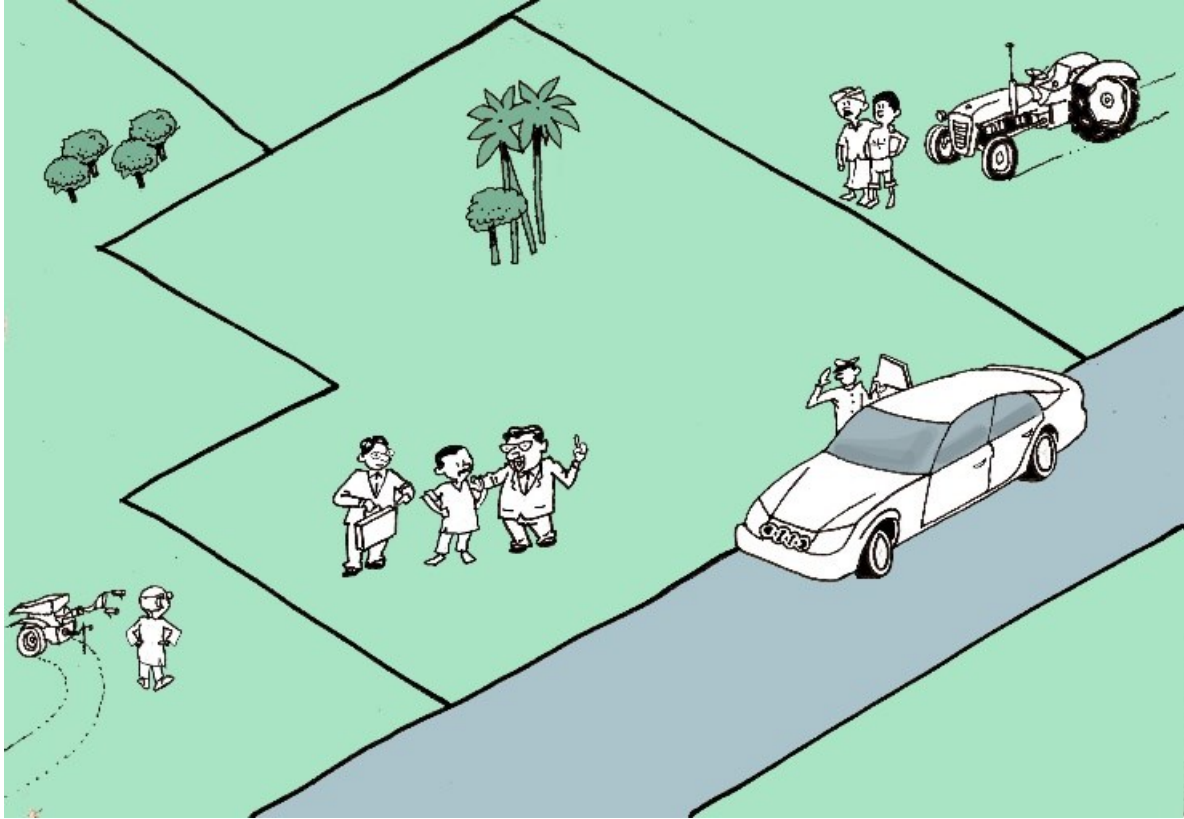


5. TPO modifies preliminary scheme after conducting hearings and then publishes it for inspection. Reshaped serviced land parcels of lesser area is offered back to landowners



6. Authority constructs basic infrastructure facilities after preliminary scheme is published. Govt approves final TPS. The landowner pays betterment levy if applicable

# Joint Development Model Process



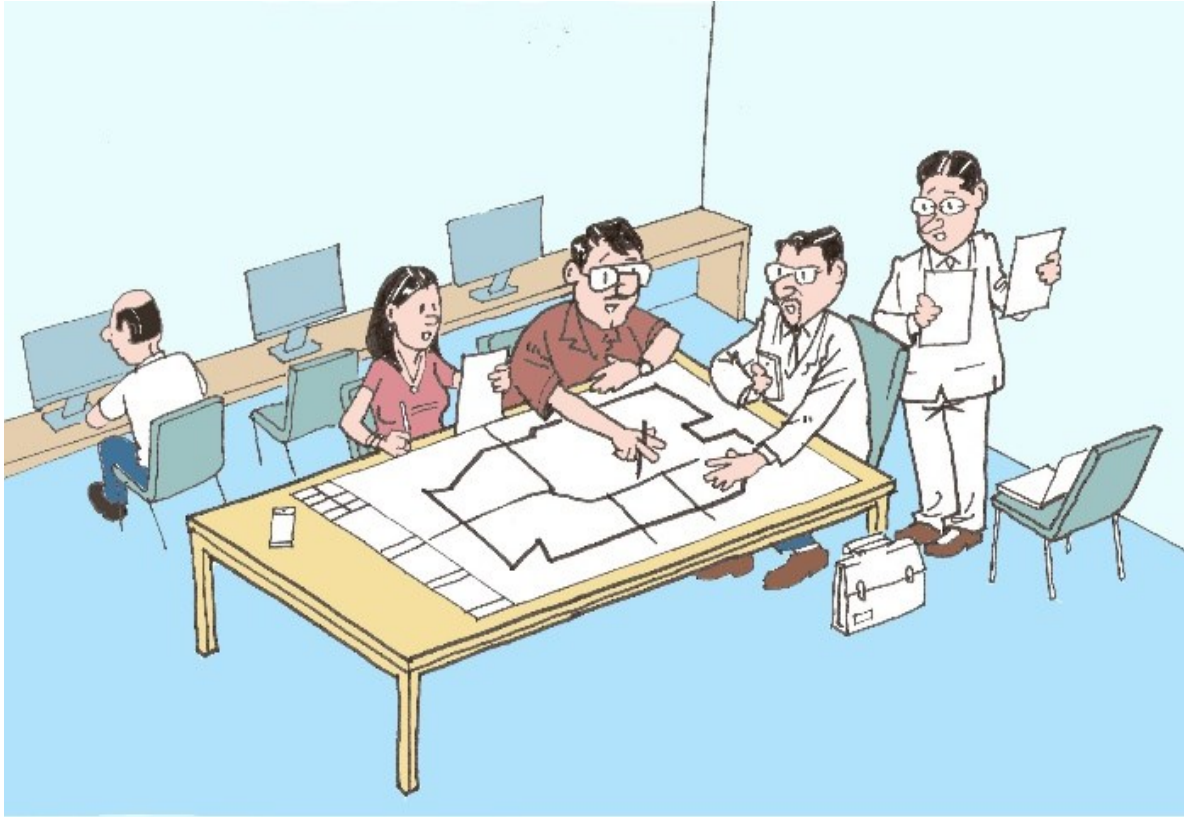
1. Private developers acquire land directly from landowners at negotiated market prices



2. Private developer applies for licence to develop colony after payment of all fees along with the layout plan



# Joint Development Model Process

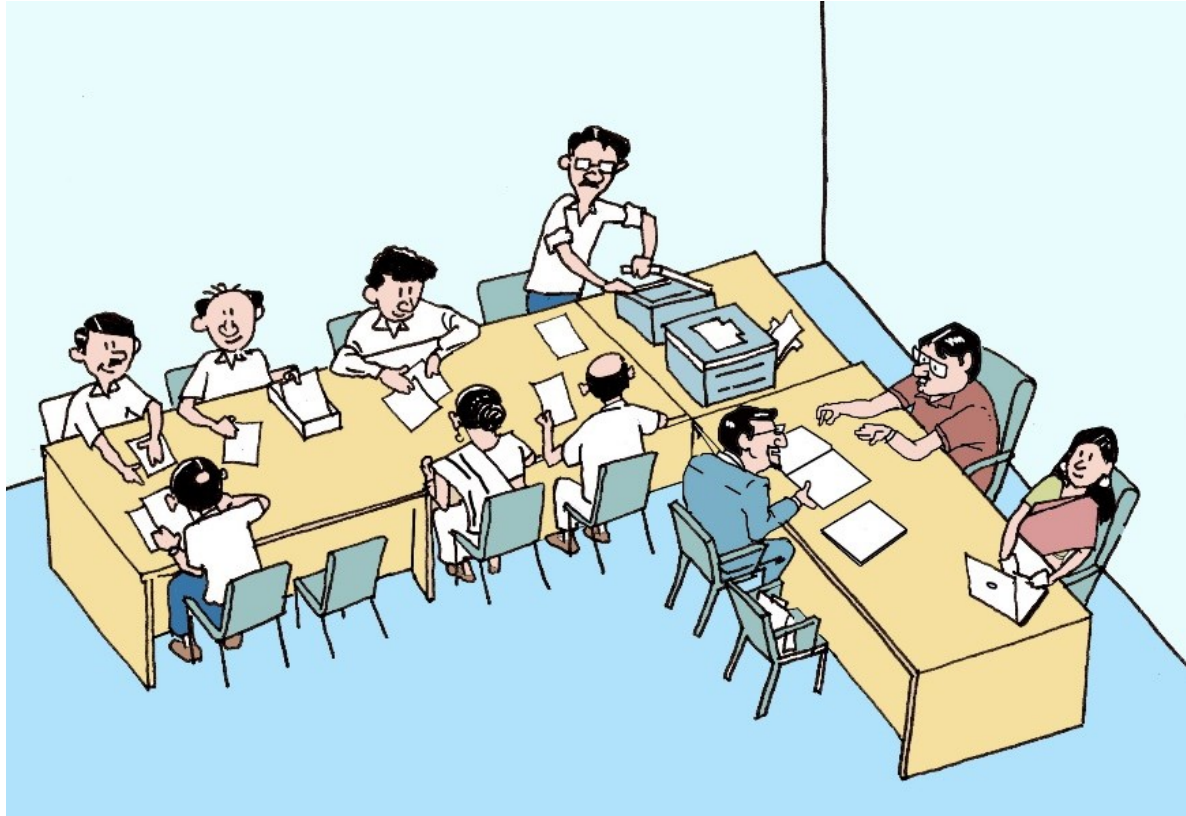


3. Government authority conducts enquiry on land titles, extent of land, and financial capability of the developer and checks conformity of plan with development plan

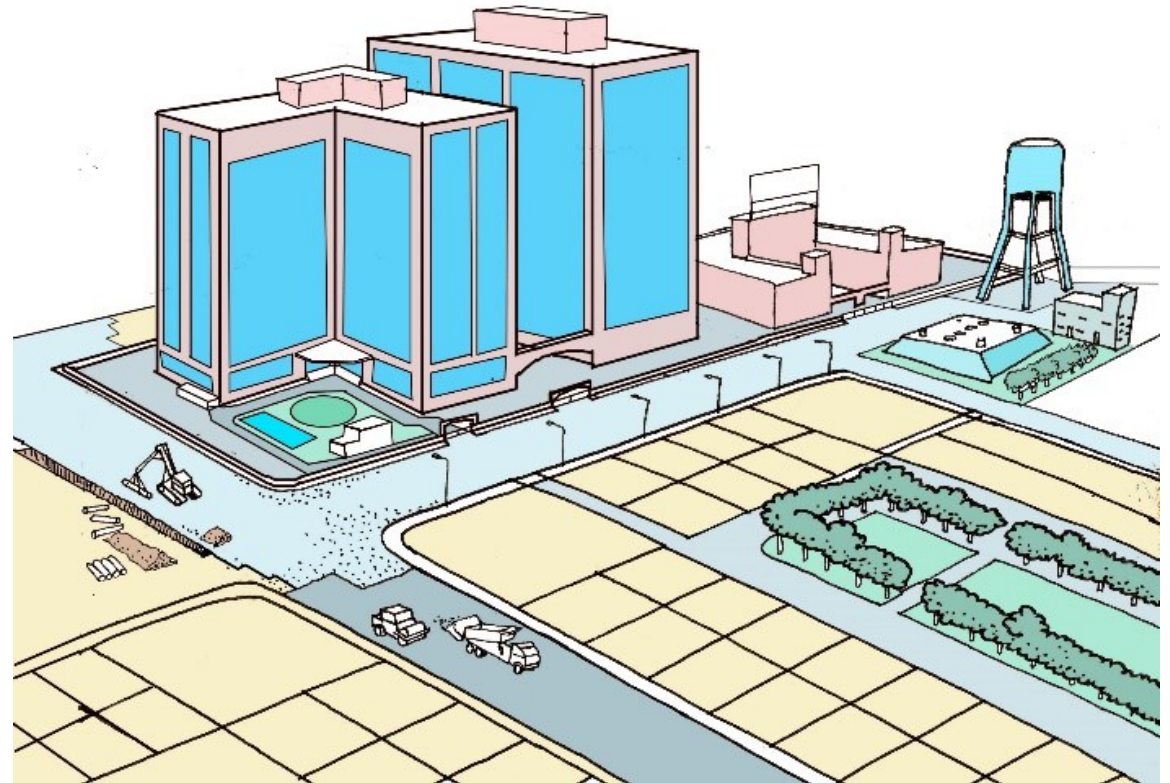


4. Authority grants licence after scrutiny and after depositing the prescribed amount as bank guarantee and fulfilling other conditions laid in rules of the authority

# Joint Development Model Process



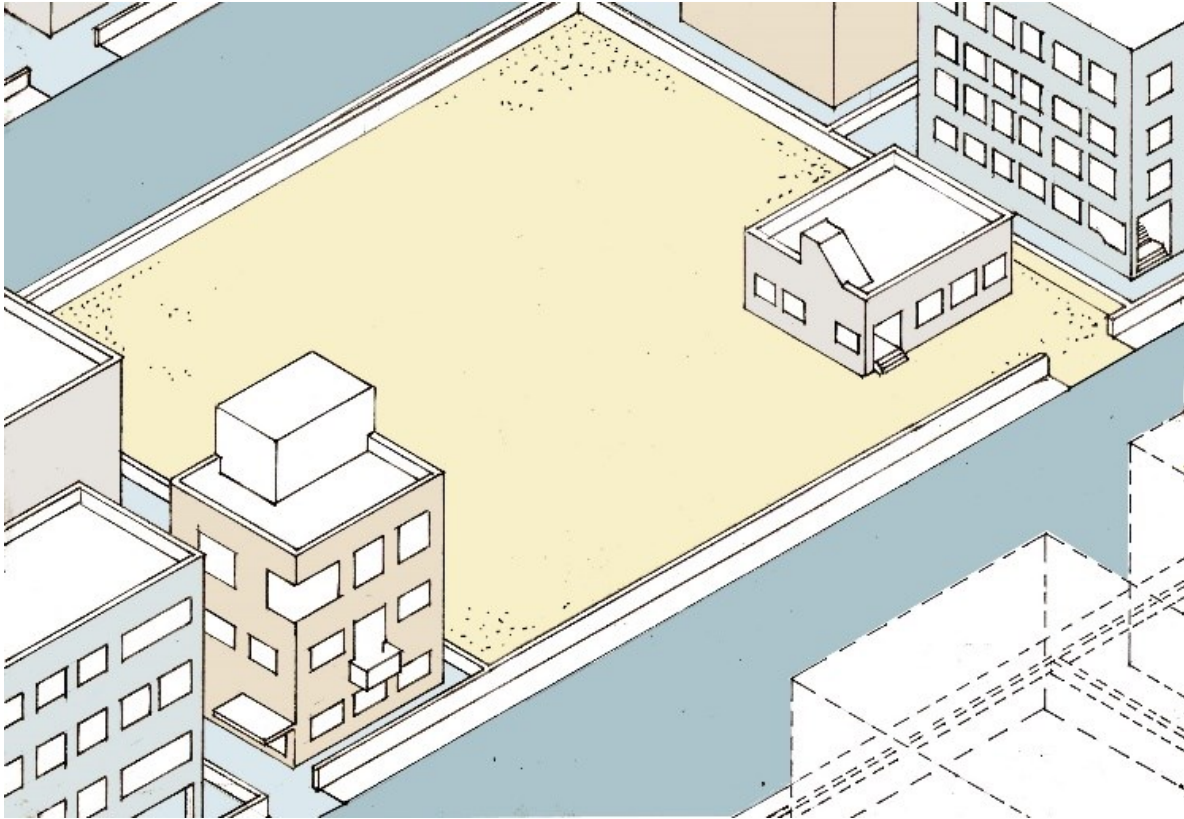
5. Developer submits advertisement copies made for the sale of plots in the colony and terms of agreement entered between developer & plot owners. Developers pay development charges to authority



6. Private developer develops the layout with infrastructure services and sells the plots /built up area for profit. Private developer constructs or hands over land for social amenities to the authority. Authority implements trunk infrastructure



# AR-TDR Process

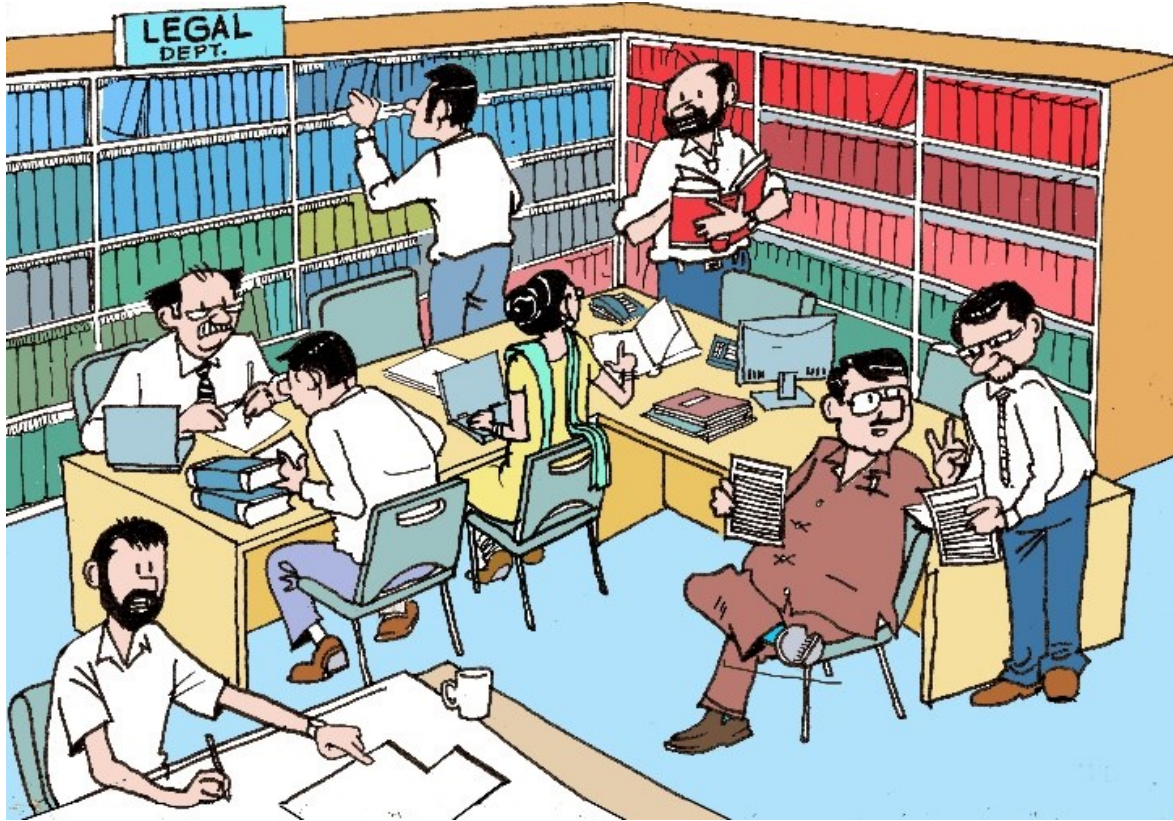


1. Authority prepares master plan indicating land reserved for public purposes and notifies the same for acquisition

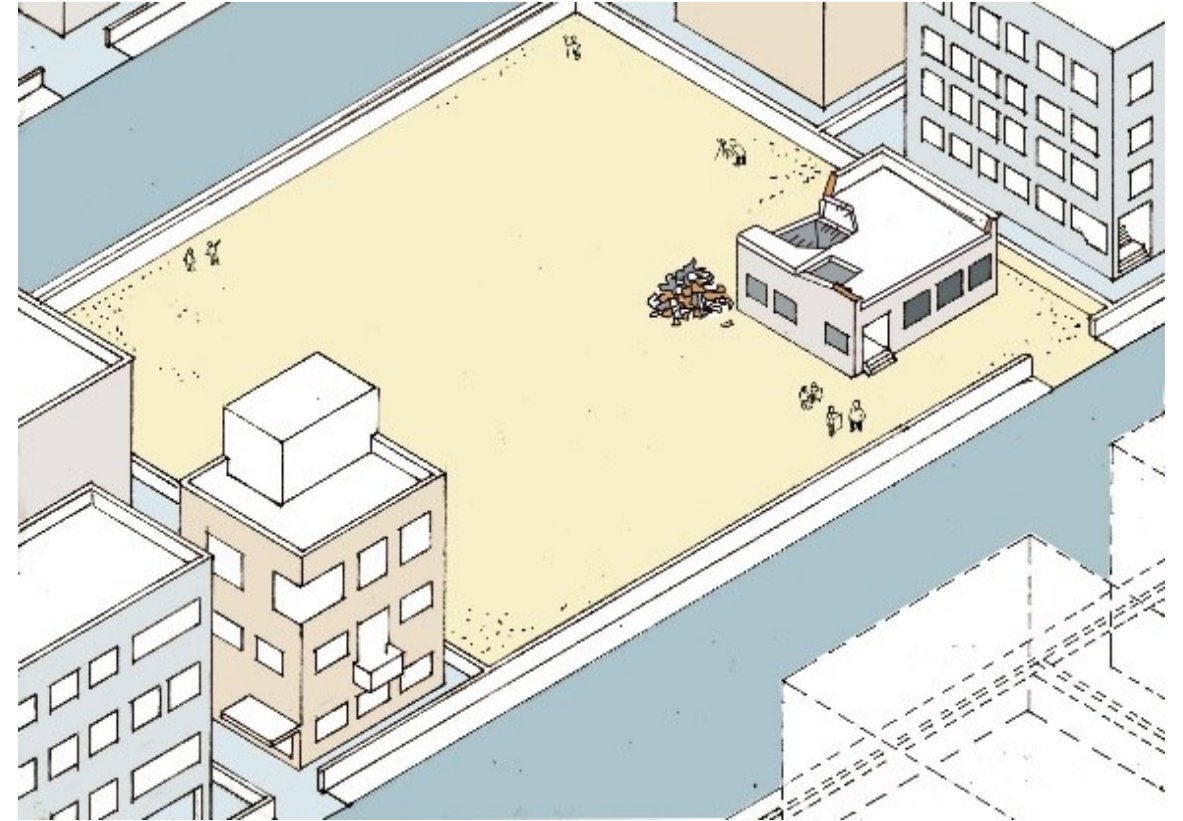


2. Landowners express his willingness to surrender land free of cost in the prescribed format and applies for a Development Rights Certificate (DRC) along with payment of all legal charges and scrutiny fees

# AR-TDR Process



3. Legal department of the authority scrutinises application, alongside ownership titles and issues title clearance certificate in case of no dispute in land title



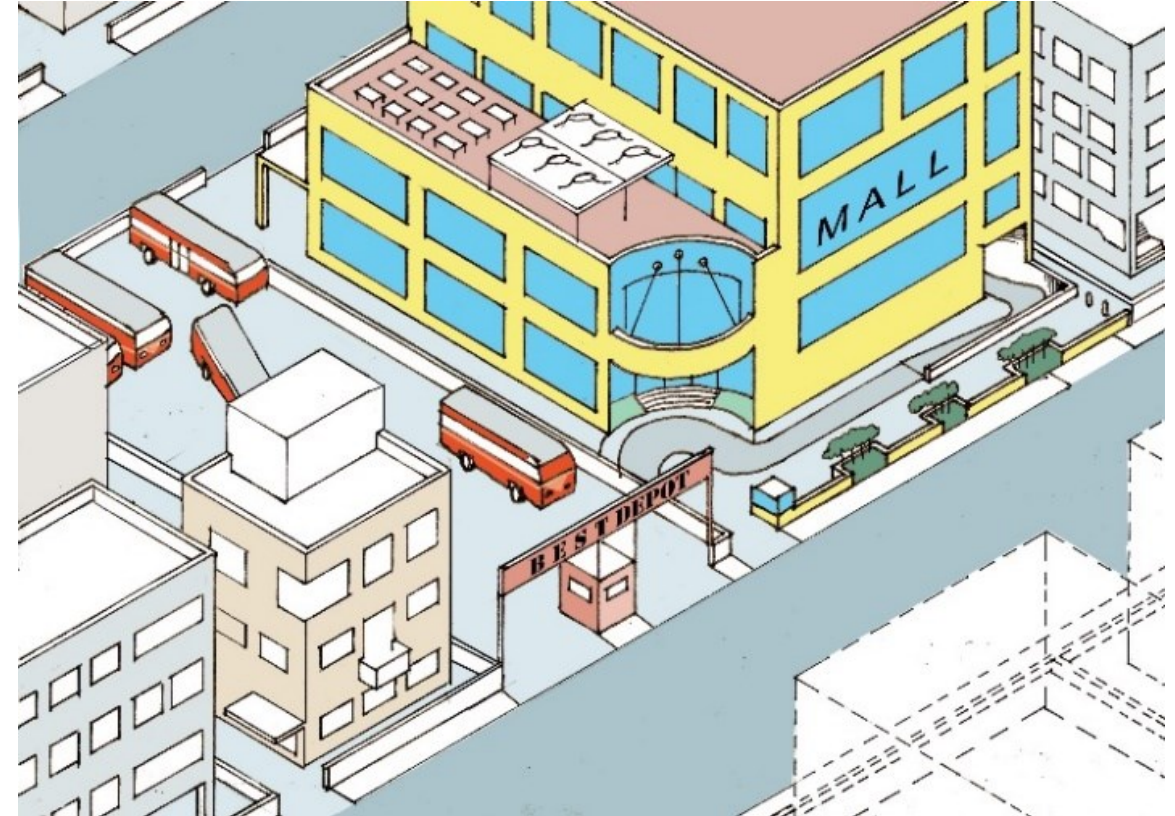
4. Authority issues Letter of Intent (LOI) after receipt of title clearance and joint measurement of the land is done



# AR-TDR Process



5. Landowner submits Property Registration (PR) card in the name of the authority and the authority then submits report requesting for TDR from the concerned officer.



6. Authority grants DRC certificate and authority implements or get the public purpose reservation constructed on the land. The landowner constructs or sells the additional DR which he received as the compensation

# Comparative Analysis

## Mechanism

## Land acquisition method

## Reservation for AH

## Financing Model

### Town Planning Scheme Gujarat

Land Pooling, Readjustment (Notionally)

10% of land reserved for affordable housing

Betterment levy  
Sale or mortgage of % of land appropriated

### Joint Development Model Haryana

Market price negotiation

20% of developed plots in plotted developments to be reserved for affordable housing, 15 % of flats developed in group housing for affordable housing with the area of each not less than 18.6 square meters.

External development charges  
  
Profit above 15% deposited at State treasury by private entity or pay up infrastructure augmentation charges

### AR-TDR Mumbai, Maharashtra

Transfer of Land or Built Up Area in return of additional development rights incentive

Land or built up area for low-income housing could be attained through AR and TDR.

Land obtained free of cost  
infrastructure development charges, development charges imposed on the utilizer of TDR



# Case Study

# Ahmedabad

## Spatially well-distributed social housing enabled through Town Planning Schemes

- About 80,000 dwelling units under various social housing schemes constructed using land pooled through TPS
- TPS enabled provision of social housing in a spatially well distributed pattern and not necessarily concentrated in the city's periphery

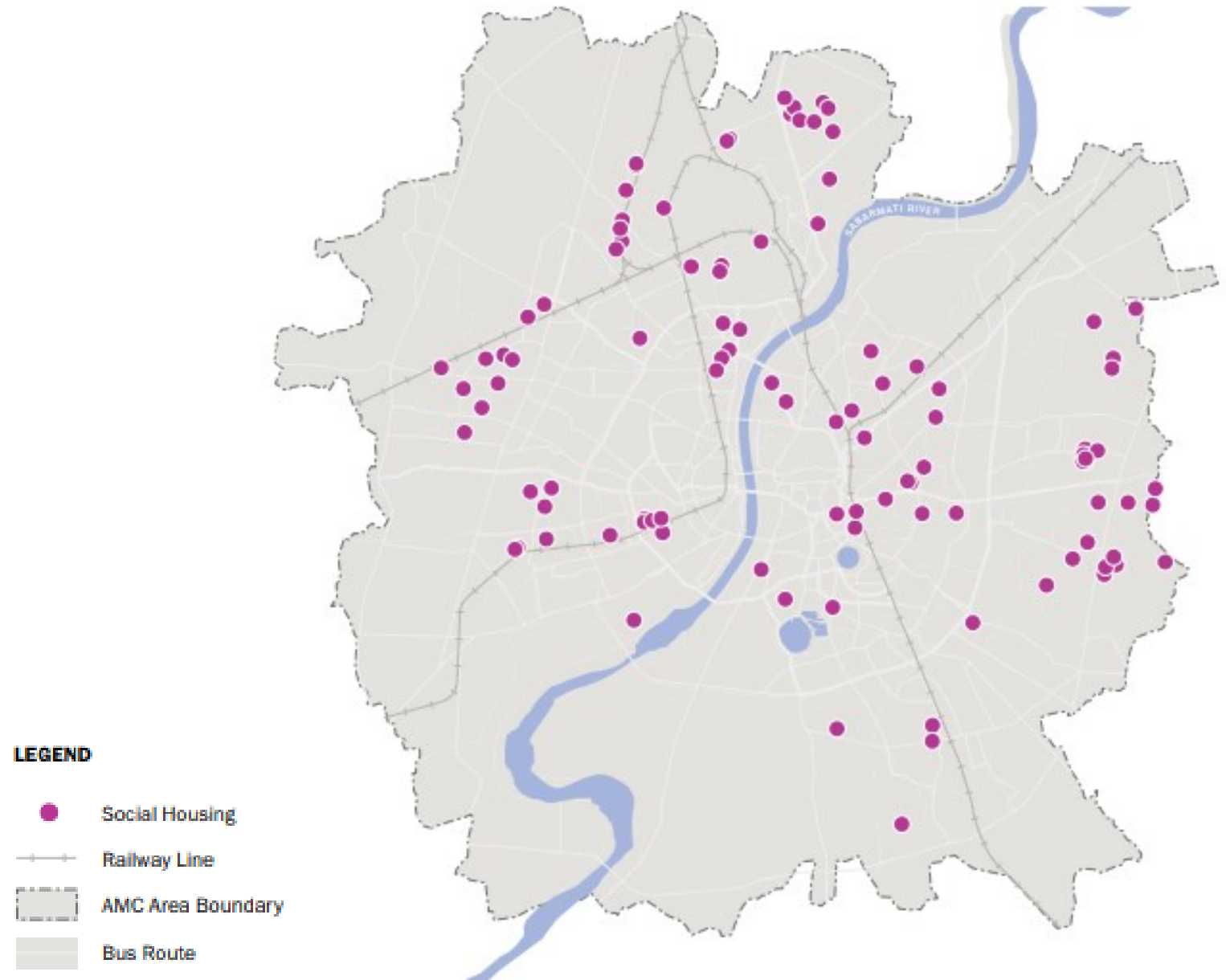


Image Source: Ahmedabad: Town Planning Schemes for Equitable Development— Glass Half Full or Half Empty?

Authors: Madhav Pai, Anjali Mahendra and Darshini Mahadevia - August 2018

# Ahmedabad

## Spatially well-distributed social housing enabled through Town Planning Schemes

- Provisions of TPS allowed appropriation of land for public purposes such as roads, drainage, sewerage and sewerage , lighting and water supply.
- Enabled equitable access of provisions to each plot along with the construction of trunk infrastructure.
- Land Readjustment methods help in certain cases to readjust plot boundaries to accommodate existing informal settlements, thereby acting as a flexible and accommodating tool of spatial planning;

Image Source: Ahmedabad: Town Planning Schemes for Equitable Development— Glass Half Full or Half Empty?

*Authors: Madhav Pai, Anjali Mahendra and Darshini Mahadevia - August 2018*

## Land Reserved for Public Purposes in Ahmedabad, 2017 (%)

PURPOSE	AMC	AUDA	AMC AND AUDA LAND, COMBINED
Social housing	1.2	3.1	2.0
Green and open spaces	1.4	2.1	1.7
Social amenities and utilities	3.3	3.2	3.2
Sub-total of above	5.9	8.4	6.9
Public land bank for sale	1.8	5.7	3.4
Total reserved for the above	7.6	14.1	10.3

*Note: Data is from 147 TPSs. Numbers above show proportions of the total land owned by that agency.*

*Source: Government of Gujarat, 2016.*

# Activities

# Group Discussion

1. What are key aspects related to land that need to be brought in as part of an affordable housing policy?
2. What are the reasons that lead to high vacancy rates in low income housing units provided by Government?
3. What are the challenges in getting land for affordable housing in your city? What could be the various alternatives to getting serviced land at the right location for affordable housing in your city?

# Activity

- Participants will be divided into groups of five.
- Each group will be given a base map with land parcels that is designated for urban use in the master plan of the city.
- Each group will prepare a plan that accommodates low-cost housing units along with the other public purpose needs (such as road networks, plots for recreational needs, education, health, etc).
- While presenting the proposed layout plan, each group needs to discuss the method adopted to acquire the land, its advantages and limitations, how finances will be managed, and policy supports needed for the same.

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# Thank you.