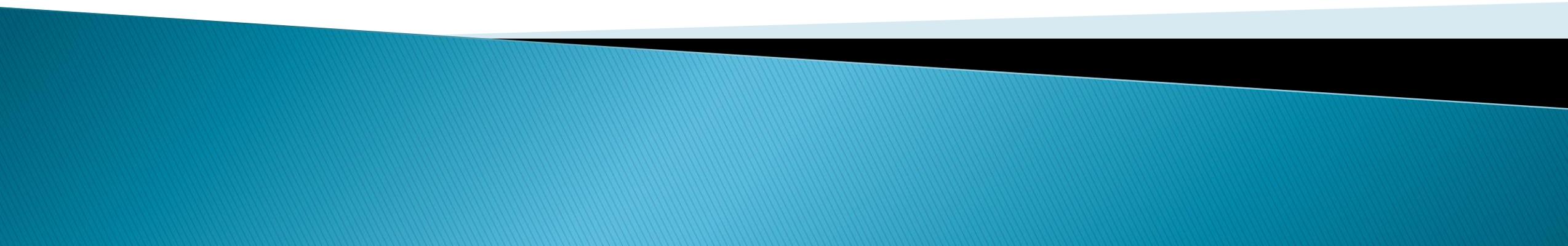


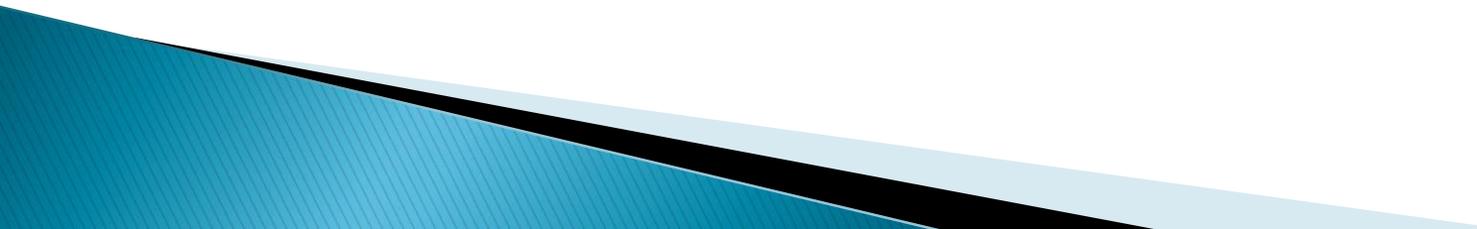
Urban Land Management

Lecture-8

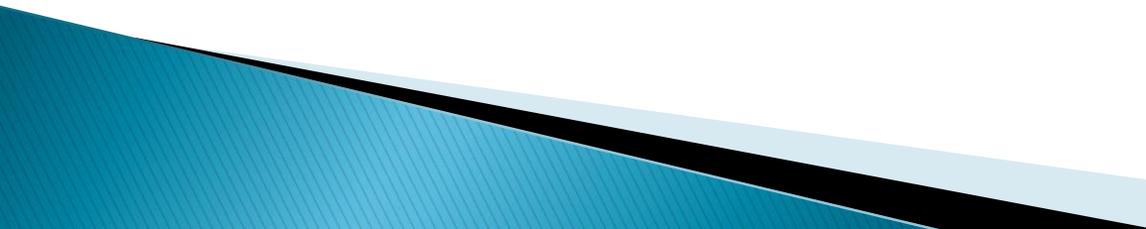
Land Banking and Land Sharing Techniques



Land Banking

- ▶ **Land banking is the acquisition, holding and allocation of land on a selective basis by a government organization for the purpose of improving the urban development process or to increase the supply of land for housing.**
 - ▶ **It is not land nationalization because it involves the acquisition of some of the land designated for development rather than all or most of the land.**
- 

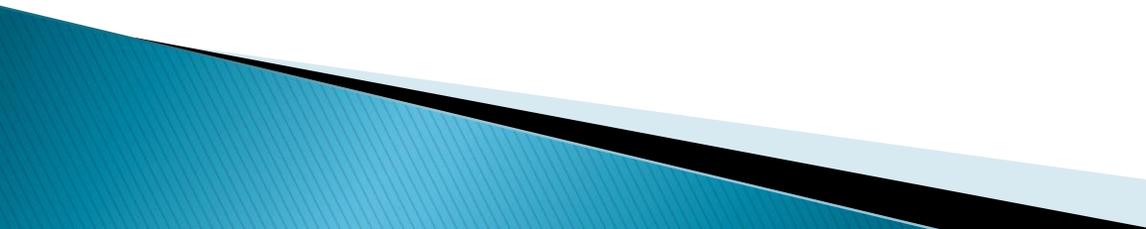
Land Banking

- ▶ **Aims at regulating the land market in free market economies to cope with the timely execution of public infrastructure or housing projects.**
 - ▶ **Can be created by development authorities or other public sector housing provision agencies or Land Banking Organization (LBO).**
 - ▶ **Requires legal back up for compulsory acquisition of land.**
 - ▶ **Mainly suitable for peri-urban and rural areas.**
- 

Land Banking

- ▶ **Land to be acquired is notified for compulsory acquisition.**
 - ▶ **Government agency/LBO acquires land in peri-urban/rural areas at very low price many years before development is expected to reach there or after rezoning.**
 - ▶ **LBO holds the land to create land bank or to bring the rezoned land into development.**
- 

Objectives and Benefits of Land Banking

- ▶ Land bank can be used for urban development.
 - ▶ Can help recapture land value increases by public actions.
 - ▶ Can help to control land market and fight land speculation.
 - ▶ A vehicle to distribute land to the poor.
 - ▶ Tool to finance infrastructure development.
- 

Objectives and Benefits of of Land Banking

- ▶ **To achieve timely development or redevelopment of an area.**
 - ▶ **To provide industrial and commercial sites to promote business activities and enhance employment opportunities.**
 - ▶ **To provide sites for education, health and other public facilities at appropriate locations.**
 - ▶ **To provide land for other public sector organizations' development projects.**
- 

Constraints in Land Banking

- ▶ **Fragmented land ownership pattern.**
 - ▶ **Invasion of public land banks.**
 - ▶ **Powerful private interest with political influence.**
 - ▶ **Chronic lack of funds in public sector for this purpose.**
- 

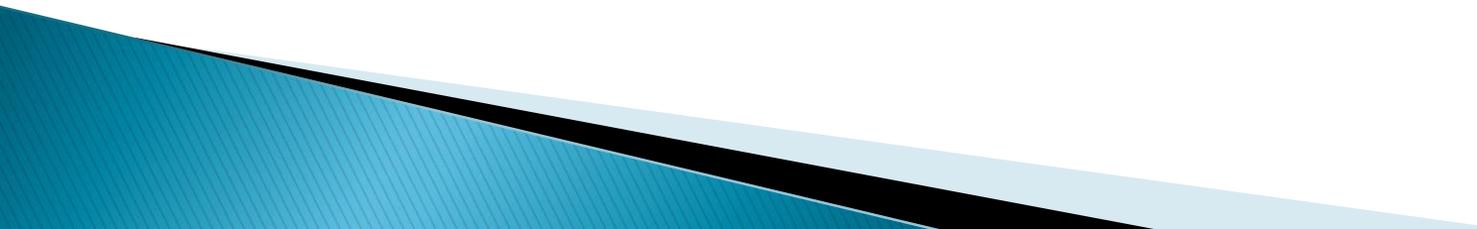
Pre-requisite for Setting-up an LBO

- 1. Statement of the LBO functions and objectives**
 - 2. Powers of the LBO (compulsory acquisition or other methods with terms and conditions)**
 - 3. Structure and staffing (including professionals and land managers)**
 - 4. Its financing e.g. capital fund, cost recovery etc.**
 - 5. Mechanism of coordination with development authorities, municipalities, housing agencies and other government departments.**
- 

Some International Examples of LBOs

- 1. Land Authority of Wales (UK)**
 - 2. Land Commission of New South Wales (Australia)**
 - 3. Red Deer City Govt. Alberta, Canada**
 - 4. Delhi Development Authority**
 - 5. Selangor State Development Corporation, Malaysia**
- 

Land Sharing

- ▶ **Land sharing is an instrument of squatter settlements/slum improvement and secure tenure provision in urban areas.**
 - ▶ **The technique involves partitioning a piece of land so that it can accommodate land occupants on one portion of the site, and landowners or commercial development on the other portion, thereby solving a land dispute through compromise instead of through force.**
- 

Land Sharing

- ▶ **The net result of land sharing is win win situation both for the residents and owners of land.**
 - ▶ **Sometimes land sharing deals are difficult to arrange in the absence of active and sustained mediation by an outside organization.**
- 

Pre-conditions for a Land Sharing Agreement

1. Booming property market

During periods of economic boom, commercial development pressure increases on well-located lands. While evictions of land occupants tend to go up when land values rise, a booming land market may also push landowners to make concessions with occupants on developable land—provided that this will enable them to develop right away on a portion of the desired land.

2. Community organization and consensus

A strong and cohesive community can resist eviction by presenting a more unified front to the landowner during negotiations. Conversely, a weak and fragmented community may encourage landowners or developers to exploit differences among residents and attempt to buy off certain members, until those resisting eviction are outvoted or otherwise out-manoeuvred.

Pre-conditions for a Land Sharing Agreement

3. Well-established communities

The longer a community has been established on a disputed site, the greater will be its bargaining power vis-à-vis the landowner and developers. This may be because of legal rights acquired over time, or because of less tangible factors, such as increased political connections or alliances built up by residents over the years.

4. Third party intermediation

The intermediation of an outside organization with an interest in an amicable and just outcome to the land conflict is often a critical prerequisite of a successful land sharing agreement.

Pre-conditions for a Land Sharing Agreement

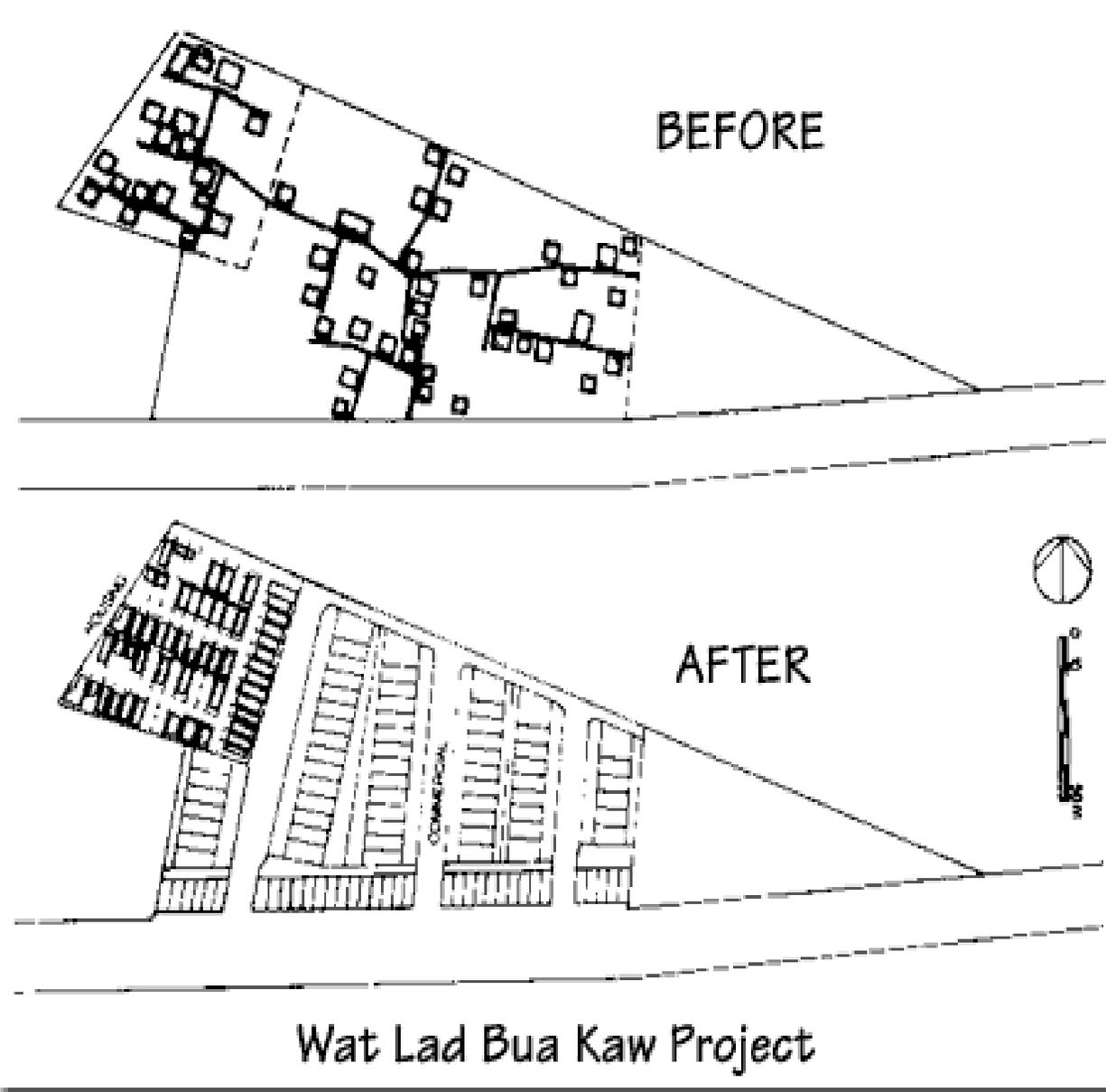
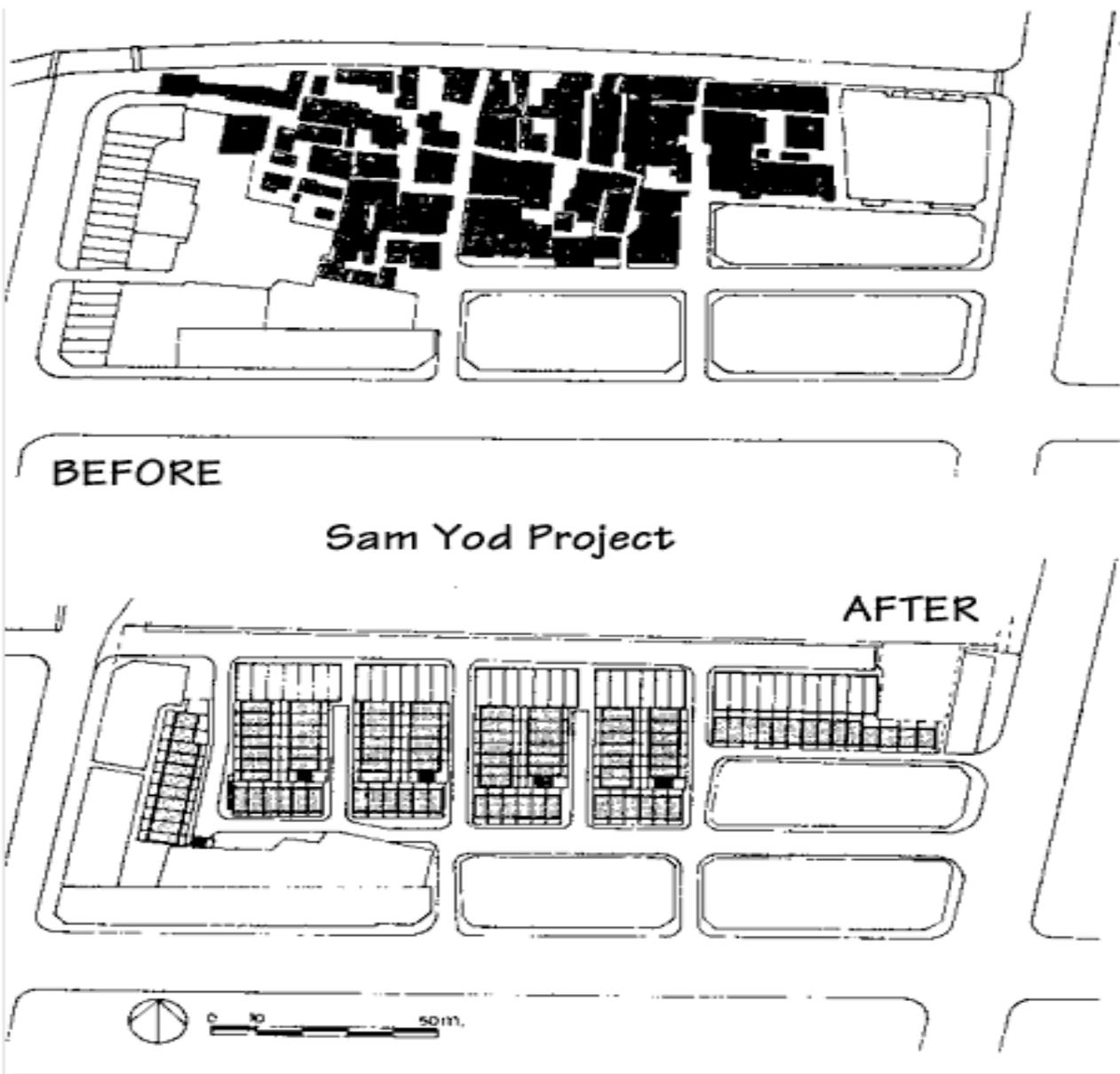
5. Physical/technical feasibility.

The new configuration of the shared land area must be commercially interesting to developers, while at the same time attractive enough for the rehoused residents. Sometimes, local regulations must be adapted to accommodate new forms and densities of community housing.

6. Financial feasibility

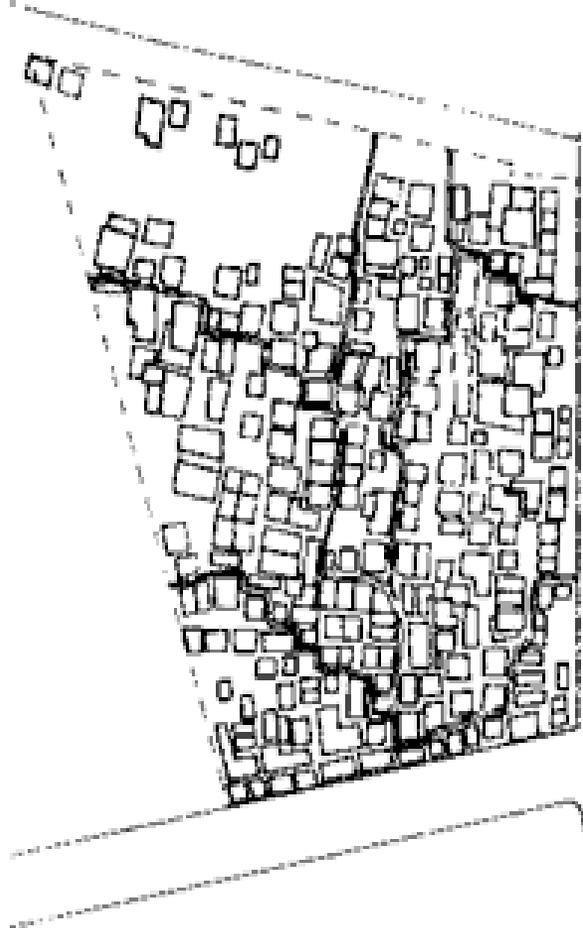
A land sharing agreement is financially viable if residents can afford the new housing and titles, the developer and landowner benefit from the arrangement, and where relevant, the amount of public subsidy is not excessive.

Examples of Land Sharing Projects in Bangkok

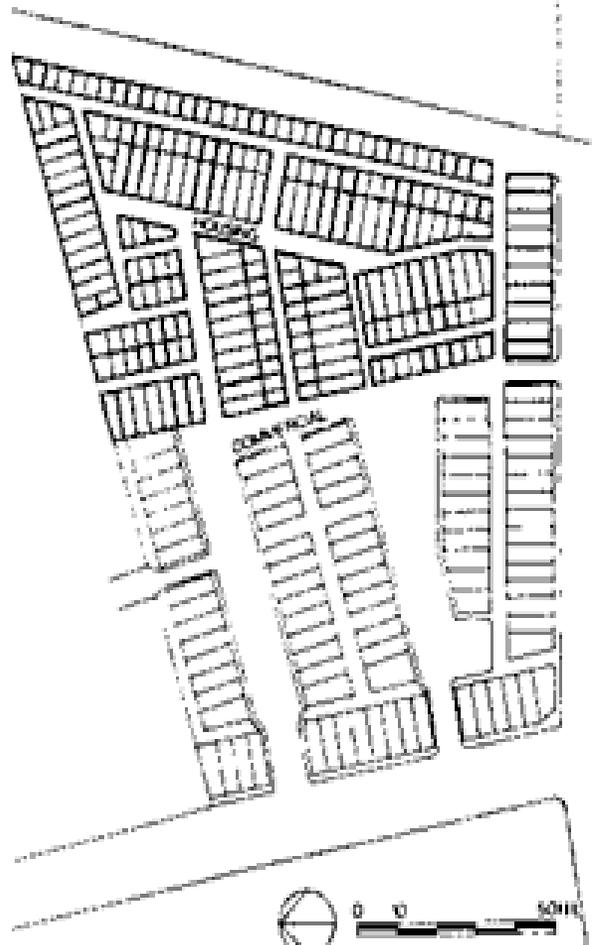


Examples of Land Sharing Projects in Bangkok

BEFORE



AFTER

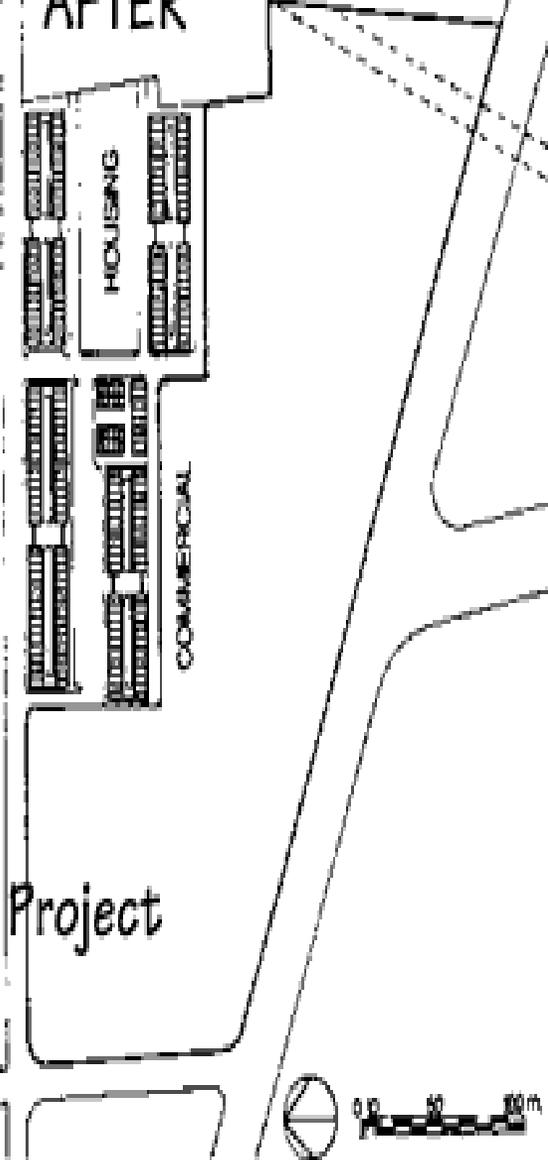


Manangkasila Project

BEFORE



AFTER



Rama IV Project

	<i>Rama IV</i>	<i>Manang- kasila</i>	<i>Wat Lad Bua Kaw</i>	<i>Sam Yod</i>	<i>Klong Toey</i>	<i>Average</i>
1. Development pressure	-2 (v. high)	-2 (v. high)	0 (medium)	-2 (v. high)	-1 (high)	-1.4 (high)
2. Landlord cooperation	0 (medium)	+1 (good)	0 (medium)	+2 (v. good)	0 (medium)	+0.6 (good)
3. Legitimacy of land occupation	+1 (high)	0 (medium)	+1 (high)	+1 (high)	-1 (low)	+0.4 (medium)
4. Stage in the eviction process	-1 (late)	+1 (early)	-2 (v. late)	+2 (v. early)	-1 (late)	-0.7 (middle)
5. Community leadership	+1 (strong)	+2 (v. strong)	0 (medium)	+1 (strong)	+2 (v. strong)	+1.4 (strong)
6. Support from outside organisations	+1 (strong)	+1 (strong)	+2 (v. strong)	+1 (strong)	+2 (v. strong)	+1.4 (strong)
7. Existing density	0 (medium)	-1 (high)	+1 (low)	-1 (high)	0 (medium)	-0.2 (medium)
8. Existing size of houses	+1 (small)	+1 (small)	+1 (small)	+1 (small)	+1 (small)	+1 (small)
9. Value of existing houses	0 (medium)	0 (medium)	+1 (low)	0 (medium)	+1 (low)	+0.4 (medium)
10. Ability to pay for housing	-1 (low)	0 (medium)	-1 (low)	0 (medium)	-2 (v. low)	-0.8 (low)
11. Access to sources of housing finance	+1 (good)	+1 (good)	0 (medium)	0 (medium)	+1 (good)	+0.6 (good)

Points to Ponder

- ❖ **Which technique is more feasible/implementable in the metropolitan and/or other cities of Pakistan?**
 - ❖ **What kind of institutional set-up and resources shall be needed?**
- 