

**INDIAN INSTITUTE OF TECHNOLOGY ROORKEE**

**NPTEL  
NPTEL ONLINE CERTIFICATION COURSE**

**Housing Policy & Planning**

**Lec – 37  
Housing & Real Estate Development**

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Hello welcome to lecture 37 which is in the housing and real estate development. So far we have discussed all the housing typologies, how those typologies can be integrated in preparation of the city housing strategy and in the last day we discussed the disaster and management and its implication in housing strategy and planning, we discussed that disasters can be divided into two parts, the natural disaster and manmade disasters.

For the disasters we can take structural interventions and non-structural interventions. The structural interventions are basically physical we can construct building or any physical element and whereas the non-structural interventions are related to social, cultural, psychological or mental. And we also discussed that to take the interventions which is related to housing we have to take the actions before the disaster during the disaster and post disaster after the disaster is over.

So at every level we can take the action like at the pre disaster situation we can formulate the plans, we can take the development, we can formulate the development conference, we can enforce them and during the disaster and post disaster during disaster we need to take action basically basic job is the operation, evaporation all those kind of job and the post disaster we have to make the construction of the building, the housing areas and the reconstruction of the basic infrastructure that is the job.

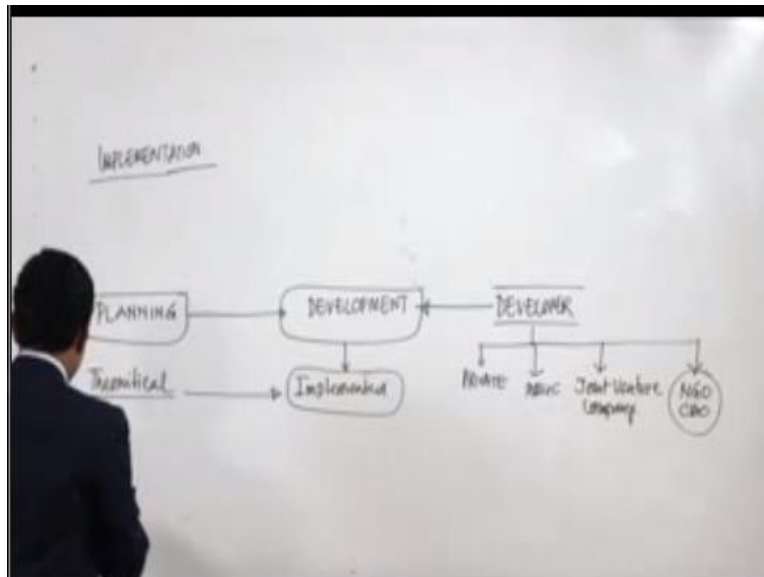
And also we mentioned that as for the disaster management @2005 it is the duty and responsibility for every city authority to prepare the city disaster management and it is the duty of the regional planning authorities or the district planning authority to integrate the disaster management and mitigation inside their planning. And with this we concluded last discussion that we can integrate this element of the disaster management at city planning level and the housing strategy and also in the other sectoral planning like mobility and the solidus management or the sanitation.

Every aspect of planning should be integrated with the disaster management aspect, because this is very, very important aspect which ensures the safety of the people. Now today we will discuss another very important aspect of the housing development that is real estate development. Now why it is important so far whatever we have discussed, we started this in the series of lecture with the policy discussion.

Now policy is very, very important, because policy basically gives a long term guidelines, long term direction for the city that how the city will grow in particular sector. So we discussed in details, and then we came to the planning level we discussed the planning at the regional level at the city level and how the city level planning could be done for each typology like formal housing, informal housing, organic housing various types of housing typologies.

And now after the planning we have to, planning is not the sufficient after the planning and the design we have to implement the project.

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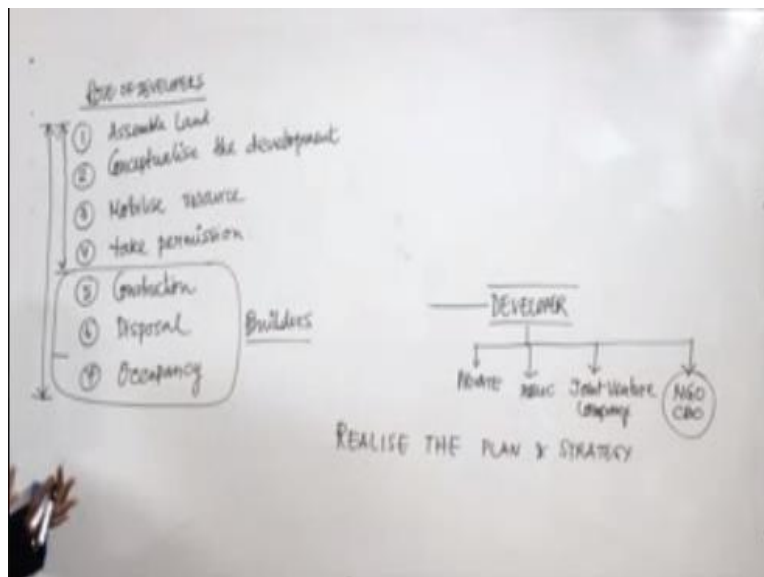
So when you try to implement the housing project so based on your housing strategy, because after the housing strategy is framed you have a clear detection, clear physical map of the city showing the various pockets or land pockets of indicating the typical housing typologies and prospective kind of types of developer private or joint clinchers or public or NGO what kind of developers are there.

So now how you will include the developer in the implementation phase so that they can complete the project, they can construct the project and help you as a public authority to take you or to reach you in the target areas which is efficient for the housing strategy. So implementation is a very, very important part, so for the implementation we will be discussing that from a planning paradigm how we basically come to a development paradigm.

Now in the, so far in the planning paradigm it is a theoretical construct, theoretical analysis and prescription, but it leads to be implemented which is a part of development. Now who will develop this, who will construct the building basically it is done by some developer. So here the major role of developer comes, so this developer could be private, this could be public, the public developers are basically developers like down and country planning authority.

Developers like the housing boards or any infrastructure developer authority, any smart city developer authority so all of, they basically act as a developer and also there could joint ventures company joint venture which is nothing but the combination of the public and the private there could be agencies like NGO or community based organization they also can act like a developer so developers role what is a role of the developer now let us discuss that what the developer do during the development developers role is multi various what they do they first the first job of the developer.

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So role of developer first job what a developer does is first assemble land because the housing strategy we have clearly indicated that which land is to be developed in what manners what is the final FIR what is the typology whether group housing or plotted housing or cooperated housing or cooperative housing we have indicated so based on the prescription the developer can purchase the land from the market they can acquire within with the government if it is a joint venture property guided development.

That they can do whatever is a method they can assemble land after that they are job is to conceptualize the development what kind of development it will be whether it will be high rise low rise mid rise with the help of any technical personal then mobilize resource then take permission from the government authority then construction after the construction they have to sale the amount sale the units so construction and then they we call it disposal then facilitate the occupancy of the unit to the end users.

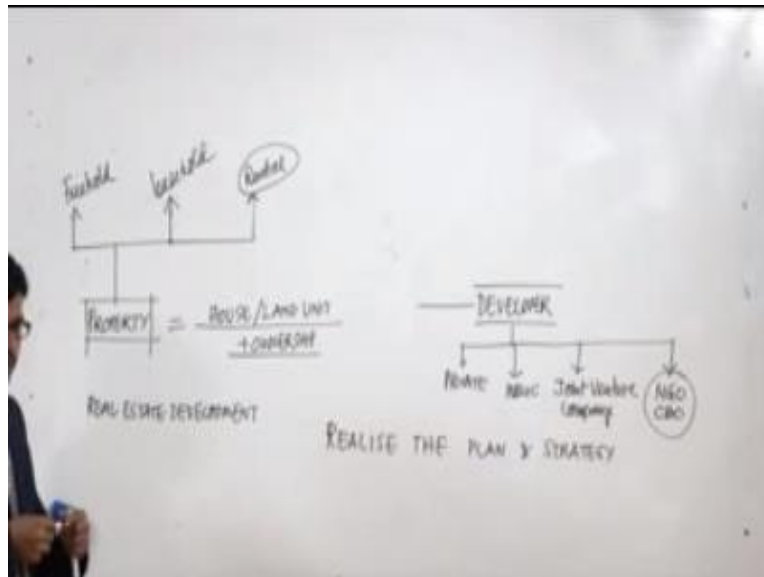
And so the limit of the range of works which is done by the by the developer so during the conceptualize phase they might have to for a go for market exactly find out what kind of typologies will be required or as the market given so within the overall city planning strategy they can plane and construct plan design and construct the and then dispose the units now some times what they do a bigger developer they can take up to this portion and the contraction and disposal could be given to some other agencies to conduct.

So that also could be done so in those case those where only involved in the construction disposal and occupancies they are called builder is basically builders job is to construction and in some cases disposal the units and ensure the occupancies where as the developers roles is to do every stage they can do from 1 to 7 all the works developer can execute but in some cases they can execute up to some level and then the builders can take up but otherwise a developer can do every stages of the job.

So that is the developer job so developers role is realize the plan and strategy so it is a developers who bring our plan and strategy in a real form in physical form we can see the buildings we can see the cities.

So it is very important to appreciate and to recognize that fact that a developer need to they realize they make the plan and strategy real on the ground in a physical form so based on that so we have to understand that the developers role is not very minimal they have a role very vital role in creating or city and the housing now what kind of property or what kind of property or units they develop before I come to the overall network how the developer and the planner and the government works let us see that what kind of property developers consider.

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For development so at this movement we are bring one term which is property so property is equal to is basically the house unit house or land unit plus ownership so that means any house units or land if you have the ownership legal ownership it becomes a property so they are more involved in the property develop it is not the develop and all of only infrastructure or only housing units it is the develop and of the property developing which is called as real estate development.

Though in this lecture or in this lecture see there is not much scope to discuss about the real estate developing but please take a note that it is the part of the develop and which comes up after the planning and the strategy so they deal with the property which is nothing but the housing and house and land units plus the ownership now what kind of properties at they are now property can be divided into various form like it can be freehold like a property can be owned by people for entire life spend.

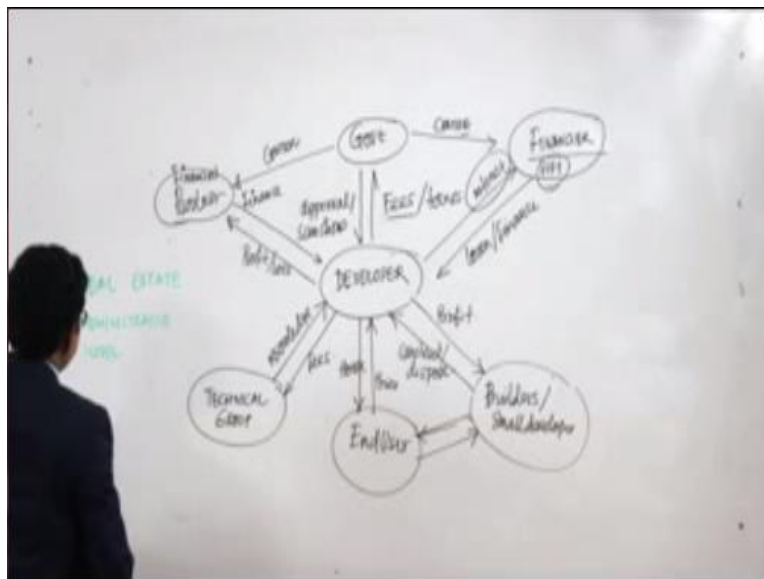
So that is called freehold the freehold property ensures the freedom to purchase to missal to give rent to give on lease everything and to an addition and if to make the audition and alteration and modification within the property within the for a development control frame work but they

are could be properties like lease hold the lease hold property the ownership is given up for sometime like say 30 years or 40 years it is definitely long term lease like it can be 99 years also and in lease hold premises.

Or the property some of the freedom or some of the actions could be restricted by the giver or by the developer that is possible and also they are could be rental which is by a large shape is a type of lease hold but rental houses basically is meant less duration of the ownership now based on that the property so for developing a property or developing a housing project it is not only developer who are involved they are all lot of other stake holders involve like government like the financial like a small developers owner.

The technical persons like architect planners now let us see that how a developing when a developing takes place all the people who are associated with the develop and how they are associated so in the center we can keep a developer right.

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The first stake holders with whom the developer associated is the government agency so from the government the developer gets the approval sanctions based on the housing strategy based

on the develop and control they get the approval of a project to design that project and in return they can provide some sanction fees or taxes like but a developer may not have the adequate finances they may take a loan or borrowing when we discuss the housing finance we discuss that they are could be institutional finance.

The objective of the institutional final finance is to provide loan to the developer to develop the housing project so they are could be financier whose objective will be so financier can provide then some loan or finance okay in return they will get some interest on the other hand they are could be other partner financial partner who also can leverage some amount of the finance and resources with that particular developer so here they can provide also finance and will return they will share at the profit or loss.

Now basic difference between a partner financial partner and a regular financier like say housing finance institution or bank is that both of them they provide the finance but they share the profit and loss but they do not share the profit and loss they are only interested to get the interest at the market share or at the rate which is contracted. And then there are technical persons, technical group within the technical group there are architects, engineers, market specialist who basically provide the knowledge with some fees, consultancy fees or any advisory fees.

And also there could be builders or small developers. So their job is to construct or dispose some unit and they can provide some amount of, so they can construct some unit and in written they can get some profit, they can share profit. And another part is that the end user, so we have the end user who are getting the housing unit in the end. So end user get the housing unit, get the house and they are giving the price.

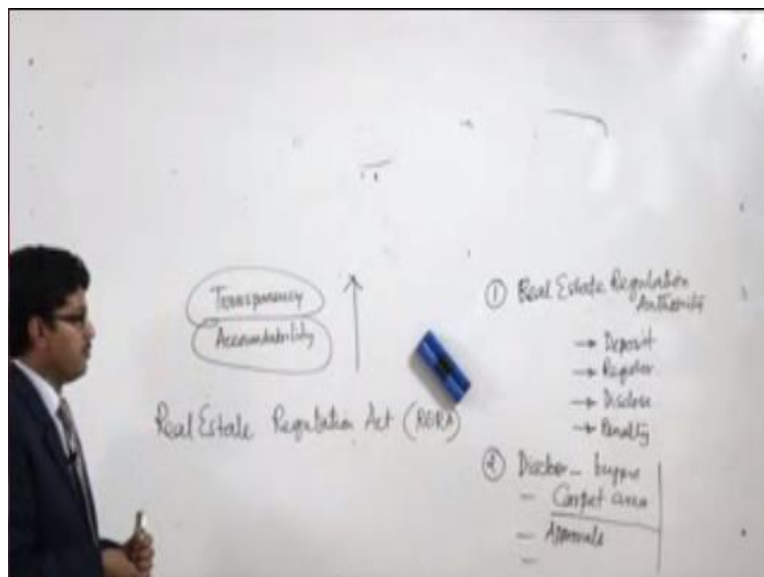
They can get the house from the builder also in some cases that is also possible like this, there also they can give the price to the builder or the small developer. On the other hand the financial partners and the financing organization they are also controlled by government. So there is also a control. So this is the network and the network that how a housing and the real estate development takes place and these are the major stakeholders in terms of the government,



financial partners, finance institution, small developers and builders, technical group and end user.

In short this is called as real estate administrative model in short rim it basically shows that how the various stakeholders acts in a integrated method. Now by enlarge in India the real-estate market and the dynamics of the market players are not very much organized and it is in fact rather it is very much unorganized so to organize the unorganized real-estate market or the housing development market and to bring more transparency.

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And accountability now what transparency accountability means to in costumer or end user the transparency and accountability related to end user are the costumer is that they will get there committed house and the hole transaction will be so transparent that they are clear on there on what they are going to get at that the end of the housing construction and what they are going to provide as a part of the price number one and number two there should be a accountable service by the developer if a developer commits that within three years housing will be completed so within three years they have to complete it an otherwise they have to in cured the rent or the

penalty so these kind of transparency the accountability was not their Indian housing develop and real estate sector.

To enhance the transparency a accountability government of India they have come up with real estate regulation at in short data this act the objective of this act is to enhance the transparency and accountability so some of the proposal or some of the provisions under the act I should mention to you remaining you can refer the lat in your own time. So number one provision what the act tells that every state has to provide has to frame a real estate regulation authority.

So this regulation authority the job of the regulation regulatory authority will be ensure the light of the end users are the buyer. Various means are provided to ensure that the one of the means are that every developer has to deposit some amount of money before the any construction starts as a security deposit or a security money. And not only that they have to register on the authority as the developer.

And not only that they have to disclose all the assumptions and the approvals they have received so far before going for further construction and further development. And then some of the other as a part of the transparent practices the developer has to disclose to the buyers about the net carpet area which is usable by the end user not the super built up area or built up area, because super built up area and built up area is sometime not understandable, not perceivable by the end user it is a carpet area which is understandable by the people.

So in terms of carpet area and all the also all the approvals okay and all the time periods so if they cannot deliver the projects there will be penalty so that end users get the benefit of the this real estate regulation act now after this act so after this act every state government as to farm this regulatory body which will regulate the real estate market in every state but some of the states they have already formulated this body but most of the state they have framing of this body so after this real estate regulation act is implemented in every state every city we can expect that at least some amount of real estate development and housing development will be done in a transparent way.

The transition will be transparent and users will be benefited and the end users will get the affordable housing within a quicker time so today we discussed a very important part of the housing planning and strategy that's in real estate development we talked about the planning so far in last class now today we have discussed the very important part which is related to development and with the development we brought the term of the developer a developer is an agency or organization or a group of people who assemble land develops.

The land developer develops the infrastructure do market research conceptualize a project with the help of the technical person then they take the permission and the approval of with the help of the architect and the planner and after getting the approval they mobilize the resource from the lending agencies or from the financing agencies they construct by themselves or sometimes they construct by some builders and then they dispose the units either through lottery system or through first come first served basis.

And then they facilitate the occupancy so this is the free work of the developer so developer is the agency who ultimately shifts or city based on their planning and strategy so planning and strategy is the prescription and developer makes the prescription real so we have to be vigilant we have to be also unsalable and accountable for any developer who now in this discussion we discussed about real estate module where we discuss the.

The role of government role of financial role of partners role of builders role of end-users and technical group and then we mentioned about the real estate regulatory act in which in came of last one or two years government by government of India this act provides the mandate to formulate the real estate regulatory authority at center level state level and also to ensure the transparency and accountability.

As the part of the transparency and accountability every developer has to register under this authority which some security deposit and they have to discuss all the approval and all the details of the project before going to do any sale or any advertisement for the project. And not only that

as a part of transferable process they have to disclose all the informations including the area in carpet area to the end users and not only that there are penalty class.

So that if they do not deliver the project with the stipulated time they have to provide the penalty to the end users. So real estate regulatory developer regulatory act will ensure the more transparent and accountable services and development of the city as per the housing and the real estate is concerned.

So with this note we conclude this discussion in the next discussion we will discuss how housing project is managed, we will discuss the development after the development once the housing project is constructed how it is managed with some the agencies and the developer that part also we discussed in the next class. So for today we thank you for your participation.

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