



Topic 5

Techniques for Providing Affordable Housing

Course name:

Principles of Housing and Land Development

Course code: 0731-113

Techniques for Providing Affordable Housing

- Site and Services Scheme
- Land Readjustment



SITE AND SERVICES SCHEME



Site and Services Scheme

- Providing a "**complete**" serviced house by government agencies is impossible or cannot be afforded by most low-income families. As a result, the focus shifted from supplying a fully serviced house to **providing only serviced land**.



SITES-AND-SERVICES

THE BASIC PRINCIPLES

The key components of a housing projects are the plot of land, infrastructure (like roads, water supply, drainage, electricity or a sanitary network), and the house itself. Various inputs that go into them include finance, building materials/technology, and labour.

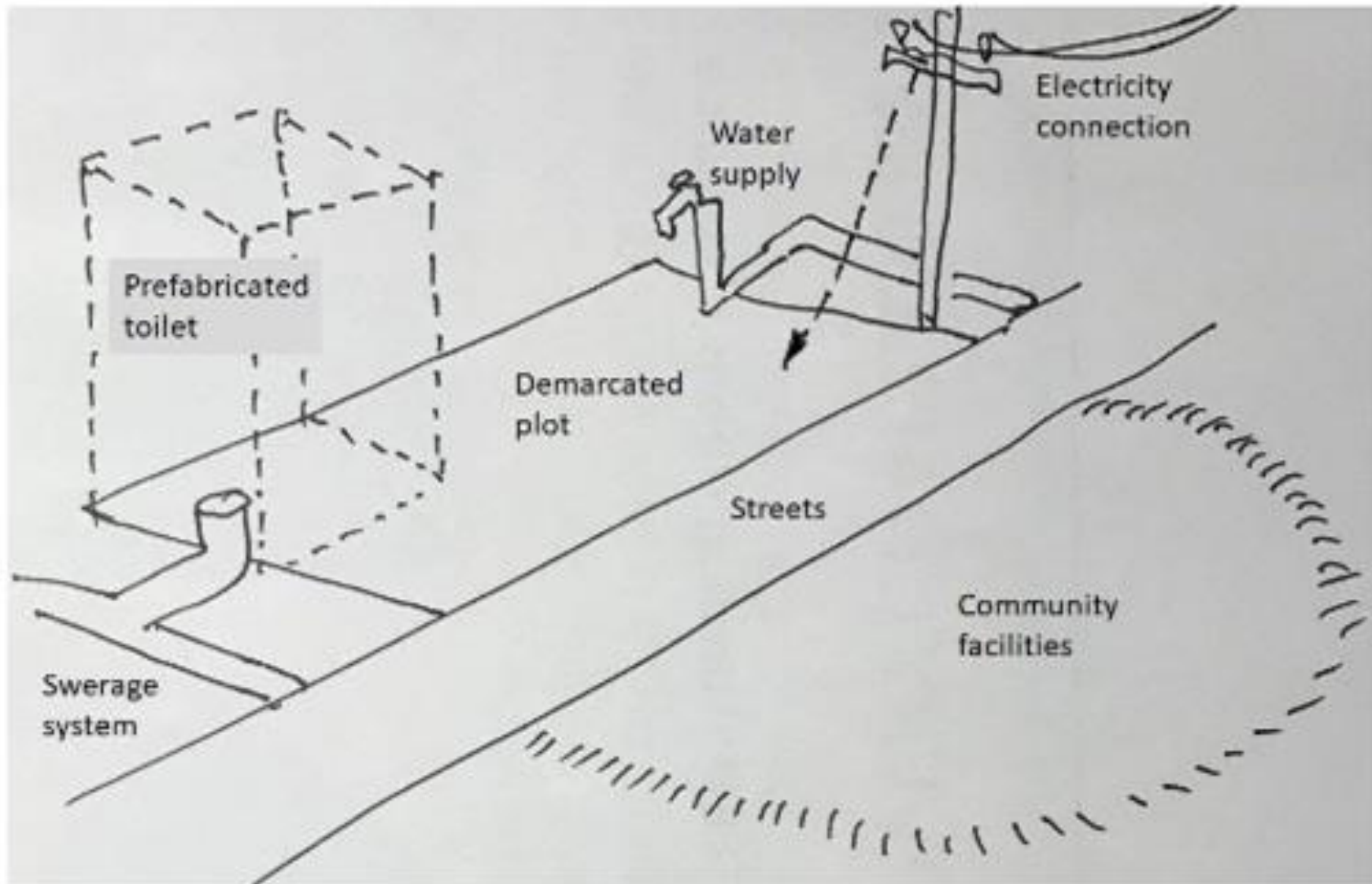
What is Site and Services Scheme

- The two **key actors** in a sites-and-services project are the **Beneficiaries** (lower income group of people) and the **Implementing agency** (government department, like the National Housing Authority)
- In this scheme, the role of **government** agencies is to **prepare land parcels or plots** with certain basic infrastructure.
- The next step of **building the house** is left to the **beneficiaries**. They use their resources, such as informal finance, family labor, or community participation, to make their house.
- They are provided access to **housing and material loans with reasonable terms**.

Steps of Site and Services Scheme

- land is brought under public control through compulsory acquisition
- plots are leveled
- furnished with access roads, drainage, water, sewerage, and electricity, as well as community services such as schools, shops, healthcare, waste collection, etc.
- Job opportunities are provided
- The occupants of the plots contribute to the construction of their own houses

"Sites-and-Services" schemes are the provision of plots of land, either **on ownership or land lease tenure**, along with a bare minimum of essential infrastructure needed for habitation.



Sketch of typical facilities provided in a Sites-and-Services project

Shortcomings of Site and Services Scheme

1. Location: With high land costs in urban areas, most sites-and-services schemes are located on the fringe area, where land costs are not very high. This causes two problems:

- The large distance between the site and existing delivery networks can cause delay in the construction process
- Also, the extra distances that the beneficiaries have to travel (and the consequent extra costs) to the employment centers would discourage many beneficiaries from moving.

2. Bureaucratic Procedures: The selection procedure of the applicants can be time-consuming, and may create opportunities for corruption. Besides, for many low-income families, the eligibility criteria are impossible to meet due to informal jobs or low/irregular incomes.

Shortcomings of Site and Services Scheme

3. Delay in Service Provision: Due to the lack of coordination between various implementing agencies, there is considerable delay in the final provision of the services, even after the land has been allocated to the beneficiaries.

4. Standards:

- High standards of construction and building quality set by the implementing agencies make such schemes unaffordable to the target beneficiaries.
- Some sites-and-services schemes, prohibit income-generating activities on residential plots, including rental of rooms. Thereby, limiting the opportunities of residents to earn an (additional) income.

Shortcomings of Site and Services Scheme

5. **Cost Recovery:** Most sites-and-services schemes fail due to poor cost recovery.
- One reason is the high costs that beneficiaries have to bear shortly after moving into the scheme. They have to pay for the **plot as well as the construction** of the house.
 - Transport, water, and electricity costs add a burden which they might not have had before.

Source: <https://www.gdrc.org/uem/squatters/s-and-s.html>

LAND READJUSTMENT



Land Readjustment: Comparison with S & S

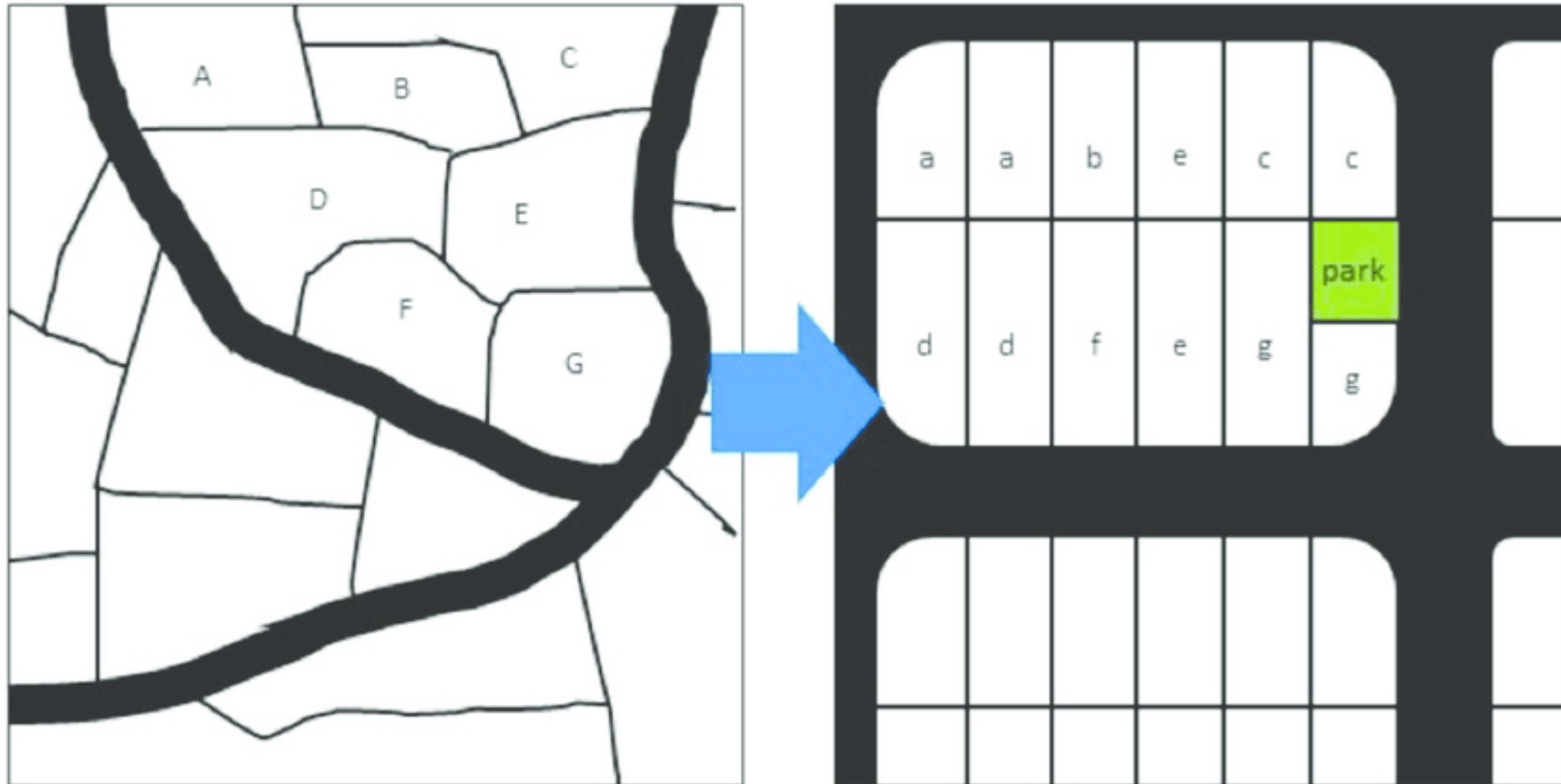
- In site and services scheme, **huge public investment** is required in the process of land acquisition, compensation, and service provision.
- The method of acquisition in most cases is **slow**
- The original owners of land are **deprived of the market value of land** and are made to leave the land against their will
- So the practice of land acquisition and distribution through Sites and Services Schemes has turned to be **too expensive and time-consuming**.



Concept of Land Readjustment

- Land Readjustment is a technique whereby a public authority **assembles numerous small parcels** of raw and unplanned urban land without paying monetary compensation to the owners.
- Then, provide **services** and **subdivide** the land, return most of the sites to the original owners **in proportion to their land contributions**, and **sell the remaining sites** to recover all public costs.
- The landowners of the project **lose a small portion of their land**, but in exchange, they **receive greater benefits** through the project. The value of their sites increases greatly as the **shape, size, and orientation** of the sites become more regular and **equipped with the necessary public facilities**.
- The portion that the landowners give away for the project, is called **contribution**. The original land minus the 'contribution' is distributed to the individual owners of the land through **replotting**.

Concept of Land Readjustment



Land Readjustment Example:

Replotting increases the value of plots despite reducing their size. This makes room for public space and utilities. Plots are reallocated based on a pattern agreed to be fair and socially just.

Principles of Land Readjustment

- Compulsory **participation and partnership agreement** between land owners and planning authority
- Initiated either by land owners association or public authority
- Consent is required from at least **two-third of landowners**.
- Landowners **contribute a portion of their land for financing** project cost
- The amount of land contribution is **proportional to the expected land value increase** due to the implementation of the project
- **Technical expertise** is provided by the Planning Authority

Principles of Land Readjustment

- Preparation of a **site plan, replotting, and installation of all public infrastructures** is done by the implementing agency. Usually, **15 to 25 percent** of the total project area is required for community facilities, utilities, and roads.
- **Cost recovery** is done by selling a portion of land. Usually, **5 to 10 percent** of the total land is required for the recovery of project costs.
- Remaining building sites are returned to the original owners **approximately within or near the original parcel of land.**
- In the case of **small-sized land**, contribution or return may be made by **money** instead of land.



THANK YOU!



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