



# Topic 5

## Techniques for Providing Affordable Housing

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Course name:

Principles of Housing and Land Development

Course code: 0731-113

# Techniques for Providing Affordable Housing

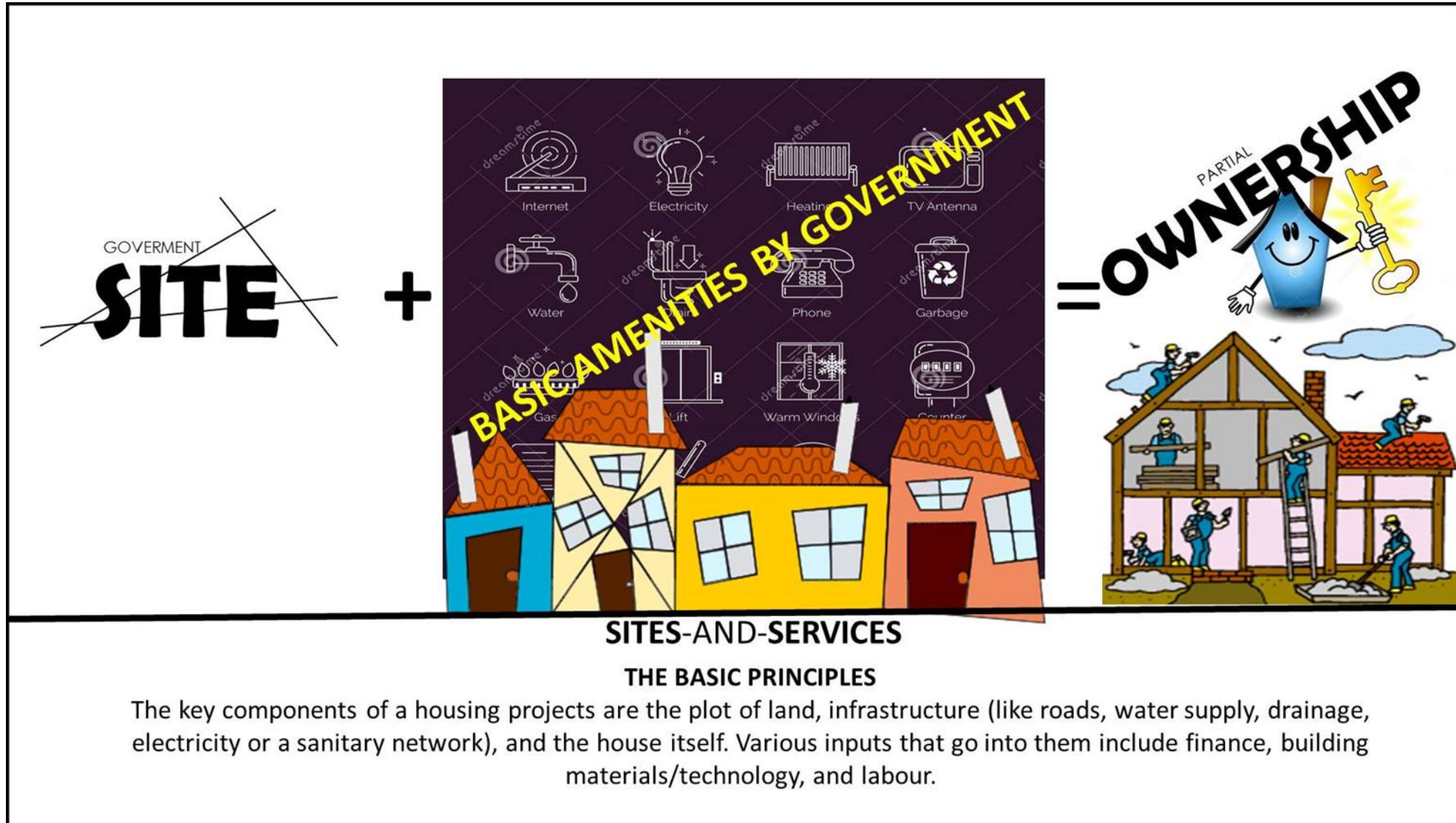
- Site and Services Scheme
- Land Readjustment
- Slum Upgrading



# SITE AND SERVICES SCHEME



# Site and Services Scheme



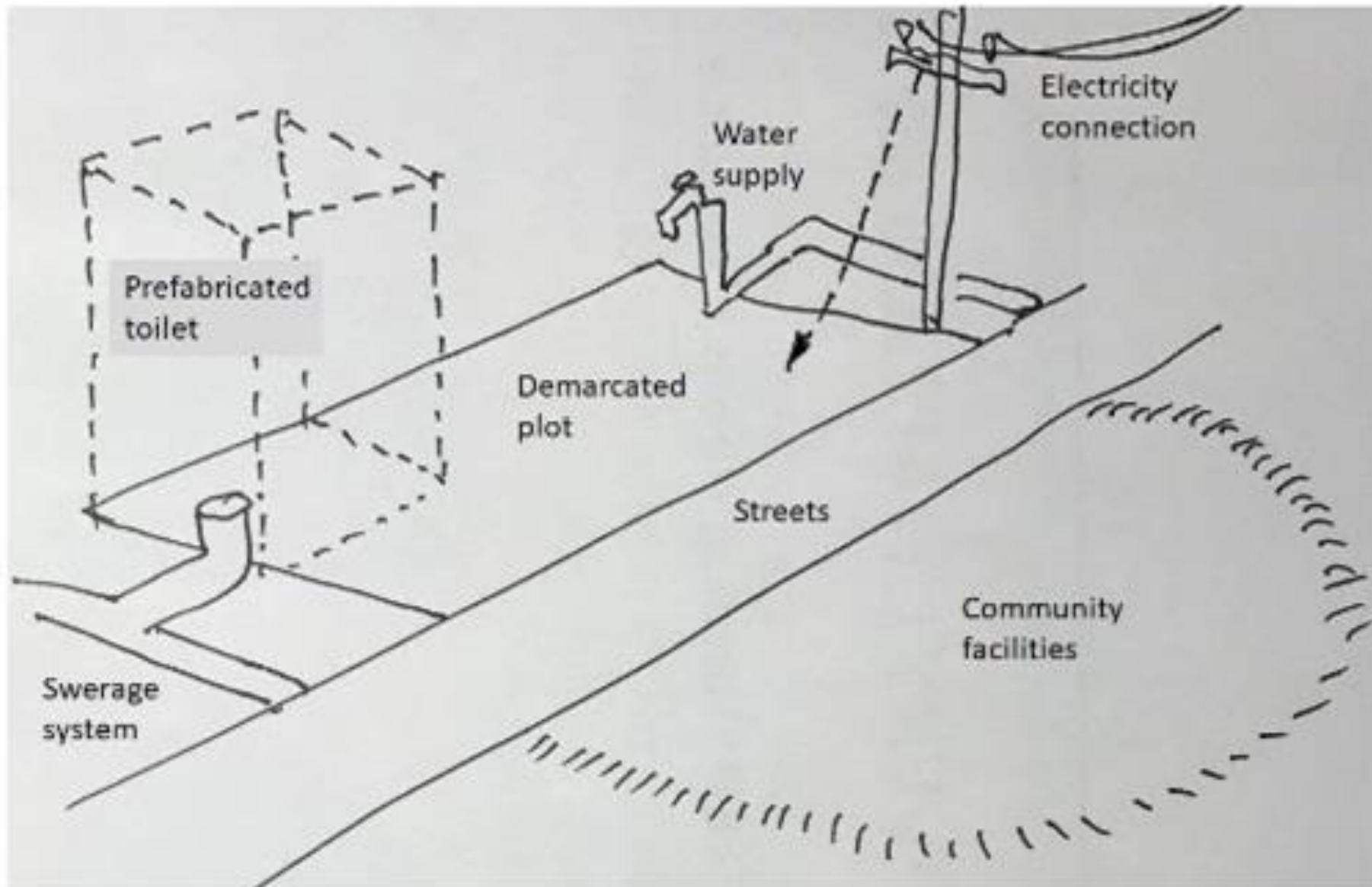
# Site and Services Scheme: Background

- Providing a **"complete" serviced house** by government agencies is quite impossible or simply cannot be afforded by most low-income families. As a result, the idea of **providing only serviced land** instead of a fully serviced house became popular.
- There are two **key actors** in a sites-and-services project: **Beneficiaries** (lower income group) and the **Implementing agency** (government department, like NHA)
- The **government** agencies **prepare land parcels** with certain basic infrastructure. However, the house is constructed by the **beneficiaries**. Sometimes, 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
- Plots are furnished with access roads, drainage, water, sewerage, and electricity, as well as community services such as schools, shops, healthcare, etc.
- Job opportunities are provided (if the area is remote)
- The beneficiaries contribute to the construction of their own houses





*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 delays in the construction process
- Due to the remote location, the beneficiaries have to travel some extra distance to reach the employment centers, adding some extra travel costs. As a result, many beneficiaries feel discouraged to shift from their current location.

**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 that they might not have had before.

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

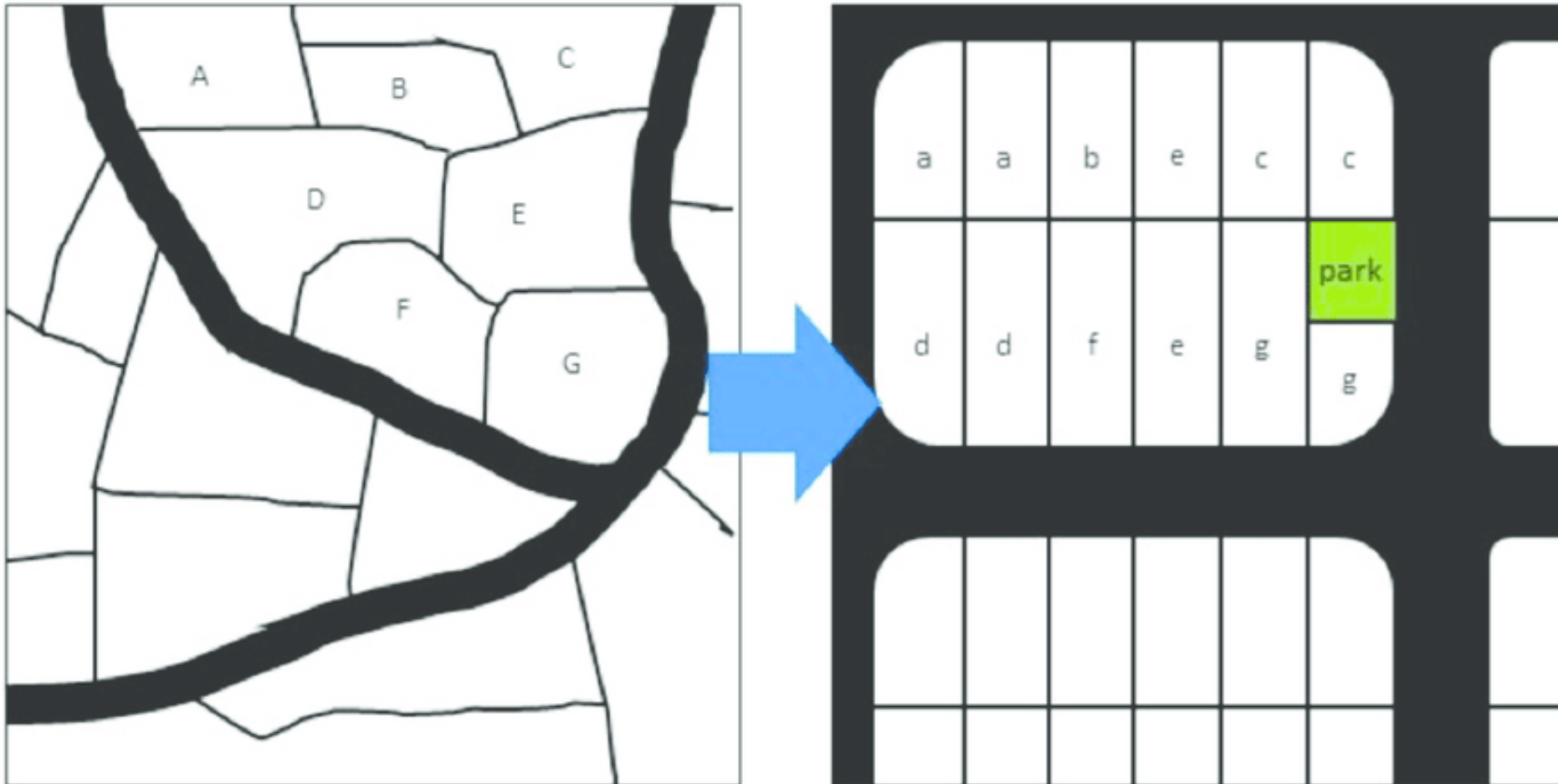
# LAND READJUSTMENT



# Concept of Land Readjustment

- Land Readjustment is a technique where 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 original land**, 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**. The value of their plots increases greatly as the **shape, and orientation** of the plots 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-thirds of landowners**.
- Landowners **contribute a portion of their land for financing** the 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 lands 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

# Why Land Readjustment is Better than S&S Scheme

- In the 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**
- In Site & Services Scheme, the original owners of the land are **deprived of the market value of the land** and are made to leave the land against their will.
- On the other hand, land readjustment is a powerful tool for the development of an unplanned area with no or minimum public expenditure.



# SLUM UPGRADING



# What is Slum Upgrading?

- The basic definition of slum upgrading refers to the **improvements in housing and basic infrastructure** in slum areas. In a broader sense, upgrading also includes enhancements in the **economic and social** aspects.
- Slum-upgrading interventions typically address the five key dimensions:
  - Access to safe water
  - Access to sanitation
  - Secure tenure
  - Durability of housing
  - Sufficient living area





# THANK YOU!

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