

Indian Land Market

Challenges and
Opportunities



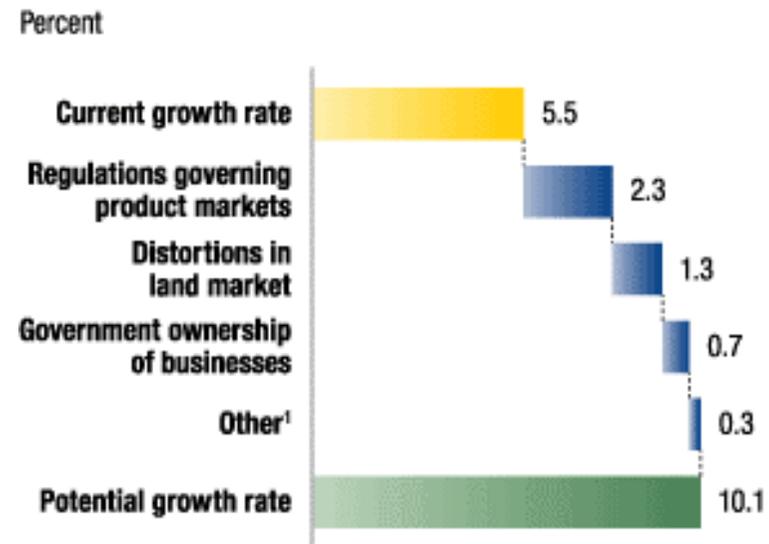
Economic Value

I Economic Value1

What's slowing India's economic growth?

- I India Loses 1.3% of the GDP growth due to distortions in land market
 - Which get created due to
 - I Unmanaged land records
 - I Bad Land Administration

What's slowing India's economic growth?



¹Includes transportation infrastructure and labor laws.

How much we lose!

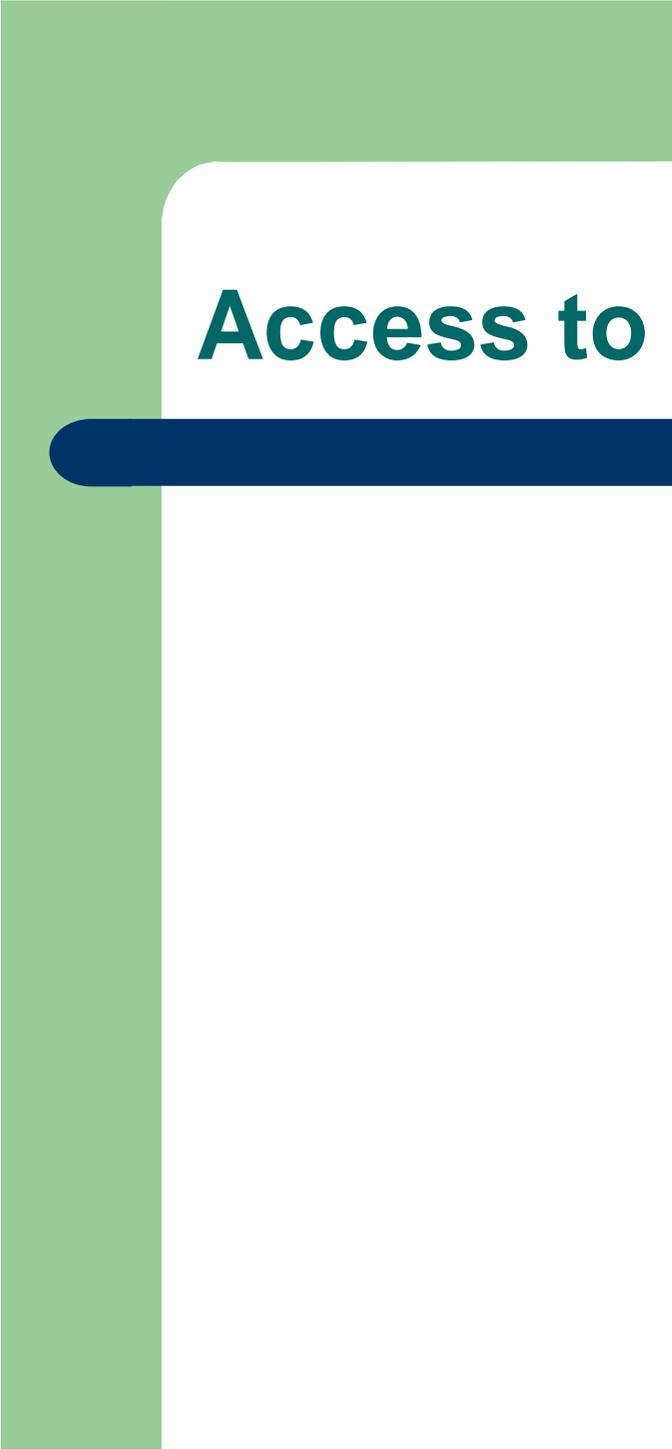
- | India's GDP in 2005 = \$738 billion
- | 1% loss in GDP = \$73.8 billion per year
- | Cost of implementing a online cadastre in India = USD 2 billion (perhaps one time!) (8,000 crores)
- | Savings per year = USD 72 billion per year
- | India's IT exports = \$ 40 b [80 b in 2008]
- | India foreign exchange reserves = \$150 b

Economic Value

I Economic Value2

Housing for all!

- | In spite of an archaic Land Management regime, the Land Market is booming
- | USD 20,000 million loans being disbursed for property and housing loans per year!
- | Share of real estate as a percentage of India's GDP = 7% in 2002 – 2003
- | This can increase significantly and contribute to low cost housing, employment and greater economic activity

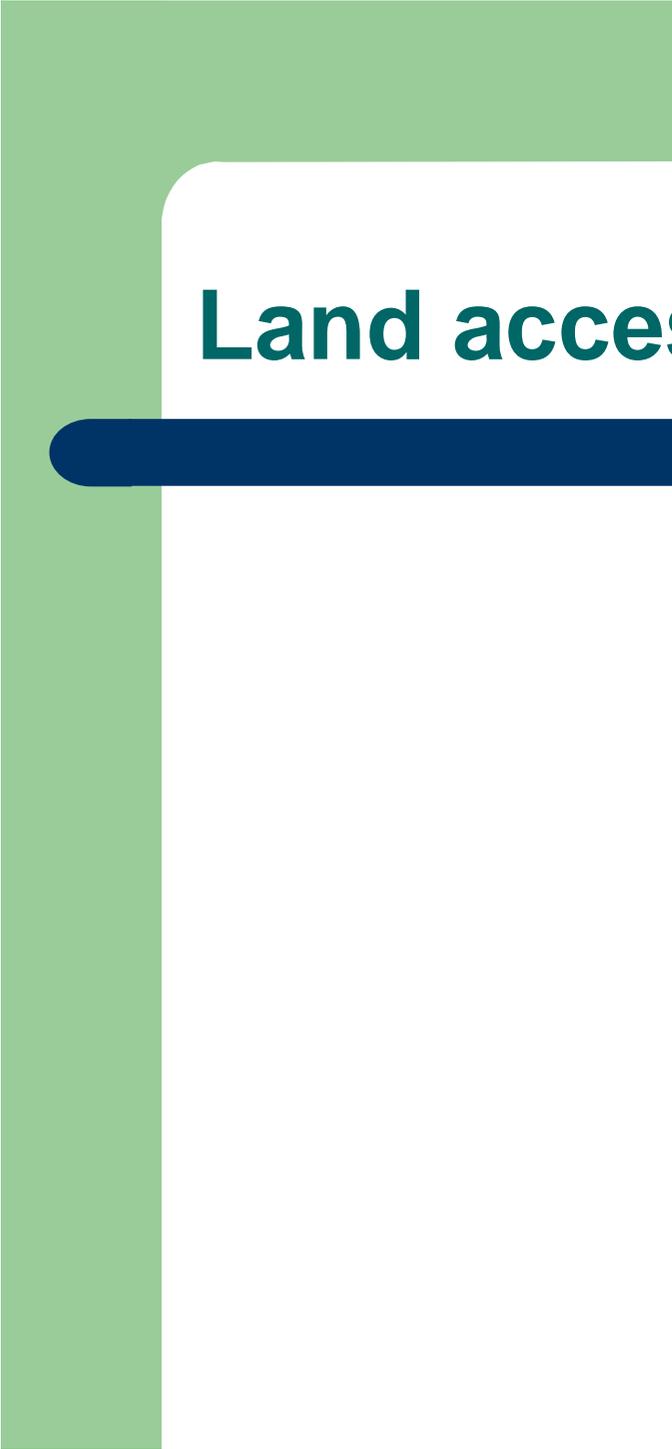


Access to Justice



Access to Justice

- I Courts are in a jam due to the Land Disputes
 - 90% of the court cases in India are due to Land disputes
 - It takes more than 20 years to settle a typical land dispute
 - Indian courts will take more than 324 years to resolve the cases they now have at the existing rate

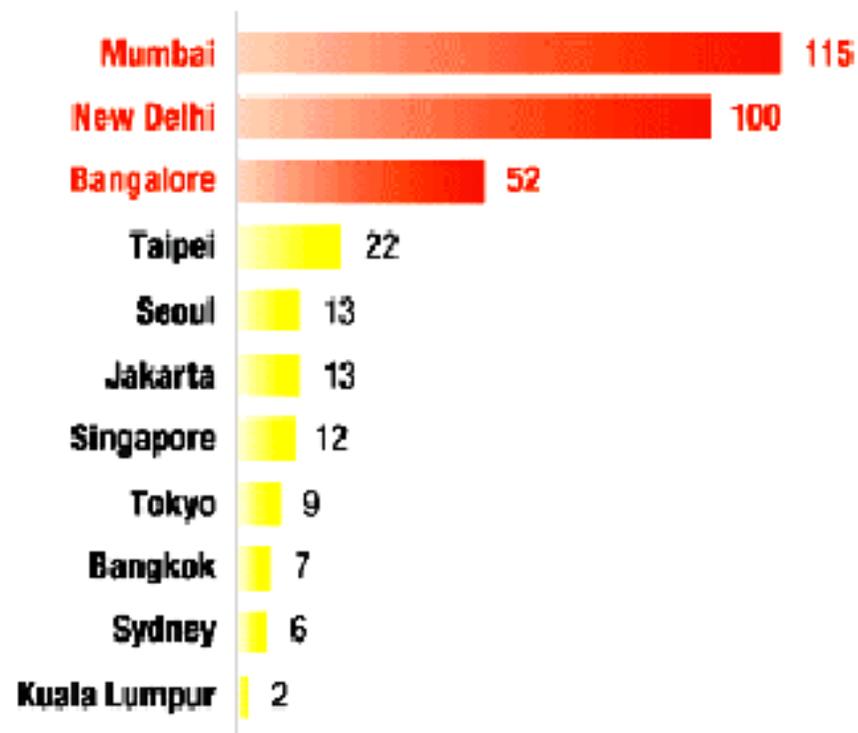


Land access for the poor



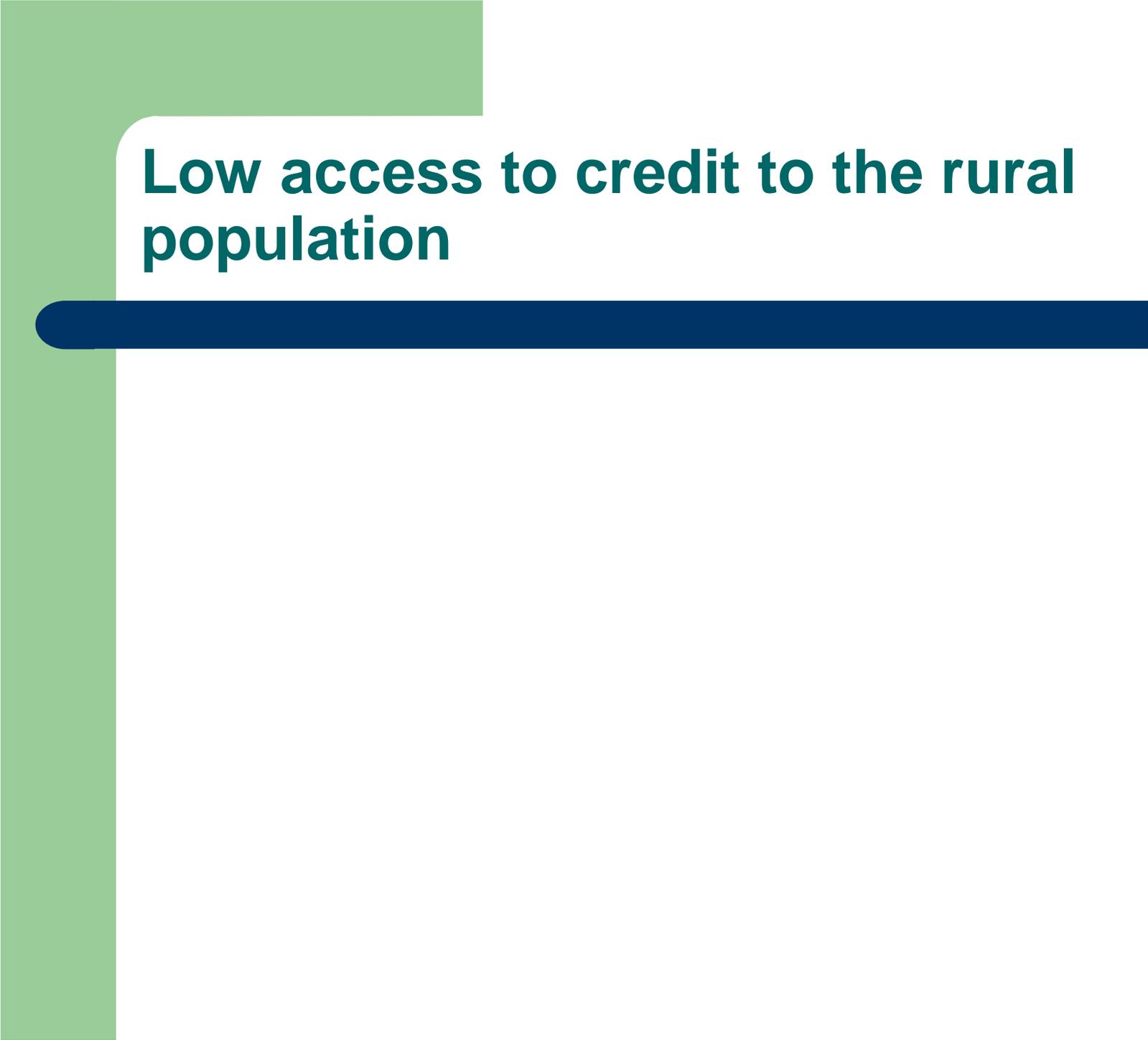
Outlandish: High cost relative to income

Ratio of cost of land per square meter to GDP per capita in 1999;
index: New Delhi = 100



Source: *Asia Pacific Property Trends*, Colliers Jardine Pacific, October 1999

Low access to credit to the rural population



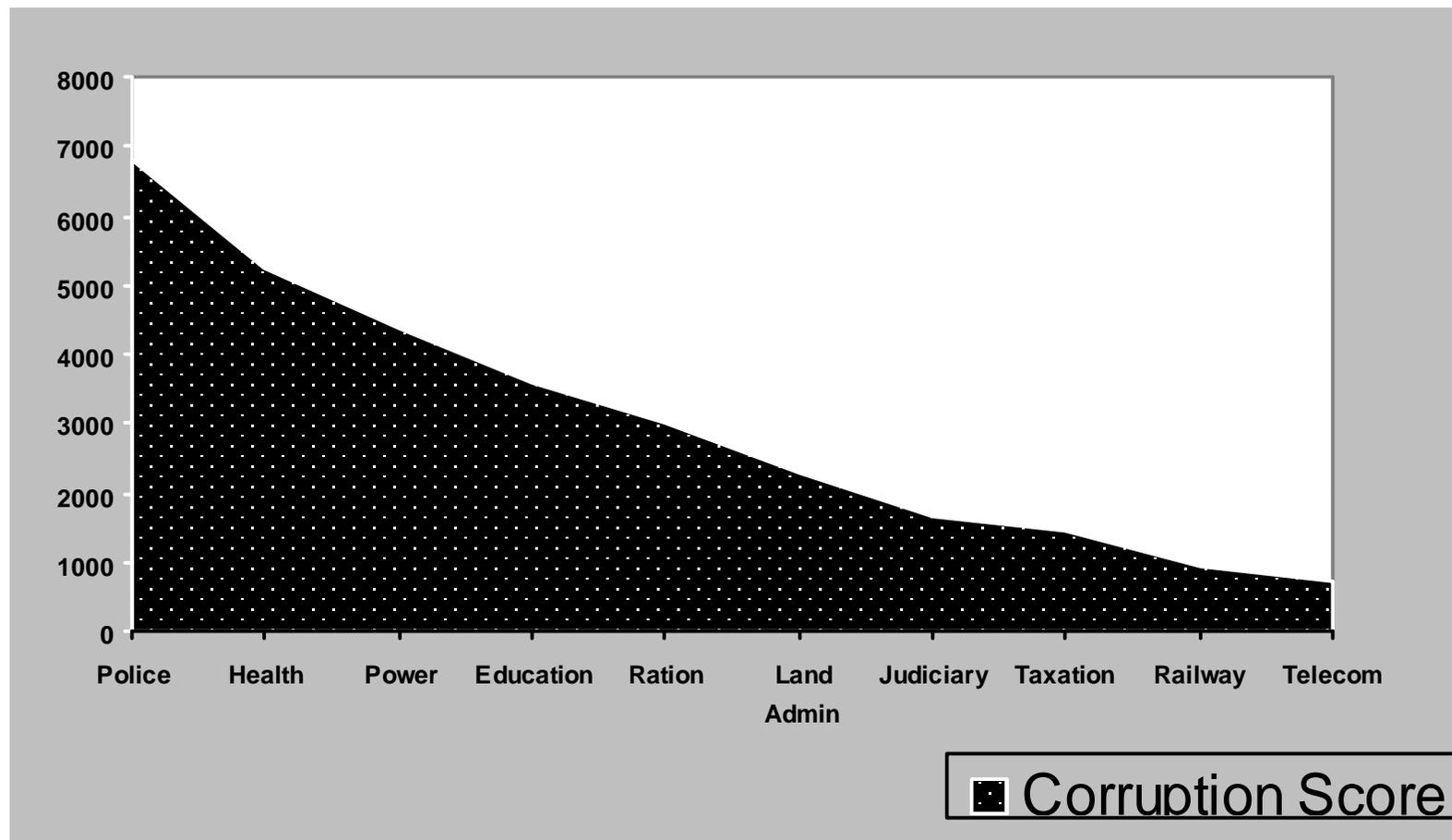
Low access to credit to the rural population

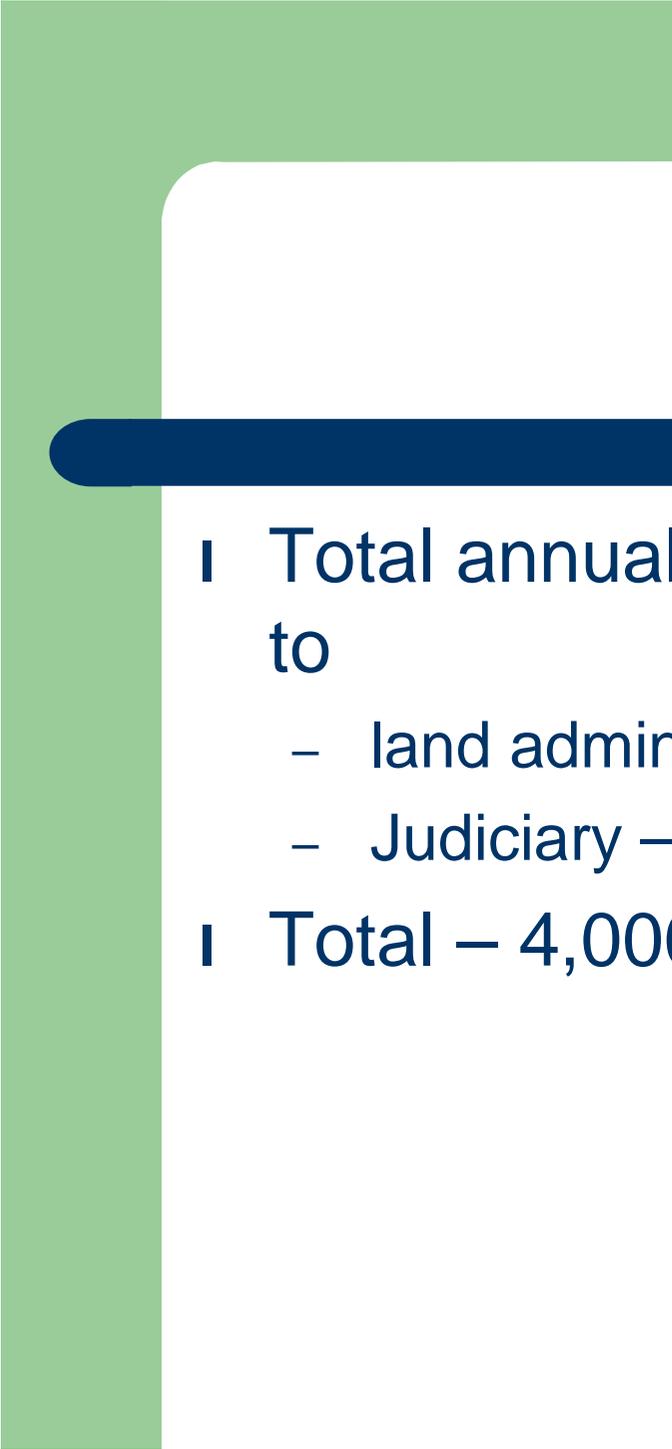
- I Land Records as old as 25 – 30 years, in most areas no resurvey done
- I Proper Land Security not provided – leads to poor access to credit on property – major obstacle in poverty reduction
- I A rural land owner having large piece of land has poorer access to credit from banks compared to medium range salaries person in the urban area

Land ownership increases the burden of the poor

- I Key government departments with whom the citizen has to deal with regarding land
 - Land Administration staff
 - Judiciary staff

Why Land Record Management needs attention!



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- | Total annual bribe outflow from the citizens to
 - land admin - 2468
 - Judiciary – 2510 (90% cases being land)
 - | Total – 4,000 crores (USD 1 billion)

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- I There is need to address these issues
URGENTLY!



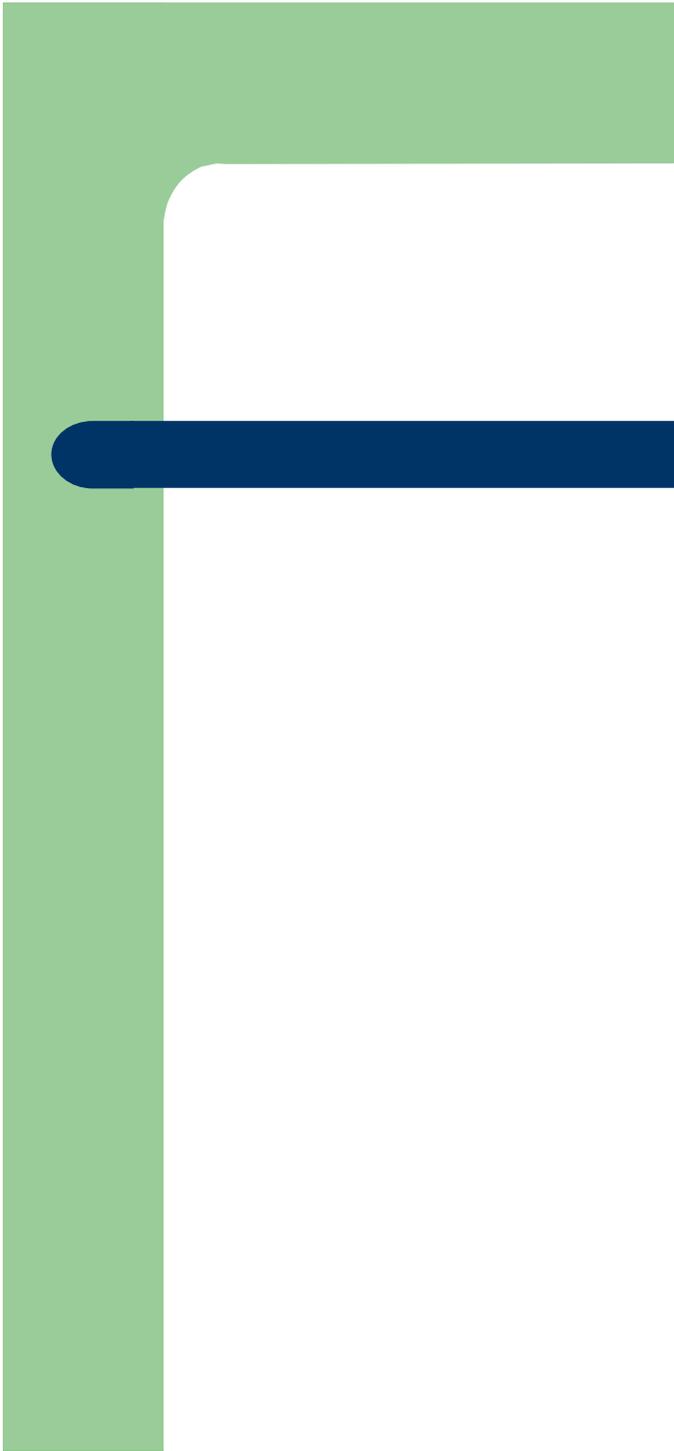
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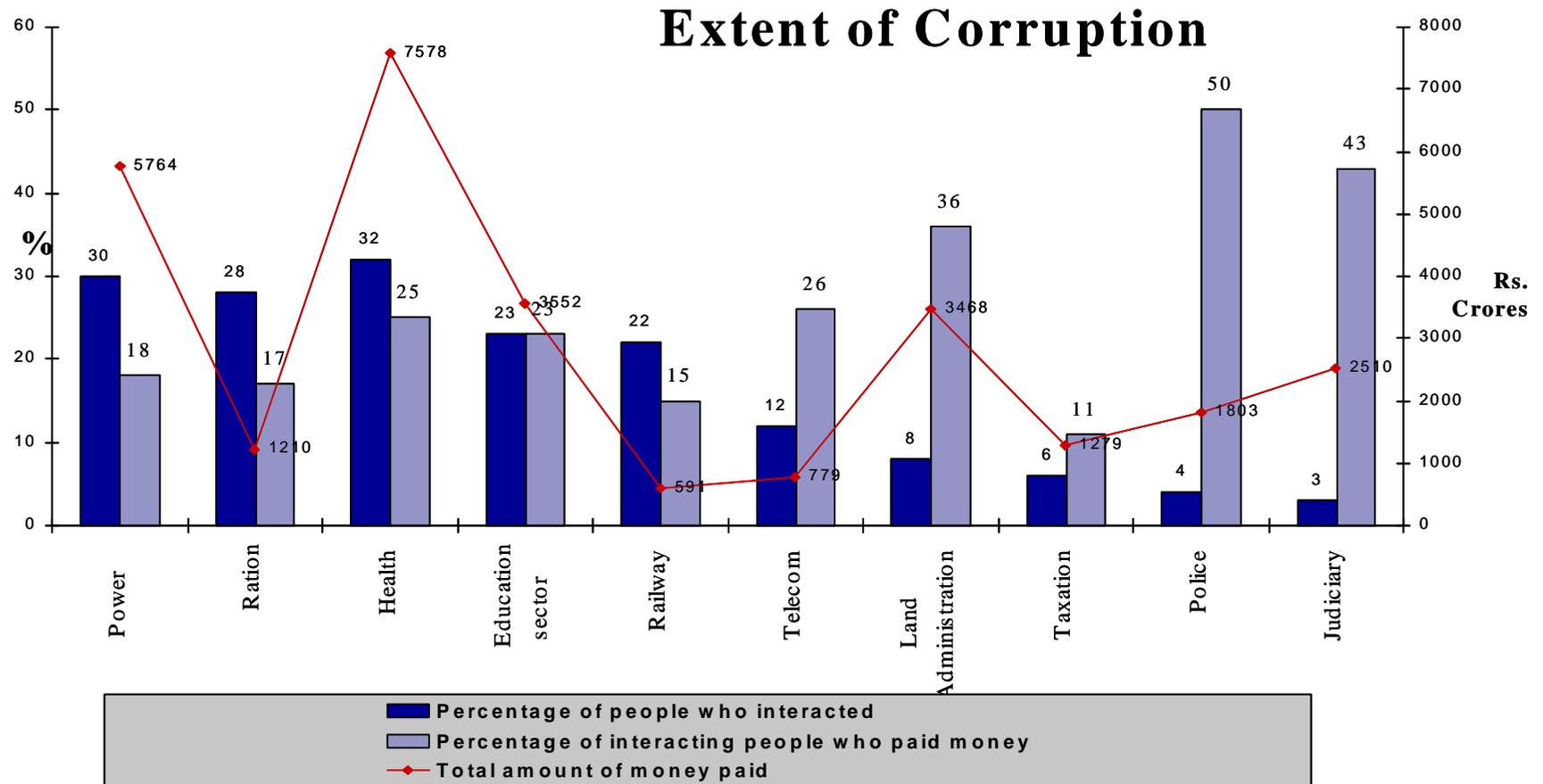
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GIS Development

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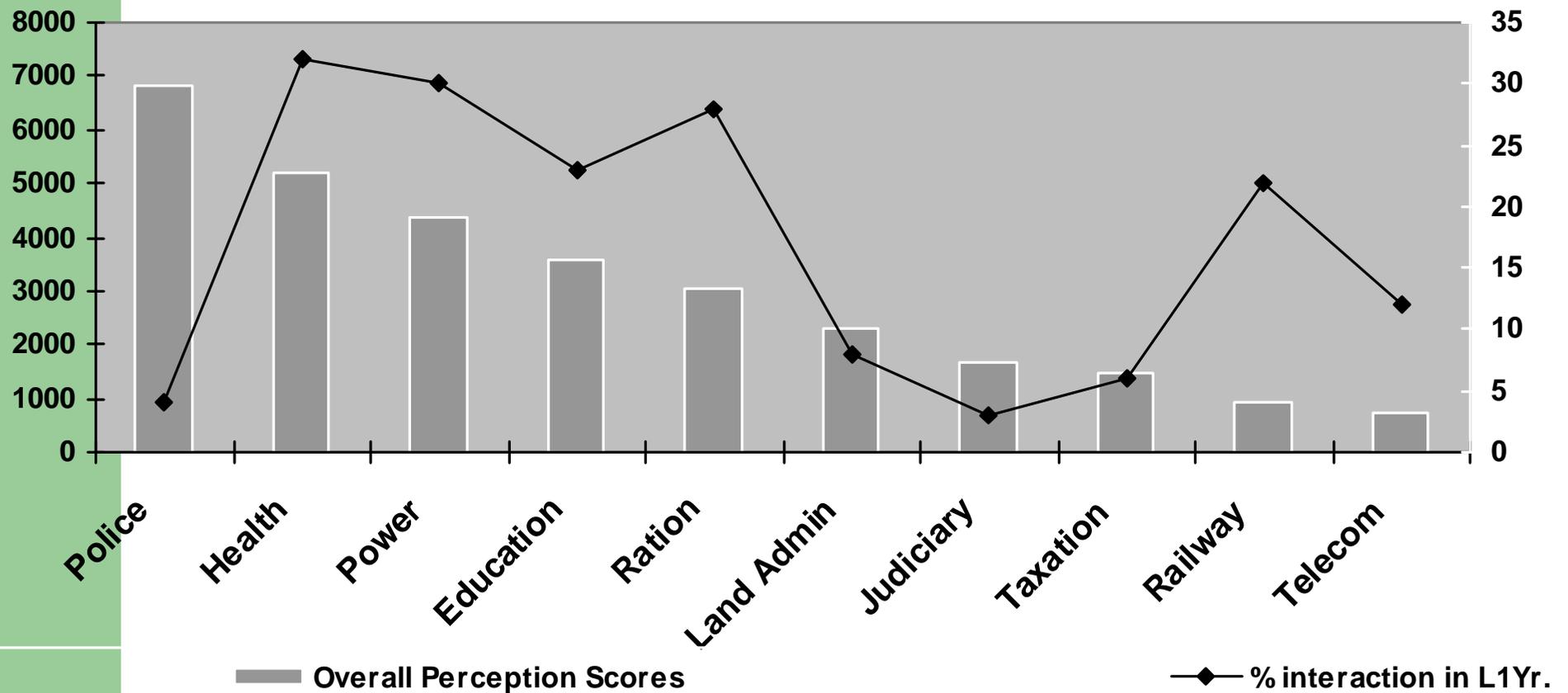
Why Land Record Management needs attention!



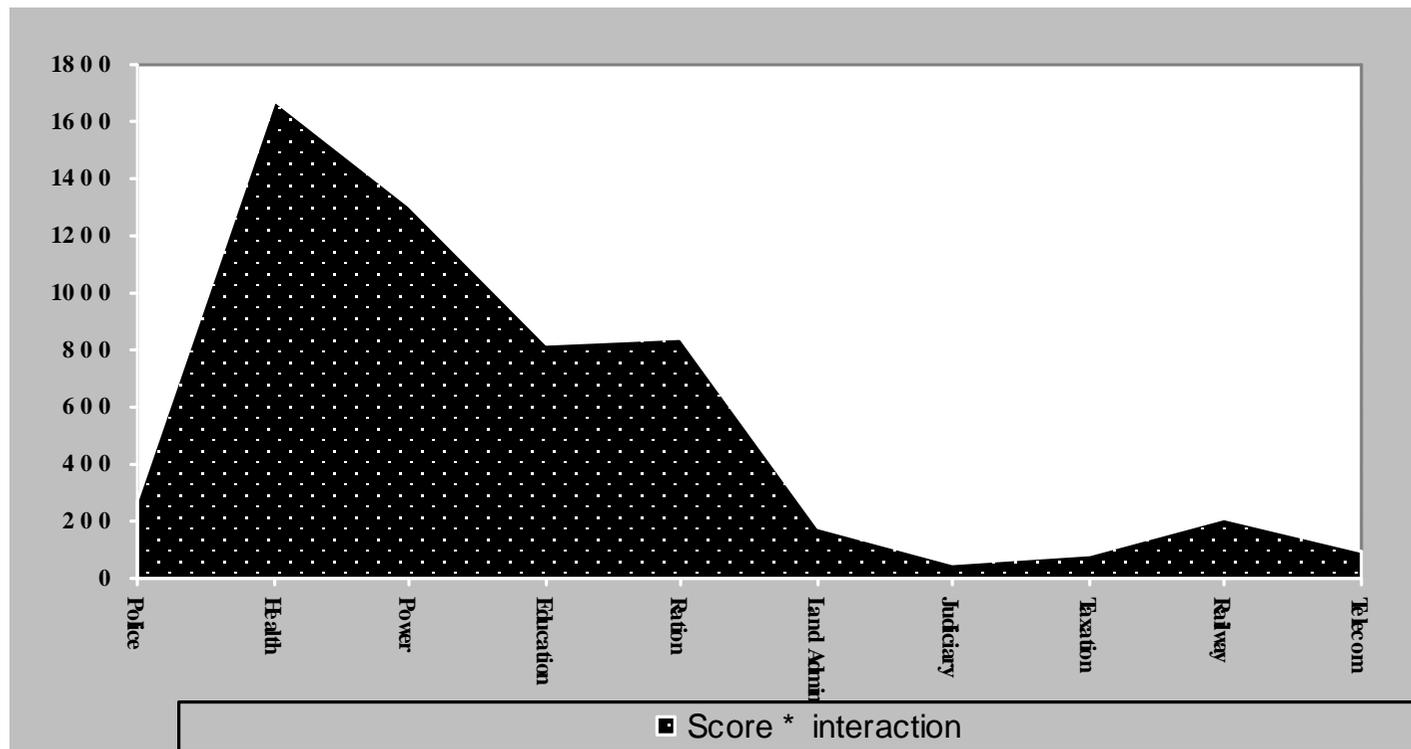
Why Land Management needs attention!

- | 1.3% growth in GDP loss! [the amount]
- | Economic delays in major infrastructure projects get delayed due to the land acquisition issues resulting in cost overruns of billions of \$
- | Land Records as old as 50 – 100 years, no resurvey done
- | Proper Land Security not provided – leads to poor access to credit on property – major obstacle in poverty reduction

Why Land Record Management needs attention!



Why Land Record Management needs attention!



Bribery outflow per year!

