



REPORT
ON
MAGARPATTA CITY, PUNE
REAL164 BASICS OF LAND ASSEMBLY FOR REAL
ESTATE AND URBAN INFRASTRUCTURE

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INTRODUCTION

In Pune, India's Hadapsar district, there is a 450 acre privately owned gated community called Magarpatta. There are shopping centers, malls, restaurants, gyms, schools, hospitals with a variety of specialties, and commercial and residential areas. There is also a 25-acre park called Aditi Garden. Green space makes up about 30% of the area. Here is where the "Destination Centre" commercial complex is situated. Building began in 2000 and is now ongoing with newer housing societies.

Satish Magar serves as the managing director and chairman of the township. Magarpatta offers several residential clusters for different requirements and income groups like Apartment Clusters and Villa Clusters.

(Anon., 2022)



Destination Center

(Source: www.propertywala.com)



Residential Zone

(Source: commons.wikimedia.org)

LAND POOLING

In land pooling, individuals with land or a group of landowners give their land to the government for the development of infrastructure. After the completion of the development process, the landowners get back their land after deducting some portion as the cost for the same.

WHY LAND POOLING

Land is limited in most Indian towns, especially metros. Yet, there are certain urban areas that have not been developed well, and the use of land is also not optimal. Apart from this, several city areas are not well connected to one another. These regions are renovated under a land pooling scheme in order to build additional homes to meet the rapidly growing metropolitan population.

BENEFITS OF LAND POOLING

- The ownership remains with the original titleholder, which is the key advantage of the land pooling policy. The involvement of the development agency in ensuring planned urban expansion is negligible.
- It reduces the possibility of legal disputes and settlements for compensation.

- When the property is sold and developed for urban use, the increase in land value that results from the development belongs to the original owner. As a result, the original owner rather than the development agency gets benefits from the overall development.
- 50–60% of the original plot's area is returned to the landowner. For the land that was given to the government, the government is entitled to compensation.
- The initial owner continues to have access to the land resource and is not displaced during the land development process. As a result, the adverse effects of urbanization on farmers (original owners) are reduced.

CONS OF LAND POOLING

- This strategy takes time since the procedure for preparing and implementing such land pooling or readjustment plans is overly complicated and time-consuming.
- In the beginning of the preparation for a land pooling or readjustment project, betterment fees are assessed. The improvement fees assessed upon plan completion do not cover the cost of the infrastructure because of the excessive delays in finalizing schemes.

(Chauhan, 2023)

MAGARPATTA CASE

This township near Pune is a shining example of openness and cost-effectiveness that benefits farmers in a very unexpected way. 430 acres of land was contributed by more than 120 farmers to the Magarpatta Township Development and Construction Corporation. Pune is home to a company that is likely India's most significant real estate developer. Not because of its enormous sales or profits, it is significant. On the other hand, it will be considered a mid-level developer by any financial criteria. It creates townships that cover dozens of acres. Yet, that is also not uncommon. DLF manages hundreds of acres for all of this. Hiranandani Developers produces hundreds of such. Others also practice it.

The way it helps a township grow is what gives it its significance. It doesn't acquire land from farmers for creating a community. The farmers are turned into shareholders instead. Farmers give their land in exchange for firm equity shares rather than cash. The farmer grows along with the business. The Magarpatta Township Development and Construction Corporation is the organization which is being referred here. It has constructed Magarpatta City, a township in Pune. The firm received 430 acres of property from more than 120 farmers. The greater the volume of land contributed to the company, higher the shareholding in the company. Magarpatta City is essentially the only prominent example in India that has done it well.

This should, in theory, be the best formula for township growth. It ensures that large amounts of cash are not needed to buy the land. Instead of receiving a one-time payment for their property, farmers become shareholders and profit greatly when it is developed. Since the cost structure is lean and the debt is lower, the project's viability increases.

The farmers came together to create the Magarpatta Township Development and Construction Company Limited (MTDCCL) and built the city, accomplishing their ideal of turning their land into a completed good with added value that would provide them with advantages and returns in perpetuity.

While the Magarpatta neighborhood was categorized as an agricultural zone until 1960, it is now a part of the Pune Municipal Corporation. The Urban Land Ceiling Act gave the government the right to

purchase the land at the prices they considered appropriate. In the majority of situations, this was much less than market rates. The Land Pooling Model gave the farmers a chance to start their own enterprises.

OBEJCTIVE OF LAND POOLING POLICY

The goal of the Magarpatta joint venture model was to give farmers a long-term pension from their land holdings, to give them the chance to become entrepreneurs, to give them a long-term annuity, and to build a solid real estate franchise that would allow the development of other large-scale projects.

According to the plan, the farmers made individual land contributions to the project as part of a Joint Development Agreement (JDA) in exchange for a refundable security deposit and a revenue share. The entire pool received the income rather than just one farmer's property. The farmers received an ownership stake in the project's Special Purpose Vehicle in addition to their income portion. At Magarpatta, every farmer became an equity shareholder in the firm in proportion to his ownership, unlike other places where farmers were losing their land to developers as cities grew. All of the farmers now have a long-term income because of the 5 million square feet of leased property in the Magarpatta city.



(Source: en.wikipedia.org)

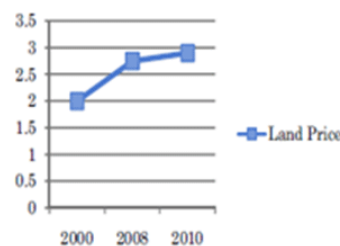
Most of the farmers also became contractors, building material suppliers and machinery owners.

The land pooling procedure made sure the farmer received the increase in township property value.

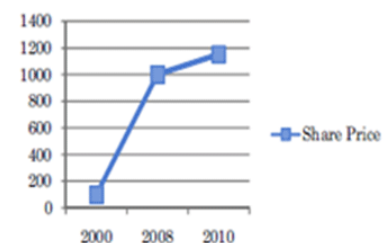
IMPACT ON REAL ESTATE

From 2003 to 2011, the value of real estate in Magarpatta City increased from around Rs. 1000 per square foot to approximately Rs.5000 per square foot. The value of the farmer's land had also greatly increased. The land price in the region in 2000 ranged from Rs.30 to 35 lakhs per acre. The land's value increased to Rs.3.5 crore per acre in 2011. According to their JDA, the farmers received dividends from the company as a result of the increase in real estate values. The value of the property alone had increased by more than 900% in just 11 years.

Land Price (In Cr)



Share Price



(Source: sybiosisonlinepublishing.com)

The model gave the creators a lot of benefits as well. Landowners can negotiate better JDA arrangements than in a regular JDA by just being offered ownership positions. The developers were able to buy greater amounts of land with minimum cash. As the approach locks in the landowners, litigation from them-an issue that is often mentioned-was nonexistent. (Anon., 2020)

HISTORY

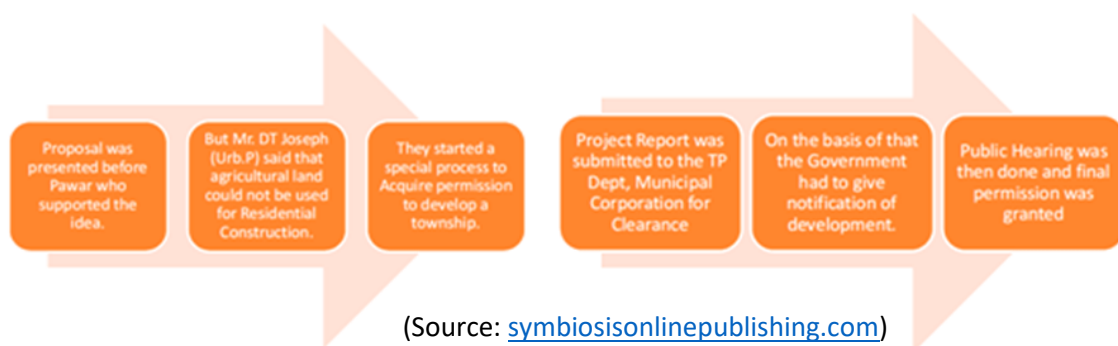
Magarpatta was previously a farmland in Hadapsar owned by the Hadapsar Magar (Patil) family. 123 households made up the native community of Magar, which they joined with the ancestral lands they had been holding for the previous 300 years. When the Magarpatta region was designated as a "Future Urbanized Zone" in a draught development plan by the Pune Municipal Council in 1982, the government could easily acquire the property under the Urban Land Ceiling Act. The Magar tribe opted to use their own resources to improve the area. The historical processes also point to three significant characteristics of the Magar community, namely their rationalism and futuristic outlook, their sense of community togetherness, and most crucially, their faith in the community leadership, which encouraged them to consider a viable alternative.

The Magarpatta Township Development and Construction Corporation was established by the landowners who wished to develop their own property. The neighborhood owned more than 423 acres of property altogether.

(Amar, 2017)

PROCEDURE

- The farmers were approached by Satish Magar (Managing Director MTDCCL) with his proposal to develop their lands and so preserve them.
- People trusted him because of background of his family and his desire to help all farmers.
- It was decided to form Magarpatta Township Development and Construction Company Limited (MTDCCL). Where each landowner was granted an equity stake equivalent to the value of their property. In 1998, each stake was worth Rs100 and equated to 1 square meter of land.



- Landowners are not permitted to sell this share to anybody other than the other city shareholders.
- They went to HDFC Bank for a Rs. 2 Cr. first investment.
- They prepared the following farmer family generation to participate in the development process in the meantime. By teaching them in diverse disciplines, this farming family's children received training in civil works, landscaping works, management works, etc.
- They managed to incorporate farmers in development projects in this way.

- As they sold the homes in this phase, the development of the first phase led them to the finances they needed for subsequent development.
- The cost of the land, which was divided among the shareholders, was accounted for as 30% of the building costs.
- Over 40000 workers were employed as of the project's beginning.
- While the IT industry in Pune was flourishing, IT Park was built, giving them an extra source of income.
- This initiative was a success because the idea of walking to work and school was so well-received and welcomed by everyone in the pleasant setting
- Once they have finished the project, their share price has increased from Rs 100 to above Rs 1000.

(Raval, 2015)

PRESENT STATUS

On the northern edge of Pune, Magarpatta, also known as Magarpatta City, is a 430-acre planned development with a significant IT presence. It is a fantastic illustration of a smart city with cutting-edge infrastructure. Magarpatta is a livable area with a decent mixture of residential and business structures.

WHAT'S GREAT ABOUT MAGARPATTA?

One of Pune's suburbs with the quickest growth has been Magarpatta. A few fantastic features of Magarpatta that contribute to its popularity are the ease with which taxis and automobiles can be found, the presence of quality schools nearby, the proximity of markets, the safety at night, and the well-kept roads.

For a solid reason, Magarpatta's way of life has received a rating of 5 out of 5. Magarpatta has a fantastic physical and social infrastructure and a high liveability score. Residents in the area have a lot to choose from in Magarpatta, from well-maintained roads to excellent schools.

Magarpatta has all the social infrastructure needed for upmarket, inexpensive living because it is one of the main IT hotspots in Pune's northern boundaries. You can find everything you need within a 2 to 3 kilometre radius, including quick grocery shops, pharmacies, schools, and entertainment areas.

Magarpatta is conveniently situated in one of Pune's trendiest neighbourhoods, and travelling everywhere takes only a few minutes by car.

Most residents of Magarpatta work in the neighbourhood or adjacent IT centres, thus getting to job, school, or leisure areas just requires a short drive.

In numerous categories, such as liveability, convenience, commuting, and safety, people give Magarpatta ratings higher than 4 out of 5. It is an alluring proposition to relocate to Magarpatta because of the inexpensive housing possibilities.

Wide highways and roads have made travelling to Magarpatta quite simple and speedy. You may utilise NH85 if you're coming from Pune city. There are several taxis, cars, and buses that go between Pune City and Magarpatta.

COMPARISON

Magarpatta ranks extremely high on people's lists of places to settle when compared to Indian cities for the following reasons:

1. Magarpatta offers commuting ease with conveniently available taxis, cars and buses.
2. This area of Pune features top-notch roadways that are uncommon in other cities.
3. Kharadi and Magarpatta are nearby IT hubs that provide you the ideal work-life balance.
4. Magarpatta also boasts top-notch schools and hospitals for a balanced living.
5. Magarpatta is a popular choice for families and couples seeking for a great neighbourhood to reside in because there are many reasonably priced houses available for purchasing and renting.

(Anon., n.d.)

JOURNEY OF THE PROJECT

Magarpatta land pooling is a distinctive method of land development that involves combining smaller contiguous pieces of land held by many landowners. The property is subsequently transformed into an urban area with carefully planned roadways, sewage systems, and other essential infrastructural features.

In the Magarpatta neighbourhood of Pune, India, the Magarpatta land pooling scheme was launched in the late 1990s. The minor landowners were persuaded to merge their properties willingly by the founders of Magarpatta in order to create a sizable, continuous plot of land that could be turned into a planned metropolitan centre. The owners of the property were guaranteed a piece of the developed land, which they could either use themselves or sell at a profit.

A group of urban planners and architects created a master plan for the development of the property, which served as the catalyst for the development process. The plan called for the construction of apartment buildings, retail establishments, educational facilities, and recreational facilities and was founded on the ideas of sustainable development.

The development of Magarpatta was finished in segments over a period of several years. Buildings for commercial use, residential complexes, and foundational infrastructural facilities were all part of the initial phase. The construction of educational institutions, recreational facilities, and other amenities were among the phases that came after.

A successful land development strategy, Magarpatta land pooling has been imitated in various regions of India and beyond. The model's inclusion of all landowners in the development process fosters a sense of ownership among them and offers a number of benefits. Because it is based on a thorough master plan created by skilled urban planners and architects, it also assures that the development is well-planned and sustainable.

The Magarpatta suburb has been converted via Magarpatta land pooling into a cutting-edge, self-sufficient urban region that is praised for its sustainable development strategies. Due to the model's

success, similar efforts have been started in other regions of the world, proving that land pooling can be a successful strategy for urban growth that is advantageous to both individual landowners and society as a whole.

ISSUES FACED

- The land of Magarpatta was agricultural land and it could not be used for residential purposes. Special permission were taken to develop the township from the town planning department and Municipal Corporation for clearance. Final permission was granted after the public hearings were done.

AWARDS

- At the 2008 Sydney International Congress of Metropolis, Magarpatta received honours. It is one of the Top 10 Success Stories of the State, according to the Maharashtra Economic Development Council.
- Magarpatta received the 2009 CNBC Awaaz-Crisil-Credai Real Estate Awards for Best Residential Property in India.

(Anon., 2022)

SUGGESTIONS

- The Magarpatta City idea promotes a win-win situation when new development initiatives are carried out under the Made in India programme.
- As part of the Skilling India programme, the idea of Magarpatta City is assisting the government in creating policies to encourage entrepreneurship among the poor peasants.
- The Startup India mission gave a group of peasants who arrived with their own capital to launch development projects like Magarpatta City and Nanded City an added edge.
- Magarpatta City's inclusive nature need to be taken into account for the Smart City initiatives.
- Magarpatta City's cutting-edge concept has the potential to alter the conventional framework for rural development, particularly in the context of India.

CONCLUSION

For farmers, land is most valuable source of livelihood and therefore they would like to retain the right of their land even after the development of the project. Farmers realize that, one time compensation, promised jobs and other benefits wouldn't be better than an ownership in the industry and steady

source of lifelong income. The farmers of Magarpatta have the sense of inclusive and sustainable dynamics. After a careful analysis, it is noted that, Magarpatta City is the benchmark for others, where farmers collectively and without any hassles develop their own land as well as hold on to their ownership.

(Amar, 2017)

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