



Building regulations that take market forces into consideration are key to resolving the mess. These can be adapted to suit Indian conditions

The freehold puzzle

Over the last few weeks Delhi has been witness to frenzied activity—demolitions and sealings being tossed back and forth in the news and the courts every week. The spotlight is on what's apparent, and so we tend to ignore the real villains of the mess, the DDA, which seems to be getting away scot-free. Not only that, the DDA seems to be determined to do more and more damage as time progresses. It is a well-documented fact that the authority has not been able to project demand for land and various buildings required by the city. Moreover, it is unable to protect lands it has acquired for the future development of the city. The list of acts of omission and commission by the DDA is a long one, and requires no repetition. Yet, a recent move by it to allow conversion of leaseholds apartments to freehold deserves analyses and careful scrutiny.

What does freehold mean?

What is particularly surprising is that this change in property ownership laws has been done without public notice, debate, or consultation. While none can argue with the logic of making built properties free-

hold, especially in the context of a free market economy where financing and mortgages are the rule rather than the exception, such a move is fraught with dangers.

One of the original objectives of the lease hold system of land and property titles was to be able to control municipal and building violations—the threat of being able to resume a plot of land—or of re-entry into the premises is a standard clause in all lease hold property documents. The tool is seldom used, but serves the purpose of being a deterrent to prevent blatant municipal violations.

The flip side of the freehold process is that the owner assumes that he is free to do as he likes

A dedicated study of the areas of Delhi where large scale violations of building regulations have taken place shall show that most offences have taken place either in colonies which have always been freehold, or those plots which have been converted into freehold. Prominent examples of the former category are

the South Extension area and Greater Kailash; the Ministry of Rehabilitation colonies like Lajpat Nagar and Malviya Nagar; and the pre-1957 ownerships in Karol Bagh etc. Visible violations of the second category are buildings in Defence Colony, Rohini, Pitampura etc, where leasehold lands have been converted to freehold.

It is true that the leasehold ownership titles were found to be cumbersome in terms of allowing quick transactions and sales, as well as hindering the loan and financing industry. But the flip side of the freehold process has been that it is assumed that no building regulations apply to freehold properties, and that the owner is free to build what he wants to, and to use it in any manner he deems fit.

A way out

In most parts of the civilised world, market forces are used to help implement building regulations in cities. It is almost impossible to get insurance for a building which does not have all valid building and use permits. Similarly, mortgage finance is possible only if the building satisfies regulations—both of construction and use.

Such governance tools are n difficult to replicate in India. In we should devise similar metho effect building regulations: how these should be moulded to suit dian legal conditions and proble Furthermore. The financing agc cles need to be roped into the bu

aerial view

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ing regulation process; and, as a part of this, these agencies should not be allowed to finance illegal building stock.

The DDA's announcement of converting leasehold stock into hold will surely fill its coffers. Perhaps that money will go to support its 40,000-strong employee strength, but the move could be ringing the death knell for the city.

Is the DDA a republic, or is it answerable to the government? Has it fulfilled its mandate? It is high time that we made an effort to analyse the DDA and its functioning, and doing so, take stock of the damage it has done to the country's capital.

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