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PHD CHAMBER OF COMMERCE AND INDUSTRY

PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016 (India)

Secretary
Infrastructure, Energy, Housing & Urban Development

Commr. (Plg) - II
Diary No. 911
Date 6-3-12

R&D CELL
VIKAS SADAN
Dy. No. 1180
Date 5/3/12

उपाध्यक्ष कार्यालय
उपरी सं. 12070
दिनांक 9/3/12

IP-15- 3009
2ND March, 2012

Dear Mr Patnaik,

Sub: Allow development of Residential Group Housing in the industrial area/ plots in Delhi.

We understand that land is a scarce resource in Delhi and with the rising demand in housing units, it has been observed that there is a huge gap between demand and supply of residential units in Delhi.

Keeping in view, we have recommended some novel views, enclosed herewith, which may help to bridge the gap.

We strongly believe that there is a dire need to allow development of Residential Group Housing in the industrial area/ plots in Delhi.

With warm regards,

Yours sincerely,

DR RANJEET MEHTA

Mr G S Patnaik
VC, DDA
Vikas Sadan
New Delhi

CP (Plg) - II

OFFICE OF THE DIR (Plg.)
MPR/TC, D.D.A. N. DELHI-2
Dy.No. 1831
Dated 9/3/12

H. L. Mehta
For VC
9/3

OSD (M&U)
DIO (M&U)
9/3/2012

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Residential Use in Existing Industrial Areas/ Plots

1. All previous Master Plans of Delhi were prepared based upon the pattern of residential development prevalent at that particular time and requirement of augmenting existing developed areas and finding new areas for future development of housing. MPD 2021 recognizes the fact that there is a net housing shortage of about 1.0 Lakh houses/dwelling units in Delhi. Moreover, the estimated additional housing stock required by 2021 will be as large as **24 Lakh dwelling units**. Thus, the basic shortage in Delhi is of **Housing**. 50% of the population in Delhi resides in slums or unauthorized colonies. It is therefore a matter of paramount importance that housing stock of Delhi is increased exponentially and through all innovative measures that can be implemented in a planned manner.
2. The character of the city of Delhi has changed. As the National Capital, it is no longer a manufacturing city, but more so a trading centre, a distribution hub, an educational and medical centre, a IT service provider centre as well as the city of various governments and government institutions. All these activities require provision of housing rather than industrial manufacturing premises.
3. It has also been recognized in MPD 2021 that around 40% of housing needs can potentially be satisfied through redevelopment/up-gradation of existing areas of Delhi. Para 3.3 of MPD 2021 stresses upon the need for redevelopment of existing planned areas in view of "limitation of buildable and urbanisable land in Delhi." This redevelopment may not be kept limited to existing residential areas but may be extended to other Use Zones also, to meet the target.
4. A number of industrial estates were set up in the city of Delhi in the early 1950s, 1960s and 1970's. Due to expansion of the city, these industrial estates have become a part and parcel of composite areas surrounded by residential colonies. Many examples can be quoted: Wazirpur, Janakpuri, Mayapuri, Okhla, Naraina, Mohan Co-operative Industrial Estate, etc. In these circumstances, Industrial Estates have virtually become commercial centres housing Banquet Halls, Showrooms and Commercial Offices. The Government of Delhi and Government of India have taken a final step vide notification

dated 01.04.2011 to ensure that legally permissible commercial buildings are made on plots of 1000 sq. mtrs and above in industrial areas with requisite incentives. But the problem of shortage of housing remains all over Delhi.

5. However, Residential areas have been further shrunk under the same MPD 2021 by stipulations of Chapter – 15 of MPD 2021: Mixed Land Use. By this, commercial uses have been permitted on notified roads in residential areas. This has resulted in more supply of commercial spaces at the cost of residential spaces. Unauthorized use of houses for illegal (and often polluting) tiny-scale manufacturing units has further compounded the problem.
6. Pursuant to the Hon'ble Supreme Court's Order dated 10.05.1996, large Industrial lands have been made available for redevelopment because of closing and relocation of large and heavy industries. All these lands are surrounded by large tracts of green areas and are conducive for residential/ mixed development. In fact, staff housing has traditionally been part of large industrial estates, and hence residential use has been existing in such Industrial areas/ plots of large size.
7. Only non-hazardous industries are allowed in Delhi now. Units are basically being used for IT and trading purposes and not much of manufacturing activity is taking place in many industrial units. It has been provided in MPD 2021 that "Industrial Units/Plots abutting 24m ROW and above shall be eligible for conversion to commercial use within the existing development control norms, subject to payment of conversion charges The activities permitted in local shopping centers will be permitted in such plots." These Industrial areas and large industrial plots can easily be put to use for augmenting the housing and offices supply which **will make them ideally suited for establishing the eco-friendly walk-to-work culture in these areas.**
8. In terms of Chapter 17, sub clause 8 (2) of MPD 2021, Old Age Homes, Hostels, Night Shelters, etc. are already allowed in Industrial Use zone. Since these uses are residential by nature, the same logic can be extended to allowing residential development in the Industrial Land Use Zone too.

9. Para 7.6 of MPD 2021 lays down that "there is a need for modernization and up-gradation of the existing industrial areas with due regard to environmental consideration. Since several of the areas are located along the Mass Public Transport Corridors such as Delhi Metro, BRT corridors and proposed Regional Rapid Transport System (RRTS), there is also a need for optimizing the use around these areas through the process of redevelopment.
10. Therefore, a need already exists to convert industrial lands into residential areas/ mixed use areas immediately and allow high rise development therein, because the infrastructure for industrial areas can support high vertical growth development. There is also a need for such a measure because the provision of allowing Group Housing activities in plots of 3000 sq. mtrs and above, has not been very successful in current residential colonies (due to the high rates of land prevailing in the prime residential colonies).
11. In Mumbai, there is a separate categorization of Industrial Use Zone, where residential use is permitted along with commercial use. This way the land use has been retained as "Industrial" but plots under that Industrial Use Zone can be developed for residential and commercial uses. This can be adopted in Delhi also. **There should be some incentive to compensate loss of residential area by way of allowing residential use in large Industrial Plots. Group Housing in Industrial areas will also reduce carbon footprints as it will encourage walk-to-work culture.**
12. Residential and commercial development in the present commercial areas should conform to all the norms of MoEF clearances in terms of energy efficiency, on-site management and disposal of waste water and solid waste as per MoEF guidelines. This would make a significant contribution towards housing stock, including Community Personnel/EWS category housing as these are to be created along with Group housing as per MPD 2021 provisions. This will help in reducing unauthorized colonies as well as jhuggi clusters. This housing stock would be created in already developed areas of city with ample infrastructure. This would considerably reduce the capital investment in creating the trunk infrastructure. Optimum utilization of land would also be ensured.

13. The current FAR allowed for Group Housing activities is 200 with provisions for 15% EWS / Service-category housing. Just as a 50% incentive is given for conversion from industrial to commercial, it would be similarly appropriate to give a 50% incentive in plots of two hectares and above for conversion from industrial to residential usage..

14. Hence it is suggested :

- (a) **Group Housing activities may be permitted as part of redevelopment/ re-densification strategy, to begin with, in large industrial plots of 2 hectares (5 acres) so that only those plots which can accommodate internal infrastructure and services qualify for the same. Once the policy is successfully implemented, it can further be extended to smaller plots that are permitted for Group House Schemes in MPD 2021.**

- (b) **In order to make the redevelopment sustainable, existing Industrial plots having area commensurate to the threshold size of plots and industrial use premises, as per MPD 2021, should be allowed to have entirely residential Group Housing development or entirely commercial development or any combination thereof on payment of prescribed charges for each component. While commercial/industrial component shall be permissible within existing development control norms, the residential group housing development will be governed by the development control norms of "Group Housing" with enhanced FAR and with all supporting community facilities on 'Accommodation Reservation' basis to incentivize the development of Residential use in these lands."**

- (c) **Presently Group Housing has an FAR of 200, and an incentive of 1.5 times is further given under the redevelopment scheme for Planned Industrial areas, making it a total FAR of 300. This will ensure similar incentives for industrial to commercial as well as industrial to residential usage to cover up the shortages of housing and EWS in the city under this scheme.**

Therefore the following amendments are required in MPD 2021 –

Amendment 1: In Chapter 17, sub clause 8 (2) of MPD 2021 “to permit Group Housing use premise in industrial use zones”.

Amendment 2 : In clause 3.3.2 by adding “ Group Housing activity to be permitted in industrial Land use as part of redevelopment/re-densification strategy, with group housing development control norms, with incentivised FAR of 1.5 times as envisaged in the guidelines for Redevelopment of Planned Industrial Areas on plots of 2 hectares (5 acres) and above. This will ensure similar incentives for industrial to commercial as well as industrial to residential usage. The required community facilities to be provided on ‘Accommodation Reservation’ basis to further incentivize this development.”

Amendment 3: In Table 7.3: Development Control Norms of Industrial Land use, in Notes (vi), after the line “Industrial units/plots abutting roads of 24 m ROW and above shall be eligible for conversion to commercial use within existing development control norms,...The activities permissible in local shopping centers will be permitted in such plots.” add “Group Housing activity in existing Industrial plots having area commensurate to the threshold sizes of plots of group housing and industrial use premises shall be eligible for entirely residential group housing development or entirely commercial/industrial development or any combination thereof on payment of prescribed charges for each component.