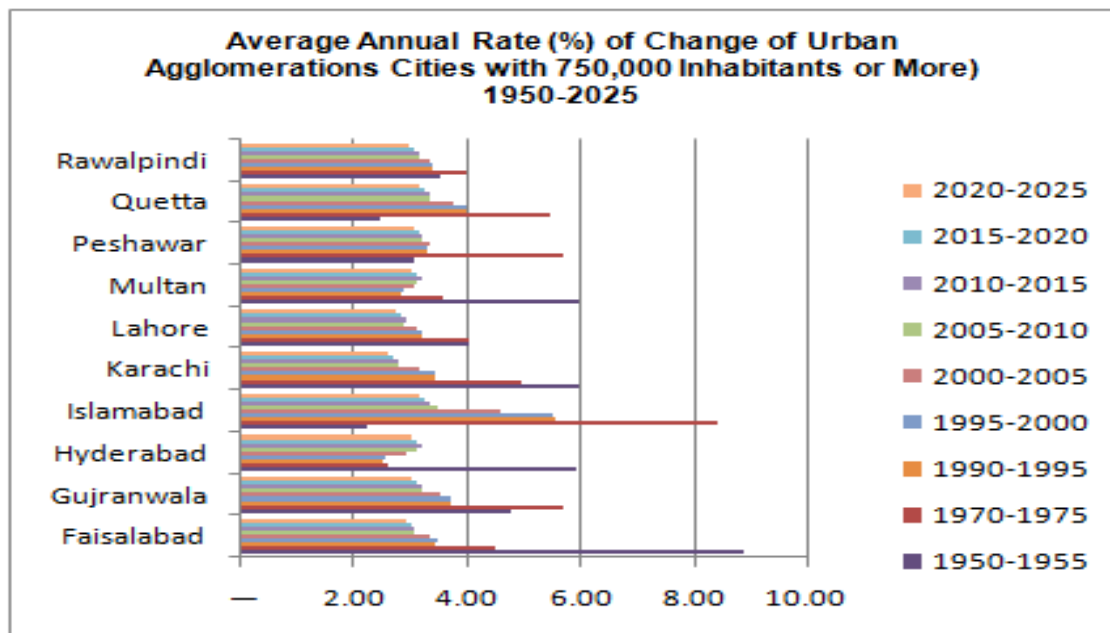


Chapter 17

PHYSICAL PLANNING AND HOUSING

The urbanisation and economic development are mutually interdependent. The demographic trends of Pakistan show that its population has been urbanising pretty steadily with an average annual urbanisation rate being beyond four per cent since 1951. It is estimated that by 2025, more than half of the population will be living in the urban areas. In 1950, when the economy was predominately rural, only 18 per cent of the country was urbanised, which reached 35.9 per cent in 2000. As urban-based economic activities expanded, a proportion of the rural population found an incentive to shift to towns and cities. The spatial pattern of urbanisation has been haphazard. About 50 per cent of the urban population is concentrated in ten major cities, that is, Karachi, Quetta, Hyderabad, Multan, Lahore, Faisalabad, Rawalpindi, Gujranwala, Islamabad and Peshawar. This has relegated a large number of other urban centres to a status of under development.



Source: World Urbanization Prospects: The 2011 Revision

However, positivity of the urbanisation remained elusive due to inability of towns and cities to manage their expansion, which was compounded by high population growth. In particular, the development of infrastructure has not kept pace with the urbanisation. As a result, there is a huge deficit in all sub-sectors including housing, water and sanitation, transport, utilities and road networks, which has adversely affecting living conditions and economic progress.

Situational analysis

There is a severe housing shortage, and about nine million housing units are required to meet the present demand. The proportion of rental housing in the urban areas was about 22 per cent in 1998 (as per census of the same year). It is estimated that demand for rental housing is

increasing at a rate of eight per cent per year. The tenant-favouring rent restriction laws are a major hurdle in the growth of the rental housing projects. The supply is extremely weak, meeting about one-third of the requirements. Most of these houses are being built by the private sector, which tend to exclude the coverage of low-income groups. The public sector housing schemes are few and take very long to develop. In addition, the quality of housing is generally poor. 30 per cent of the housing units are old and without permanent roofs, while these need replacement and improvements. The National Housing Policy 2001 prescribed the role of the government as a facilitator for the housing sector. Non-availability of affordable and serviced land is the principal constraint for housing. The growing population and expanding economic activities in towns and cities has generated an ever-increasing demand for basic urban services, infrastructure facilities and housing. The present unplanned and haphazard development pattern in most of the cities is continuing unabated. Very few cities have professionally managed traffic, waste disposal, sewage collection, safe drinking water, and pollution control systems. On the other hand, income of the City District Governments is limited and these have to heavily rely on the provincial and federal governments.

Issues and challenges

Pakistan lacks a National Spatial Planning Policy and Framework at present, and the inadequacy of the Urban and Regional Planning System has contributed to the deteriorating conditions in towns and cities. The followings are the major issues.

- Imbalanced urbanisation
- Lack of national land-use plan and policy
- Ineffective institutional framework to implement the urban master plans
- Inadequate funding for physical planning and housing
- Lack of professionals town planners
- Poor quality and coverage of the municipal infrastructure
- Lack of social infrastructure and recreational opportunities
- Shortage of around nine million housing units
- Weak enforcement of hiring by-laws
- Intrusion of interest groups and land grabbers
- Insufficient financing facilities for housing
- Inadequate urban transport facilities
- Lack of traffic planning and management
- Inadequate options for raising municipal finance
- Poor governance infrastructure for urban management
- Inadequate waste management resulting environmental degradation

Objectives

The overarching vision is to develop smart cities as the building blocks of a prosperous Pakistan. The aim of the physical planning and housing sector is to support cities as well as regions for generating growth. The salient objectives are to

- manage urbanisation and enable urban areas and regions to contribute their full potential through regeneration policies and plans at city and regional levels
- pursue sustainable urban development making cities smart and functional in all dimensions, that is, physical, economical, social, environmental and administrative
- develop synergies amongst national policies, strategies, provincial programmes and local regulations and by-laws and to promote a coherent urban and regional pattern in the country
- develop national infrastructure to support urban and regional development
- create new knowledge for understanding and resolving intricate urban and regional development issues
- enable local governments to financially and administratively manage towns and cities through their own resources and private sector involvement, and
- promote green, energy efficient and affordable housing for all, including up-gradation of the slum areas and Katchi Abadis.

Strategies

The following strategies have been outlined.

- A National Spatial Strategy to focus on managing coherent urban and regional settlement
- Reduce municipal and social infrastructure deficit
- Design and enforce city development plans
- Improve coordination among the federal, provincial and local entities
- Establish urban development fund
- Encourage the private sector to provide house mortgage facilities for overcoming housing shortage by 50 per cent
- Improve enforcement of the housing and hiring by-laws
- Enact consumer, market and environmental friendly laws, zoning regulations and procedures to promote housing for low and middle-income groups
- Enforce rules and regulations to prevent speculation property prices
- Promote public-private partnership for housing and new urban centres on the Build Own Operate and Build Operate Transfer (BOO and BOT) basis
- Reduce research and awareness gap for the urban and regional planning

Initiatives and action plan

A comprehensive study will be carried out for the preparation of the National Spatial Strategy to identify national policies relating to urbanisation, hierarchy of settlement, land-use, environmental assets, trade and transport networks and water, energy and communication infrastructure. Annexure-I enlists various schemes and programmes to be initiated, along with the budgetary allocations. The provincial and district governments will be encouraged to prepare spatial plans in their jurisdictions. The focus will be on the following areas.

- Development of vertical expansion –a high-rise building for residential and commercial purposes
- Establishment of the Housing Information System (HIS)
- Harnessing the full potential of the planned urbanisation by adding connectivity and modern infrastructure to develop creative, smart, and green cities
- Zoning to cater to the growing demand for commercial and parking places in large urban centres
- Developing additional growth centres around small and medium sized town and cities, based on their potentials (social and physical infrastructure, job opportunities), especially along the National Trade Corridor
- The private sector will be envisaged to provide housing facilities, including safe drinking water and disposal of water.
- To address the shortage of research and objective analysis in the field of urban and regional planning, an 'Urban and Regional Policy Research Centre' will be established for feedback and effective policy formulation and implementation.
- Katchi Abadis will be converted into low-income housing and financial support proceeded for the purpose.
- The urban environment will be protected through enforcement of regulation to make building more energy efficient.
- Housing-for-all will be launched by addressing the housing deficits and improve liveability standard in towns and cities.
- Seek economic recovery as the sector possesses a great potential for generating employment opportunities and expanding industry and trade activities – These housing initiatives will be expanded to build nearly 500,000 housing units in different urban areas for the target groups.
- The land supply in the urban areas will be improved by creating urban land through urban renewal and land banking techniques, and enforce the housing regulations under the National Housing Policy.
- Opportunities of housing finance and mortgages will be created through enabling the House Building Finance Company Limited (HBFCL) for bulk financing, mobilising banking and non-banking financial institutions, attracting the private sector investments, encouraging major cities to extend their municipal limits and creating the Urban Development Fund.

Annexure-I

PLAN 2013-18
(Federal and provincial)

(Rs billion)

No.	Name of the scheme and programme	Cost
1	Preparation of the National Spatial Strategy	1
2	Establishment of the National Urban & Regional Policy Research Centre (NUPRC) and its research and development projects	5
3	Preparation of provincial and district spatial plans	5
4	Preparation of the city development strategies (including urban regeneration) and business plans of major cities by the respective provincial governments	5
5	Establishment of the Urban Development Fund for implementation of city development strategies and business plan by the respective local governments Ongoing schemes = 200 New schemes = 150 Total = 350	321
6	Capacity-building urban planning and development institutions	5
7	Energy-efficient, green and affordable housing programmes including construction of 1,000 clusters of 500 houses each for lower-income families in a public-private partnership mode; and up-gradation of slum areas and Katchi Abadis	91
8	Construction of government buildings, including development of the Federal Capital Territory	45
Total:		478