

PAPER NO. 248

**URBAN HOUSING DEVELOPMENT IN PAKISTAN;
A CASE STUDY OF LAHORE METROPOLITAN AREA**

By

**PROF. DR. IHSAN ULLAH BAJWA,
IJAZ AHMAD AND ZAREEN KHAN**

URBAN HOUSING DEVELOPMENT IN PAKISTAN ; A CASE STUDY OF LAHORE METROPOLITAN AREA

Prof. Dr. Ihsan Ullah Bajwa* , Ijaz Ahmad and Zareen Khan*****

1. Abstract

Pakistan, like many other developing countries is facing severe problems of housing shortage. The population growth rate in Pakistan has, been quite fast and as per official estimates the country population has increased from 90 million in 1980 to 149 million in 2004. In addition to ever increasing population demand, the limited financial resources of the government further perpetuates the problem of housing shortage. According to an estimate, there was a shortfall of 6 million houses in Pakistan during the year 2004. This gap between demand and supply in major urban areas is rapidly increasing and people particularly falling in low and middle income classes are forced to live in substandard housing. The gap between housing demand and supply is met by 25 % through Katchi Abadis, 60 % through informal sub-divisions of land and 15 % through densification of inner cities. Most of the people because of their limited incomes, and escalating prices of land and building materials are unable to afford decent housing in urban areas.

The paper makes use of primary data by studying 15 housing schemes-having minimum of 1000 or more plots in the Lahore Metropolitan Area (LMA). The data reveals that the majority of households are unable to afford housing in the schemes provided by the public sectors. This is not just because of the plot allocation criteria but also due to high land prices in the planned housing schemes. Within the formal sector housing schemes, majority of plots are lying vacant for many years-thereby dumping billions of rupees in such schemes. Most of the plots in such housing schemes are in the hands of investors and speculators who are running their real estate business.

2. Introduction

The United Nations Center for Human Settlements specifies that the urban population in the Asia and Pacific region between 1991 and 2020 is expected to rise from 991 million to 2.44 billion. This means an additional 1.4 billion people will be living in the urban centers of Asia. Cities already feel this increase tangibly, as they strain to properly serve the physical and social needs of their populations. The urban poor feel the pinch as they struggle to feed, clothe and house themselves and to improvise other basic services and amenities like water supply and sanitation. This lack of adequate shelter and services is one of the most pressing challenges confronting most Asian cities cgn the threshold of the 21st century (HABITAT, 1994). Shelter is one of the basic human needs. Today theAprovision of shelter to every household is a threatening task for every nation. Pakistan is also facing acute shortage of housing due to rapid population growth and relatively diminishing housing stock. The increasing rate of rural to urban migration is the main cause of population growth in urban areas. This population adds more demand for the provision of shelter in urban areas.

In the last three decades there has been a shift in the demography of most Asian countries. Most large cities in Asia account for a significant proportion of their country's urban population. More than one half of Thailand's urban population resides in Bangkok, one-third of the urban population of the Republic of Korea, Bangladesh and the Philippines reside in their capital cities. Jakarta, Karachi, Istanbul and Tehran have almost 20 per cent of their nation's urban population. Most of Asia's largest cities grew at

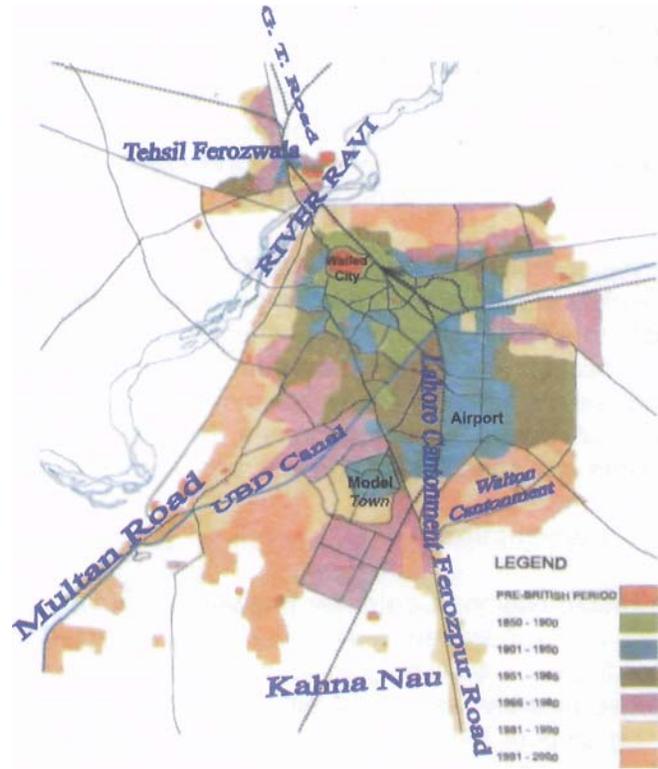
*Chairman, Department of City and Regional Planning University of Engineering and Technology, Lahore-Pakistan "Assistant Professor, Department of City and Regional Planning University of Engineering and Technology, Lahore-Pakistan "•Research Assistant, Department of City and Regional Planning University of Engineering and Technology, Lahore-Pakistan

3 per cent per annum during the period 1970-1990, but population growth in rneg-urban agglomerations is still probably underestimated. Natural increase and rural to urban migration factors have contributed to the increase in population living in urban centers (HABITAT, 1994).

3. Lahore Metropolitan Area; The Case Study

Lahore metropolis grew into a fortified settlement under Afghans and Turks. Mughal monarchy gave an impetus to the growth of Lahore and Akbar built the existing wall around old city during 1584-1589. As British Empire took over in 1857, it established institutions and residential areas at distant location from walled city. Development of civil lines and cantonment area in 1857 was major landmark in spatial framework of Lahore. This was perhaps a strong impetus towards urbanization.

After 1947, Lahore has generally expanded along north-south areas from the original fort with succeeding zones increasing in area but reducing in density in the shape of rectangular built up areas. The city has expanded along with three major highways, vis-a-vis; G. T. road, Ferozpur road and Multan road. This growth trend is mainly due to the availability of suitable land and adequate infrastructure that is present in the south of the city. Presently, Lahore has attained the status of being second biggest city of Pakistan and the provincial capital of Punjab. Lahore Metropolitan Area (LMA) comprises of District Lahore, Tehsil Ferozewala (District Sheikhpura) in the north and part of Tehsil Kasur in the south. Growth of Lahore during 1961-1970 is remarkable and specially when in 1966 a master plan was prepared to control the unplanned growth of Lahore. Major development started after the formation of Lahore Development Authority (LDA) in 1975. After 1978, number of housing schemes like Awan Town, Campus Colony, Canal View Cooperative Housing Society, Hamid Park Housing Scheme (HS), Rehmanbad etc. got approval from LDA. There was a boom of housing schemes in Lahore during the period 1981-1990. The major schemes developed in this period were:



Map showing the Growth of LMA during Different Periods

There was a boom of housing schemes in Lahore during the period 1981-1990. The major schemes developed in this period were:

- West Wood Colony,
- Ittefaq Town,
- Campus View Town,
- Tech Society,
- Pakistan International Airline (PIA) HS Phase - I & II,
- Ghousia Town,
- Pakistan Council of Scientific and Industrial Research (PCSIR) Cooperative Housing Society (CHS)-I,

- National Fertilizer Corporation HS,
- Punjab Govt. Employees Ph-II,
- WAPDA Town, and many more.

As per the record of Lahore Development Authority (LDA), there are 140 housing schemes (both public and private) which got approval for the purpose of planned housing development. Out of these 140 housing schemes, a sample of 15 is taken. Each selected scheme contains a minimum of 1000 plots of different categories.

4. Population Growth Trends

Pakistan's population in mid 2004 was estimated as 149 million - which is 1.9 percent higher than the previous year. It was only 32.5 million at the time of independence (1947) and 116 million more people are added during the last 57 years. According to the Population Census 1998, the population of Lahore Metropolitan Area (LMA) was 6.94 million which is estimated to have grown to 7.71 million in 2001. More than 91% of this population (7.04 million) lives in Lahore City District, 7.0% (0.54 million) in Tehsil Ferozewala of District Seikhupura and 1.7% in parts of Tehsil Kasur of District Kasur (table 1). **Table - 1: Population Distribution in LMA (1998-2001)**

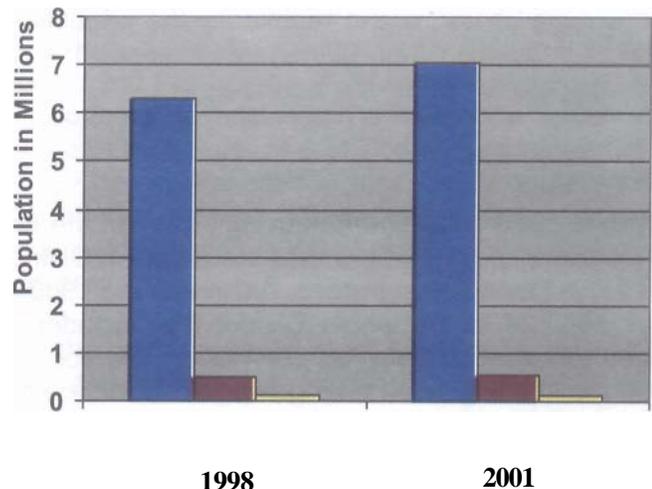
District	Population			
	1998	2001 Growth	% of total population	% age of total population
Lahore	6,318,745	7,041,839	3.39	91.28
Seikhupura (Share of LMA)	499,012	541,682	2.56	07.02
Kasur (Share of LMA)	120,838	131,097	2.54	01.70
LMA	6,938,591	7,714,618	3.32	100.00

Source: Master Plan for Lahore, 2004

Out of 7.04 million populations living in Lahore District, 82% (5.77 million) lives in the urban areas comprising of Ex-Municipal Corporation Lahore (Ex-MCL) Area, Lahore Cantonment, Walton Cantonment and two small urban settlements (Ex-Town Committee) of Kahna Nau and Raiwind.

Since 1972, the population growth rate of District Lahore (urban) has been constantly declining. It was 4.48% during 1961-72, reduced to 3.75% in 1971-81 and further declined to 3.32% during 1981-98. Likewise, district population is reducing which has also affected the pace of growth of LMA (table-2). While the urban population grew from 2.19 million to 5.21 million from 1972 to 1998 (table-3).

Population Share of Different Districts in the



• Lahore District • Share in Seikhupura
 OKasur's Share

Table - 2: Population Increase in Lahore District (1951-1998)

Census year	Intercenaeial Period (year)	Lahore District		Lahore District Urban	
		Population	ACGR*	Population	ACGR
1951	-	1,134,757	-	861,279	-
1961	10.00	1,625,810	3.66	1,312,495	4.30
1972	11.67	2,587,621	4.06	2,189,530	4.48
1981	8.46	3,544,942	3.79	2,988,486	3.75
1998	17.00	6,18,745	3.46	5,209,088	3.32

Source: Master Plan for Lahore, 2004

* Annual Compound Growth Rate

The proportion of urban population in Ex-MCL area reduced from 75.52% (in 1961) to 72.44% (in 1998), whereas the proportion of urban population in Lahore Cantonment rose from 4.21% in 1961 to 8.92% in 1998.

Table - 3: Urbanization (1951-1998) in Lahore District

Census Year	Population		Proportion of Urban Population (%)
	Lahore District Urban	Lahore District	
1951	861,279	1,134,757	75.90
1961	1,312,495	1,625,810	80.73
1972	2,189,530	2,587,621	84.62
1981	2,988,486	3,544,942	84.30
1998	5,209,088	6,18,745	82.44

Source: Master Plan for Lahore, 2004

Urbanization phenomenon occurred because of migration (Rural to Urban & International) and natural increase. There is a astonishing thing that every year 600,000 - 700,000 people are arriving in the major cities from various parts of the country, thus pushing up to the demand for houses, but construction is not picking up at the required level. Natural increase is another factor which has also increased the demand for housing in the country. Both these factors (natural increase and migration) exerted a huge pressure and resultantly the population of Lahore increases very rapidly. This rapid increase in population then ultimately increased the demand of housing so as to accommodate the additional population within the boundary of LMA.

5. Housing Situation

According to 1998 census, the housing stock in LMA was 967,202 of which 77.62% was in urban areas of LMA. More than 91% of the total stock was in District Lahore, around 7% in District Seikhupura and around 2% in District Kasur areas. Whereas the 1980 Housing Census gave the total figure of housing units as 536,724 in the whole District that included 83.4% of housing units in urban areas. It is interested to note that between 1981 and 1998 population increased at the rate of 3.46% per annum whereas the housing stock during this period increased at the rate of 2.79% only. This shows that the increase in housing stock has not kept pace with the growth in population. Various estimates have been made to indicate housing backlog in Lahore. The Master Plan for Greater Lahore (1966) estimated housing shortage to be between 39,086 and 80,399 dwelling units, whereas the Lahore Urban Development and Traffic Studies (1980) estimated this backlog as high as 300,000 dwelling units. But the estimates worked out by National Engineering Services Pakistan (NESPAK) in 2001 indicate the housing backlog in Lahore District (Urban) was around 154,000 dwelling units as detailed below:

Category	1998	2001 (Projected)
Urban population in Lahore District	5,209,088	5,774,886
Houses required (assuming optimum HH* size of 6)	868,181	962,481
Existing housing stock	731,348	808,484
Housing backlog	136,833	153,997

Source; NESPAK, 2001

* Household

According to Integrated Master Plan for Lahore-2021 (IMPL-2021), the supply in the formal housing market does not exceed 2500 plots per annum. According to an estimate of NESPAK (2001), 37% of the dwelling units in the urban areas of Lahore District were constructed in the last 10 years while another 29% were built during 1970 - 1990. Of the total housing stock one-fifth has already attained a life of more than 30 years and an additional 14% was built more than 50 years ago. It is stated in IMPL, the proportion of house construction to the total plots in some LDA's schemes is 16% to 20%. The comparable figures for private cooperative housing schemes are 10.2%. Thus a very large number of developed plots are lying vacant due to varied reasons. The reasons explored appeared in form of;

- High prices of land,
- Speculation of land,
- High construction cost,
- Lack of facilities in the proposed scheme,
- Poor building bye laws and development control,
- Deficient transport services between these schemes & the place of work and alike.

Land prices in the suburbs of Lahore- have manifold since 2001. Price of one Kanal⁶ of land vary and ranges from 3.5 to about 4.0 millions rupees. Similarly, 01 Kanal house in areas like Defense, Gulberg, Model Town, Tech Society, Garden Town, etc. are 1.2 - 2.5 Crore of rupees. These prices were less than a quarter from what are now 2-3 years back. These values are diminishing hopes of middle class to own property despite Government's assurances about resolving housing problems. According to owners and property dealers, the rates increased when overseas Pakistanis invested their assets in their homeland after the 9/11 incident.

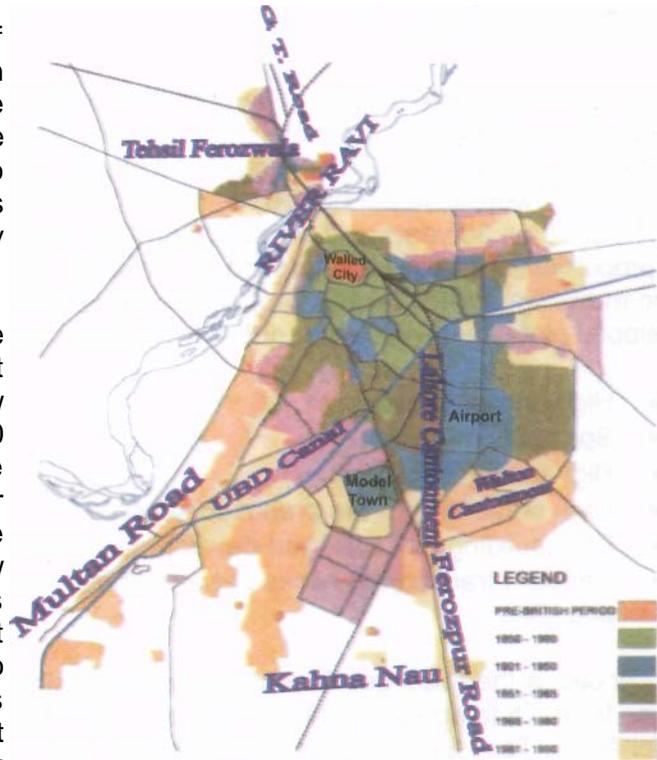
Table - 4: The Land Prices in the Selected Schemes

Sr. No.	Name of Scheme	Size of Plot	Market Price (Millions)
1	Audits & Accounts CHS	16 Marias	1.8
2	Canal view CHS	01 Kanal	4.0
3	E.M.E. CHS	18 Marias	7.5
4	Greater Lahore (Chinar Bagh)	01 Kanal	4.0
5	NFC Housing Scheme	01 Kanal	4.0
6	Pak Expatriates CHS (Izmir Town)	01 Kanal	4.0
7	PIA Housing Scheme Ph-II	01 Kanal	3.5
8	PIA HS Ph - I	01 Kanal	3.5
9	Punjab Govt. Employees Ph-I	01 Kanal	5.0
10	Punjab Govt. Employees Ph-II	01 Kanal	5.0
11	WAPDA Employees CHS Ph-I	01 Kanal	5.0
12	Nasheman-e-Iqbal	01 Kanal	4.0
13	Johar Town	01 Kanal	5.0
14	UETHS	01 Kanal	3.5
15	Tajpura HS	01 Kanal	3.5

Source: Field Survey, 2005

In LMA, majority of plots are in hands of investors which proved to be key players in raising or lowering the prices of land. These actors keep an eye on the land market and take full benefits when they get a chance. Due to this speculation phenomenon the land prices have been shot up which can be judged by the results shown in table - 4.

From the table - 4, the land prices can well be judged in different schemes. IMPL states that in Lahore the average household income in low and middle localities is Rs. 6300 and 14000 respectively. It further indicates that the average number of earning members per household is 1.67. It is 02 for high income localities, 1.7 for middle income and 1.6 for low income localities. When this income is correlated with the current inflation rate it becomes almost impossible for these people to buy even a piece of land. Even if land is purchased then it becomes difficult to construct a house on it due to high prices of building material. The high prices can well be judged by the following table-5:



Map Showing the Location of Selected Scheme* ivilli reference to Lahore

Table - 5: The Prices of different Building Materials

Sr. No.	Category	Average Price (Rs.)
1.	Cement	300/Bag (Bag is 50 kilos)
2.	Brick	4 / Brick
3.	Steel	36000 / Ton
4.	Sand	06-1 9 /ft ³
5.	Concrete (Crush)	24-26 / ff ¹

Source: Filed Survey, 2005

Unfortunately, in the present circumstances, to build the house for poor, lower-middle and middle class is impossible due to inflation of building materials and sky rocketed prices of land in Lahore. In Pakistan, almost all the building material is produced locally. But according to IMPL-2021, the average construction cost has increased by more than three times during 1987-96. The building material industry lacks the financial and management potential to meet the annual demand of 30,000 housing units per year.

The supply side is also distorted due to the fact that the demand is for lower income groups whereas the supply of land is not targeting to poor people. Likewise, the private sector in Lahore is also contributing its share in this sector of housing. These private developers are developing land in form of planned housing schemes and few developers are involved in the illegal sub-divisions of undeveloped

land along the peripheral areas of LMA boundary. They have not provided adequate facilities in the schemes due to which the people are reluctant to construct houses on that piece of land.

According to LDA, Directorate of Katchi Abadis Local Government and Rural Development, Government of Punjab, there are 308 Katchi Abadis in Lahore, out of which LDA has developed 73 Katchi Abadis having a population of 163,000 to grant the proprietary right. According to Asian Development Bank (ADB) Pakistan Urban Sector Profile 1993, the urban population of Lahore living in Katchi Abadis and slum areas was about 1.7 million or about 38% of the city population. After attaining the proprietary rights the people prefer to stay in these slums and Katchi Abadies. The reason behind this is the location of these areas. These areas are very close to the main city area and mostly are situated near the down town area. Due to this attraction the people are reluctant to leave the places and avoid constructing houses in the new schemes situated far away from the city center.

Table - 6 show a picture of development trends in the selected schemes. It is clear that the ratio of constructed plots to vacant is very low.

Table - 6: Housing Schemes having Plots more than 1000 in Lahore

Sr. No	Name of Scheme	Year of Approval	Total Area (Kanals)	Location	Total Plots	Constructed Plots	% of Constructed Plots
1	Audits & Accounts CHS	1992	1253.30	Sadhoke	1330	0	0
2	Canal view CHS	1978	1865	Niaz Beg	1107	775	70.0
3	E.M.E. CHS	1992	4460.9	Kanjra	2268	1020	44.9
4	Greater Lahore (Chinar Bagh)	1992	3296.8	Janjatay	1542	0	0
5	NFC Housing Scheme	1988	2452.85	Satto Katta	1495	220	14.7
6	Pak Expatriates CHS (Izmir Town)	1991	3528.1	Chung Panggrain	1248	37	2.9
7	PIA Housing Scheme Ph-I	1982	2171.70	Niaz Beg	1867	1025	54.9
8	PIA HS Ph - 1	1982	271.7	Satto Katla	1867	0	0
9	Punjab Govt. Employees Ph-I	1992	1860	Satto Katla	1538	1305	84.8
10	Punjab Govt. Employees Ph-II	1983	1278	Satto Katla	1087	30	2.7
11	WAPDA Employees CHS Ph-I	1982	91090	Satto Katla	7105	3000	42.2
12	Nasheman-e-Iqbal	1993	1031.7	Sadhoke / Bhagrain	1134	280	24.6
13	Johar Town	1981	256	Satto Katla	1600	1200	75
14	UET HS	1985	1392.31	Satto Katla	2300	920	40
15	Tajpura HS	1985	368.0	G. T. Road	2547	2000	78.5

Source: Field Survey, 2005

CHS Cooperative Housing Society
 Ph Phase
 NFC National Fertilizer Corporation
 UET University of Engineering and Technology

E.M.E Electrical and Mechanical Engineering PIA
 Pakistan International Airline WAPDA Water and
 Power Development Authority HS Housing
 Society

In most of the schemes more than half of the plots are unbulit. Canal View, PIA (phase-I) Punjab Government Employees (phase-I), Johar Town and Tajpura are the schemes where more than 50%

plots have been developed. These schemes got approval for development in the same period as others (1980-1993).

It is also observed that rate of construction of plots in Government housing schemes (specially developed by IDA) is more as compared to private housing schemes. The private schemes are developed by private developers and mostly contain big-sized plots. In IDA schemes a mix blend of plots is present and contains mostly small-sized plots. There is no rule that can enforce developers to provide more small size plots in the housing schemes. In LDA schemes, strict building period bye laws are present those forcq the land owner to construct the houses on land otherwise get ready to pay penalty for late completion of buildings on the land. Whereas in schemes developed by private developers, bye laws are missing and this act is encouraging the people to keep their plots vacant leading to speculation of land.

Table - 7: Year of Approval of Schemes

Year of Approval	Number of Schemes	% Age
1970-80	1	6.7
1981-90	8	53.3
1991-2000	6	40.0
Above 2000	0	0
Total	15	100.0

Source: Field Survey, 2005

Most of the schemes developed within LMA, got its approval for development works during the period 1981-2000 as can be seen from the table-7. Although maximum schemes took the permission for development work during this period yet the rate of construction of houses in these schemes is very slow.

6 Conclusions

- i. It has been observed that ratio of constructed plots in schemes developed by private developers is less than developed by the Government sector.
- ii. It is revealed that except in Government schemes there is no concept of building period. Resultantly, the allottees do not care about the construction on their plots and these remain unbuilt for number of years. Whereas in Government schemes penalty is imposed for late completion of construction. Therefore, ratio of construction in Government schemes is more as compared to schemes developed by private developers.
- iii. The building period start when a person got allotment letter along with possession of land. Usually, allotment and possession is given when all the basic services have been provided in the respective scheme. This act attracts the owners of plot to construct the building as early as possible. This thing lacks in private housing schemes and discourages the owners of plot to construct the buildings on their plots.
- iv. The land price in most of the private schemes is very high up to 7.5 million for 18 marlas plots. This is a big amount spent only on purchase of raw land. After spending so much money the owner then takes time to construct building. This act leads to delay in construction and thus the most of plots remain unbuilt for many years.
- v. During the survey it is found that in Government schemes almost all size plots are present. The sizes vary from 03 Maria to 01 Kanal whereas in private schemes most of the plots are

of 01 Kanal and above. The poor and even middle people could not afford to buy those plots. The rich people usually have so many other options. As a result these big size plots remain vacant for number of years.

- vi. There is adequate supply of serviced plots to meet the ever increasing demand of houses. But there exist a gap between demand and supply of built houses. Non construction of houses on these plots is one of the major reasons of shortage of houses in LMA.

7 Recommendations

- i. Impose taxes on late construction of houses after final approval of housing schemes. For example, penalty should be such that 10,000 per marla per year at the late construction of plot.
- ii. Ensure timely provision of infrastructure services especially in private housing schemes to attract owners of plot to construct their houses as early as possible.
- iii. It is recommended to have strict control on prices of building material. Further Government may provide subsidized building material to ensure timely completion of houses.
- iv. There should be pre-defined building period for the construction of houses especially in private housing schemes. Hence strict enforcement of this building period is required after a person gets allotment letter as well as possession of land.
- v. Plot speculation may be discouraged to have proper control on plot ownership by landlords. There may be restriction of purchase of more than one plot in a housing scheme.

References

1. Bukhari, Syeda Shabnam (1995), "Lahore Structure Plan: An Analysis of Spatial Growth Policies" B. Sc. Dissertation, Engineering University, Lahore-Pakistan
2. Integrated Master Plan for Lahore (IMPL) 2021; Lahore Development Authority, Final Report Volume-I Existing Scenario.
3. Khan, Zareen and Shaheen, Nuzhat (2003), "A Study on the Environmentally Conscious Industrial Firms in Lahore" B. Sc. Dissertation, Engineering University, Lahore-Pakistan
4. Lahore Master Plan, (1997); Housing and Physical Planning Department.
5. LUDTS, (1980), "Lahore Urban Development and Traffic Studies", Lahore Development Authority / Metropolitan Planning Wing; World Bank.
6. Population Census Organization, Statistical Division, Government of Pakistan, Population and Housing Census of Pakistan, July 1998, p-23
7. Siddiqui, Tasneem Ahmad (2004), "Creating Synergy in the Implementation of Housing Rights: Actions By Government and Civil Society", presented in (UNESCAP - Regional Dialogue on Housing Rights, Bangkok, 27-29 June 2004)
8. Accessed on www.finance.gov.pk/survey/home.html