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Research Paper

Urbanization and its Impact on Urban Land Price in Bareilly City

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Abstract

Urbanization has significant negative impacts on natural resources as green spaces are reduced and replaced. An essential component of the modern approach to managing natural resources and tracking environmental change is the demand for urban land in a given area, which arises from the natural and economic societies and how they use time and space. An increase in urban population and urban land area will cause repercussions in terms of shortages in housing, water supply and other amenities, the growth of slums, and spiralling land prices. This growth in urban population is also creating a very serious problem of shortage of land. The quantity of land is limited. The pressure on land is increasing as the requirements of civilized life keep growing – for housing, for educational institutions, for office and commercial activities, for industries, for parks and playgrounds, in short, meet all the needs of life and business development. Overall, the population growth rate in the city seems to be highly unequal, which suggests that the speed of the urbanization process in the city saw both retrograde and upward growth from 8% during 1941-51 to 36% in 2001-11. The Bareilly district has seen a rise in the number of towns from 12 to 31 between 1951 and 2011. In the same time period, the urban land area grew from 58 square kilometres to 278.10 square kilometres. The market price of urban residential land located on roads increased by 260 percent on minimum, 120 percent at maximum, and 126.66 percent on average between 2006 and 2011. In the same period, the market price of urban land located along the main road increased by 83.33 percent on minimum, 33.33 percent at maximum, and 37.87 percent on average. In this paper, we analyse some challenges and opportunities for urban development in Bareilly.

Keywords: Bareilly, Land, Population, Urbanization, Urban land prices.



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1. INTRODUCTION

Urbanization is a gift to human society if it is managed, coordinated, and planned. However, unplanned urbanization is a curse. The fast pace of urbanization has a substantial influence on both the use of urban land and the standard of living in suburban areas. This suggests that urbanization causes suburban towns to transform from small rural villages into more intricate semi-urban lifestyles. The quick conversion of vast tracts of valuable agricultural land on the outskirts of cities to residential areas poses a serious threat to the urbanization process and creates a market for land that drives up the cost of rural land.

Shelter is the most essential thing for humans, after food and clothing. In general, people favour locations that are closer to their places of employment and the essential basic infrastructure amenities. A significant amount of money is invested for the same by moneylenders, real estate agents, businesspeople, and property developers, who anticipate a large profit when these plots are sold in the future. Furthermore, they build single-family homes or multi-story apartments in response to the needs of large segments of the population. Urban regions experience haphazard development due to the growing demand for housing and the need for land for residential and commercial activity. The cost of existing land has increased as a result of both the rising demand for property and its limited supply. Therefore, the only people who could afford to buy the land were those who could invest large sums of money or had better purchasing power.

The low-income groups in society have also been negatively impacted by the skyrocketing cost of land in urban regions and by their forced relocation to the city's periphery, sometimes known as the outskirts or fringe areas. The absence of space for essential amenities such as schools, colleges, hospitals, parks, playgrounds, houses of worship, and leisure activities is another

victim of exorbitant land costs. The high-rise apartments now occupy the prime land, or it has been commercialized. In order to regulate the town's expansion in a regulated manner, the idea of having a master plan that outlined green belt zones as well as commercial, industrial, and residential areas was proposed.

2. OBJECTIVES OF RESEARCH

The principal aim of this study is to investigate the effects of urbanization on the price of urban land in Bareilly city.

3. HYPOTHESES OF THE STUDY

In the light of the above objective, the following hypotheses have been proposed to explore certain issues.

- **H0:** There is no significant change in urban land price in Bareilly city due to urbanization.
- **H1:** There is a significant change in urban land price in Bareilly city due to urbanization.

4. SIZE OF POPULATION

Bareilly is the district headquarters and the only major city in the Bareilly division. There are many national highways connecting the main city. Notably, the city serves as a hub for services to neighbouring communities, and the majority of the population has long worked in agriculture. However, due to the rise of some industries recently, the city has lost its agricultural structure, and the number of workers in medium and advanced industries has increased. The city is also expanding into nearby fertile territory. Table No. 1 shows how the population of Bareilly City has grown over time in a very uneven manner. Table No.1: The population of Bareilly City from 1951 to 2011.

Table-1: The population of Bareilly City from 1951 to 2011.

Year	Population	Population Growth	% Change
1951	208083	-	-
1961	272828	64745	31.1
1971	326106	53278	19.5
1981	449425	123319	37.8

1991	607652	158227	35.2
2001	720315	112663	18.5
2011	979933	259618	36.0

Source: (District census handbook District Bareilly 1951,1961,1971,1981,1991,2001,2011.)

Over the previous seven decades, the population growth rate in Bareilly has varied. It increases dramatically from 8.0% in 1941–1951 to 31.1% in 1951–1961 following independence, and then it starts to drop as a result of the city's misallocation of funds for urban infrastructure development. However, according to the development process of the city, the population increased between 1971-81 and 1981-91. The population growth rate declined to 18.5% during 1991-01, and later a steep rise was observed during 2001-11, indicating increased urbanization. The overall rate of population growth in the city appears to be highly irregular, indicating that the pace of urbanization process in the city has experienced both upward and downward growth, rising from 8% in 1941–1951 to 36% in 2001–2011.

5. URBAN LAND PRICE

The information regarding urban land prices, both commercial and residential is very limited and not available in time series, and no specialized agency provides time series data. It may be the absence of a specialized central system or agency for the collection of market value of urban residential land and publishing the same periodically. Moreover, the number of institutions involved in the process includes Development Authorities, Local Bodies, Housing Boards, Municipal Corporations, Trusts, Cooperative Housing Agencies, Charitable institutions, Registrars of Cooperative Societies, Registrars of Land Records, etc. The system of maintenance of the available information of urban land values differs not only from state to state but also from department to department. In addition to all these, there exists a wide gap between the actual value of urban residential land and the institutional prices fixed by the concerned authorities.

In order to have a true picture of urban land prices, both in commercial as well as residential areas. The present study deals with the urban land prices, both commercial as well as residential in the Bareilly city. The data of this

study has been taken from the circle rate list of Nibandhan Office Sadar tehsil Bareilly. The study of urban land prices has been divided into two categories for convenience.

5.1. The market price of urban residential land located on roads

The Nibandhan Office of Sadar Tehsil Bareilly has made a decision regarding the categorization of an area. According to their decision, any area located within a 50-meter distance from the road will be included in this specific category.

According to Table No. 2, the average market price of Bareilly's urban residential land on roads climbed from ₹5250 per square meter in 2006 to ₹11900 per square meter in 2011. Growth was noted at 59 percent in 2008 and 10.69 percent in 2011. Under the study, the market price of urban residential land on roads in Bareilly increased at an average rate of more than fifty percent annually during the first two years; after that, the rate decreased to 10.69 percent annually. The market price of urban residential land situated on highways in Bareilly experienced the slowest growth rate, averaging 10.69 percent between 2010 and 2011.

Due to lower speculative value, property dealers and real estate brokers may have invested less, which might be attributed to general recessionary tendencies in Indian real estate values. With the lowest price of ₹500 per square meter in 2006 to ₹1800 per square meter in 2011, the market value of urban residential land on roads in Bareilly had grown. In the same time frame, Bareilly's highest market price for urban residential land on roads went from ₹10000 to ₹22000 per square meter.

For urban residential land on roads in Bareilly city, the lowest market price was ₹500 per square meter in the locality of Govindpur, Sarai Talfi, Jasauli, Rodha, and Saraniya in 2006. The highest market price was ₹10000 per square meter in the locality of Rampur Garden, D.D. Puram. In Bareilly city, the minimum market price

of urban residential land situated on roads was ₹1800 per square meter in 2011, while the maximum market price was ₹22000 per square meter in the D.D. Puram locality.

Table-2: The market price of urban residential land located on roads. and Its Growth since 2006-2011.

S.R.	Years	The market price of urban residential land located on roads. (₹ /Sq. meter)			% increase in avg.	Growth		
		Min.	Max.	Avg.		Min.	Max.	Avg.
1.	2006	500	10000	5250	-	-	-	-
2.	2007	500	10000	5250	0	0	0	0
3.	2008	700	16000	8350	59	200	6000	3100
4.	2009	700	16000	8350	0	0	0	0
5.	2010	1500	20000	10750	28.74	800	4000	2400
6.	2011	1800	22000	11900	10.69	300	2000	1150

Source: (The circle rate list Nibandhan Office Sadar Tehsil, Bareilly 2006, 2007, 2008, 2009, 2010, 2011.)

Table-3: Increase of the market price of urban residential land located on roads in Bareilly city in 6 years since 2006 – 2011.

Year	The market price of urban residential land located on roads. (₹ /Sq. meter)			Increase of the market price of urban residential land located on roads (₹ /Sq. meter)					
	Minimu m	Maximu m	Averag e.	Total			% %		
				Minimu m	Maximu m	Averag e.	Minimu m	Maximu m	Averag e.
2006	500	10000	5250	1300	12000	6650	260	120	126.66
2011	1800	22000	11900						

Source: (The circle rate list Nibandhan Office Sadar Tehsil, Bareilly 2006, 2007, 2008, 2009, 2010, 2011 and calculated by the scholar.)

Urban residential land prices increased by 266.66% on average over the course of six years, with a lowest growth rate of 266%, a maximum growth rate of 120%, and an average growth rate of 126.66% at all prices between 2006 and 2011.

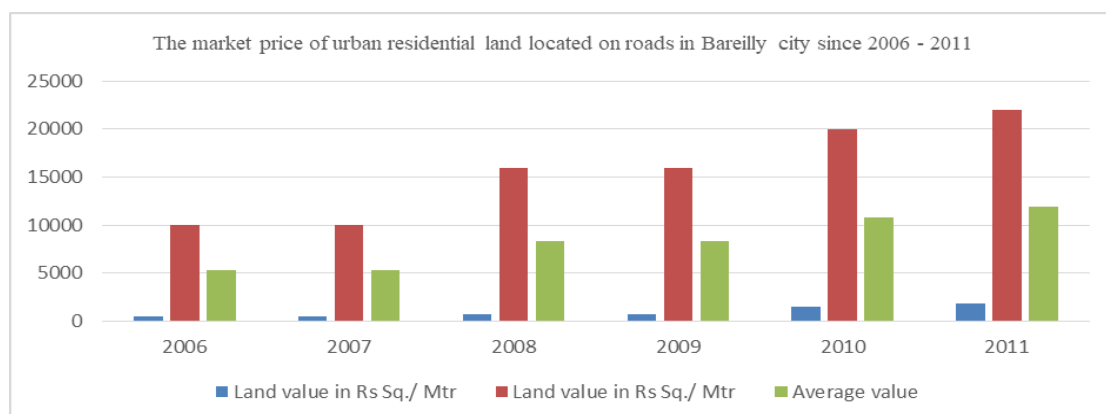


Fig-1: The market price of urban residential land located on roads since 2006-2011.

Source: (The circle rate list Nibandhan Office Sadar Tehsil, Bareilly 2006, 2007, 2008, 2009, 2010, 2011 and prepared by the scholar.)

The requirements for this kind of land-related information are very diverse, ranging from public safety and security to sovereignty and the protection of the interests of all societal segments. Figure No. 1 shows the minimum and highest urban residential land prices in Bareilly as well as the average land price for the years 2006–2011.

5.2. The market price of urban land located along the main road

The Nibandhan Office of Sadar Tehsil, Bareilly has made a decision regarding the categorization of an area. According to their decision, any area located along the main road will be included in this specific category.

Table No. 4 suggests that the average market value of urban land near Bareilly's major road climbed from ₹16500 per square meter in 2006 to ₹22750 per square meter in 2011, with growth rates of 18.18 percent in 2008 and 5.81 percent in 2011. The study's first two years of data revealed that the market price of urban land near Bareilly City's major road grew at an average annual rate of less than 20 percent; this rate later dropped to 5.81 percent. In Bareilly City, the

average market price of urban land along the major road experienced the slowest growth rate between 2010 and 2011, at 5.81 percent. Urban land along Bareilly's main road had a minimum market price of ₹5500 per square meter in 2011 compared to ₹3000 per square meter in 2006. The maximum market price of urban land in Bareilly city along the major road went up from ₹30,000 per square meter to ₹40,000 over that same period. The minimum market price of urban land located along the main road from Pirbahoda police barrier to the boundary of Nagar Nigam in Bareilly city was ₹3000 per sq. meter in 2006, and the maximum market price of urban land located along the main road from Ayyub Khan Chuaraha to Chuapala Chauraha and Ayyub Khan Chuaraha to Novelty Chauraha in Bareilly city was ₹30000 per sq. meter in 2006. The minimum market price of urban land located along the main road from Madhinath police Chowki to Ashram in Bareilly city was ₹5500 per sq. meter in 2011, and the maximum market price of urban land located along the main road from Ayyub Khan Chuaraha to Novelty Chauraha in Bareilly city was ₹40000 per sq. meter in 2011.

Table-4: The market price of urban land located along the main road in Bareilly city and Its Growth since 2006 – 2011.

S.R.	Years	Land value (₹ /Sq. meter)				Growth		
		Min.	Max.	Avg.	% Increase in avg.	Min.	Max.	Avg.
1.	2006	3000	30000	16500	-	-	-	-
2.	2007	3000	30000	16500	0	0	0	0
3.	2008	4000	35000	19500	18.18	1000	5000	3000
4.	2009	4000	35000	19500	0	0	0	0
5.	2010	4500	38500	21500	10.25	500	3500	2000
6.	2011	5500	40000	22750	5.81	1000	1500	1250

Source: (Circle rate list Nibandhan Office Sadar tehsil Bareilly 2006,2007,2008,2009,2010,2011.)

Table-5: Increase of the market price of urban land located along the main road in Bareilly city in 6 years since 2006 – 2011.

Year	Urban residential Land price (₹ /Sq. meter)			Increase of urban land price(₹ /Sq. meter)					
	Minimum	Maximum	Average.	Total			%		
				Min.	Max.	Avg.	Min.	Max.	Avg.
2006	3000	30000	16500						
2011	5500	40000	22750	2500	10000	6250	83.33	33.33	37.87

Source: (The circle rate list Nibandhan Office Sadar Tehsil, Bareilly 2006, 2007, 2008, 2009, 2010, 2011 and calculated by the scholar.)

Urban on-road land prices had a growth rate of 83.33 percent for minimum prices, 33.33 percent for maximum prices, and 37.87 percent for average prices for the six-year period from 2006 to 2011.

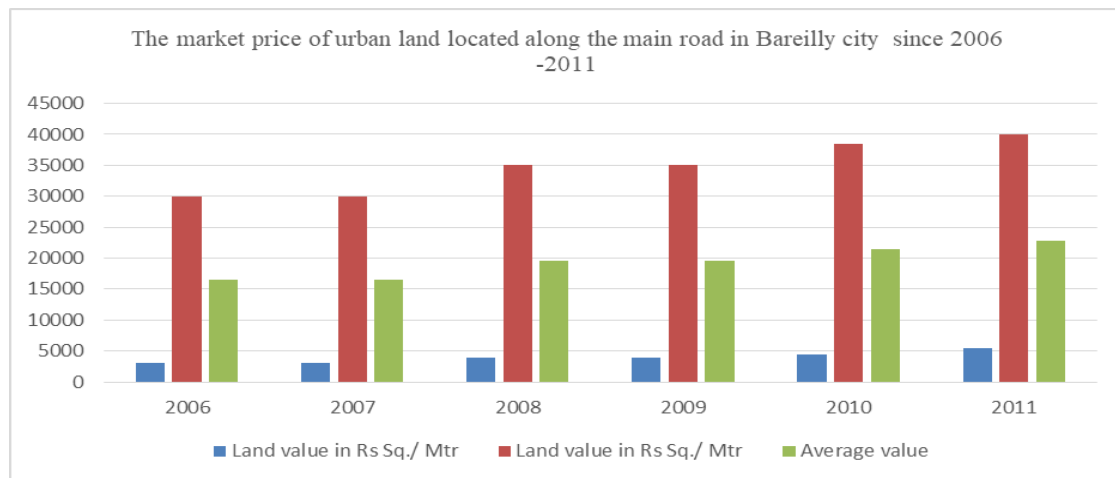


Fig-2: The market price of urban land located along the main roads.

Source: (The circle rate list Nibandhan Office Sadar Tehsil, Bareilly 2006, 2007, 2008, 2009, 2010, 2011 and prepared by the scholar.)

Such information is required for a wide range of purposes, including public safety, defence, sovereignty, and ensuring the welfare of all societal segments. Figure No. 2 shows the minimum and highest urban residential land prices in Bareilly as well as the average land price for the years 2006–2011.

6. FINDINGS AND RECOMMENDATIONS

A number of serious problems prevailing in the Bareilly urban area have been identified during the course of the study. Among them are the following key conclusions from the current investigation for Bareilly:

- ❖ It has been noted that the sharp rise in the urban population from 31.1% in 1961 to 35.25% in 2011 was the cause of urban agglomeration.
- ❖ It has been noted that the population of the city has grown at an average decadal growth rate of 25.66 percent, from 449425 in 1981 to 8,98,167 in 2011.
- ❖ Urban residential land on roads in Bareilly has been reported to have climbed in average market price from ₹5250 per square meter in 2006 to ₹11900 per square meter in 2011. Growth was noted at 59 percent in 2008 and 10.69 percent in 2011. Between 2006 and 2011, the minimum market price of urban residential land on

Bareilly's roads climbed from ₹500 per square meter to ₹1800 per square meter. The maximum market price of urban residential land in Bareilly on roads rose from ₹10000 per square meter to ₹22000 per square meter within the same period.

- ❖ The average market price of urban residential land on roads in Bareilly has been found to rise from ₹16500 per square meter in 2006 to ₹22750 per square meter in 2011. Growth rates for this land were 5.81 percent in 2011 and 18.18 percent in 2008. In 2006, the minimum market value of urban residential land on roads in Bareilly was ₹3000, but by 2011, it had risen to ₹5500 per square meter. The highest market price of urban residential land on roads in Bareilly climbed from ₹30,000 per square meter to ₹40,000 per square meter over that same period.

The following suggestions are made for the city's improved land use planning and control of urbanization:

- ❖ Limit the amount of agricultural land used for many crops that can be converted to non-agricultural uses right away.
- ❖ Only convert land if it is needed for public use, is used for a single crop, or has poor soil quality.

- ❖ Efficient density management plans can reduce the land required for planning purposes, as opposed to the usual urbanized area density of 5000–12000 people per square kilometre.
- ❖ Planning regions, especially historic city districts, must be zoned to control density and prevent urban sprawl.
- ❖ It is advisable to have high density headquarters and zones to optimize expenses because the cost of installing infrastructure, such as roads, water supplies, sewerage, etc., has been rising over time.
- ❖ Due to the restricted supply of land and the sharp increase in the cost of urban residential and commercial land, vertical expansion became the solution.

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