

## **Land Monetisation**

### **What is the issue?**

- The central and state governments are facing revenue crisis.
- So, the monetisation of land is a viable option for public sector undertakings and urban local bodies.

### **What is Land Monetisation?**

- Asset monetization is basically a transaction that converts a dead/idle asset into an income generating one.
- Land monetisation will enable the retention of land ownership while realising market rent (if the revision of rent is periodic and on agreed principles).
- For example, government-run company MTNL has a reported 250 acres of land in Delhi & Mumbai.
- Partnering with a company that can help lease the office space to companies could help MTNL with a healthy annuity income.
- It should be a well-thought process, weighing the potential benefits and viability.

### **Why is it a viable option?**

- It will generate a revenue stream and also entails several other benefits.
- It puts the land to better use.
- The commercial development of land accelerates the real estate prospects in the vicinity.
- It will fuel the demand for social infrastructure such as retail development, banking, etc.
- It also contributes to planned urbanisation, boosts tourism and generates employment.
- It has cascading effects on economic development and the quality of life of citizens.
- Land exchange/swap can also be used as an instrument if suitable options for exchange exist with any other government entity.

### **How can it be done efficiently?**

- A process needs to be set up by which detailing the land assets for all government organizations should be undertaken.

- Once a detailed list of all such assets can be streamlined, it will help bring transparency to the process.
- Only after a thorough mapping, will the question of what can be monetized come up.
- Consulting companies could then get involved in the process so that the type of “value that can be unlocked” can be detailed for different parcels of land.
- These could be the very foundation on which public/private participation could be sought.
- Mass sensitisation and awareness programmes should be organised for the local community to educate them on the benefits of the process.

### **What is the challenge?**

- The major hurdle is the time-consuming process of approvals from the various civic authorities.
- The confidence-building measures for the revival of the economy post-Covid-19 need to be supplemented by fast-tracking the approval processes.

**Source: Financial Express**

