



REALTY BYTES
DEEP KANTAWALA

WAY OUT OF THE URBAN SPRAWL AND CHAOS

City planners are developing in strategic areas close to main towns and the concept of satellite cities is gaining ground



PLAN AHEAD: Satellite cities have to be developed as smart cities to ensure urbanisation is systematic. Regardless of size, their impact on environment must be minimised and a balance between ecology and human factors must be achieved

MEGACITIES, today, are constantly dealing with urban sprawl, which is basically an extension of the city beyond its geographical limits. To encounter this issue, city planners are now encouraging developments in strategic areas close to the main city, and hence the concept of satellite cities is gaining popularity.

Satellite cities are mushrooming across world's major cities as planned mixed-use developments. These differ from suburbs and sub-divisions in that they have municipal governments distinct from that of the core metropolis and employment, health-care and recreational bases sufficient to support their resident population.

Satellite cities aim to provide a scientific balance between the population and resources needed by them leading to environment-friendly and sustainable development. It also creates affordable housing for a large section of the society. Some of them also provide quick and easy getaways for city dwellers to take a short vacation. Hence the concept of second homes or vacation homes in these areas is also booming. With strong infrastructure, like those satellite cities that circle

Singapore and Stockholm, the residents also have multiple options to connect with the main city.

Many satellite cities are also developing into major commercial hubs, for example, Gurgaon near Delhi and Navi Mumbai near Mumbai. In fact Delhi and Mumbai due to their sheer size and job opportunities have developed more than one satellite area. Delhi has Gurgaon, Noida, Ghaziabad and Faridabad whereas Mumbai has Navi Mumbai, Thane, Kalyan-Dombivli belt and now the upcoming Pavai and Boisar.

Critics of new cities argue that their cost of infrastructure is too high. But it can be argued that the cost of urban sprawl is higher, with hidden costs like traffic congestion, pollution, amongst others included in the cost/benefit analyses. With the world population expected to surpass 9 billion by 2050, a limited number of new medium-size and large cities makes sense in countries like India with extreme housing shortages.

Case study

Navi Mumbai initially became an investment hub because of the announcement of the new international

airport. However, today it has transformed into an integrated urban area with a number of companies setting up offices there and has become an ideal destination for end-use buyers. Apart from being well planned with amenities like hospitals, educational centres, shopping malls, gardens and recreational spaces, this suburban region enjoys excellent connectivity both to the island city and to Pune. With prices still fairly affordable when compared to the Mumbai city and the potential to grow further, this region is still a very good investment bet.

Roadmap for development

Satellite cities have to be developed as smart cities to ensure urbanisation is systematic. Regardless of size, their impact on environment must be minimised and a balance between ecology and human factors must be achieved. For real success, policy makers and implementing agencies need to keep in mind some key considerations, few of which are highlighted below.

■ **Holistic plan:** There needs to be careful consideration of key demographic factors like socio-economic conditions,

education levels, dialect of population, among others, while devising a plan for any city. Another important factor here is to keep in mind that in the long term the radius of growth will be expanded and it is necessary to ensure evolution of these satellite cities to interact with each other in a manner so as to contribute towards the holistic development of the region as a whole.

■ **Security issues:** Safety of its citizens being a prime attribute, security issues need to be carefully considered and ingrained in the planning process. Unsafe living conditions would be the first deterrent to settlers and instead of becoming an asset to the creators it would become a liability. The satellite cities would also have to be equal opportunity spaces for different communities so as to avoid discrimination and thus the ensuing chaos that it leads to.

■ **Heavy capex:** Projects of such magnitude requires huge capex and it is pertinent to ensure that financial closure is secured upfront and funds are ring-fenced. Infrastructure needs to be strong and planned for with linkages to the parent city as well as other nearby satellite towns/cities ensured. Future growth as well as acceptability of the upcoming satellite city will depend on

how well it is geared towards business capability and building its own economic viability.

■ **Acceptability:** It is important to ensure that various initiatives and facilities are accessible and actually used by the residents of the city at large. Self-sufficiency would go a long way towards greater acceptability and usability of the satellite cities. It is important that these projects are bankable and secure assets.

■ **Regimented implementation plan:** This should be time-bound and closely monitored to course-correct, if the need arises. Also sufficient safeguards need to be put in place to ensure that there is no wastage or corruption during the implementation phase. The entire process right from land acquisition to the end users moving in needs to be supervised, else the project collapses before it can even be implemented. Mismanagement in terms of land pricing, unnecessary red tape must be avoided at all costs to truly bring about affordability, viability and economic and environmental growth.

(The writer is group CFO and head investment advisory, ICS Group)

■ Satellite cities are growing across the world's major cities as planned mixed-use developments

■ These cities aim to provide a balance between the population and resources needed by them

■ It is vital to ensure various facilities are accessible and actually used by the residents of the city at large