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Management Challenges and Stakeholder Perspectives in the Redevelopment of Old Housing Societies in Gujarat

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Abstract

Gujarat has two policies governing redevelopment of older buildings. One is a 2016 state policy on redevelopment of public housing, and the other is Section 41A of the Gujarat Ownership Flats Act, 1973, which has applied to flat-owner buildings since 2019. This article summarizes and analyzes Gujarat High Court opinions on two cases from 2023 and 2024, materials related to the Gujarat Ownership Flats Act, 1973, information about the 2016 state policy, and three other studies from India on this topic. Information related to stakeholder perspectives on redevelopment policies is presented using stakeholder salience theory and Arnstein's ladder of citizen participation. A matrix is used to present research findings and recommendations about relationships between stakeholder attributes and challenges and solutions in redevelopment projects. Research findings suggest that majority rule under Gujarat's two redevelopment policies gives some stakeholders authority to make decisions about redevelopment projects but does not resolve other challenges, leading to litigation involving resident access to information and other resident rights and selection of developers. The data in this research are documentary and include two case studies. Other recommendations are offered for consideration.

Keywords: Housing redevelopment, Gujarat, Section 41A, Stakeholder salience, consent, Gujarat Housing Board

Introduction

Many multi-family housing schemes built in Gujarat by the Gujarat Housing Board (GHB), municipal bodies and cooperative societies are now decades old. Redevelopment is attractive because buildings often use less floor space than the land permits. Developers fund new homes by building and selling additional space, so incentives such as extra floor space index (FSI) shape the economics [3][8]. Residents, however, must agree on one plan, move out for years and trust a private developer. Redevelopment is therefore as much a management problem as a construction problem.

Indian studies locate much of the risk in the process. A Mumbai study argues that without a proper, time-bound process a seemingly simple project can fail and may lead to prolonged litigation [7]. A comparison of Maharashtra's Section 79A with Gujarat's Section 41A examines procedural gaps and resident trust [6]. Work on Pune examines market-led redevelopment of cooperative societies and its gentrification implications [8]. In the sources I found, which came from a limited and non-exhaustive search, none analyses Gujarat's two redevelopment routes through court records of actual disputes. This paper addresses that gap by asking: who are the stakeholders and what do they want; what management challenges recur; and what governance measures could reduce delay and conflict?

Two Legal Routes

Gujarat's rules operate through two routes that are not interchangeable (Table 1).

Table 1. The two redevelopment routes

Feature	Route A: public housing schemes	Route B: flat-owner buildings and societies
Applies to	Schemes built by the GHB, urban local bodies or urban authorities, where land stays with the public agency and only the dwelling unit is sold [3]. Example: Surya Apartments [4]	Buildings whose owners hold the flats, often through a society that owns the land. Example: Bhavdeep society [5]
Legal basis	State resolution of 11 February 2016 (Redevelopment of Public Housing Scheme Guidelines) [3][4]; Section 60A of the GHB Act, as amended, used for the vacation order [4]	Section 41A, Gujarat Ownership Flats Act, 1973, inserted by Gujarat Act No. 5 of 2019 [1]; Rules 18 to 25, as described by a Division Bench quoted in [5]
Eligibility	Older than 20 years or dilapidated [3]	25 years from development permission, or declared ruinous or dangerous by the authority; the statute says "or" [1], while a Division Bench quoted in [5] lists these as conditions
Process	Association or agency initiates; the agency invites tenders; a tri-party agreement follows [3][4]	Special general meeting decides; architect or consultant invites offers; general body approves the development agreement [5]
Consent	60 per cent in a municipal summary, provisional and unverified against the resolution [3]; consent above 75 per cent recorded in Surya [4]	Not less than 75 per cent of flat owners [1][5]

The 60 per cent figure is provisional: it comes from a municipal summary that I could not check against the original resolution or its amendments, and it belongs to Route A only. It should not be applied to private societies under Route B, and the current Route A threshold should not be treated as settled (Section 9). Section 41A itself, by contrast, was checked against the gazette text of the amending Act [1]. The Surya petitioners invoked Rule 18 of the Ownership Flats Rules, but the court decided that case under the 2016 Guidelines, not Section 41A [4]; the Rules are described here only through the Division Bench decision quoted in [5], and their text was not consulted. The summary also records base FSI of 3.0 under a 2022 resolution, with a further 1.0 chargeable at 40 per cent of the jantri (ready-reckoner) rate, which is frozen at the tender date [3]. The GHB Act in its 2012 consolidated form authorises the Board to frame housing schemes that include re-construction but predates the amendment under which the Surya order was made [2][4].

Conceptual Framework

Mitchell, Agle and Wood argue that managers prioritise stakeholders by power, legitimacy and urgency, and that these attributes are variable and socially constructed, not fixed [9]. This matters because a stakeholder's position can change within one project. Arnstein's ladder of citizen

participation distinguishes non-participation, tokenism (informing, consultation, placation) and degrees of citizen power such as partnership [10]. The first framework explains who is attended to and why; the second asks whether attention amounts to influence over the outcome.

Method and Sources

This is a qualitative document analysis of two purposively selected cases. I selected Gujarat High Court decisions with full text available that concern redevelopment of existing housing against a dissenting minority and that together cover both routes: Hansaben Ratubhai Prajapati v. State of Gujarat (oral order, 11 April 2023) [4] and Bhavdeep Cooperative Housing Society Ltd. v. State of Gujarat (judgment, 7 March 2024) [5]. I annotated the text of the case to collect information about the parties and other facts, benefits, and arguments in the case. I annotated every sentence in the case text as a court-recorded fact, party submission, court's own reasoning, or quote from an earlier decision. Examples of annotations for text include "the court recorded" or "held" to indicate a court's own statements and "counsel submitted" to indicate a party argument. I indicated quotes from earlier decisions with "quoted in [5]." Other references include the statutory text, policy summary, and three studies of Indian projects [6][7][8]. I did not conduct interviews or surveys.

Case Evidence and Stakeholder Perspectives

Case summaries. Surya Apartments (Route A) is a 132-unit GHB project constructed in 1986 at Sola Road in Ahmedabad. The court found that the residents' association voted in December 2019 to redevelop the property and sent a letter to the GHB on December 7, 2019, requesting redevelopment of the property. The court also found that bids for redevelopment were announced in October 2021, that the GHB sent an acceptance letter to Katira Construction Limited on February 7, 2022, that a tri-party agreement was signed on August 12, 2022, and that a competent officer ordered residents to vacate within 30 days on February 6, 2023 [4]. The court also found that 118 of the 132 occupants had given consent to redevelop the building, but this finding was dated October 2019, before the residents' association decision, which suggests inconsistency in the record [4]. Fourteen residents filed a petition, which the court dismissed [4]. Bhavdeep (Route B) is a building with 48 units constructed in 1977-78 at Naranpura. Bhavdeep Society filed a petition asking the court to order two other members, a father and son, to vacate the building; the court granted the petition and ordered the two members to vacate within eight weeks [5].Consenting residents. In Bhavdeep, the court recorded that 46 of 48 members signed the memorandum of understanding (95.8 per cent), and that this was undisputed; the society averred that its offer improved from two- to three-bedroom flats after members asked for larger homes [5].

Dissenting residents. In Surya, the petitioners stated that they held leasehold rights to 2075, argued that a 75 per cent rule ignored the remaining 25 per cent, that no alternate accommodation or advance rent had been provided, and that they lacked information; their counsel also declared they were not averse to redevelopment [4]. The GHB's counsel submitted that they had made unauthorised extensions and sought preferential treatment, and the court recorded that the unauthorised construction listed in the GHB's table "remains uncontroverted" [4]. In Bhavdeep, the respondents submitted that no tenders were called, by-laws were not followed and the handover was mala fide; they also stated they were not against redevelopment [5].

Committees and authorities. The court recorded that the Bhavdeep objector was appointed chairman on 7 February 2022, signed the redevelopment resolution on 11 February, was removed on 12 March and filed a suit on 1 April [5]. It also recorded that the Ahmedabad Municipal

Corporation's notice of 31 March 2022 declared the structures dangerous and ruinous but asked the society to repair them [5].

Developers. The court recorded the Bhavdeep memorandum terms: about 67 per cent more carpet area, 30 months' completion, Rs 1.5 lakh shifting charges, rent of Rs 18,000 monthly rising 10 per cent a year, and a Rs 5 crore deposit [5]. In Surya, the developer's counsel submitted that each consenting unit holder received Rs 50,500 followed by Rs 13,500 monthly rent [4].

Courts. In Surya the court held that public interest takes precedence over private interest [4]. In Bhavdeep it held that members lose individual rights to challenge the society's decision except through the society, and that majority consent should not suffer at the instance of two members, relying on decisions it quoted: the Supreme Court's Bengal Secretariat ruling and Division Bench rulings on procedure, constructive participation and temporary shifting [5].

Management Challenges

A. Converting consent into possession

Consent is necessary, but not enough, for development projects. The Bhavdeep sequence of events (a 2017 resolution and a developer decision (33 out of 48 votes) on 2 February 2019, plus written communications in March 2022 and a court decision in March 2024) totaled approximately seven years [5] for the entire project. Three years and four months passed between written association communications and a court decision in April 2023 in Surya [4]. Even a small percentage of opposition to a project can block most people from carrying out development projects unless conflicts are quickly resolved.

B Disclosure and transparency

The recorded sequence on information in Surya is instructive. Petitioners' counsel stated that a petitioner asked the Executive Engineer for information on 4 October 2022. The competent officer's order of 6 February 2023 records the occupants' submission that proper information had not been given, a request to the Executive Engineer to explain the policy, and a meeting convened by him. The developer's letter of 17 March 2023 describing five towers, 251 homes and 54 shops reached petitioners on 18 March, after the High Court issued notice on 7 March. The court held this disclosure answered the information grievance and noted that the petitioners then changed their stance [4]. The sequence shows that the written project details the petitioners sought were supplied during litigation, although the GHB's counsel had said details were also available on a portal [4]. A Maharashtra survey of 102 residents reported that 44.1 per cent had no trust at all in the redevelopment process; it concerned Section 79A in one Kalyan-Dombivli neighbourhood, and its chart totals 105 responses, so the figure is indicative only [6].

C. Unclear occupant status

Consent counts and entitlements require clarity about who holds what. In Surya, petitioners claimed leasehold under conveyance deeds, whereas the officer's order treated possession as unauthorised under the Gujarat Public Premises (Eviction of Unauthorised Occupants) Act, 1972. The GHB's table, which the court noted was uncontroverted, shows that one petitioner's lease deed had not been executed with the GHB, that two petitioners did not live in their units, and that most units had unauthorised extensions [4]. Informal extensions complicate entitlement formulas based on approved carpet area, as the 2016 policy uses [3].

D. Developer selection and process safeguards

Bhavdeep's respondents argued that tenders were not called. The court rejected this because the objector had signed the resolution as chairman, and it recorded that a general meeting voted on

developers' offers on 2 February 2019 [5]. The allegation shows that selection procedure is a standing flashpoint. Sonavane and colleagues report that Gujarat's Section 41A, as they read it, lacks written-suggestion provisions, quorum-failure rules, minimum tender requirements and a time limit for appointing the consultant, whereas Maharashtra's 79A has them [6]. A Division Bench quoted in Bhavdeep describes Rules 19 to 25, which cover the special general meeting, project report, offers, selection and development agreement [5]. The gap may therefore lie in detail and enforcement rather than absence.

E. Technical evidence and regulatory volatility

Demolition decisions are made on technical grounds. Other official documents can conflict with technical reports. In Bhavdeep, an engineer registered with the society provided a report on March 11, 2022, saying that buildings were extremely dilapidated and that a municipal notification informed owners that repairs were needed. Legal action was initiated with a petition asking the court to intervene in the matter [5]. Documents related to the project, including policy changes in 2022 and 2023, such as a 2022 FSI policy and a 2023 policy, and a policy freezing the jantri rate at the time of bidding, appear to offer some protection to developers [3].

Analysis and Discussion

Table 2 provides salience assessments for the stakeholder groups and the management problem and conservation concern. Salience assessments are based on my review of the case files and not direct observation. Guidelines for making salience assessments are provided here. Power is assessed as High if one party has statutory or other power to order the other party to take action; Medium if one party has other financial or contractual power over the other party; and Low if one party can sue to contest the other party's actions. Legitimacy is assessed as High if one party's claim to the subject property or other rights is statutory and unchallenged in the file; Medium if one party's other claims are supported or disputed in the file. Urgency is assessed as High if there is evidence in the file that one party is under time pressure due to factors such as a vacation deadline or dilapidation; Medium in other cases.

Table 2. Stakeholder salience, challenges and safeguards

Stakeholder	Power	Legitimacy	Urgency	Main challenge	Proposed safeguard
Consenting majority	High (threshold met)	High	High (dilapidation)	Converting consent into possession (6.1)	Dated consent register; milestone reporting
Dissenting minority	Low after threshold; can litigate	Medium (title is real but contested: unauthorised extensions, earlier signatures)	High (30-day or eight-week deadlines)	Information, entitlement parity, status (6.2, 6.3)	Entitlement sheet; occupancy reconciliation; grievance register
Committee or association	High (agenda, signing)	Medium (depends on process; office-bearers change)	Medium	Developer selection transparency (6.4)	Comparative offer statement; recorded vote
Public authorities	High (orders, notices)	High (statutory)	Medium	Inconsistent signals; tender delay (6.5)	Time-bound decision on building condition
Developer	Medium	Medium (contractual)	Medium (time-linked costs, inferred)	Regulatory and market volatility (6.5)	Frozen rates; milestone-linked obligations

Three more observations about the cases are not reflected in the case summaries. First, salience varies [9]. The resident objector in the Bhavdeep case was chairman and had signed the resolution before losing office. The Bhavdeep court held that the objector's earlier signature on the resolution affected his objection in Bhavdeep and made the objector's lawsuit a late challenge [5]. The objector's earlier signature harmed his standing. Second, an agreement requiring resident consent shifts power but not legitimacy. Objecting residents retain title-based claims and, due to time pressure to file lawsuits, might have no choice but to sue after the threshold is met in other cases, increasing the courts' management costs. Third, documents related to the cases and the Surya society's request for redevelopment suggest only that residents were made aware of and agreed to redevelopment and, in the Surya society case, asked the developer to undertake redevelopment. A citation to a Division Bench decision in Bhavdeep suggests a right to be heard and to object to redevelopment agreement terms [5], but again, only after the decision to redevelop. There is no evidence in available documents of resident involvement in other aspects of redevelopment planning and developer selection. The exact nature of the relationship between residents and the developer is unknown

Operational Recommendations

Table 3 turns the safeguards into concrete mechanisms. These are proposed governance measures, not interventions shown to work, and the time periods are illustrative, not drawn from law or evidence.

Table 3. Proposed governance mechanisms

Measure	What is disclosed or done	Who verifies	When	Record
Entitlement sheet	Carpet area before and after, shifting allowance, rent and escalation, deposit, completion timeline, RERA registration, defect liability	Architect or consultant (Route B); GHB Executive Engineer (Route A)	Before notice of the vote; refreshed before memorandum or tri-party signing	Signed acknowledgement per household
Occupancy and title reconciliation	Member register against actual occupancy; lease or conveyance status; approved against extended area	Secretary with agency records	Before consent is counted	Reconciliation statement in minutes
Developer selection file	Offers invited, comparative statement, selection criteria	Consultant or tendering agency	Circulated to all members, for example 14 days before the vote	Recorded vote
Condition certification	Independent structural report; written request for municipal declaration; the decision	Licensed engineer; municipal body	Before the vote; decision within a fixed period	Report and decision filed
Grievance register	Each grievance logged, acknowledged and answered in writing; unresolved ones to mediation	Committee or agency nominee; independent mediator	Acknowledge within 7 days; answer within 15	Register; share resolved before litigation
Milestone reporting	Handover dates, rent payments, approvals	Agency or consultant	Quarterly	Shared dashboard

Limitations

The analysis rests on two Ahmedabad cases, both decided by the same judge, and the cases reached court, so they over-represent disputes in which the majority prevailed. I could not read the original 2016 resolution: the official portal blocks automated access and a scanned copy hosted on a practitioner site was not machine-readable. A practitioner summary (https://esocieties.in/2020/03/09/redevelopment-of-public-housing/) states that the policy's consent threshold was later raised from 60 to 75 per cent; I could not verify this against the resolution, so the Route A threshold should be confirmed. Only the abstracts of [7] and [8] were accessible, so I rely on them only for what the abstracts state. Reference [6] concerns Maharashtra and is conference proceedings. I summarise [9] and [10] at the level of their widely cited core claims. Interviews with residents, committee members, officials and developers would test these propositions directly.

Conclusion

Gujarat redevelopment projects need public support. Gujarat high court rulings have protected redevelopment projects from lawsuits filed by minority objectors. Other challenges to Gujarat redevelopment projects include delays in converting consent into possession, delays in providing written information to participants, questions about occupant status, disagreements over the selection of developers, and changes in government policies and incentives. Strategies to help minority objectors participate and receive information before a vote, as well as court rulings, may help streamline Gujarat redevelopment projects. The feasibility of this approach is unknown. See Table 3 for other strategies that could be tested empirically.

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