HOUSING FOR ALL – INDIAN POLICY INITIATIVE

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In view of rapid unplanned urbanization leading to galloping housing shortage, the paper examines the challenges in housing sector in BRICS countries and the strategies and policies adopted in India to address the housing shortage, which could be replicated in other member countries with modifications as suitable to the local context.
Study on Affordable Housing Program in India continued for the new initiatives of the national government involving the private sector and partnering with the provinces.

Primary & secondary research conducted through:
- Consultations with government officials and private sector developers,
- Citizen survey in few cities of India on issues and expectations,
- Field visits, and
- Literature review
According to 2011 Census, urban population in India is 377.10 million representing 31.16% of the total population.

The Technical Group of the 12th Five-Year Plan (2012 to 2017) on Estimation of Urban Housing Shortage estimated the deficiency to be about 18.8 million dwelling units in 2012.

It is estimated that housing shortage in urban area will reach 20 million by 2022.
By and large, the overall situation in BRICS nations have not been slow pace in housing compared to rising population and rapid urbanization.

Land ownership pattern and speculation, inadequate infrastructure, insufficient fund for developers, delay in permission for construction, and lack in planning contributed to sluggish housing supply.

Broad focus of the policies from the national level ignoring the local conditions further contributed to housing shortage.
Recognizing the challenges of rapid urbanization and growth of slums, the first National Urban Housing and Habitat Policy specific to urban areas was announced in December 2007.

Subsequently, several policies and initiatives had been taken by the government to address the urban housing challenge, especially for the poor. These are summarized on the next slide.
Basic Services for Urban Poor: sought to provide 7 services, namely, security of tenure, affordable housing, water, sanitation, health, education and social security to low income segments in the 65 cities.

Integrated Housing and Slum Development Program: aimed an integrated approach to ameliorate the conditions of the urban slum dwellers not possessing adequate shelter and covered all 2001 Census towns except those under BSUP, with financing shared between national & provincial governments on 80:20 ratio.
PAST POLICIES

- **Interest Subsidy Scheme For Housing The Urban Poor:** facilitated the EWS and LIG to have interest subsidy to buy or construct houses.

- **Rajiv Awas Yojana:** launched as a nationally sponsored scheme for the slum dwellers envisaged a ‘Slum free India’ by encouraging provinces to address the issue in definitive and integrated manner.

- **External Commercial Borrowing For Housing:** allowed for affordable and low-cost housing
Converging the previous policies for housing and building on the earlier experiences, “Housing for All” Mission was launched on 25 June 2015 with the goal to provide permanent shelter to each family by 2022 through increased private sector participation and active involvement of the provinces.

Initial focus to cover 500 Class 1 cities and eventually 4041 statutory towns.
Housing for All” Mission is segregated into four segments –
+ In-Situ Slum Redevelopment
+ Affordable Housing through Credit-Linked Subsidy
+ Affordable Housing through Public-Private Partnership
+ Beneficiary-Led Individual House Construction or Enhancements
PHASED APPROACH

- **PHASE 1**
  - Cover 100 Selected Cities Between April 2015 to March 2017

- **PHASE 2**
  - Cover additional 200 cities Between April 2017 to March 2019

- **PHASE 3**
  - Cover other remaining cities Between April 2019 to March 2022
A Technology Sub-mission is set up to facilitate:

- Adoption of innovative and modern building techniques;
- Quality construction,
- Green technologies,
- Preparation of flexible design layouts as per the various geo-climatic zones; and also
- Coordinate with various agencies, regulatory and administrative bodies to deploy and in some cases even scale up the disaster resistant and sustainable strategies adopted for construction.
CHALLENGES & PROGRESS

- Lack of Optimal Utilization of Government Land
- Disputed Lands and Slums
- Low Floor Space Index
- Poor Co-ordination with the Provinces
- Around 8% of the target 4.05 million houses in the urban sector attained till March 2018.
- Work in progress for 1.8 million houses.
- Considering about 18 to 24 months required to complete construction, it is expected that the pace of completion of houses will pick up.
Based on the learning, national and some provincial governments have modified the implementation approach -

- Wiser use of government-owned land
- Higher Floor Space Index
- Resolving property rights issue
- Easy transfer of land
- Reduction in taxation
- Foreign Direct Investment
- Providing ‘Infrastructure; status to housing
PRIVATE SECTOR INVOLVEMENT

- Strategy to involve Public-Private Partnership (PPP) is to combine the strengths of the private sector with those of the public sector to overcome challenges and achieve superior outcomes.

- Six options offered for PPP –
  - Design Build Transfer
  - Mixed Development Cross-Subsidy
  - Annuity-Based Subsidized Housing
  - Annuity-cum-Capital Grant Based Affordable Housing
  - Direct Relationship Ownership Housing
  - Direct Relationship Rental Housing
Vast economies of scale lead to significant lowering of housing construction cost

Improvement in infrastructure to far-flung locations increasing acceptability of residential destination.

Emergence of micro-finance facilitated in improving buyers’ access to housing finance, especially for EWS and LIG
STUDY RESULTS

- Planning to secure land for housing.
- Setting up appropriate industry norms and regulatory framework to monitor development and standardize outcomes.
- Arranging sufficient financial mechanism to maintain acceptable cost of construction.
- Develop viable business models to involve the private sector.
- Close co-ordination between the National and the Provincial Governments for seamless implementation with regard to local conditions and needs.
IN SUM

- This is an empirical study with findings that renders a starting point for researchers and practitioners to carry out further work to develop systems and procedures suitting the local conditions for effective implementation of hosing strategy and policy.
- Co-ordination between national and regional/provincial/local governments along with private sector and community involvement are key to creating affordable and sustainable housing, and meet Goal 11 of UN Sustainable Development Goals.
THANK YOU
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