Options for making Affordable Housing a Reality in Urban India

Jit Kumar Gupta
Former Advisor (Town Planning), PUDA
Chandigarh
Email-jit.kumar1944@gmail.com

Role and importance of Housing

- Housing -- one of the basic human necessity

Housing- Provider of a space for-

Security, safety, credibility, identity & major determinant of quality of life, liberty, dignity, productivity of human living.

- Housing – central and valuable to development of ;

individuals, communities, societies, states, nations & planet.

- Promoter of large employment-
- promoter of industrialization – 290 industries

- Major contributor / ***Promoter of national/ Local Economy***
- ***Significant Contribution to GDP***
- **Tool for Monetary Policy**
- ***Builder of Wealth/ Equitable Distributor of Wealth***
- ***Promoter of Non-Housing-Related Expenditures***

Role and importance of Housing

- **Ensures Market Efficiency, Stability, and Liquidity**
- **Support Economic Flexibility and Responsiveness**
- ***Contribute to Local Government Finance***
- **Helps Labor-Intensive Domestic Production**
- ***Create Stimulation for Small Business***
- ***Promote Home-Based Income Opportunities***
- **Promote Development of Land / Real Estate Systems**
- ***Helps creation of Community-Led Finance for Infrastructure***
- **Commulatively -- Housing** known to have:
- **--Physical, Social , economic & environmental connotations.**

➢ **Considering multiple implications—**

➢**Inadequate shelter- deprives benefits of many rights/programs - provided by state.**

➢**- providing housing to all -- emerges priority for communities/ society/state/ nation**.

Housing as a Right

Considering role, importance & context of housing - UN called for accepting Shelter as a basic human Right— under ;

----UN Vancouver Declaration on Human Settlements (1976),

-- The Habitat Agenda 21 (1992), Agenda 1996

---UN Global Strategy for Shelter to the Year 2000 (1988)---

describes;.

Right to adequate housing is universally recognised by community of nations

...All nations without exception,

-- have some form of obligation in shelter sector

--exemplified by their --creation of ministries

-- Creating housing agencies,--- allocation of funds to housing sector,

---by their policies, programmes and projects..

..All citizens of all States -- how poor as they may be

-- have a right to expect their Governments

-- to be concerned about their shelter needs, and

-- to accept a fundamental obligation to

-- protect and improve houses and neighbourhoods,

--rather than damage or destroy them.

Housing Status

- . ***UNHS finds*** ,
- Globally 13% world's cities(195) have affordable housing-- 2014
- ***McKinsey estimated***;
- -- 330 million urban households-- living in substandard housing /financially stretched by housing costs
- -- number likely rise to 440 mhh /1.6 billion people, by 2025
- – and 2.5 billion people by 2050.
- - Africa-- over 50% population live in sub-standard conditions
- India/China-- nearly a quarter of population live in informal settlements

- **POPULATION**

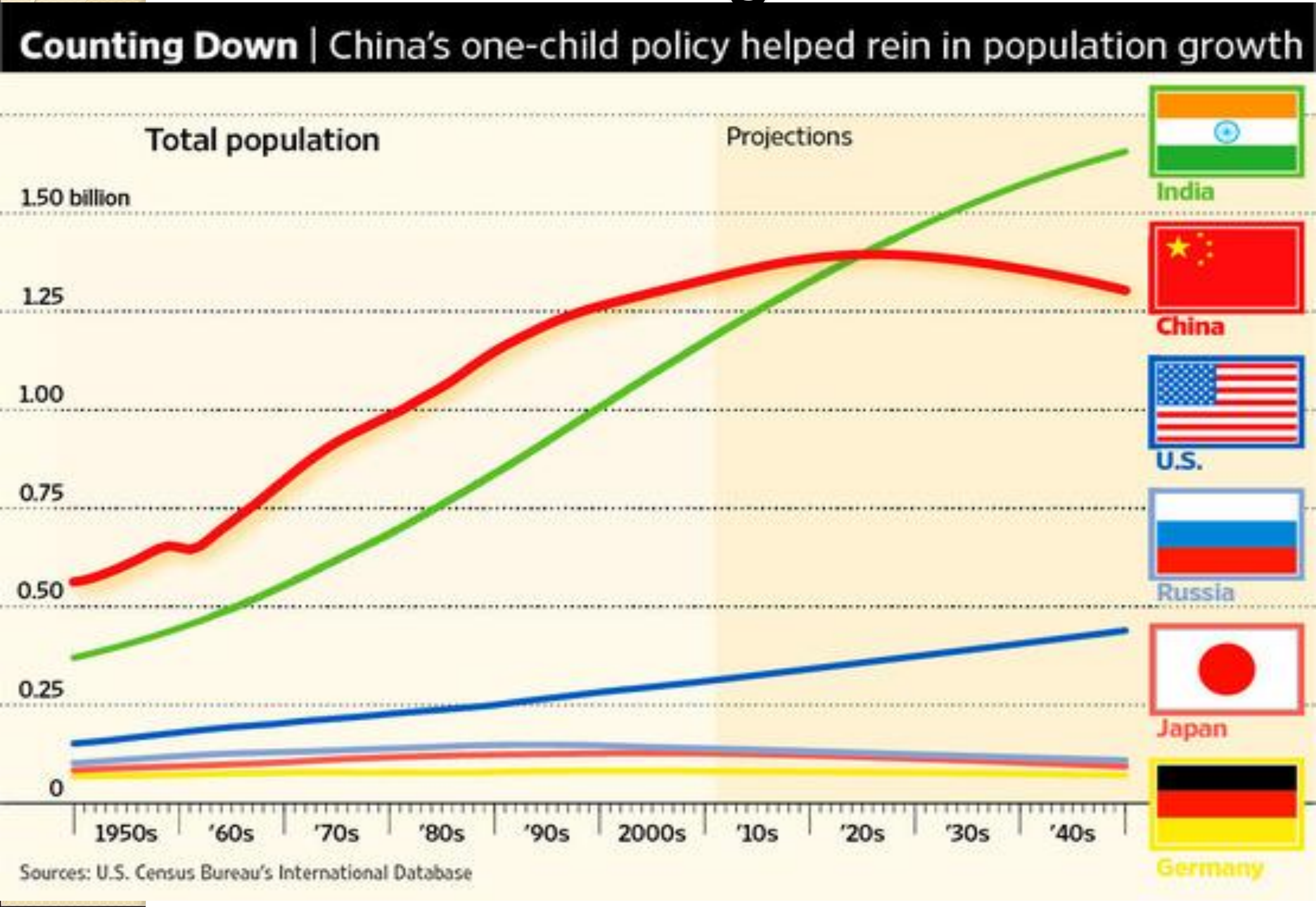
&

- **URBANISATION**

Population Scenario- India-2011

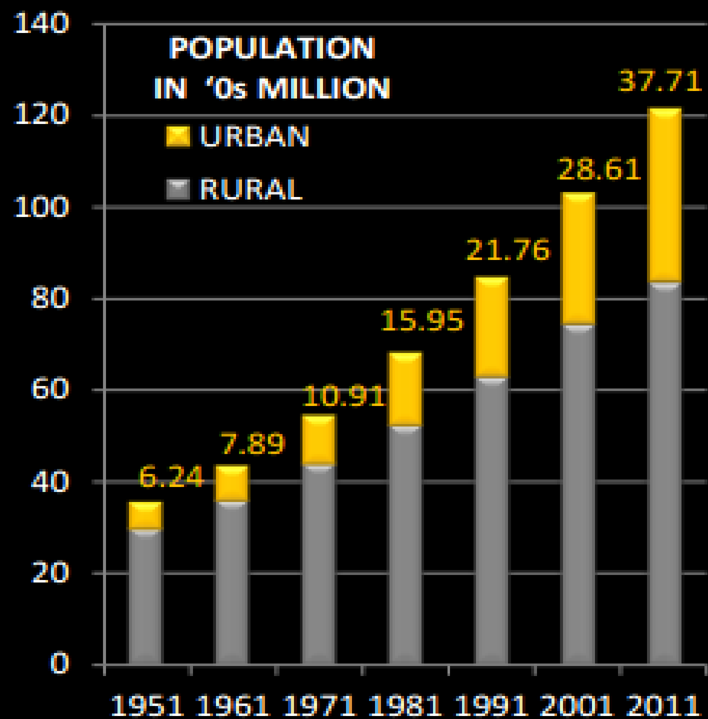
- Housing problem-- an interplay of factors involving-- Population, Urbanization, Migration, Poverty
- Population of India reached
- 250 million in 1919
- 500 million in 1966 (47 yrs. Later)
- 1000 million in 2000 (34 yrs. Later)
- 1027 million in 2001 (1yr Later)
- 1210 million in 2011 (10 yrs. Later)
- 2020– Indian Population -1380 M (35%)- 483 million_
- 2050- Indian population- 1600 mil. -- 50% in Urban India.
- Metropolitan Centers -5 (1951)- -53 (2011)-68(2031)
- 10 m plus- nil (1951)- 3 (2011) -7 (2031)-9 (2051
- Urban India --first time added more persons(91m) than Rural India (90m) in last decade
- During last 100 years, India witnessed—
- -Urbanization level going up by 3 times
- --Urban settlements growing merely 4 times
- --Total Population multiplying 5 times
- -Urban population increasing 15 times and
- -Rural population increasing 3.5 times

Where are we heading



Indian Urbanization

FAST URBANISING INDIA



RAPID PACE OF URBANISATION POSES AN UNPRECEDENTED MANAGERIAL AND POLICY CHALLENGE

- POPULATION OF INDIA : 1210.2 MN.
- LEVEL OF URBANISATION : 31%*
- URBAN POPULATION : 377.10 MN.
- INCREASE IN URBAN POPULATION : 15X
  25 MN.(1901) TO 377.10 MN. (2011)
- INCREASE IN NO. OF URBAN SETTLEMENTS : 4X
  1967 (1901) TO 7935(2011)

Much lower than in other major developing countries, e.g. 45 %in China, 54 % in Indonesia, 78 %in Mexico, and 87 %in Brazil.

RAPID PACE OF URBANISATION IN INDIA

Indian Urbanization

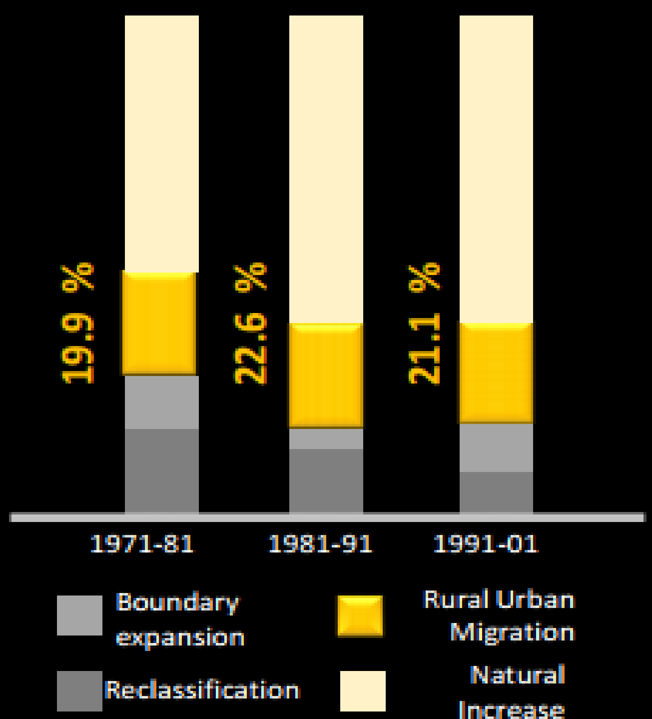
URBANISATION STRUCTURE

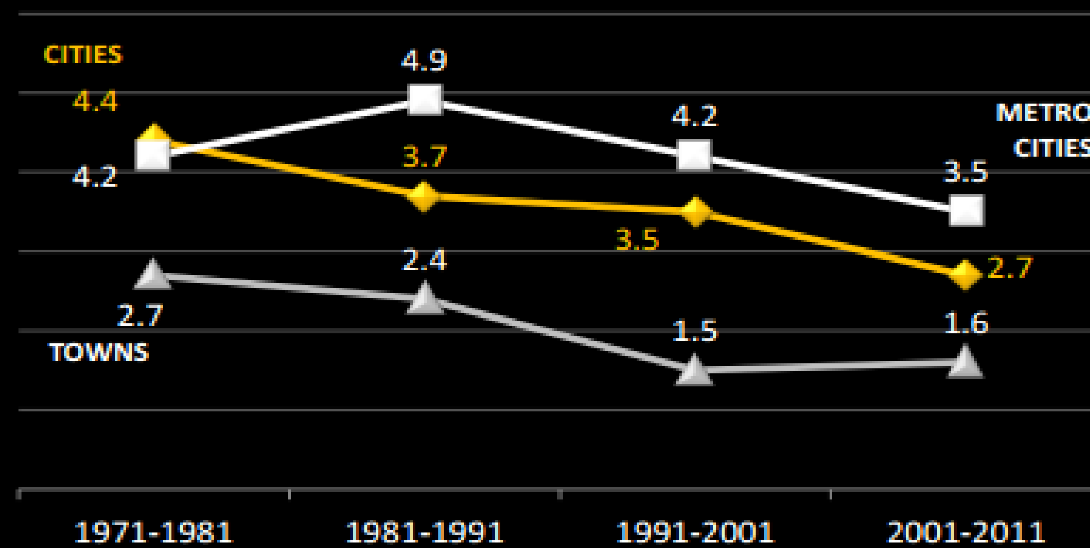
SPREAD OUT AND SHIFTING URBAN POPULATIONS ARE URBAN MANAGEMENT CHALLENGE

CLASS I CITIES : 468 (2001) 441 (2001)

TOWNS AND CITIES OF ALL SIZES : 7935 (2011) 5161(2001)

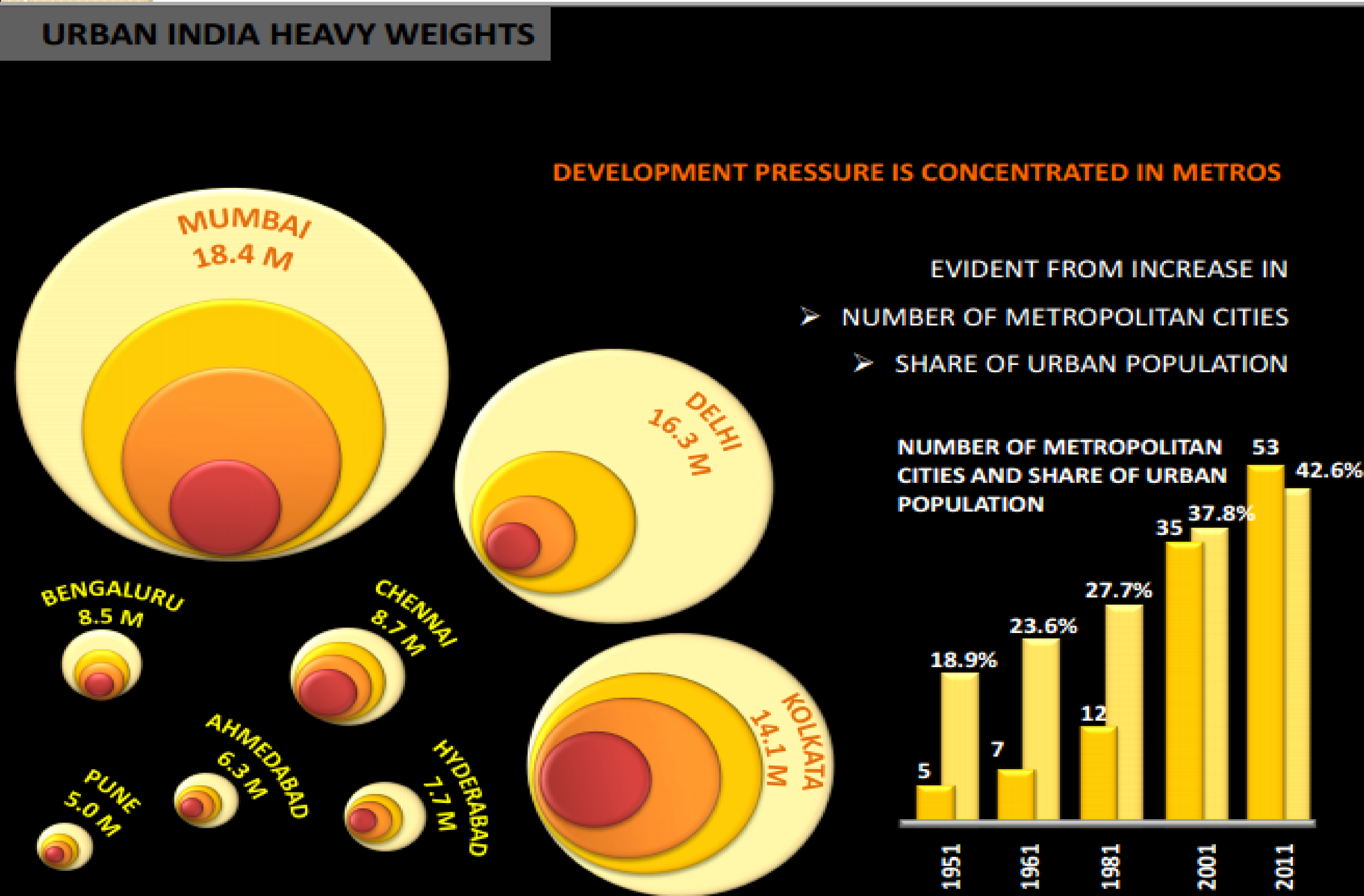
SOURCES OF INCREASE IN URBAN POPULATION





GROWTH OF URBAN POPULATION (% P.A.)

Indian Urbanization



Indian Urbanization-I

- Urban area remain vital because they are :
  - Areas of future concentration of population,
  - Providers of large employment.
  - Areas of large investment.
  - Housing major infrastructure & services.
  - Hub around which entire economy gravitates.
  - Promoting higher order of productivity
- Major contributors to the national wealth/GDP
  - 1950-51 - 29% (level of urbanization - 17.29%)
  - 1970-71- 37% (level of urbanization - 19.91%)
  - 1990-91- 50% (level of urbanization - 25.72%)
  - 2001-02- 60% (level of urbanization - 27.78%)
  - 2011- 12- 65% (level of urbanization - 31.1%)
  - 10 Largest cities house 8%pop and produce 15%GDP
  - 53 Metro cities house 13 %pop and produce 33%GDP
  - 100 Largest cities house 16%pop and produce 43%GDP

Urbanisation-issues

- **Despite distinct advantages , Urban centers are**
- **Poorly managed & governed.**
- **Unable to meet challenges of urban dynamism**
- **Haphazard /Unplanned pattern of development.**
- **Large concentration of poverty**
- **Enormous growth of slums**
- **Poor quality of life**
- **Failure to meet basic human needs ;**

1. **Shelter**
2. **Services**
3. **Land**
4. **Water/ Sanitation**

- **Population , Poverty , Pollution and traffic - greatest threat /challenge to Urban India**
- **Indian Urbanization is rightly called :**
  - **Urbanization of Population**
  - **Urbanization of Poverty**
  - **Urbanization of Pollution**

Reed Saxon / AP file

- **NATIONAL HOUSING**
- **POLICIES**

National Housing Policies in Retrospect

Focusing on housing/addressing housing problem - Government of India evolved National Housing policies from time to time - .

- 1. First National housing policy 1988 –
- Advocated shelter for all of appropriate quality / space supported by basic amenities .
- 2. National Housing Policy, 1994-
- i. Advocated transitions of public sector role from provider to facilitator.
- ii Enlarged scope of housing- by including making habitat/ neighborhood integral part of city
- 3 National Housing Policy, 1998-
- Repeal of urban Land Ceiling Act,
- Permitting FDI, Involving Private sector,
- Govt Role as facilitator, focus on housing for poor

National Housing and Habitat Policy- 2007

First Urban Focussed National Housing & Habitat Policy (NUHHP) aiming at:

-- `Providing Affordable Housing for All

--- focus on Urban Poor.

-- adopting 'Regional Approach'

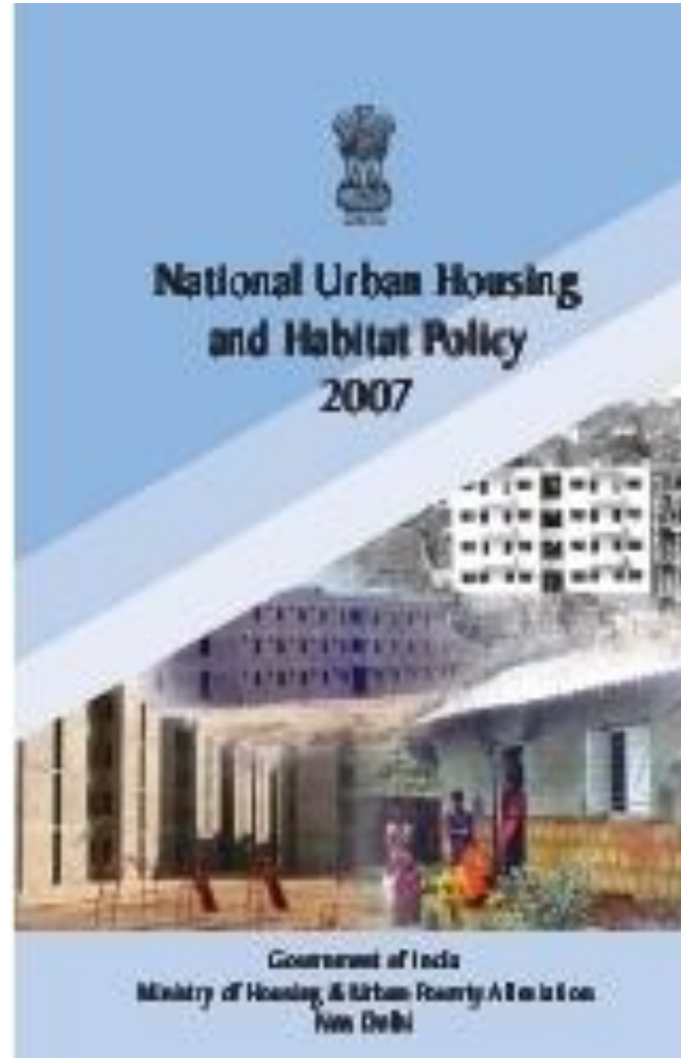
-- Government -- as 'facilitator'& 'regulator.'

--- Earmarking dedicated land for EWS/LIG groups in new housing projects

-- retaining Governments role in social housing

-- making available affordable housing for EWS / LIG categories

-- on ownership / rental basis



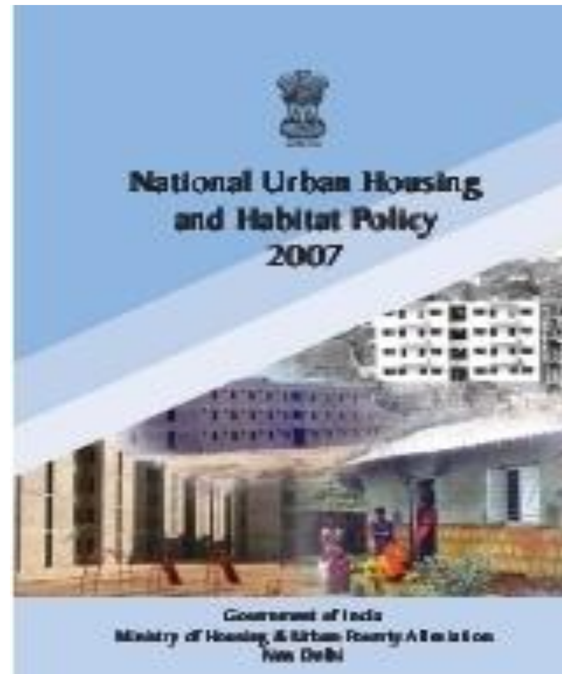
Various Five Year Plans

Five Year Plans formulated successively focused on launching programs and policies – for promoting housing for all in general &

-- for poor in particular

Programmes	Focus
Slum Clearance and Improvement Scheme 1959	**Focus on clearance**
Environment Improvement of Urban Slums (EIUS) 1972	Focus on **environmental improvement**, provision of taps, hand pumps, street lights, toilets, etc.
Minimum Needs Programme 1975	**Provision of basic services** for slum dwellers
Urban Community Development 1985	**Focus on involving communities,--** funding from ODA, UK Govt.
Urban Basic Services 1985	**Focus on provision of civic services--**, funding form UNICEF
National Slum Development Programme (NSDP) 1996	Additional Central Assistance to state governments for slum improvement
Valmiki Ambedkar Awas Yojana (VAMBAY) 2001	**Provision of houses for slum dwellers below poverty line (BPL),** central scheme with 50:50
JNNURM Mission II – Basic Services for Urban Poor (BSUP) 2006	**Built Housing Units with services for slum dwellers**
Rajiv Awas Yojana (RAY) 2010	**Full city approach, slum free city plan, variety of components, flexible in nature**

- URBAN HOUSING SHORTAGE

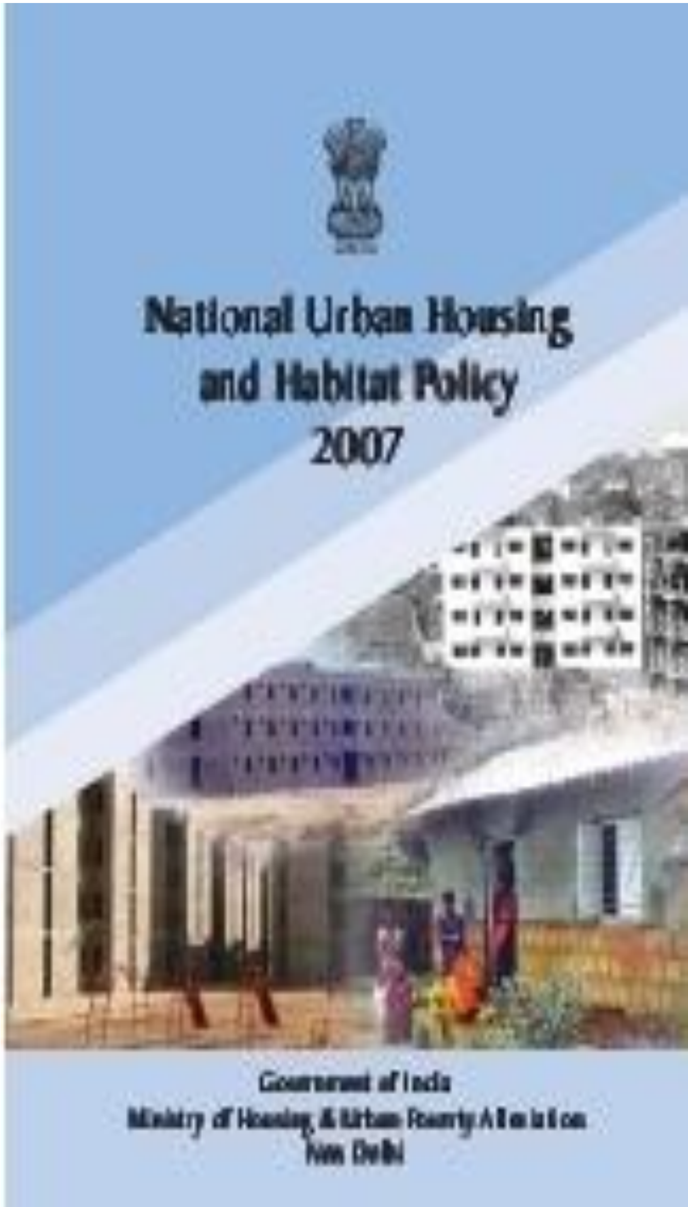


Housing Shortage-11th FYP

- Housing perpetually in shortage with
- Demand always chasing Supply
- Housing demand always evolving- never static

- Technical Group set up MHUPA--, estimated
- Urban housing shortage at 24.71 mdu
- -- end of 10th Five Year Plan
- -- for 66.30 million urban HHs

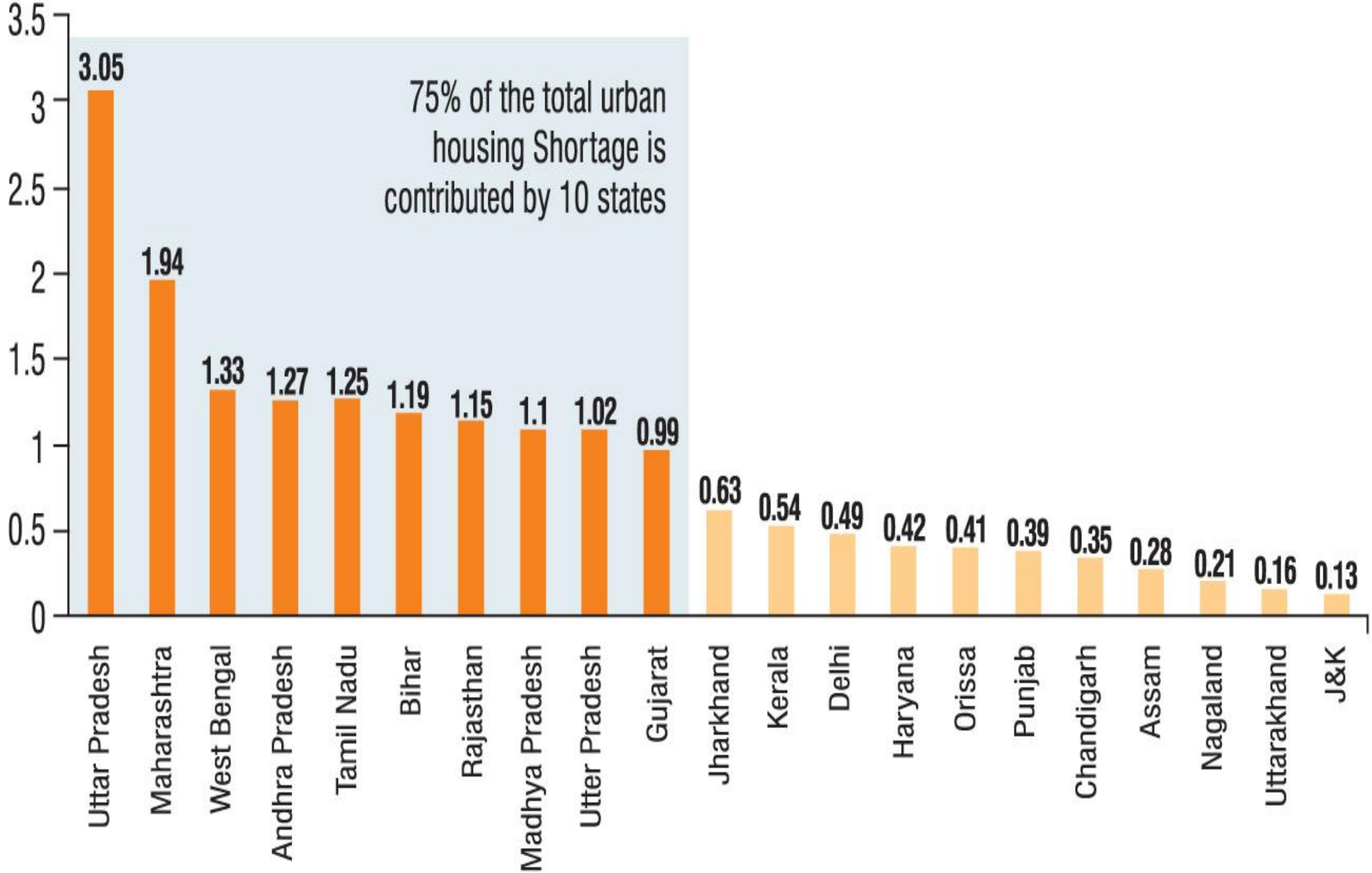
- Group estimated :
- --88% shortage - EWS category
- -- 11% in LIG whereas
- -- MIG/HIG shortage -- merely 0.04 million dwelling units. ---
- Housing shortage in different categories :
- - ---99.9% of total EWS,
- --10.5% in LIG
- --0.2% in MIG/HIG categories



Housing Shortage-11th FYP

- *Technical Committee also found (MOHPA)-*
- --Housing Shortage to be at 26.53 mhh in 2012.
- -- with 2.56 mhh living in non-serviceable/ katcha houses
- -- additional requirement of du will be 1.82 mdu
- -- Highest shortage in UP-3.07 million du
- -- Following current trend of increase in backlog
- --34 million houses required by year 2022 for
- -- achieving national goal of affordable shelter for all.

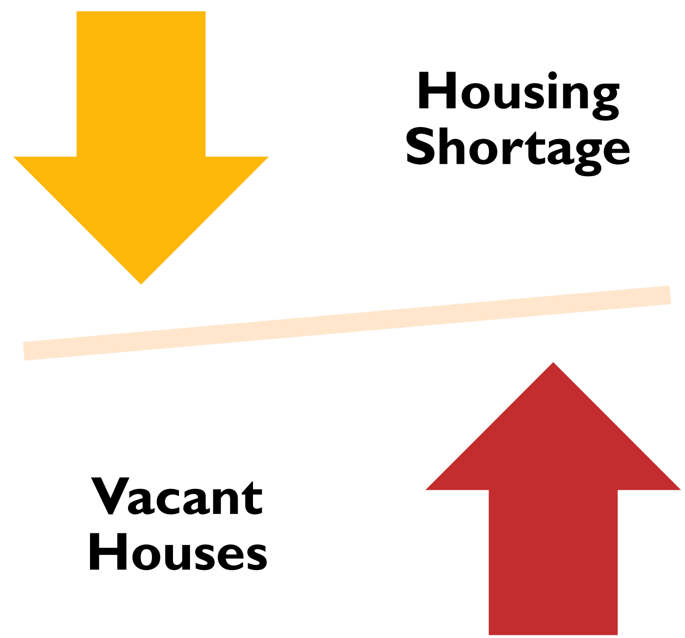
State-wise housing shortage in 2012 (Fig in million)



Vacant Houses

- -- number of vacant houses in India –
- 24.7 million (13.6 million rural and 11.1 million urban), Every sixth urban house in India vacant or 90% of number of rented houses in country- --2011 census figures,

- **Delhi 9.60 percent**
- **Mumbai 10.00 percent**
- **Kolkata 06.60 percent**
- **Chennai 03.32 percent**
- **Jaipur 13.78 percent**
- **Raipur 1.19 percent**
- **Bhopal 13.51 percent**
- **Ahmedabad 12.17 percent**
- **Surat 14.60 percent**
- **Rajkot 13.42 percent**
- ***Pune 17.87 percent***
- ***Nashik 15.14 percent***
- **Bangalore 10.36 percent**
- **Kochi 13.85 percent**



- **SLUMS IN INDIA**

Slum & Non-Slum HHs India 2011

A compact area of at least 300 population or about 60-70 households of poorly built congested tenements, in unhygienic environment usually with inadequate infrastructure and lacking in proper sanitary and drinking water facilities.

Indicator	Number of households
	(in lakh)
Total (Urban)	789
Slum	137
Non-Slum	652
Number of households (in %)	
Slum	17.4
Non-Slum	82.6

Increasing Deprivation

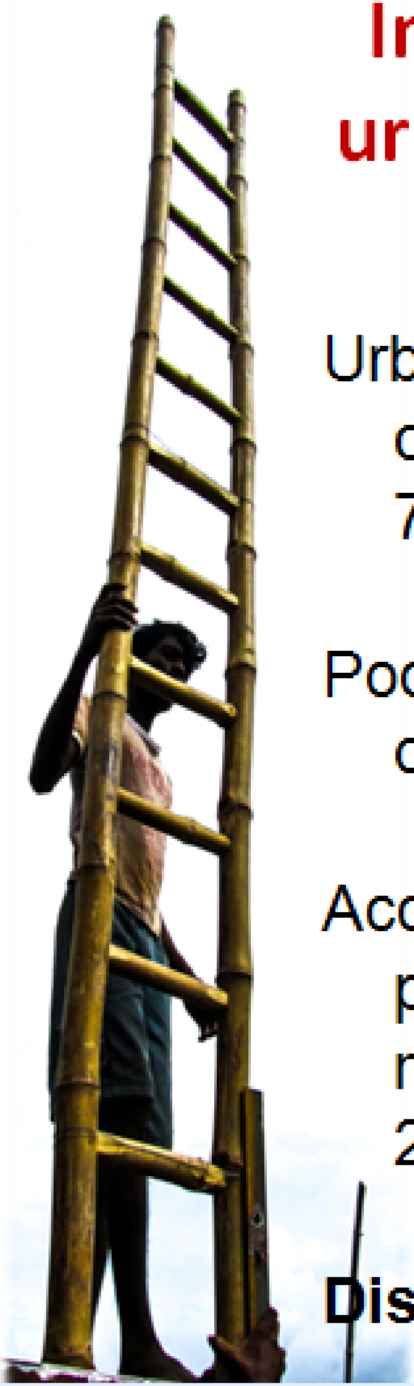
- In year 2001, India had **523.7** lakh slum dwellers
- In year 2011, India had **654.9** lakh slum dwellers
- 25.1 percent decadal growth rate of slum dwellers

Increasing Spatial Spread of Slums

Yr 2001 **1,743 towns in India** reported Slums

Yr 2011, **2,613 towns in India** reported Slums

Yr 2021 ?



Informal economy has space in urban economy; but poor do not have space in cities

Urban sector accounts for 60% of national GDP. The contribution of informal sector to urban GDP is 7.58% and to the country's GDP 4.5%. (PRIA 2013)

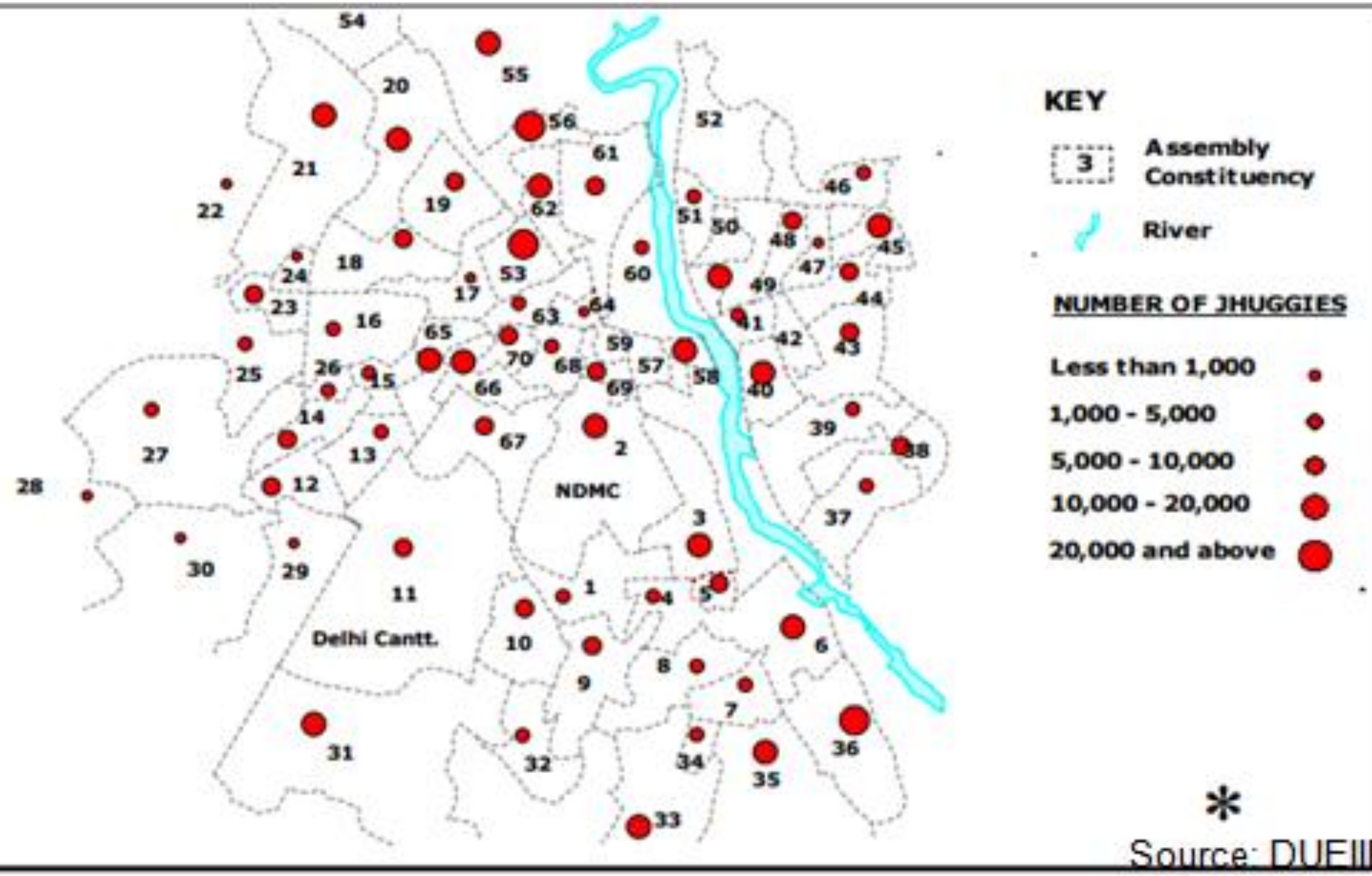
Poor people's settlements growing at 6% annually – outstripping urban growth rate of 3.4%.

According to UN Habitat India is adding 4.4 million people to informal settlements or *every year*. 202 million Indians will be in informal settlements in 2020.

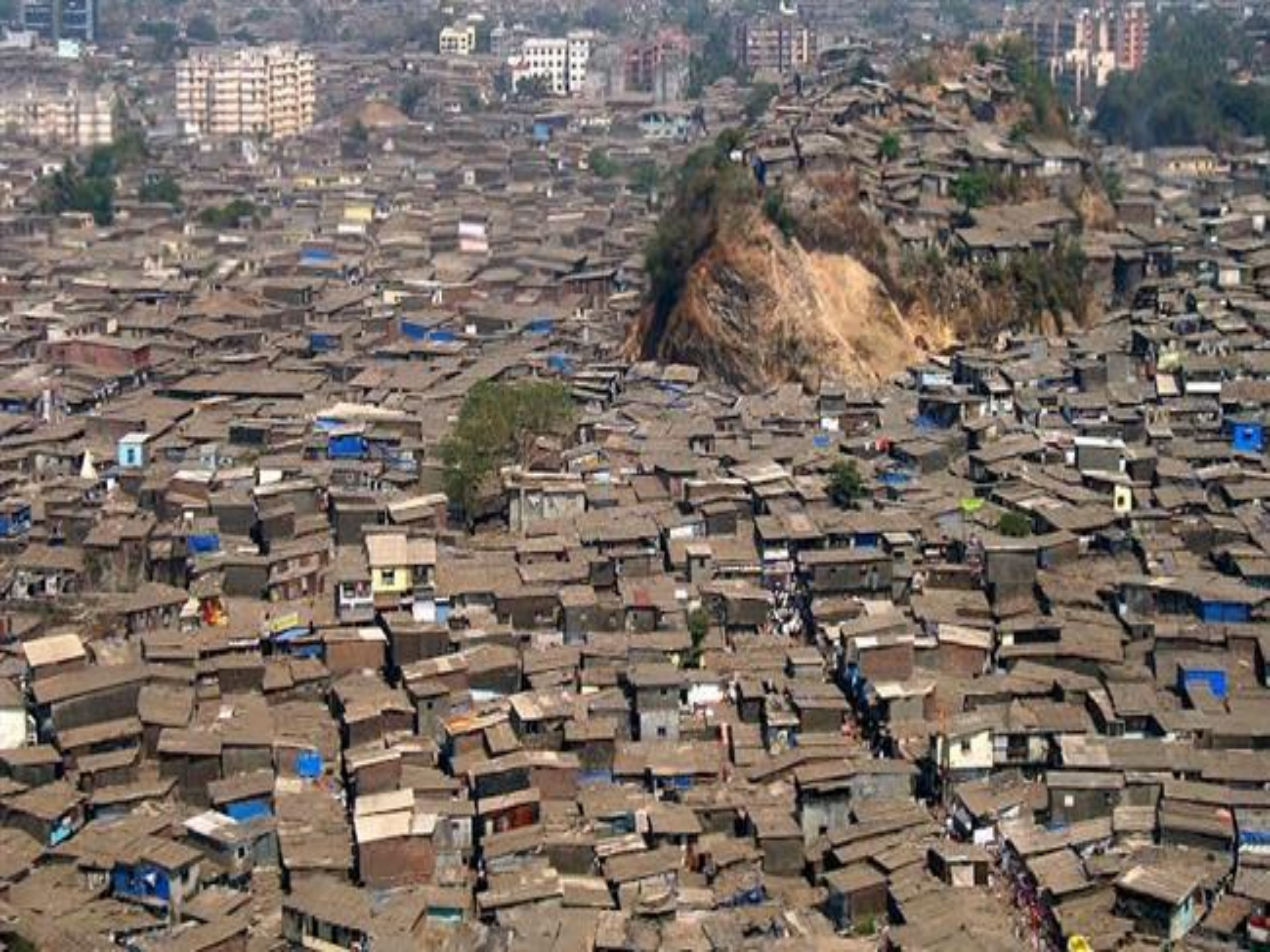
Discourse is about quality of life..

Slums are 3% of Delhi's area but has 30% of Delhi's people
Lutyen's Delhi 3% of Delhi's area with 1% of Delhi's people
Car parking 10% of Delhi's area

Jhuggies-Jhopris Clusters in Delhi



•**Slums to constitute major chunk of urban population In future**



At the margin
Extreme weather events make slums more vulnerable

Chennai floods

Poor people's home in low lying areas and wetlands

Source: HT

- **DEFINING AFFORDABLE HOUSING**

Defining Affordability

- Being cost/time-intensive-Affordable Housing, as a concept/ opportunity - -- attracting attention of Providers / Developers
- --Affordability difficult to define precisely- vested with large variables involving--
- ***- Cost, Quality & size of dwelling unit , Cost of living, family income, Savings, EMI location, support services, infrastructure, O&M expenditure ,Time/cost of travel to workplace, Volume etc***
- Affordable housing as-- "*housing* ***---which is adequate in quality and location and-- does not cost so much that -- it prohibits its occupants from meeting other basic living costs- or threatens their enjoyment of basic human rights***" UNHABITAT
- 1. 'RICS Report on Making Urban Housing Work in India' , defines *affordability as:**provision of 'adequate shelter' on sustainable basis, ensuring security of tenure within means of common urban households**.*
- *Affordable Housing is that-which is provided to those -whose needs are not met by the open market*

Affordable Housing

- 2. KPMG Report on Affordable Housing- A key Growth Driver in the Real Estate Sector' -- defined Affordable Housing in three main parameters
- *income*
- *size of dwelling unit*
- *affordability*

3. US Department of Housing and Urban Development defines, housing affordability in terms of

-expenditure of household on housing as proportion of annual income

- ***should not exceed 30% of total income*.**

Affordable Housing

4. Task Force on Affordable Housing set up by Ministry of Housing and Poverty Alleviation, 2008, has defined affordable housing in terms of;

- *size of dwelling and*
- *household income*

5. JN NURM Mission has defined affordable housing in terms of:

-- ***size of dwelling units –***

super built up area/carpet area

-- EMI/Rent-- not exceeding 30-40% of gross monthly income of buyer.

6 Under PMAY

. *An all weather single unit or a unit in a multi-storeyed super structure having* ***carpet area of up to 30 sq. m.-- with adequate basic civic services/ infrastructure services like toilet, water, electricity etc.***

States -- to determine area of EWS with ceiling of 30/60 sq.m of carpet area as the limit for EWS/LIG category housing under PMAY - Annual Income not to exceed 3lakh for EWS and 6 lakh for LIG

Affordable Housing

7. Jones Lang LaSalle defined *affordable housing in terms of*

-***volume of habitation instead of area***

- ***provision of basic amenities***

- ***cost of the house (including purchase cost and maintenance cost) and***

-location of the shelter

- This definition enlarges scope / dimensions of affordable housing by ::

I.**Adopting volume based approach instead of area-- to providing more flexibility in designing .**

iii.Adopting minimum physical/ social infrastructure -- ensure quality of life

iv Making cost of shelter broad based by including

-- operational /maintenance cost for a reasonable period

-- to actual cost of house.

v Making project attractive/affordable by limiting cost and travel time -- between place of work and place of living

- **Challenges/Issues in AFFORDABLE HOUSING**

Challenges in Affordable Housing

- ***Rising COST-***- costs rising disproportionately to household incomes, particularly in the lower income households
- ***Housing Shortage--Gap between Demand/supply-***-Ever widening gap between demand and supply of affordable housing--.
- ***Scarce Land***-- Scarcity of land for affordable housing
- ***Energy poverty--***, due to high operational cost and low household income, high energy prices and poor building energy efficiency makes housing unaffordable.
- ***Demographic changes--*** arising out of,
- -- Reduced Household size
- -- Rapid Population growth
- -- rapid in-migration,
- -- Ageing population,.

Issues- Affordable Housing

- Low availability of developed land
- Rising Threshold Cost of Construction
- High degree of Government charges
- Rigid Land Use Planning
- Irrational Building Bye-Laws
- Delayed Project approvals
- Inadequate Access to Cheaper Housing Finance
- Multiplicity of Agencies involved
- Outdated Legal Framework
- Marginalizing Private Sector
- Outdated Construction Technologies
- Poor project Management
- One Solution Fit All Approach – Focus on Creating ownership
- Lack of Research and Development
- Absence of Reliable data about Housing stock- Qualitative/quantitative
- Absence of Reliable data about Beneficiaries
- Large Stock of Vacant Houses
- Ignoring Rental Market
- Unskilled Manpower
- Uncontrolled Urban Sprawl

Issues- Land

a) **Lack of availability of Urban Land**

-- 2.4% of global land and 17.6% of world population,

- India under perpetual shortage of land

Cost of urban land rising rapidly rapid due to—

- urbanization and industrialization,
- speculation
- Irrational legal framework, planning tools and building bye-laws-- restricting supply of developed urban
- making shelter highly unaffordable

➢ Major issues leading to shortage of urban land :

i) Excessive parastatal controls on development of land.

ii) Lack of marketable land parcels

iii) High degree of encroachments on public land

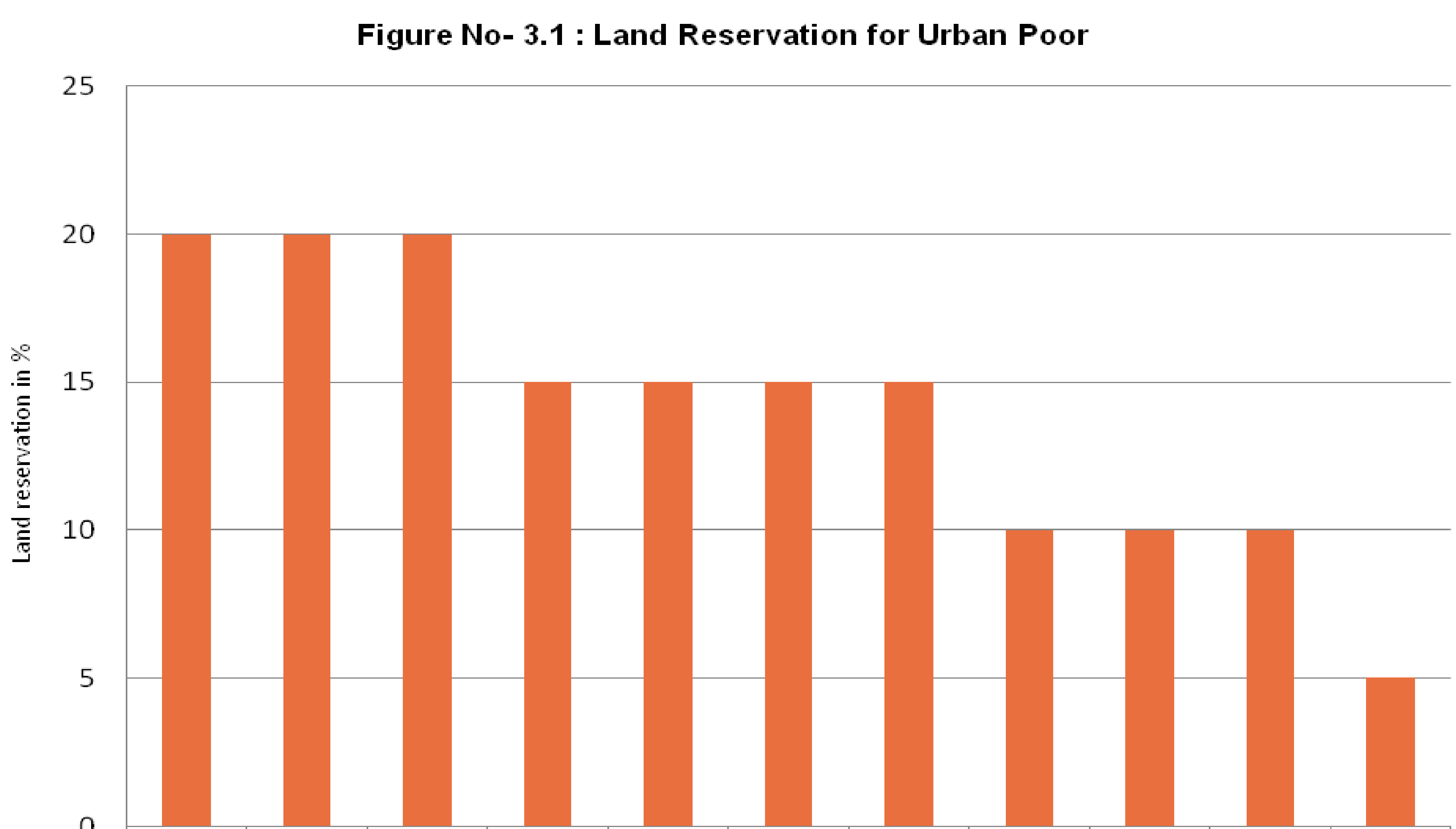
iv) Poor land information system

v) Cumbersome legal and procedural framework for sourcing land

vi) Restrictions imposed by planning and development framework

vii) High cost of land and cost of land transactions

Land Reservations for Housing Urban Poor



	UP	Bangalore	Haryana	Delhi	Madhya Pradesh	Rajasthan	West Bengal	Gujrat	Maharashta	Tamil Nadu	Andhra Pradesh
%	20	20	20	15	15	15	15	10	10	10	5

Issues – Cost, Government Charges

b) Rising Threshold Cost of Construction –

Major contributors include:

-- cost of building materials,

-- cost of labour,

-- cost of transportation

- Government Taxes, levies, fees

c) **High degree of Government charges** –

Charges levied on housing/making of housing constitute substantial proportion of the total cost, which include charges/ fee for:

-- licensing of colonies

,-- change of land use,

-- layout approval

-- building plan approvals

-- internal development charges

--external development charges,

-- registration of land

--registration for finished house

.—Labour Cess

Issues- Planning, Bye-laws

d) **Rigid land use planning** –

--Master Plans, Development Plans,

--Controlled Area Plans and Zoning Regulations control

-- mechanism of planning and development

- informal sector / affordable housing- exclusion from --planning strategies and development options.

e) **Irrational Building Bye-Laws** and Subdivision Regulations-

-Low Floor Area Ratio

--Low densities

--Large Floor Area of dwelling units -----leading to;

- high degree of operational inefficiencies
- underutilization of land
- restricting number of dwelling units
- restricting cost-effective/state of art

--- building materials

--- construction technologies.

Issues- Approvals, Finance

f) **Considerable time taken** for approval of projects/ /building plans (16-24months) due to:

-complicated procedures/ cumbersome processes

---large documentation

-large number of agencies involved

-large number of personnel involved

---Lack of Co-ordination among offices/ personnels

--Ambiguous Rules/ Regulations,

--- narrow interpretation

- duplications of processes/procedures

- lack of decentralization of powers

--High degree of corrupt practices

-leading to time over- run/ cost over- run of projects.

g) **Lack of access to housing finance**

- non- availability of large number of documents involved

-- providing securities

- -proof of assured sources of income

--- permanent residential address

Issues- Agencies/Laws, Legal framework, private sector, technologie

h) **Multiplicity of agencies and laws involved** in the approval

- working at cross purposes --leading to delay/ cost escalations-- KPMG /NAREDCO revealed that

Study real estate projects

--required to pass through

-- 150 tables in 40 departments

--Of central/ state urban local bodies before approval is granted. -.

i) **Outdated and irrational legal frame work** :-

--Rent Control Act.

j) **Low key involvement of Private Sector due to lower order of profitability**

k) **Outdated technologies / conventional methods of construction** project management:

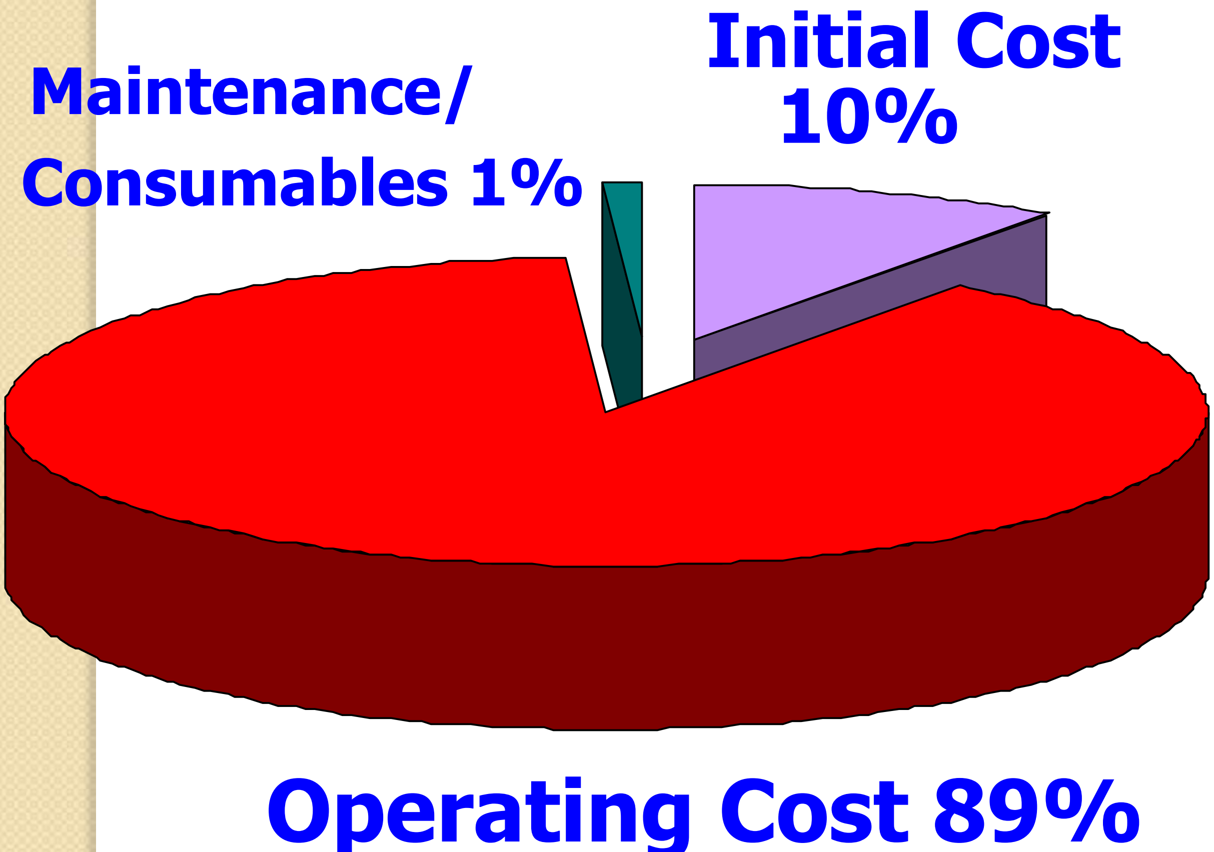
-leading to wastage

-- delay in construction

-- raising cost of dwelling units.

COST OF BUILDING

Buildings- life cycle costs



What constitutes Cost of Building

- Cost of building includes:

I Cost of land

ii Cost of construction

iii Cost of maintenance

iv Cost of operations

- Building cost viewed in both--- long term and short term
- Building cost also evaluated -- Initial Cost and Life Time Cost
- Short Time cost includes Initial Cost of construction of building
- Long Term cost component --- whole life cost.
- Whole life cost of building includes:
- the initial design cost
- construction cost,
- on-going operations and
- maintenance cost ,
- parts replacement cost
- disposal cost or salvage value, and
- useful life of the system or building
- To promote economy in building– Life cycle cost of building will be critical

How to save on Cost of Housing

- **Housing can be made cost-effective by:**
- Sourcing land at most competitive price
- Adopting optimum Design solutions- architecturally, structurally, Services etc
- Using cost-effective local materials, pre-cast, pre- fabricated , re-cycled materials , materials requiring minimum maintenance, having longer life
- Optimising resources /minimising waste
- Using state of art technology in construction -- save on time , labour, space materials and money
- Managing construction in most professional manner- Project management
- Using minimum Time for construction / completion of building/project
- Designing Green Buildings –to reduce cost of electricity/water and generating its own energy
- Keeping cost of money minimum- based on rates and time
- Rationalizing Builders, Contractor margins
- Reducing Government levies and fees

- **SOURCING LAND for Housing**

Sourcing Land for Housing

- Land Pooling
- Negotiated Settlement
- Formal Acquisition
- Leveraging Zoning
- Densification and Intensification
- Transit Oriented Development
- Inclusionary Zoning
- Mixed Use Development
- Green Field Development
- Brown Field Development

WAY FORWARD

WAY FORWARD--Making Affordable Housing A Distinct Reality

- **Reviewing, Revising and Redefining National Urban Housing Policy**
- **Understanding the Future Urban Context**
- **Prioritizing Regional Planning**
- **Registering Migrants,**
- **Minimizing Multiple Ownerships**
- **Including Housing in Corporate Social Responsibility**
- **Adopting Project Based Approach**
- **Promoting Strong Project Cost-Management**
- **Single Window Clearance**
- **Creating Land Bank; Innovative Architectural Design**
- **Promoting rental housing schemes**
- **Promoting Affordable living**
- **Creating Building Components**
- **Reviewing Planning Norms**
- **Changing Housing Typology**
- **Optimum Utilization of Vacant Government Lands**
- **Creating Land Development Agency**
- **Careful Siting of the affordable housing projects**

WAY FORWARD--Making Affordable Housing A Distinct Reality

- Converting Unused urban land
- Using Cost/Energy Efficient Building Technologies- Green Housing
- Inventing new Building Materials- agro/industrial waste based
- Adopting Co-operative Based Approach
- *Migrating from Ownership to providing Shelter*
- *Creating Housing/Rental Housing/Build to Rent*
- Rational Siting; Using Peri-Urban Land
- Using PPP Model/Creating Revolving Fund
- Shifting from Construction to Manufacturing
- Making Housing- Beneficiary- led Program
- Bringing Vacant Houses into market
- Skilling Manpower/ Promoting R& D
- Promoting Start-ups
- Rationalizing Government Charges
- Empowering ULBs
- Addressing Demand/Supply side Challenge
- Treating Affordable Housing a volume Game
- Separating 'Right to Shelter from Right to Ownership of Shelter

Way Forward

- **Developers believe that-- if Government removes roadblocks- segment would move to fast track.**
- **Possible to have a profitable proposition in affordable housing if:**

i. Project and cost management made very strong.

ii. Improved/ state of art technologies used

iii Timeframe for construction reduced

iv Economies of scale used

iv Dwelling unit designed with care

v. Housing units/components standardized

vi. developing standard product

vii. Government policies rationalised

viii Making available Off the table developed Land with approvals

-

Way Forward

- to make affordable housing a reality /to ensure adequate supply on large scale, following approach is suggested:

i) **Making the land market more efficient,**

-for making enough land available at lower cost

ii) Permitting construction of houses on periphery /peri-urban area

-with provision of services, infrastructures and transport.

iii) Providing a '**Single Window Clearance'** of the projects on time bound basis.

iv) **Granting additional FAR**

-rationalizing the building bye-laws

-zoning regulations to ensure

-optimum utilization of land /construction of more affordable houses.

v) **Creating Land Bank**

-for constructing affordable housing and

-making available land at competitive price

vi) **Promoting strong Project and Cost Management**

-to increase speed of construction and

-Reduced cost of construction /Eliminate cost over-runs.

Way Forward

vii) **Promoting Standardization** of building components --based on effective design to promote prefabrication and mass production of components.

viii) Bringing **new state of art construction technologies** -using cost effective locally produced building materials --based on industrial waste --to lower down cost of construction and make buildings green and sustainable.

ix)Long term tie for supply of conventional building materials --including steel, cement ,tiles etc-- to minimize variations in price/ to ensure assured supply of materials during project life cycle

x)Promoting large scale projects -Taking up large housing projects with number of units ranging from 1000-1500 for **promoting and achieving economy of scale**.

xii) Rationalising/Reducing Government levies/ charges --to minimize their impact on the housing cost.

In all cases involving affordable housing ,

-- no land use conversion and licensing charges should be levied,

-- building scrutiny fee should be charged @25% of prescribed rates

--whereas EDC should be charged @50% for EWS and@ 75% for other categories.

Way Forward

xiii. **Adopting project based approach**

--For cross-subsidy /cost – reduction--project based approach adopted for creating mass housing.

--Housing project to be invariably mix of all categories -HIG, MIG besides EWS and LIG-- to make project viable /self-sustaining.

--Addition of commercial component to help in making project profitable/ attractive /viable

xiv. Single Window Clearance

---For early completion of project

-- avoiding cost escalation

-- to approve projects on time bound basis/ prescribed time frame–

--not exceeding three months

Xv Green Buildings

Designing affordable housing as Green Buildings

- reduces operational cost of house over entire life cycle

--due to reduced energy / water consumption

-- lower generation of waste – making dwellings really cost-effective / Affordable.

Way Forward

xvi. **Innovative and state of art architectural designs involving :**

i. providing high building efficiency,

ii. optimum utilization of land resource,

iii. optimum structural design,

iv cost-effective building technologies/services,

v use of large prefabricated components

vi minimum maintenance and upkeep.

xvii. Using locally available building materials

--for promoting cost-effectiveness and utilizing waste.

--government to encourage research /development and promote industries producing materials from industrial and agricultural waste

-- to increase cost-effective materials/ reduce depletion of non-renewable resources

xviii. Adopting co-operative based approach

Creating co-operative societies of beneficiaries for involving stakeholders

, sourcing their support /resources for-- creating adequate housing stock, minimising transfer of units /procuring easy loans from financial institutions.

Way Forward

- **xix Treating Affordable Housing a volume Game**
- Affordable housing treated not a profit game but a volume game
- Creating large housing stock
- with minimum cost,
- within a short span of 18-24 months
- disposing off entire stock within the time span of project.
- Taking large housing projects with units ranging from 1000-1500 for promoting economy of scale-- have proved highly successful
- **xx. Separating 'Right to Shelter from Right to Ownership of Shelter'**
- Concept to help in:
- -- promoting optimum utilization of available housing stock
- -- minimising speculation
- -- eliminating transfer of affordable housing to non-beneficiaries/ higher strata of society

Way Forward

xxi Creating Multiple Options for Shelter

- **Multiple options for affordable shelter needs consideration based on**
- **-- affordability,**
- **-- family size,**
- **-- shelter requirements,**
- **-- marital status,**
- **-- type of avocation,**
- **-- skill, tenure etc.**
- **Night shelters, mobile housing, bachelor/single accommodation , rental housing, transit accommodation, hostels etc used as options for augmenting shelter/ minimizing quantum of formal and expensive housing**
- **xxii. Creating Built up Houses for EWS in Private Colonies/Townships**
- land reserved in private colonies transferred to Housing Board/ Development Authority,
- -- mandated to construct affordable houses for identified beneficiaries.
- Proportion of affordable housing to be increased
- . Reservation made irrespective of size of colony / group housing.
- Under PMAY, EWS housing placed at 35% , minimum project size under PPP model to be 250 house, carpet area limited to 30 sqm, needs to be adopted / made integral part of state / local legal framework.

Way Forward

xxiii. Siting of the affordable housing projects

- Siting with care / caution to ensure project success / viability
- Projects constructed not far away from place of work for minimising travel / expenditure on travel.
- Making available cost- effective, efficient /reliable public transport ---critical for acceptability/success of project.
- **xxiv Providing Essential/ Basic Amenities as Integral Part of Project**
- Basic amenities involving :
- --education,
- --healthcare ,
- -- recreation ,
- -- child care,
- -- shopping,
- --community centre,
- --open spaces etc to make project self- contained and self-sustainable.

Way Forward

- **xxv Formulating well defined, transparent and objective guidelines**
- Creating a networked system of sharing information, critical / essential for:
- -- identifying right beneficiaries
- -- eliminating speculators,
- -- minimising multiple ownership and
- -- illegal transfer/ sale of units at the local ,state and national level.

- **xxvi. Using PPP Model**
- Housing, largely a private sector activity,
- leveraging land by PPP models, would improve supply of affordable housing.

- **xxvii. Creating Revolving Fund**
- --Promoting easy access to institutional finance at affordable cost
- --Creating a dedicated Revolving Fund at national /state level
- -- contributions by central / state governments/ urban local bodies/ development authorities / assistance provided under sponsored schemes,.

- **xxviii. Involving Beneficiaries**
- Involving beneficiaries ,in cash, kind or both critical for success of project involving slum up-gradation /provision of shelter.

Way Forward

- xxix Creating JV or PPP with the government agencies for land where approvals are already in place.

-Shortening period of construction limited to 12-18 months --phasing project.

- Lowering the cost of construction below Rs.1000/- per sq. ft.
- Lowering ticket size
- ensure 100% sale within a short span
- High sale/ volume of project.

xxx Involving enablers, providers and executor to work in a united /single platform

xxxi Eliminating speculator investors

Way Forward

- xxxii. **Identifying constraints on demand side and supply side**
- -- find out strategies to overcome them
- ---adopting collaborative approach to promote synergies
- xxxiii. **Demand side constraints removal requires**

  - Identifying right beneficiaries.

  - Innovating micro-mortgage financing mechanism to ensure a larger reach
- xxxiv. **Supply side constraints removal requires**

i) Providing incentives for constructing affordable housing on mass scale

ii) Rationalizing building bye-laws / zoning regulations

iii) Providing higher density extra-FSI

Iv) Streamlining land records – to improve urban planning / optimization of land utilization.

v) Making land market more effective and efficient by:

- computerization of land records
- creating a urban land data base using GIS
- making data base of all urban lands
- creating efficient and effective dispute redressal mechanism
- -- proper implementation of master plan.-

Way Forward

xxxv Including **mass housing / affordable housing zones** in city plans and develop them on a time bound basis.

xxxvi Promoting rental housing schemes in urban areas.

xxxvii **Reducing cost of house** through

- design intervention
- promoting high degree of design efficiency
- using high efficiency structural system
- using cost effective building materials
- using pre-cast / pre-fabricated building components
- -- combining/ minimizing public health services
- --avoiding use of lifts
- --using local materials etc.

CONCLUSIONS

New Approach to AffordableHousin

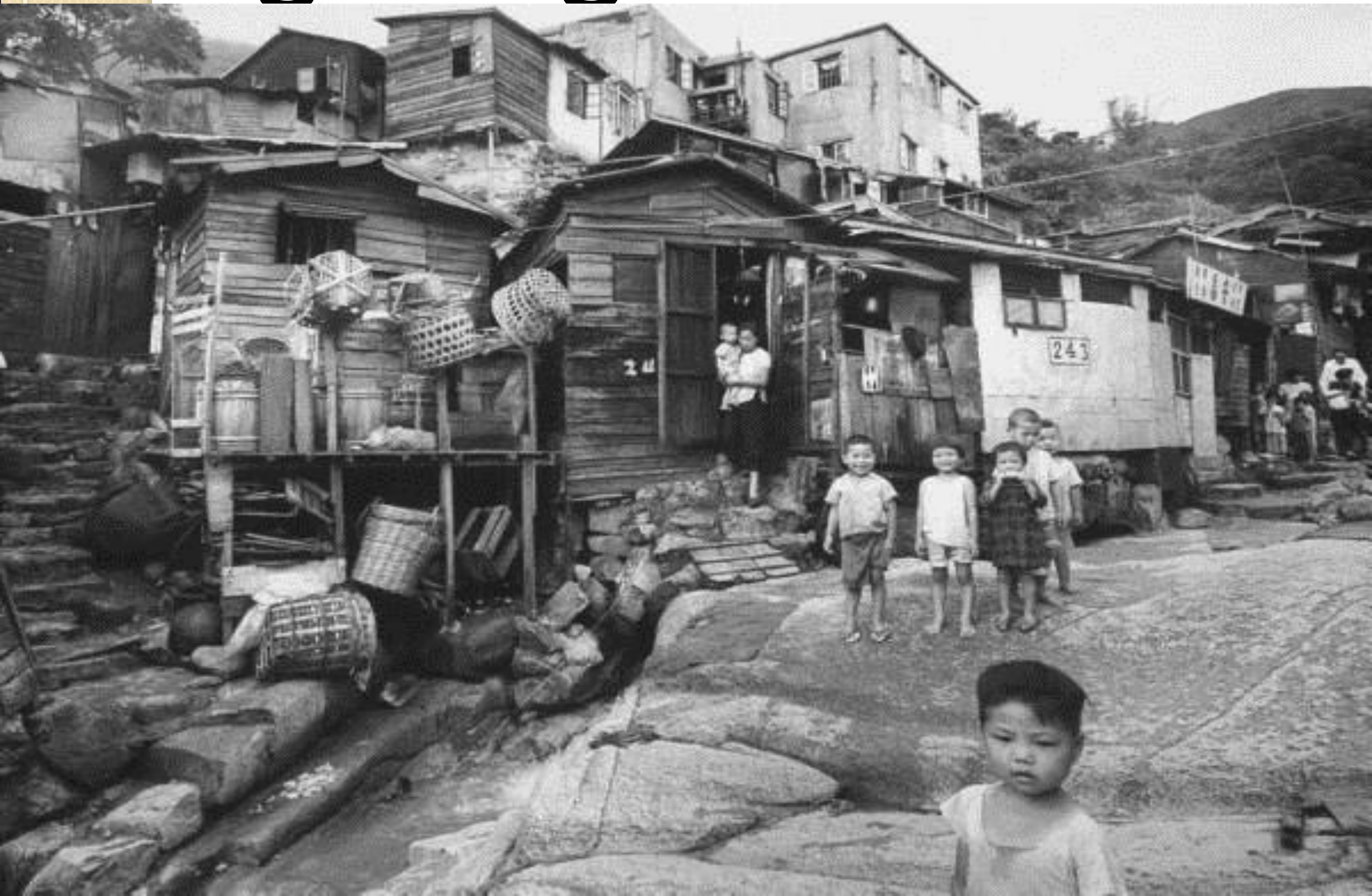
- Accepting Right to Shelter—But Separating 'Right to Shelter from Right to Ownership of Shelter- with focus on providing shelter and not creating ownership
- Graduating to affordable living from affordable housing
- Looking at life-cycle cost of housing instead of initial cost
- Treating Affordable Housing-- a volume Game & not profit game-
- Identifying Right beneficiaries
- Registrating Migrants
- Moving from construction to manufacturing of shelter
- Creating Multiple Options for Shelter
- Promoting principle of limited land- unlimited space
- Promoting Multiple use of land- 24x7
- Adopting volume instead area- to define dwelling size
- Providing more flexibility in designing
- Adopting project based approach
- Promoting Regional Poverty; Empowering Rural India

Conclusion

Affordable Housing can be effectively leveraged to

- **create/ expand large job market for unskilled/ semi-skilled rural migrants**;
- **revitalize Indian industry**
- **promote economy;**
- **achieve higher growth rate and**
- **marginalize poverty in urban India.**
- **Affordable Housing has enormous capacity to make our urban / rural centers**
- **--Smart, healthier,**
- **-- more productive,**
- **more effective, efficient, livable ,**
- **sustainable, inclusive, Resilient safe**
- **better planned,**
- **slum free,**
- **with assured quality of life.**

Hong Kong in the 60s



HONGKONG -TODAY

Slums in London in 1800s

London Today

Singapore in 60's

SINGAPORE- TODAY

If they can do it Surely we all can also do it