

Housing

Good afternoon

Sir, this is the report of the panel discussion on Housing for All chaired by Dr. Arvind Pangariya, Chairman, NITI Aayog. The other distinguished panelists were Dr. M. Ramachandran, former Secretary Ministry of Urban Development, Mr. B. Sriram, Managing Director SBI, Ms. Anita Arjundas, Managing Director Mahindra Lifespaces and Mr. Sachin Jadav, Collector Angul.

The Union Budget 2015-16 has envisaged a roof for each family in India, that is, “housing for all” by 2022, when we shall celebrate our 75th Independence Day as Amrit Mahautsav.

The current housing shortage has been estimated at about 4 crore units in rural and 2 crore units in urban areas. Over 95% of this shortage is in the LIG/EWS category.

The major challenges in the sector are the availability of land, high cost of finance, ineffective policies, lack of standardized regulations leading to procedural delays, and inadequacies in project delivery.

Though the numbers are larger in rural areas, the challenges are more onerous in the urban areas. In this context, the situation in about 4000 census towns across the country, which are yet to be declared as urban areas, needs to be addressed as well.

Housing being a State subject, the bulk of the required actions need to be carried out by the States. However, the Centre has to play the role of creating the appropriate policy, planning and regulatory environment and facilitating access to finance. Also, the urban and rural local bodies have a crucial role to play at the ground level.

The specific areas of challenge and what can possibly be done about them at the Centre, State and Local level respectively are as follows

1. Land

a Centre :

- i. Facilitate creation of an inventory of unused public lands and land acquired as per ULCRA 1976
- ii. Make affordable housing an integral aspect of new smart cities
- iii. Create a repository for best practices for other cities and states to study and replicate.

b. States :

- i. Increase the FSI norms in city centers to allow for high rise growths, accompanied with improving and strengthening the existing infrastructure.
- ii. Reform rent control laws, so as to make rents rise commensurately with inflation
- iii. Digitise land records

c. Local Bodies :

- i. Integrate and demarcate affordable housing in the master plan (Ahmedabad).
- ii. Integrate transport plans to ensure rapid transportation links connecting upcoming housing with work centers.
- lii Emphasize in situ slum improvement (Dharavi)

2. Finance

a. Centre :

- i. To give affordable housing the priority it deserves, it should come under the core infrastructure sector. This would allow better access to funds and greater procedural transparencies.
- ii. Develop low interest financing such as bonds, REITs, insurance and pension funds.
- iii. With large scale financial inclusion happening through Jan Dhan Yojana, fulfillment of KYC norms and other verifications have become easier; in this context a model streamlined process for approval for low income persons employed in the informal sector can be drawn up by RBI.

b. States :

- i. Reduce/rationalize duties and taxes on affordable housing since these form a substantial portion of the housing cost.
- ii. Organize consultations with Housing Finance Institutions to develop customized products suited to the State's requirements; for example, products for women borrowers.
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3. Policy

a. Centre :

- i. Link Central funding and incentives to implementation of law and policy reform such as rent control legislation, building bye-law etc.
- ii. Develop a model PPP contractual framework for adoption by States as done for other core infrastructure sectors.

b. States :

- i. Create more rental housing for new entrants to cities through their own funds and through incentives to private developers.
- ii. Evolve a participatory Land Pooling Policy as has been done in Delhi.

c. Local Bodies :

- i. Make the holding of unused land more expensive through higher duties and taxes.

4. Regulation

a. Centre

- i. Establish a common regulator for all housing finance institutions for parity and transparency

b. States

i Establish Real Estate Regulatory Authorities once the relevant Act is in place.

ii Create guidelines for streamlining local building bye-laws.

c. Local Bodies

i Streaming building bye-laws.

ii Establish Single Window Online Clearances to eliminate ground level corruption.

lii Create Land Banks for future housing requirements (Hyderabad)

5. Project Delivery

a Centre

- i. Encourage private sector participation by easing the policy environment.
- ii. Include modern building technologies for low cost housing in the National Building Code.

b. States

- i. Adopt modern as well as indigenous low cost housing technologies suited to the region.
- ii. Earmark available land parcels for private development with clearances and allied infrastructure already in place to minimize project delays.

c. Local Bodies

- i Encourage skilling of workforce towards modern technologies.
- ii Though building bye laws should be made simpler, the implementation should be made stricter through better monitoring.
- iii. In rural areas, community led housing construction, with collective procurement can lead to economies of scale and better empowerment of individual house owners.

Thank you