**Monitor Inclusive Markets**

Monitor Inclusive Markets (MIM) is a mission driven unit of Monitor Group focused on implementing "market based solution" to create social change. One of the key areas of our focus is the Affordable housing sector targeting urban households earning between INR 12,500-25000 per month and currently renting in slums or low income urban neighborhoods. We have proven the market to and facilitated market entry for developers and entrepreneurs like Foliage, VBHC and the Mahindras - to start low-income housing businesses. MIM has also helped entrepreneurs like MHFC and established players like Muthoot Pappachan Group to start housing finance companies focusing on informal sector customers and through this stimulated a new housing finance industry.

We are now actively engaging with Central Government (Ministry of Housing and Urban Poverty Alleviation, National Housing Bank etc.) giving our inputs on various policy recommendations to form conducive policy and Urban Local Bodies like Ghaziabad Development Authority supporting them in their endeavor to promote low-income housing in their cities.

As part of our efforts to understand low-income customers, we are currently engaged in a multi-year monitoring and evaluation research project to identify and understand the "unintended" consequences, both positive and negative, for new low income home owners. The study serves as both a source of customer knowledge and as a quick feedback mechanism for all stakeholders to help build a robust and sustainable affordable housing market in India.

**Targeted LIH Scan: Findings**

We recently conducted an eight city scan sub 10-lakh housing in Mumbai, Pune, Jaipur, Ahmedabad, Chennai, Indore, Kolkata and Bhubaneswar which has shown that sector has moved forward and matured in a number of ways.

Some interesting insights from the study are:

* In our scan across **8** cities, we visited **33** low income housing developments that were offering sub-10 lakh. These projects contribute a total of **~12,500 units** to LIH housing stock in the country. Across cities, bulk of **LIH activity is priced between 1,500-2,000 psf**.
* Most of the scanned developments seemed acceptable for inhabitation by low-income customer groups. **Typical customer profile** described by sales officers (wherever available) **were households earning in the range of INR 15,000-20,000 per month**.
* Experience from Ahmedabad, Mumbai and Pune suggests that there is **sizeable demand for smaller 1 RK formats**. Currently product-mix is dominated by 1BHK across cities.
* There appears to be potential for developers to make smaller units. Typically, 1 RKs were found to be between 160-300 sq.ft, 1 BHKs were found to be between 300-400 sq.ft. (even within a city).
* Across cities, **projects were able to quickly sell out their LIH inventory**.
* Housing Finance ecosystem for LIH customers was found to be thriving across all the scanned cities. Several players were active in each city and in many instances, **the LIH project had tie-ups with more than one HFC**.

We are now following-up this targeted scan with a detailed study on the state of sub-10 lakh housing & finance market across the country. Please let us know if you would like to support the study in anyway, specifically do inform us if you have come across any;

1. Projects in urban India with units priced at below INR 12 lakhs.

1. New finance companies offering loans to informal sector customers.

1. Innovative construction technologies.

1. Administrative officials (Central, State, Local) championing the cause of affordable housing.
2. Concerted steps taken by local government to promote affordable housing.

1. Any other interesting activity in this space - research institutions focusing on it, architects investing in it, etc.