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Pakistan

National Housing Policy, 2001

(A brief study, by Shafqat Rasool)

Brief

Realizing the fact that Housing is not only a social need but a productive sector of economy, The Govt. directed the Ministry of Housing and works to formulate a viable and effective Housing Policy.

A Housing Advisory Board of nearly 40 members, half of them from private sector was constituted.

It include all stakeholders i.e Builders, Constructors, Development agencies, Bankers, Town Planners, Provincial Governments, HBFC and SBP.

After a Number of meetings, deliberations the NHP 2001 was principally approved by the President during a presentation made by MoH&W on 22nd June, 2001.

Major Housing Problems and issues

- ▶ According to the 1998 Census:
 - ▶ Total number of Housing Units throughout the country was 19.3 million.
 - ▶ Rural Housing 67.7%
 - ▶ Urban Housing 32.3%
 - ▶ Out of total Housing Stock 39% stock comprised of Kuchha Houses
 - ▶ 40% Semi-Pukka Houses and;
 - ▶ 21% Pukka Houses
 - ▶ Annual estimated requirement was 570,000 Housing Units
 - ▶ Annual estimated Production was 300,000 Housing Units
 - ▶ Recurring Backlog was 270,000 Housing Units
- ▶ Shortage of Finance
- ▶ Inflationary trends in economy; cost of building material.
- ▶ Lack of adaptation of innovative technology and materials.

Key Objectives and Aims of the Policy

- ▶ Facilitate availability of suitable and affordable lands.
- ▶ Provision of safeguards against malpractices, inefficiencies, institutional weaknesses and mafia assaults.
- ▶ Introduction of schemes i.e mortgage finance, Saving and loan schemes, induction of insurance, micro finance loans etc.
- ▶ Provision of incentives through tax rationalization, reduction in property tax, simplification of procedure and enforcement of effective foreclosure laws.
- ▶ Incentives for private sector to encourage their full participation in National Building Initiatives.

Identification and Provision of Lands

- ▶ The Provincial, metropolitan and local authorities shall identify state lands for housing developments in urban and rural areas of their respective jurisdictions.
- ▶ Land Acquisition laws shall suitably be amended to make unified and transparent systems and to minimize litigations.
- ▶ Land Information System shall be developed using modern technology. It was decided to complete this task within 3 years by provincial Govt. and other agencies.
- ▶ Registration system shall be rationalized into a formal and social registered contract.
- ▶ Land Disposal system shall be modified to bring uniformity, transparency and market orientation.
- ▶ In Master plans/structural plans plots earmarked for low income housing shall be cross-subsidized and disposed of at affordable rates.

Housing Finance

- ▶ Financial institutions shall be encouraged to give mortgage loans on market rates.
- ▶ Commercial banks shall be motivated for housing loans .
- ▶ Financial Institutions shall be encouraged to float long term bonds at market rate.
- ▶ Institutions maintaining insurance funds, provident funds, EOBI funds shall be encouraged to invest in housing sector.
- ▶ Restructure HBFC to make it viable commercial concern and enhance annual disbursement from Rs. 1.2 bn to Rs. 7.00bn
- ▶ HBFC shall introduce bridge financing and bulk financing through escrow accounts.
- ▶ Foreclosure laws shall be introduced to ensure effective recovery.
- ▶ Property tax shall be reduced/rationalized.

Construction Services Sector

- ▶ Housing and constructions companies shall be charged via presumptive Tax Regime.
- ▶ Banks and DFIs shall extend credit facilities for modernization and replacement of machinery used for housing construction industry.
- ▶ Stamp duties and registration fees shall be adequately reduced.
- ▶ Duties and taxes on major construction materials shall be rationalized and reduced to make construction more affordable.
- ▶ All Govt. departments and organizations shall be directed to engage local consultants and construction companies.

Kachi Abadis, Squatter Settlements & Slums

- ▶ The Kachi Abadis which are hazardous by virtue of close to Railway tracks, under High tension power lines, Riverbeds etc. needed to be relocated at appropriate places.
- ▶ Formation of new Kachi Abadis shall not be allowed and shall be discouraged by exercises strict development controls in urban areas.
- ▶ Resettlement plans shall be prepared by the concerned land owing agencies.
- ▶ Building regulations, Building by laws and planning standards shall be revised to permit incremental development and lowering of planning standards to make it cost effective for low income groups.
- ▶ Provincial Govt. shall develop packages in which the prime state land within urban centre, occupied by Kachi Abadis shall be offered to private developers for commercial use provided they arrange and finance for relocation of Kachi Abadis, Squatters settlements.

Planning Zoning and Building Regulations

- ▶ Development of Master Plans, Structural plans/outline development plans shall be mandatory requirement for all urban and rural areas.
- ▶ The Provincial Govt., development agencies and other bodies shall ensure that the Master, Structural and outline development plans are completed by:
 - ▶ Town and union councils within one year.
 - ▶ City and District level within two years.
 - ▶ Metropolitan and major cities within three years.
- ▶ The Kachi Abadis resettlement, relocation and upgradation shall be an integral part of Master Plans, Structural plans/outline development plans.
- ▶ The Federal Govt in coordination with provincial Govt shall undertake updating of National Building Code and National Reference Manual on planning and infrastructure standards and this task shall be completed within one year.
- ▶ The National Building Code and National Reference Manual on planning and infrastructure standards was originally developed by Ministry of Housing, Environment and urban affairs in 1986.

Pakistan
Building
Code was
updated in
2007 & 2021

Building Materials, Construction Technology, Research and Development

- ▶ Use of locally produced low cost building materials and components using agricultural, industrial and other waste etc. shall be encouraged.
- ▶ Building material already developed internationally such as compressed mud brick and ferro cement roofing system which is extensively being used all over the world shall be introduced in Pakistan.
- ▶ Training, research and development programs shall be conducted to upgrade and modernized the current construction techniques.
- ▶ Technology based housing which guarantees cost effective construction as compared to conventional techniques shall be encouraged through fiscal and other incentives.

Low Income, Low Cost and Rural Housing

- ▶ All new construction of housing on plot measuring 150 sq. yds and and flat/apartment having an area of 1000 Sq.ft shall be exempted from all types of taxes for a period of 5 years.
- ▶ Housing loaning agencies and companies shall provide the cost effective designs/plans to the prospective builders.
- ▶ To promote the rural housing, the provincial Govt. shall examine the possibility to grant proprietary right to the individuals and families residing in houses constructed over shamlat Deh and state land.
- ▶ Subsidies micro loaning facilities shall be extended for rural housing construction through Khushali bank, Zakat Fund etc.
- ▶ Construction clinics shall be established in rural areas to provide guidance for cost effective and durable housing.

Infrastructure Development

- ▶ Federal and provincial funding shall be available for infrastructure, amenities and other developments only in planned areas.
- ▶ Provision of trunk infrastructure shall be the responsibility of utility agencies i.e WAPDA, SNGPL, SSGCL, PTCL and KESC etc.
- ▶ Public and private housing development scheme within planned areas shall only be approved when availability of trunk infrastructure is ensured for such developments.
- ▶ Planning and design of all infrastructure and amenities shall be in harmony with the “National reference manual on planning and infrastructure standards” and “National Building Code of Pakistan”.

Development of Intermediate and Secondary Towns

- ▶ A countrywide programme shall be undertaken for development of satellite, intermediate, secondary and industrial towns as employment centers of the future, specially for rural population and to further reduce migrations to urban centers.
- ▶ Incentive packages shall be prepared for developers, builders, local and international investors to construct intermediate, secondary, satellite and industrial towns.

Women In Housing And Community Participation

- ▶ The UN Commission on Habitat, through a number of resolutions, latest in Beijing in 1995, emphasize on all Govt. to give women full and equal access to economic, natural resources, appropriate technologies and decision making process. The Constitution of Pakistan amply guarantees their participation in all spheres of life.
- ▶ In order to ensure effective participation of women in the Housing development and delivery process following measures was recommended:
 - ▶ The Govt at all levels shall ensure the equality and empowerment of women in all housing activities.
 - ▶ Awareness campaigns shall be launched to mobilized communities and women to participate in housing development and delivery process.
 - ▶ All institutions i.e regional, inter regional, NGOs shall be geared to launch awareness among women and communities to participate in Housing development and delivery process.

Institutional and Legal Framework

- ▶ The role of Federal Govt. Provincial Govt. and local Govt. was identified in the National Housing Policy.
- ▶ The Federal Govt shall ensure that proper coordination and monitoring mechanism is set up at federal level within the Ministry of Housing and works.
- ▶ The Provincial Govt shall initiate all necessary legislative/regulatory measure for effective implementation of National Housing Policy.
- ▶ The provincial Govt shall ensure that the institutional arrangements are established at District and Union Council Level for effective implementation of National Housing Policy.
- ▶ To achieve the objective of National Housing Policy the present legal framework shall be review and suitably amended to facilitate the entire process of housing and construction.

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