

Affordable Housing in India - A Myth or Reality

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Abstract

As provider of social security, distinct identity and assured quality of life, securing ownership of an appropriate home has emerged as the lifetime ambition of every individual and family. However, ever rising cost of land, cost of construction and large number of externalities have put housing beyond the affordability of majority of urban residents. Operational mechanism of housing market has pushed large number of urban migrants on the fringe excluding them from formal process of owning/ renting an appropriate shelter. Estimates made by the Technical Committee, set up by Ministry of Housing and Poverty Alleviation, Government of India, has placed urban housing shortage at 24.71 million dwelling units at the end of 10th five year plan with more than 99% shortage in the economical weaker sections and low income groups. Further, it has estimated that if present mismatch between supply and demand continues, the housing shortage in the urban areas will be of the order of 30 mn dwelling units by the year 2020. Housing has been globally recognized as one of the critical element of human living, index of a nation's prosperity and quality of life a nation offers to its citizens. Considering the contours and wider physical, social and economic connotations of housing, providing appropriate shelter remains priority and high on the welfare agenda of all national and state governments. Considering the critical role and importance of housing in human living, Habitat-II also included, "Housing for All", as one of the universal goal to be achieved by all nations. However, looking at the enormity and magnitude of problem and the level of investment/resources required, achieving the national goal of housing for all by 2022, appears to be a difficult task.

In search of appropriate solutions, paper identifies the roadblocks which are hampering the process of bridging the gap between demand and supply of affordable housing. Inefficient land market; high land values; cumbersome and time consuming process of plan approvals; multiplicity of departments and agencies involved; high cost and low availability of financial resources; ever rising cost of materials; outdated and time consuming technologies and poor project management besides high incidence of taxes and charges levied by the government are the major issues in making affordable housing a reality. Looking at the entire context of urban housing scenario in the country, paper calls for adopting innovative strategies and out of box thinking; involving all stakeholders; creating enabling environment; making land market more efficient; providing larger financial resources with minimal cost etc so as to put affordable housing on the fast track. Paper also emphasizes leveraging the potential of private/co-operative sectors, as key partners in creating larger housing stock for EWS/LIG categories besides removing all roadblocks and rationalizing all the processes which are hampering the creation of affordable housing in the country to make housing for all a distinct reality.

Key words: Affordable housing, Urban Planning, Land, Technology, Pre-fabrication

Introduction

With urban areas emerging as the preferred place for human living, globally nations are fast heading towards rapid urbanization. If twentieth century marked the ushering of urbanization at the global level, 21st century is now being called the century of urbanization. Following the global pattern, India is also urbanizing at a fast pace. In India, pace of urbanization picked up in the post-Independence period (1947) when Pakistan, as a distinct and separate nation, was created. In the process, large number of people, who got uprooted and made homeless, migrated to India. Majority of migrants preferred urban areas as their place of residence, due to better opportunities of livelihood offered by these centers. This initiated the process of growth and rapid development of urban areas, which has accelerated over the years. Due to large concentration of population in the urban areas, India has emerged as the second largest urban system in the world after China. Latest Census of 2011 has placed the population of Urban India at 377.10 million with level of urbanization placed at 31.16% as against 279 million in 2001 when level of urbanization was 27.8%. For the first time in the demographic history of India, urban areas added more population (91 million) as compared to its rural counterpart (90 million) during the decade 2001-2011. Urban areas are growing with a multiplier of 3 against rural areas with annual growth rate placed at 3.18% against 1.22% during the decade 2001-2011. Based on the prevailing growth rate, it is estimated that by the year 2031, urban India will house 600 million people out of a total population of 1400 million and by 2051, urban and rural areas will have equal share with total population placed at 1600 million. Looking at the census data of the year 2011, large variations have been found to exist at state and regional level with regard to level of urbanization and distribution of urban population with high degree of concentration observed in large cities. Urban population distribution remains highly distorted with every 6th urbanite living in 4 super- metros of India namely Mumbai, Kolkata, Delhi and Chennai, 42% urban resident lives in 53 metropolitan cities and 2 out of 3 urbanites are housed in class 1 cities with population more than one lakh. Concentration of population in urban centers is becoming more and more pronounced with number of urban centers going up from 5161 in 2001 to 7935 in 2011 and million plus cities (Metropolitan Centers) recording 50% increase, going up from 35 in 2001 to 53 in 2011. It is estimated, number of such centers will be 85 in 2031 and 100 in 2051. Out of 26 ten million plus cities of the world, three cities namely Mumbai, Kolkata and Delhi are located in India. As per estimates made by the United Nations in its report, 'World Urbanization Prospect, The Revision 2014', the number of such cities will go up to 7 in 2031 and 9 in 2051.

Urban area are known for their higher productivity, larger capacity to generate employment and greater contribution they make to the economy and prosperity of the nation and communities. They are also known to be centres of innovations, promoters of entrepreneurship and providers of state of art services and amenities. However, despite distinct advantages, large number of dualities, contradictions and peculiarities mark urbanization. UN Habitat Report, State of World's Cities 2008/2009- Harmonious Cities, defines the cities in their basic characteristics and growth pattern in terms of:

Cities contain both order and chaos. In them reside beauty and ugliness, virtue and vice. They can bring out the best or the worst in humankind. They are the physical manifestation of history and culture and incubators of innovations, industry, technology, entrepreneurship and creativity. Cities are the materialization of humanity's noblest ideas, ambitions and aspirations, but when not planned or governed properly, can be the repository of society's ills. Cities drive national economies by creating wealth, enhancing social development and providing employment but they can also be the breeding grounds for poverty, exclusion and environmental degradation.

Indian cities are no different from the global pattern which are distinguished by dualities and contradictions where growth and development is marked by deprivation and opulence. Despite showcasing distinct advantages and critical role, urban centres have not been growing in a planned and rational manner. Emerging urban scenario on Indian canvas portrays large number of slums over-shadowing the city growth; where slums and state-of-the-art buildings rub shoulders; where poverty and prosperity compete; where unplanned development has emerged as the order of the day; where informal sector govern the growth and development of cities and where basic amenities and services are eluding the majority of urban residents. Majority of urban centres continue to face problems of acute housing shortage and rapid uncontrolled growth resulting into haphazard expansion with sub-standard infrastructure, adversely impacting the quality of life of majority of urban residents.

The existing inadequacies have resulted into uncontrolled rapid growth and proliferation of informal sector. Poverty, population and environment have emerged as the major issues and greatest threat to the urban living.

Housing

Housing has emerged, as one of the major determinant of quality of life besides provider of security and identity to human beings. Besides social connotations, housing has major economic implications for both human beings and nations. Housing has been found to be one of the major contributors to the economy and gross domestic product besides provider of large employment to both skilled and unskilled manpower. Housing has been considered as one of the key promoter of industrialization because more than 290 industries are involved in producing materials used in the construction of housing. Considering the multiple connotations, providing housing has emerged as one of the major priority for both society and nation.

In order to focus on housing as the priority sector, Government of India initiated number of steps and enacted number of housing policies. First such policy was put in place in 1988 which aimed at providing shelter to all with the objective that every family must have a dwelling unit of appropriate quality and space, duly supported by basic amenities of life. This was followed by National Housing Policy, 1994 that focused on transition of public sector role from provider to facilitator. The policy also enlarged the scope of housing by making it integral part of neighborhood and city. However, National Urban Housing and Habitat Policy 2007, was the first policy, which focused on urban housing and emphasized the need for providing and promoting housing on a large scale in urban areas with priority for EWS and LIG categories. Based on the efforts made in the past, housing sector is being given priority and ranks high on the agenda of state and central Governments.

Rapid urbanization and concentration of population in urban areas has numerous implications. Besides, requiring place for working, people require space for living and entertainment. In addition, institutions are required to cater to the essential needs of healthcare, education, entertainment, trade and commerce and Industry which have their specific context in urban setting. However, getting an appropriate shelter remains one of the major priority for each individual and family. Since migration constitutes fair proportion of urban population growth, accordingly providing shelter becomes all the more critical for orderly development of urban areas and providing appropriate quality of life. Majority of rural migrants are from lower economic strata of financial pyramid with poor capacity and ability to rent a house etc. This makes securing appropriate shelter for majority of urban residents more difficult. With ever-rising land and building material prices besides large financial resources required to create appropriate shelter through legal means, the poor urban residents and rural migrants have no option but to encroach upon available public and derelict land in the city to create temporary and makeshift arrangements due to poor financial capacity and affordability. This leads to mushrooming of slums and shantytowns in urban areas. Mumbai has more than 54% of its population living in slums whereas Kolkata share is placed at 33%. In India more than 60 million people are residents of slums and shanty towns and the proportion is increasing rapidly. The makeshift shelter lacking in the basic necessities of life makes it unfit for reasonable human habitation. With shelter lacking in proper air, light and ventilation, poor health and hygiene besides poor quality of life have emerged as the natural corollary of urban living for these migrants. With shelter made on the encroached public/private land, the poor are in perpetual fear of being displaced by the parastatal agencies with possible destruction of makeshift shelter. The fear of demolition acts as a major deterrent to improve their shelter with savings available at their disposal. This leads to housing shortage which keeps on growing and gap between demand and supply getting wider and wider.

Housing Shortage

Technical Group constituted by Ministry of Housing and Poverty Alleviation (MHPUA), estimated urban housing shortage at 24.71 million dwelling units at the end of 10th Five Year Plan for 66.30 million urban households. Group further estimated that majority of shortage was in the EWS category with gap placed at 88%. LIG accounted for 11% shortage whereas in MIG/HIG groups, the estimated shortage was merely 0.04 million dwelling units. For the 11th Five Year Plan (2007-12), the Group estimated that total housing requirement in urban centers including backlog, will be of the order of 26.53 million dwelling units for 75.01 million households. If current trend of increase in backlog of housing is allowed to continue, 30 million houses would be required by the year 2020 to achieve the national goal of providing affordable shelter for all. Technical

Committee also critically looked at the housing shortage in all categories and it was observed that housing shortage in EWS category was highest with shortage placed at 99.9% of total EWS households, 10.5% in LIG whereas it was only 0.2% in MIG/HIG categories. The details of housing shortage in urban India at the end of 10th Five Year Plan (2007-12) are indicated in Figure -1.

Figure 1 Housing Shortage in Urban India				
Category	Monthly per Capita Expenditure in Rs.	Estimated Number of Households in Million (2007)*	Housing Shortage in Million (207)	Percentage Shortage
EWS	0 - 3300	21.81	21.78	99.90%
LIG	3301-7300	27.57	2.89	10.50%
MIG	7301-14500	16.92	0.04	0.20%
HIG	14501 and above			
Total Shortage		66.30	24.71	37.30%
Source: Report of the Technical Group (11th Five Year Plan: 2007-12) on Estimation of Urban Housing Shortage. *Distribution of 66.3 million households estimated from percentage of MPCE classes in NSS 60th Round (Jan-Jun 2004) NSS Report No. 505				

Despite the fact that large volume of housing stock has been created since the involvement of private sector but majority of housing created falls under the category of higher and upper- mid housing segments for the reason that these categories of housing fetch high premium over the low income housing. Housing for the poor and EWS categories is essentially being looked after by the parastatal agencies and to some extent by the private Developers, who are required to provide housing stock for Economically Weaker Section to meet the legal obligation of license granted to them for colonies/ townships. But in majority of cases such obligation is discharged in the shape of plots, which are beyond the affordability and capacity of the poor to pay for the cost of land and make construction of the minimal shelter. Accordingly, these opportunities are siphoned off by the speculators and high income categories. With limited capacity and resources available, housing for the poor has remained in perpetual neglect and shortage. However, considering enormous shortage of housing in these categories, existing shortage can be leveraged as an opportunity to create housing stock for LIG/EWS categories, based on their affordability.

Affordable Housing

Affordable Housing, as a concept, approach and opportunity, has been gaining currency and attracting attention of providers and developers involved in housing. However, affordability cannot be precisely defined because of large number of variables and determinants, which go into the making of affordability. 'RICS Report on Making Urban Housing Work in India', defines *affordability in the context of urban housing as provision of 'adequate shelter' on sustainable basis, ensuring security of tenure within the means of the common urban households. Further, Affordable Housing is that which is provided to those whose needs are not met by the open market*. KPMG Report on Affordable Housing- A key Growth Driver in the Real Estate Sector' has defined affordable housing, '*in terms of three main parameters, namely income level, size of dwelling unit and affordability*'. US Department of Housing and Urban Development defines *housing affordability in terms of expenditure of household on housing as proportion of annual income that should not exceed 30% of the total income*. 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 whereas JNNURM Mission has defined affordable housing in terms of size of dwelling units involving super built up area/carpet area and EMI/Rent not exceeding 30-40% of gross monthly income of the buyer*. Jones Lang LaSalle has 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 the scope and dimensions of the concept of affordable housing by:

- Changing the concept of the size of the dwelling unit, from area to volume, providing more flexibility to Architect in designing the unit as flatted development.

- Linking the concept of shelter to basic amenities to ensure appropriate quality of life based on the provision of the minimum physical and social infrastructure on prescribed norms.
- Making cost of shelter broad based by including operational and maintenance cost for a reasonable period to the actual cost of the house.
- Locating houses to ensure that project remains attractive and affordable by limiting the cost and travel time between place of work and place of living

Based on the studies made and analysis carried out, it has been observed that the highest gap between demand and supply of housing is found to be in the annual income range of Rs 2-3 lakhs because of the limitations imposed by minimum disposable income surplus placed at 30-35%. This considerably reduces the purchasable capacity of this income group particularly the shelter, which is highly cost- intensive. Based on the defined norms and the concept given above, the cost of the dwelling unit in the affordable category needs to be rationalized to bring it within the affordability limits. . The cost of Affordable House can be made more rational and affordable if the developers margin is lowered down and cost of construction is reduced using state of art/ cost effective technologies, cost-effective locally based building materials, materials made from waste and production of houses on a mass basis leading to economy of scale. Affordable housing is essentially a volume game and not a margin game. However, the price of dwelling unit will vary depending upon location, cost of land, FAR, density, number of dwelling units permitted per unit area and government charges. Considering the present status, housing cost can be made affordable with the enabling environment and supportive policies of the Government

Issues in the Development of Affordable Housing

Housing, as already stated, is both labor and capital intensive activity with land and construction as the major components. Considering the multi-lateral implications of the housing, there are large numbers of economic, regulatory and urban challenges in developing the affordable housing. Ever rising cost of land and cost of construction are the constraints that have emerged on the supply side whereas lack of access to home finance is the major demand side constraint, which are the major roadblocks in supplying adequate number of houses in the affordable category. Despite large number of efforts made to mitigate these challenges, tangible results have not been achieved. Multi-pronged and focused action is required to facilitate the production of affordable housing. Based on the existing scenario, major issues identified in development of affordable housing have been enumerated below :

a) Low availability of developed land

With 2.4% of global land and 16.7% of world population, India is under perpetual shortage of land needed to meet the basic requirements of more than 1.21 billion Indians for food, clothing and shelter. With rapid urbanization and industrialization, asking for more and more land to be brought under non-agricultural uses, the pressure on the land is increasing rapidly. With low land-man ratio coupled with ever rising demand and numerous constraints emerging out of speculation, legal framework, planning tools and building bye-laws, the supply of developed urban land is diminishing very fast and accordingly, cost of land rising very rapidly, making the cost of shelter highly unaffordable for majority of urbanites. Major issues leading to shortage of urban land have been identified as:

- i) Excessive parastatal controls on the 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

b) Rising Threshold Cost of Construction

Construction cost is estimated to constitute 50-60% of the total selling price in the case of affordable housing. In order to lower down the cost of dwelling unit, it will be critical to optimize the cost of construction. However, due to rapidly rising cost of building materials, cost of labor, cost of transportation, government levies, taxes and charges and globalization and liberalization of economies, the cost of house is rising rapidly.

c) High degree of Government charges-

Charges levied by the parastatal agencies for granting change of land use, fee charged for approval of the layout and building plan, licensing fee, internal and external development charges, registration of land and registration charges for the finished house etc are major contributors to the escalation of the cost of the

house. These would need rationalization and brought to the realistic level in order to promote affordability in the housing sector.

d) Rigid land use planning

Existing pattern of urban planning has done more damage than good to the urban fabric .Master Plans, Development Plans, Controlled Area Plans prepared for the rational growth and development of the city and periphery do not provide space for most of the urban residents. The informal sector and poor find no place in the planning process/strategies. This leads to their exclusion. Their demand for shelter and employment remain unfulfilled. For making affordable housing a reality, mechanism, approach, intent, content and scope of these plans need to be re-defined by making poor integral part of city planning and development process.

e) Irrational Building Bye-Laws

Existing Building bye-laws and subdivision regulations are fast leading to high degree of operational inefficiencies in land utilization, use of cost- effective and state of art building materials and construction technologies. They need critical review on priority for optimizing land resource and adopting cutting edge technologies.

f) Delay in Project Approvals

Considerable time is taken to approve the projects and building plans (16-24months) due to complicated procedures, cumbersome processes, large number of personnel's involved, duplications of processes/procedures and lack of decentralization of powers leading to time over- runs and cost over- runs of the projects. Delays in project approvals are estimated to add 25-30% to the project cost. For making affordable housing reality, project approvals must be put on fast track and made time bound.

g) Lack of access to cheaper housing finance

Lack of access to cheaper housing finance for low income groups has its genesis in the non- availability of large number of documentations involved in approvals based on providing securities, proof of assured sources of income and residential address etc

h) Multiplicity of agencies involved

Study made by the KPMG and NAREDCO has revealed that real estate projects are required to pass through 150 tables in about 40 departments of central, state and urban local bodies before approval is granted. This invariably delays the projects and makes housing cost-inefficient.

i) Outdated and irrational legal frame work including Rent Control Act.

j) Non- involvement of Private Sector

k) Outdated technologies and poor project management

Outdated technologies and conventional methods of construction besides poor project management have invariably led to the wastage, delay in construction and rising cost of dwelling units.

Haryana State- Affordable Housing Policy, 2013

With a view to give fillip to housing in the affordable category, State of Haryana has come out with a highly experimental, innovative and supportive policy- Affordable Housing Policy, 2013. The objective of the policy is to put the creation of Affordable Housing on fast trajectory in the state and to bridge the existing gap between demand and supply through the active involvement of private sector in the urban areas, based on following parameters:

i Housing to be in the shape of Group Housing.

ii Apartments to be of pre-defined size

iii Apartments to be made available at pre-defined rates.

iv Project to be completed within the defined timeframe of 4 years

v Apartments to be made available to deserving beneficiaries

vi Planning Norms in terms of Density, FAR, Ground coverage etc. made much more relaxed as compared to normal group housing projects and made user friendly for ensuring the success of the scheme. The Norms defined are:

- Density - 850-900 persons/ acre(170-180 du/ acre),
- FAR – 225 ,with balcony of 100sq.feet free from FAR,
- Maximum ground coverage -50%
- Commercial Area - 4%
- Carpet area of apartments-28 to 60 sq mtrs

In addition to relaxed planning norms for promoting affordable housing, State has also provided number of fiscal incentives to private developers in terms of: exemption from payment of license fees and internal development charges and rates and schedule of external development charges applicable to plotted colonies instead of group housing besides waiving off last instalment of external development charges in case project is completed within 3.5 years

WAY FORWARD

Conventionally, housing for EWS/LIG sections of the economic/social pyramid has been largely the responsibility of the parastatal agencies with limited role assigned to the Private Sector. Considering the large demand for housing in this segment, most of the Developer's have started working on the affordable housing to explore the depth, breadth and length of the demand on a long-term basis. With major initiatives in the urban development being taken at the national/ state level including launching of National Urban Housing and Habitat Policy, 2007(NUHHP); Jawaharlal Nehru National Urban Renewal Mission (JNNURM) 2005; Basic Services for the Urban Poor (BSUP); Integrated Housing and Slum Development Program (IHSDP); Rajiv Awas Yojna (RAY) and Affordable Housing in Partnership (AHIP) focusing on the lower end of the pyramid, affordable housing has emerged as the priority area. Further, industry analysts and Developers have started believing that if the government takes the initiative to remove the roadblocks, the segment could move to fast track. Developers feel it is possible to have a profitable proposition in affordable housing if the project and cost management are made very strong. Improved technologies can help in reducing timeframe and cut down cost of construction to a large extent. Context of design of dwelling unit and standardization of housing units/components can help in cost reduction. Further, economies of scale and developing a standard product can keep the cost low. Thus project design and construction management can lead to making the affordable housing projects risk free and profitable, considering the huge latent demand with salability not an issue. To create large stock of housing in the country and to put affordable housing on fast track of growth and development, following options are suggested:

- **Adopting project based approach**

Considering elements of cross-subsidy and cost - reduction, a project based approach should be adopted for creating affordable housing. Housing project should invariably involve mixing of all categories including HIG, MIG besides EWS and LIG, to make project viable and self-sustaining. Making provision and addition of commercial component would help in making project profitable and attractive for both public and private sectors.

- **Promoting strong project and cost- management**

In order to minimise time span for completion of the project, bring high degree of cost- efficiency and to eliminate time and cost-over run, it will be critical to adopt strong project and cost- management approach in the planning, designing and construction of the project.

- **Single Window Clearance**

For ensuring early completion of the project and to avoid any cost escalation, it will be important to put in place an effective and efficient mechanism of single window clearance to ensure approval of the projects within a prescribed time frame not exceeding three months.

- **Creating Land Bank**

In order to ensure the creation of large stock of affordable housing through the active involvement of private sector, it will be important to put in place a dedicated Land Bank for making available off the shelf land parcels ,with all required clearances, to developers under a Joint Venture .

- **Innovative and state of art architectural designs**

Innovative and state of art architectural design would be a pre-requisite for creating cost-effective affordable housing. State of art architectural design will provide for highest building efficiency, optimum utilization of land resource, optimum structural design, cost-effective building technologies/services, use of large prefabricated components and minimum of maintenance and upkeep.

- **Green Buildings**

Designing affordable housing on the concept of Green Buildings will help in considerable reduction of operational cost of the house over the entire life cycle of the building due to reduced energy and water consumption besides lower generation of waste to make the dwellings really cost-effective and sustainable.

- **Standardisation of building components**
Adopting standardisation of various building components, based on available size of materials to promote pre-fabrication, reduce wastage, minimise cost, promote quality and achieve economy of scale will go a long way to reduce time frame of construction and labour component for the housing.
- **Providing Higher Floor Area/ Density**
Floor Area Ratio and Density are the two major determinants for achieving optimization of land resource and rationalizing the housing cost. Making available higher Floor Area Ratio and redefining density accordingly will help in optimising land utilisation, create larger housing stock and making housing cost-effective by lowering cost of land for each dwelling unit.
- **Building Technologies**
Promoting state of art and cost-effective building technologies will be critical in reducing not only period of construction but also and lowering the cost of construction.
- **Reducing and rationalising government levies, charges, fees and taxes**
Government charges, fees, taxes etc form considerable proportion of the total cost of housing. In order to reduce the total cost of the house, it will be desirable that these charges are rationalised to make housing affordable in real sense of the term. Reducing these charges would involve redefining land use conversion charges, plan scrutiny fee, internal and external development charges. In all affordable housing projects, 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 LIG categories. Haryana model, detailed above, for affordable housing can be considered for adoption with appropriate modifications.
- **Long term tie up of conventional materials**
Due to longer gestation period of the projects and other externalities, it is observed that not only the cost of essential materials invariably goes up but also sometimes their supply is also disrupted which adversely impacts the sustainability of the project. In order to hedge the project against the cost-escalation of essential materials including cement, steel, bricks, tiles sand, wood etc and to ensure the assured supply of critical materials during the project life cycle, it will be vital to have long term tie up with the producers/suppliers of such materials.
- **Using locally available building materials**
Using locally available building materials and materials based on industrial and agricultural waste would be critical for promoting cost-effectiveness and utilizing waste. Accordingly, government should encourage research and development and promote industries producing materials from industrial and agricultural waste in order to increase the availability of cost-effective materials and reduce depletion of non-renewable resources used for creating conventional building materials.
- **Adopting co-operate based approach**
Creating co-operative societies of beneficiaries, adopting co-operative based approach and promoting co-operative culture would be vital for involving stakeholders, sourcing their support and resources for creating housing stock, minimising transfer of such units and procuring loan from financial institutions.
- **Treating Affordable Housing a volume Game**
Affordable housing is not be treated as a profit game but a volume game based on the principle of creating large housing stock with minimum cost, within a short span of 18-24 months and disposing off the entire stock within the time span of the project. Taking up large housing projects with number of units ranging from 1000-1500 for promoting economy of scale has been proved to be highly successful in promoting affordable housing.
- **Separating Right to Shelter from Right to Ownership of Shelter**
For achieving the objective of housing for all, the 'Right to shelter must be separated from Right to Ownership of Shelter'. This concept will help in minimising transfer of affordable housing to non-beneficiaries/ higher strata of society.
- **Creating Multiple Options for Shelter**
Multiple options of providing affordable shelter needs to be considered based on affordability, family size, shelter requirements, marital status, type of avocation, skill, tenure etc. Night shelters, mobile housing, bachelor/single accommodation etc at various places should be used as options for augmenting shelter and minimise quantum of formal and expensive housing.

- **Creating Built up Houses**
Reservations made for the LIG & EWS categories in the approved colonies, under the legal framework, must be provided in the shape of built up houses in order to create readily available affordable housing stock in various cities. Existing provision of providing plots for these groups must be dispensed with and replaced with built up houses. In order to avoid the misus , such parcels of land should be transferred to the Housing Board/ Development Authority, who should be mandated to construct such houses and make them available to identified beneficiaries.
- **Siting of the affordable housing projects**
For affordable housing projects to be successful, they have to be carefully located. They should not to be constructed far away from place of work to ensure success of the projects. Making available cost- effective, efficient and reliable public transport from the project area would be critical to promote the acceptability/success of the project.
- **Providing Essential/ Basic Amenities as Integral Part of Project**
Basic amenities involving education, healthcare ,recreation , child care, shopping, community centre etc should be made integral part of the project to make it self- contained and self-sustainable.
- **Using Peri- urban areas**
Peri- urban areas with basic infrastructures, services and transport should be permitted to be used for creating affordable housing due to lower prevailing land cost.
- **Formulating well defined, transparent and objective guidelines**
Formulating well defined, transparent and objective guidelines with a networked system of sharing information, would be critical and essential for identifying right beneficiaries eliminating speculators, minimising multiple ownership and transfer/ sale of units at the local ,state and national level.
- **Using PPP Model**
Housing, being largely a private sector activity, leveraging land for market based strategies and PPP models, would help in improving supply of affordable housing.
- **Revolving Fund**
Promoting easy access to institutional finance at an affordable cost for creating cost-effective housing through a dedicated Revolving Fund, created at the national and state level with contributions made by central and state governments, urban local bodies, development authorities and assistance provided under different centrally and state sponsored schemes, would be a pre-requisite, critical and essential to ensure supply of affordable housing on large scale.
- **Involving Beneficiaries**
Active involvement and participation of beneficiaries in cash and kind , in project would be critical for the success of the project involving slum up-gradation and provision of shelter.
- **Making land market more efficient**
Making land market more efficient by streamlining the land ownership record, rationalising stamp duties, minimising benami transactions, eliminating speculation by taxing vacant urban lands, minimising monopolisation, regulating land use conversion, creating dedicated land use zones for affordable housing in the Master Plans, rationalising building bye-laws, zoning regulations , development controls, rationalising densities, ground coverage, floor area ratio, height etc would be pre-requisite for promoting affordable housing.
- **Ticket Size of the Project**
Studies have revealed that affordable housing projects having area in the range of 15-35 acres, with number of dwelling units ranging between 1500-3500, located not beyond 20-25 kms from the city centre of metro cities, with area of dwelling units ranging between 250-350 sft, constructed as low rise G+3/G+4 walk up apartments , completed within 18-24 months and provided with all basic amenities have proved to be successful and should be taken as role model for constructing the affordable housing.

Based on the options suggested above, it appears that providing affordable housing can become a reality only if concerted efforts are made in tandem and in a holistic / sustained manner by all the stakeholders including Governments, parastatal agencies, financial institutions, private sector, builders, developers, colonizers, industry, and professionals including Architects / Engineers/Planners etc. Affordable housing friendly policy framework will have to be put up on priority by the government, providing required incentives and removing all roadblocks to achieve

the desired objectives. Role of parastatal agencies shall be that of facilitators rather than providers with key responsibility given to the private and co-operative sectors. Reform linked policy framework ,calling for making land market effective and efficient; cutting down government levies/fees/taxes; promoting industries involved in producing pre-fabricated components and making building materials from waste; providing housing loans at concessional and affordable rates with flexible options of repayment; making landowners active partners in creating affordable housing on a mass scale and making all stakeholders work in a concerted/committed manner ,would be critical in making affordable housing a reality in the Indian context. Looking at the role and importance of housing, affordable housing can be effectively leveraged to create/ expand large job market for unskilled/ semi-skilled rural migrants; revitalize Indian industry; promote economy; achieving high growth rate and marginalizing poverty in urban India. Housing as a sector can be effectively leveraged in making urban centers Smart , more productive, more effective, highly efficient, more healthier, better habitable, better organized, well planned and more sustainable with assured quality of life.

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