



POLICIES TO PROMOTE AFFORDABLE HOUSING IN PAKISTAN: CHALLENGES AND LESSONS LEARNED

DR. FARIHA TARIQ

Fariha.tariq@umt.edu.pk





TOPICS UNDER DISCUSSION

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- › Objectives of Housing Policy
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BACKGROUND

- › Housing backlog, being a global commonality, is the biggest outcome of continued urbanization.
- › Land, infrastructure, finance, administrative bodies, real estate markets and most importantly role of government are most significant factors in this regard, and the tool through which the Governments intervene is usually known as housing guideline or housing policy.
- › It is estimated that 25% to 33% urban dwellers of the developing countries are living in poverty and cannot afford adequate housing.



A HOUSING POLICY SHOULD BE LIKE....

- › Formation of a concrete housing policy is one inevitable step that needs to be taken if a government aspires to improve the housing conditions in the country.
- › A good housing policy orients the scattered efforts of government towards a pre-determined target and ensures optimum output.
- › Land supply, infrastructure, housing norms, rural housing, urban poor, slums and squatters, housing finance, role of government, private sector and community, management of housing stock, disadvantaged groups and fiscal and legal framework are the most important elements which must be considered while developing a housing policy.



OBJECTIVES OF A HOUSING POLICY

- › To enable the society to get access to quality housing within their resources.
- › To make housing affordable for citizens by ensuring direct and active participation of government in housing delivery system at all levels.
- › To expand the opportunities of home ownership by strengthening the current administrative setup, also provision of infrastructure to rural areas and increase in the supply of developed land and basic services to poor household to improve living condition throughout the country is also a part of this arrangement.



OBJECTIVES OF A HOUSING POLICY

- › To encourage the private sector to come forward and invest in the housing sector.
- › To regularize housing markets in a way that it offers a variety of affordable housing solutions which satisfy the needs of all income groups.
- › To spread awareness regarding the significance of effective planning and use of latest technology and materials in construction.
- › To improve land record system and legal framework to facilitate the citizens.



HOUSING BACKLOG OF PAKISTAN

- › Unlike many other countries, authorities of Pakistan took almost 55 years in publishing its housing policy which was proposed in year 2001.
- › The magnitude of housing shortfall is on high increase rate in comparison to growth of population.
- › As per the results of census 1998, there are total 19.3 million housing units in country, among them, 32.3% are located in urban areas and 67.7% of houses fall in category of rural housing.



HOUSING BACKLOG OF PAKISTAN

- › There is a housing backlog of 4.3 million units. The country needs addition of 300,000 housing units per year, however, owing to less housing production, housing shortfall is increasing by 270,000 every year.
- › By 2050, Pakistan will be the fifth most populated country with its current growth rate.



MAJOR HOUSING PROBLEMS/ISSUES



OPEN KITCHENS



IMPROPER INTERNAL LAYOUTS



Kitchen with attached bath



Bathroom entrance

Kitchen



Unhygienic Conditions

Bathroom entrance

Water container to cool milk



Drainage for kitchen



Improper Ventilation



Mugh in Courtyard



Open Shafts In bathroom



Adaptations to Exterior Conditions



Newly constructed open drainage after rise in road level



Change in level



Newly constructed stairs after rise in road level



IMPROPER HOUSE FACADES



OPEN SEWERAGE OR DRAINAGE



POOR INFRASTRUCTURE



IMPROPER SOLID WASTER COLLECTION



HOUSING POLICY OF PAKISTAN 2001

- › To provide land on cheaper rates.
- › For housing finance, the policy encourages HBFC and private financial institutions to offer for clients from low income segments.
- › As part of its policy direction on zoning, the Policy commits to promote the concept of mixed development to ensure effective integration of low income groups.
- › The policy aims to recognize chunks of land, be it state land or private land, in rural and urban areas to develop it for housing purposes.
- › Land record correction and up-to-date information system shall be developed using digital, remote sensing methods, GIS mapping, satellite imageries, etc.
- › Financing organizations shall be encouraged to stimulate savings and start micro financing for low-income people using community organization such as NGOs and CBOs.
- › The regularization of Slums.
- › Provisions for low incoming housing, development of new towns and regularization of housing taxes.



Challenges

- › Low-income group was not even able to afford the cheapest housing unit built by any developer.
- › Failure to collect revenue.
- › Gap between supply and demand curves is constantly increasing.
- › The housing programs lacked community participation and delivered units turned out to be expensive and against the needs of the people.
- › Due to high maintenance and other costs of housing, the owners fulfil their need by selling homes.



THE NEED

- › Housing policy of Pakistan 2001, contrary to the expectations, failed to cope the housing issues of country and it resulted in increased homelessness and housing backlog.
- › Even after the failure of said policy, the government or the housing ministry has not developed any new guidelines for the housing sector.
- › Currently, the housing policy of Pakistan needs to be redeviised on immediate basis and following recommendations are proposed to be incorporated in the existing housing policy.



RECOMMENDATIONS



Increased Supply

Nothing beats the supply. In order to improve the housing conditions, the basic and most imperative measure is the escalation of the housing supply. The government and housing authorities need to increase the annual production of housing units to cut short the gap between demand and supply.

Increased Ownership

Along with the increased supply, the government should focus to increase the demand ability of housing, among the citizens. Government should introduce opportunities such as mortgage programs, equity loans and shared ownership to ensure maximum people are able to get hold of a housing unit.





Direct Government Role

Supply of housing must increase, the government should drive the housing sector itself. Instead of just facilitating the builders and private sector, the government must play a direct role and should get in the driving seat.

Increased Land Supply

Housing authorities should utilize more land situated on the peripheries of the urban areas for development of new urban neighborhoods.

New Sub-Urban Towns

In addition to use more city land for development, the authorities should try to develop new cities and towns in sub-urban land located between cities. These new towns, having affordable land prices will house more households and this practice will reduce the pressure on the existing urban areas.





Tax Relaxation on Housing

Government should revise the taxation system for real estate and housing sector. On small houses, the government should reduce the tax rate to the possible extent and also provide subsidy on building material of such houses.

Amendments in Planning Rules

Planning rules and regulations set by the development authorities need to be revisited, building byelaws should encourage such spaces which are livable. Planning and design must be on human scale. Pedestrian's oriented development should be encouraged whereas extra wide roads and boulevards must be discouraged.

Mixed Use and Increased Density

In development of new towns and cities, focus must be laid on to vertical expansion and horizontal sprawl must be discouraged. Mixed-use development must be ensured in these new neighborhoods. These measures will result in increased density, so more households can be accommodated using less horizontal space.



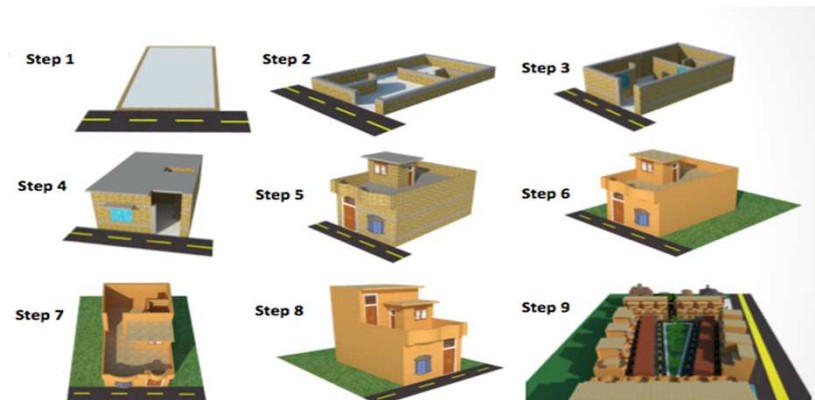


Up-gradation of Existing Housing

Along with development of new neighborhoods, the Ministry of Housing should also upgrade existing housing stock, such as slums and squatters. In this way, government can produce more livable housing units by utilizing less funds.

Incremental Housing and Micro Finance

Government should also facilitate the incremental housing and start the microfinance programs for low income groups who cannot afford to borrow bigger loans from banks and other corporate sources. Through these micro loans the low income group can construct and improve their housing conditions in increments.





Discourage Speculations and Investors

Government needs to eliminate the aspect of business and investment and should ensure that housing is a basic need. Delivery of constructed houses instead of plots can also be helpful in discouraging the speculations.

Rental Housing

Government should also start to subsidize the rental housing and instead of supporting home owners only, the government should also develop policies to support and help the tenants.

Implementation and Monitoring

Government needs to have a cell which makes sure unbiased, non-political and timely implementation of policies. This cell should also be responsible for eradicating the corruption and discrepancies in the housing sector.



Conclusion

- › There is a dire need to redo the housing policy of Pakistan on the above mentioned parameters and the revised policy must be implemented in a neutral way keeping aside all political differences.
- › This true implementation of this policy can go a long way in ensuring adequate and cheap housing for all the sectors of the society. Through strict monitoring and periodic assessments the government can easily shape up the policies in future as per the conditions and the needs of its people.



THANK YOU