

Rethinking India's Urban Housing Policy: Challenges and Solutions



Context

According to a 2019 UN report, **cities occupy 3% of India's land** and contribute about 60% to the economy.

Relevance For Prelims: [Urbanization In India](#), [2015 National Urban Rental Housing Policy](#), [Housing For All](#), and [Scheme](#), [Challenges In Urban Development In India](#), and [Smart Cities Mission \(SCM\)](#).

Relevance For Mains: Challenges associated with [Urbanization](#), [Slums and Urban Land ceiling Act](#), [Floor Space Index](#).

India's Affordable Urban Housing Initiatives

- **Pradhan Mantri Awas Yojana:** In recognition of the need for **affordable and quality housing**, the government launched the [PM Awas Yojana-Urban \(PMAY-U\)](#) in June 2015 to provide housing for **all by December 2024**.
 - Around **8.2 million** of nearly **11.7 million houses approved under the scheme** have been completed.

- In contrast, **25 million houses of the 29.5 million target** under the scheme's rural version, **PMAY-Gramin**, had been completed by **November 2023**.
- **Lower Completion Rate:** Not only is the **urban version of PMAY completion rate lower**, but many houses constructed under it **remain unoccupied**.

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Challenges in India's Urban Housing

- **Issues with livability:** The **Standing Committee on Housing and Urban Affairs noted in 2022** that many houses under **Pradhan Mantri Awas Yojana (Urban)** are not in **“liveable condition,”** pointing to **missing windows and doors**, and **illegal occupation by “anti-social elements.”**
- **PMAY-Urban Beneficiary Selection Concerns:** **Comptroller and Auditor General report** noted several issues related to the selection of beneficiaries under PMAY-U.
 - In Karnataka, for example, some beneficiaries **got multiple benefits while ineligible people got allotments**.
- **Low Demand:** Given weak purchase demand for public housing, **the Centre launched a scheme under which PMAY-U houses are repaired and converted into affordable rental housing complexes for urban migrants/poors**.

Barriers to Urban Public Housing Demand: Location, Maintenance, and Cultural Hurdle

- **Lack of Choice in location:** A housing subsidy in **rural areas is used to build homes on land owned by families in their native places**.
 - The location of a residence is **not decided by the government**, but by individuals. **Urban public housing can't offer such a choice**.
- **Maintenance Challenges:** In apartment **complexes, public space maintenance and shared-resource use are often subject to the ‘tragedy of commons.’ Public resources tend to get misused and suffer from poor upkeep**.
- **Preference for Upward Mobility:** People may not **prefer to live in neighborhoods that do not suit their aspirations of upward mobility**.
- **Cultural Barriers for Migrants:** Migrants from other states **often stay together and form a small local community, since assimilation in the larger urban community takes time**. That may discourage migrants **from other states from applying for public housing rental apartments**.
- **Lack of Information:** It is also unclear if **there is proper dissemination of information on the rental housing available, the process of applying for it, and so on**.

Way Forward to Urban Housing

- **Exploring Innovative Policies:** The **2015 National Urban Rental Housing Policy** mentions the provision of a **fund to set up a rental voucher scheme and a pilot project in selected cities**.

- The vouchers were meant to partially offset the cost of private housing rent incurred by the urban poor and migrants.
- **Challenges of Affordability:** Rents in our cities are so high that even after a rent subsidy, private housing remains largely unaffordable to the urban poor.
- **Boost Urban Housing Supply:** The supply of urban housing can be increased via two measures:
 - First, a stockpile of private accommodation can be unlocked that remains locked up because of unfavorable terms for house owners under rental laws.
 - Second, regulations can be eased that control and thereby slow the construction of new homes in big cities.

Conclusion

If India is to become a prosperous nation, our cities would be at its core. It is therefore imperative to rethink the country's urban public housing policy once national elections are over.

Also Read: [Gelephu: The World's First Mindfulness City Is In Bhutan](#)

Mains Question: [Does urbanization lead to more segregation and/or marginalization of the poor in Indian metropolises? \(250 words, 15 Marks\)](#)

