

Critical Evaluation of Housing Scenario in India

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ABSTRACT

Housing in India occupies a preeminent position in the country's development trajectory and reflects the socio-economic blend of its people. The housing sector has strong backward and forward linkages to over 250 ancillary industries. After agriculture, housing and real estate industry is the second largest employment generator in India. This review paper, tries to focus on various issues and challenges of Indian housing market and affordable housing segment, preceded by a study of various definitions of affordable housing, housing finance in India, various initiatives taken by Government of India through various five years plans and concludes various efforts are required in the development of affordable housing through a multipronged strategy.

Keywords : Housing In India, Affordable Housing, Housing Finance

I. INTRODUCTION

Housing in India varies greatly and reflects the socio-economic mix of its vast population. With continuing urban societal changes, there are a growing number of nuclear families, in which each couple needs its own house after marriage. The housing sector has strong backward and forward linkages to over 250 ancillary industries. After agriculture, housing and real estate industry is the second largest employment generator in India. It is estimated that the construction sector provides direct employment to 16 per cent of the country's workforce, which is growing at a rate of seven per cent per annum. In India, residential housing accounts for almost 80 per cent of the real estate market in terms of volume and has been growing at 30 to 35 per cent annually. Total residential unit launches stood at around 108,200. (KPMG Cushman and Wakefield, Knight Frank, CRISIL)

At the advent of the 21st Century (2001), housing stock in India stood at 50.95 million for 55.8 million urban households. A significant segment of this

housing stock was characterized by congestion and obsolescence. Congestion is particularly acute in inner city slums and peripheral slums. According to the Census 2011, 65 million persons or 31.16% of the urban population resides in slums. The quality of housing stock in slums is extremely poor. An important reason for this is insecurity of tenure. Slums are also severely deficient in basic services such as potable water, sanitation, sewerage, storm water drainage and solid waste disposal.

In order to improve the quality of life in urban areas, it is of critical significance that the housing stock is improved through urban renewal, in situ slum improvement and development of new housing stock in existing cities as well as in new townships. Further, the enhancement of housing stock must be accompanied with high quality provision of basic services. It is a well-established fact that safe, hygienic and spacious provisioning of housing duly buttressed with adequate basic services and a congenial habitat promotes significant improvement in productivity of workers.

II. INDIA'S HOUSING SHORTAGE

According to the National Buildings Organization (NBO, 2012), the factors behind the housing shortage include:

- (a) An excess of households over available houses, including homeless households
- (b) Congestion, i.e., the number of married couples requiring a separate room
- (c) Replacement or upgrading of unserviceable houses
- (d) Obsolescence/replacement of old houses.

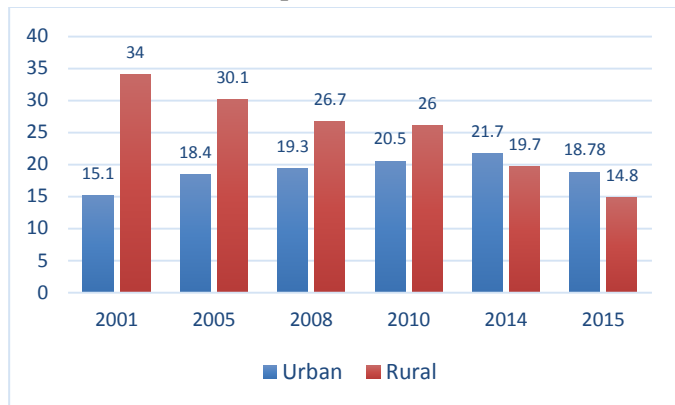


Figure 1.Urban Rural Housing Shortage in million (2015)

SOURCE- Ministry of Housing and Urban Poverty Alleviation, RBI, CRISIL

Ministry of Housing and Urban Poverty Alleviation (MHUPA), the urban housing shortage is estimated at 18.78 million in 2015. Total rural housing shortage in India stood at 14.8 million as of 2015 and is expected to grow to 48.8 million during XII plan period (2012-2017). Besides those living in obsolescent houses, 80 percent of these households are living in congested houses and are in requirement of new houses. (Ministry of Housing and Urban Poverty Alleviation, RBI, CRISIL)

While about 92 million (37 percent of all households) and 78 million (32 percent) households live in one- and two-room houses, respectively, there are also about 10 million households that do not have any exclusive room for living as the room

in which they live is also used as a shop or office.(Census 2011)

Table 1.Housing Shortage in Urban India (2012)

	Monthly Per Capita Expenditure	Housing Shortage in million (2012)	Percentage Shortage
EWS	0 - 3,300	10.55	56.18%
LIG	3,301 - 7,300	7.41	39.44%
MIG	7,301 - 14,500	0.82	4.38%
HIG	14,501 and above		
Total Shortage		18.78	100%

Source: Report of the Technical Group on Urban Housing Shortage

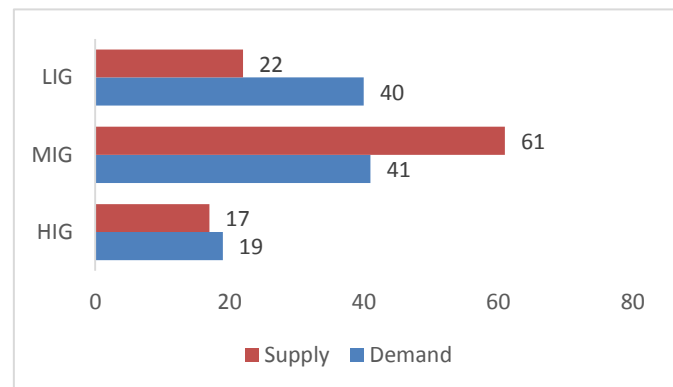


Figure 2.Demand Supply Analysis (2015)

Source- Cushman and Wakefield (IBEF)

I. Housing by Tenure Status:

Indians like to own a house rather than rent one. In urban areas, the trend indicates rising ownership as against decreasing rental housing (Table No. 2).There are two reasons for increased ownership:

1. The rent control laws have discouraged rental housing
2. An increasing availability of housing finance options over the years has enabled more people to buy a home

Table 2. Tenure Status in Urban and Rural Areas (%)

	1961	1971	1981	1991	2001	2011
Rural						
Owned	93.6	93.8	93.0	94.5	95.4	95
Rented	6.4	6.2	7.0	5.5	4.6	3
Urban						
Owned	46.2	47.1	53.5	65.9	71.5	69
Rented	53.8	52.9	46.5	34.1	28.5	28

Source: NHB Trend & Progress Report, 2004, Census 2011

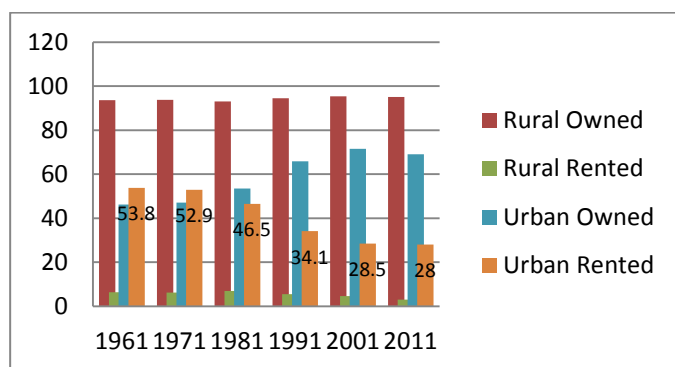


Figure 3. Tenure Status in Urban and Rural Areas (%)

Source: NHB Trend & Progress Report, 2004, Census 2011

III. AFFORDABLE HOUSING IN INDIA : - DEFINITION AND IMPACTING FACTORS

Affordable housing is housing deemed affordable to those with a median household income. Affordability is generally viewed as a ratio of price/rent of housing to income of household. The ratio differs for different income groups. Lower income groups can afford to pay much less proportion of their income for housing than that of higher income groups.

Defining Affordability

There is much confusion and debate about how to define affordability. The meaning of affordability may take different connotations for people based on their incomes. Similarly the concept takes different meanings for builders, governments, finance agencies, architects etc. Several experts have questioned: what defines affordability? Does it imply owning a house where one wants, or ability to buy it at a price one can

afford or both? Generally, houses costing in a range of Rs. 5-15 lakhs (Rs.0.5 – 1.5 million) are considered falling in affordable housing bracket

There is no clear-cut definition of the term ‘affordable’, as it is a relative concept and could have several implied meanings in different contexts. According to the RICS (Royal Institution of Chartered Surveyors, UK) Report on Making Urban Housing Work in India, affordability in the context of urban housing means provision of ‘adequate shelter’ on a sustained basis, ensuring security of tenure within the means of the common urban household. RICS Practice Standard Guidance Notes (GN 59 2010) states that ‘affordable housing is that provided to those whose needs are not met by the open market.’

As per US Department of Housing and Urban Development, the generally accepted definition of housing affordability is ‘for a household to pay no more than 30% of its annual income on housing. Families who pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care

Table 3. Definition of Affordable Housing by MoHUPA (2011)

Income Group	Area	EMI or Rent
EWS	Minimum carpet area=269 sq.ft.	Not exceeding 30%-40% of gross monthly income of buyer
	Minimum Super built up area= 300 sq.ft.	
LIG	Maximum Carpet Area = 517 sq.ft.	
	Minimum Super Builtup Area = 500 sq.ft.	
MIG	Maximum Carpet Area = 861 sq.ft.	
	Super Builtup Area = 600-1200 sq.ft.	

Source: *Guidelines for Affordable Housing in Partnership (Amended), MHUPA, 2011*

Table 4. Definition of Affordable Housing by JLL (2012)

	Minimum Volume of Habitation	Provision of Basic Amenities	Cost of the House	Location of the House
EWS	Minimum Carpet Area = 250 sq.ft.	sanitation, adequate water supply and Power	Reasonable maintenance costs	located within 20 km of a major workplace hub (could be suburban hubs as well) in the city
	Minimum Internal Volume = 2250 cu.ft.	Provision of community spaces and amenities such as parks,		
LIG	Carpet Area = 300-600 sq.ft.	schools and healthcare facilities, either within the project or in the neighbourhood, depending upon the size and location of the housing project.	cost of the house such that EMI does not exceed 30-40% of gross monthly income of the buyer.	adequately connected to major public transit hubs
	Internal Volume = 2700-5400 cu.ft.			
MIG	Carpet Area = 600-1200 sq.ft.			
	Minimum Internal Volume = 5400-10800 cu.ft			

Source: *Affordable Housing in India – JLL (2012)*

In the absence of housing rights in India, the lowest class of homeless and below poverty line population has struggled to find decent shelter. Lack of adequate shelter makes them vulnerable not only to physical

weather conditions but also exposes them to inhumane living conditions. The gap between living conditions and decent shelter is wide for this lowest income class (BPL) which constitutes approximately 22 percent of India’s population, of which 14 percent live in urban areas and 26 percent live in rural areas (Planning Commission, 2013). With their income constrain to extend that BPL households cannot even afford to pay for adequate food, it is really challenging to fill the gap for a house, especially when it could be as wide as between homelessness and homeownership. (Wadhwa,2009) defines affordability as a fraction of income which can be spent on housing and assumes that BPL households cab afford to pay up to five percent of their monthly income as rent or equal monthly installment (EMI) for housing.

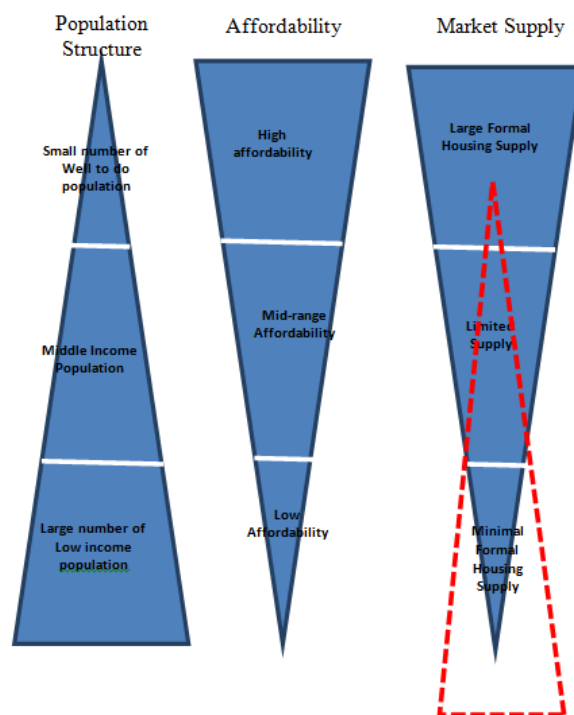


Figure 4. Population Structure, Affordability And Market Supply Pyramid

Source- *Affordable housing India-2012*

According to the KPMG Report on ‘Affordable Housing – A Key Growth Driver in the Real Estate Sector’, affordable housing is defined in terms of three main parameters, namely income level, size of

dwelling unit and affordability (Table No. 5). Whilst the first two parameters are independent of each other, the third is a dependent parameter that can be correlated to income and property prices.

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Source : KPMG Report(2010)

Table No. 5 Definition of Affordable Housing – by KPMG Analysis

Income Level	Size of Dwelling Unit	Affordability
EWS	<INR 1.5 Lakhs	EMI to monthly income: 30% to 40% House price to annual income ratio: Less than 5:1 (Task Force headed by
LIG	INR 1.5 – 3 Lakhs per annum 300 – 600 sqft	
MIG	INR 3- 10 Lakhs per annum 600 – 1,200 sqft	

The JNNURM(Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was a massive city-modernization scheme launched by the Government of India under Ministry of Urban Development. Mission Directorate of MoHUPA (Ministry of Housing and Urban Poverty Alleviation) of Government of India has also defined affordable housing in its amended Guidelines for Affordable Housing in Partnership released in December 2011.

According to the Jones Lang LaSalle’s Report: Affordable Housing has defined on the basis of following four criteria (Table No. 6).

Table 6. Definition of Affordable Housing- Jones LangLasalle (2012)

Category	Minimum Volume of Habitation	Provision of Basic Amenities	Cost of the House	Location of the House
EWS	Minimum of 250 sqft carpet area Minimum of 2,250 cu ft internal volume	Sanitation, adequate water supply and power	Cost of the house such that EMI does not exceed 30-40% of gross monthly income of the buyer	Located within 20 km of a major workplace hub (could be suburban hubs as well) in the city
LIG	300-600 sqft carpet area 2,700-5,400 cu ft internal volume	Provision of community spaces and amenities such as parks, schools and healthcare facilities, either within the project or in the neighborhood, depending upon the size and location of the housing project.	Reasonable maintenance costs	Adequately connected to major public transit hubs
MIG	600-1,200 sqft carpet area 5,400-10,800 cu ft internal volume			

Source: Source: Jones Lang LaSalle Research, 2012

Affordability refers to people’s ability to purchase essential (or basic) goods and services, such as adequate housing, healthy food, and medical care. It

means that basic living expenses are less than a household’s income. (Litman 2010)

Affordable housing generally means that total costs (rents, mortgages, basic utilities, and maintenance) of

appropriate housing total less than 30% to 35% of a household's income. (Hulchanski 1995)

Affordable transportation generally means that less than 20% of household budgets are devoted to basic transport, that is, access to essential services and

activities such as health care, school, work, basic shopping, plus some social and recreational activities.

There are many factors that affect housing affordability as summarised in Table 7.

Table 7. Factors Affecting Housing Affordability

Factors	Description	Impacts on Housing Affordability
Land supply and price	Amount of land available for residential development, and therefore residential land unit prices (per acre or hectare)	Limited land supply tends to increase land unit prices which increases housing costs in proportion to land required per housing unit (i.e. reduces affordability of larger -lot housing)
Housing density	Land use per housing unit	Increased density reduces land costs per housing unit
Development and construction costs	The costs (fees, construction, financing) of building new housing, or improving dilapidated housing	Lower development costs increase housing affordability
Existing housing stock	Amount of existing lower-price housing	An abundant supply of older, less desirable housing tends to increase housing affordability
Location attractiveness	Whether a neighborhood or city is relatively attractive and therefore commands a price premium	More attractive locations have higher prices which reduces affordability
Accessibility and transport costs	Ease of reaching desired destinations, and the quality of affordable transport options (walking, cycling and public transit), and therefore transport costs	More accessible and more valuable, and areas with more affordable travel options have lower transportation costs which leaves households with more money to spend on housing. Housing will seem less affordable, although housing and transportation may be more affordable overall, in more accessible and multi-modal locations
Population growth	Rate of new residents	Higher population growth may reduce housing affordability if house construction costs (including land, development and construction) are high
Investment potential	Perception that housing investments provide relatively high or safe profits	High investment potential will tend to increase housing prices and reduce affordability

IV. HOUSING FINANCE

Finance is the most important resource for implementation of any project. In housing sector also, any breakthrough is possible only if larger funds are allotted to housing. Lower income families have a limited savings and they require long periods of repayments and soft terms and conditions which is difficult for any financial institution to run on commercial basis.

Effective administration and management of finance is necessary for organizing and constructing house. In India, there are many public and private sector institutions to finance housing. Also banking sectors and Provident fund resources are coming up. There is a requirement of well balanced, effective finance system. While doing everything to mobilize and manage finance, the technical aspects of housing should not be overlooked. For this, emphasis has to be given for land subdivision, area planning, adequate flexibility design, and cost efficiency. Housing market in India can be divided into two distinct sectors: Formal Housing and Informal Housing finance market.

Formal housing finance includes institutions like HUDCO, HDFC, NHB, LICHF, SHB etc. Informal housing includes local money lenders, indigenous bankers, friends, relatives etc. Over 75% of financial resources come from informal housing markets. Mobilization of funds of the required quantity and at the proper time deserves special discussion. Basic principle is that a person who saves and deposits in a home loan account is eligible for a loan amounting to four times the amount in his credit. The loan granted is proposed to be covered by group insurance scheme to protect the interest of legal heirs. The principal resources for housing are general resources of states, public funds and plan provisions available for welfare of SC and ST, savings by house owners. Loans from agency like World Bank, ADB, and other country

specific etc. institutional agencies should avoid advancing loans to those who intend to supplement their capital to make bigger and expensive houses. Financial support is needed mainly in 2 stages

- 1) Acquisition and development of land and
- 2) Construction of house/houses.

It is important to decide whether housing shortage should be tackled by inputs of public sector or private sector. Investment in housing by the public sector has been increasing in every successive plan in absolute terms. Bank finance is also available for undertaking slum improvement programs, repairs and up gradation works. More attention and research is necessary for raising and managing housing finance through effective strategies.

Co- operative housing

Housing cooperative has been defined as: "A legally incorporated group of persons, generally of limited means, pursuing the same cause of meeting the common need of housing or its improvement based on mutual assistance. In such a cooperative, the membership is voluntary and control is democratic, and members make an approximately equal contribution to the capital required".

The National Cooperative Housing Federation of India (NCHF) is an apex national cooperative society registered under the Multi-State Cooperative Societies Act. It was promoted by Apex Cooperative Housing Federations in the year 1969. The basic thrust of its formation was to have an organisation at the national level to assume the responsibility of promoting, developing and coordinating the activities of housing cooperatives in the country.

A housing cooperative is a legally established association that is owned and democratically controlled by its members for the primary purpose of improving their living conditions. Democratic control by residents, open and voluntary membership, limited

return on membership investment, the expansion of services beyond merely the supply of housing to the provision of a wide range of community services, and a strong emphasis on self-help and cooperative action are the basic characteristics of housing cooperatives. (National Cooperative Housing Federation of India, n.d.)

Each shareholder in the legal entity is granted the right to occupy one housing unit. A primary advantage of the housing cooperative is the pooling of the members' resources so that their buying power is leveraged, thus lowering the cost per member in all the services and products associated with home ownership. Salient features of cooperative housing are-legal status, group ownership, management of finance, and limited equity.

The cooperative approach is a very effective means of private initiation in housing. It also provides an efficient mechanism for the private sector to participate in housing development. Cooperative housing has specific advantages like

1. Elimination of speculation
2. Facilitation of more social interaction between members and their families
3. Encouragement to household savings
4. Saving of forbidden profits of middlemen
5. Best arrangement of design and supervision at minimum cost
6. Consensus based solutions

In cooperative housing societies loans are given to groups of people intending to buy and develop land and build houses. The recovery rate is quite good in the cooperative housing society. In some types of society, houses and the premises belong to society and members obtain only the occupancy rights, this type of society is known as co partnership tenancy society. In another type, the member functions as a lease

holder paying a lease rent. The main philosophy is no profit no loss. Sources of funds are

- 1) Share capital of members
- 2) Share of cooperative housing federation
- 3) Financial institutions like LIC, GIC, and HUDCO
- 4) Issue of debentures guaranteed by the government

Cooperative housing has a great scope to meet requirements of low and middle income families. In a democratic society, cooperative is the most suitable institution for economic administration but for the cooperative administration to become sustainable, arrangements need to be made for (i) continuous capacity building of the members and officials, (ii) enabling regulatory framework, (iii) keeping of accounts by competent personnel and (iv) soft loan from the banking sector.

Cost reduction in housing development

In order to achieve maximum output from the resources, cost reduction is an absolute necessity. But the cost reduction has to be done without sacrificing quality, reliability and durability. The problem of housing is of colossal nature requiring huge investments beyond the capacity of the majority of nations. Housing has been recognized as priority item by many governments. In India, although affordable housing has been given infrastructure status in 2017 budget, housing sector in general is yet to be recognized as an industry and therefore has to forego several advantages enjoyed by industries. Given the developing countries' scenario, if one has to choose between food and roof, food gets preference.

The basic objective of cost reduction in housing is to enable the state help large number of families with limited resources available to own a house. Cost reduction of the housing can be achieved in a variety of ways such as adopting appropriate technology and efficient project monitoring. Actual cost reduction has to be achieved by taking effective measures to bring down costs of land development, provision of basic

services and cost of energy. Selection of land is the most important thing in cost reduction in housing development. Government should persuade the prospective home buyers by citing success stories on beneficiary participation and community development in resolving the housing problem. The fear about the safety of low cost construction is externally instilled into the minds of prospective home buyers by profit mongering vested interests.

Suggestions for cost reduction are:

- Construction by contract system is one of the major factors responsible for higher cost and lower standards and hence this should be done away with
- Both the land and floor area should be used economically
- Group or cluster houses should be encouraged
- Two or three storied apartments with load bearing walls which are cheaper than multistoried skyscrapers for urban housing should be popularized
- Best supervision and quality control have to be ensured
- Trained labor, especially trained skilled labor be employed
- Design efficiency which is indicated by percentage of carpet area to the total plinth area should be maximum

- Frames for doors and windows should be avoided as it can bring in substantial reduction in cost
- Up gradation of the existing stock can make many of substandard houses livable
- Raising taxes for housing land parcels developed by government and transferred to private individuals or entities but lying vacant
- Government can also do the following things:
 - i. Aid in obtaining building materials
 - ii. Offering suitable building plans, free of cost
 - iii. Technical supervision by government agencies, free of cost

V. HOUSING INITIATIVES THROUGH VARIOUS PROGRAMS AND FIVE YEAR PLANS

Housing has always been considered as a basic need and government of India too gives it a priority. But non availability of housing for various income segments causes a serious setback. In order to ameliorate the housing crisis commercial banks and housing finance companies have made efforts to develop the mortgage market, availability and affordability of housing. Also a clear perspective on the evolution of housing policies in India appears in the successive Five-Year Plans which were made by the Planning Commission. (Table No. 8)

Table 8. Housing Policy Development through Five Year Plan Initiatives

Plan/period	Focus	Initiatives
FIRST PLAN (1951-56)	Refugee Settlement Housing in Metros Curbing Land speculation	House construction for employees & Weaker Sections INSTITUTION BUILDING- Creation of Ministry of Works & Housing, NBO, TCPO & Housing Boards
SECOND PLAN (1956-61)	Master Plans Institutional Finance Subsidized schemes	Delhi Master Plan & creation of DDA LIC to provide loan for MIG Plantation Labour, Village Housing, Land acquisition, SC/ST Housing, Hand loom Weavers

FIRST STATEMENT IN PARLIAMENT ON HOUSING POLICY (14.08.1957) -Priority for subsidy to needy, for rest loans for house construction or purchase, Setting up State Institutions for housing		
THIRD PLAN (1961-66)	- Master Plans, State Capitals Economic Policy linkages Land Policy	Master Plans for Major Cities, Building State Capitals i.e. GANDHINAGAR,, BHUVANESHWAR Housing near dispersed Industry, Committee constituted, Land Acquisition (The Advisory Committee on Slum Clearance and by a Study Team set up by the Committee on Plan Projects)
ANNUAL PLANS (1966-69) Concept of EWS housing introduced		
FOURTH PLAN (1969-74)	Urban Land Policy Urban Development Finance	Creation of HUDCO & Urban Development Authorities in Metro cities, Launching of Environmental Improvement scheme for Slums. (EIUS), Site& Services Schemes
FIFTH PLAN (1974-79)	Urban Poverty alleviation Metro Cities	Urban Land Ceiling & regulation Act Integrated Urban Development Program for Large Cities Task force on small and medium size towns Minimum needs program, House Sites for landless labour
SIXTH PLAN (1980-85)	Development of small & medium size towns Urban Poverty Alleviation	Launching IDSMT (Integrated Development of Small & Medium Towns) scheme EIUS & Low cost sanitation schemes for EWS continued Provision of house sites rather than subsidy
SEVENTH PLAN (1985-90)	Urban Poverty alleviation Urban Basic Services in backward towns.	Launching of Urban Basic services scheme Creation of private Housing Finance Institution Setting up of NHB & National Commission on Urbanization Draft National Housing Policy
EIGHTH PLAN (1992 -97)	Employment generation Urban Basic Services Strengthening U L B	Launching of NeharuRojgarYojana and U B S for Poor 74th Constitutional Amendment Act Integrated Urban Poverty Eradication Program
NINTH PLAN (1997 - 2002)	Promoting mass transportation Environmentally sustainable cities Municipal Governance	Creation of Urban Development Fund Large external assistance for urban & rural water supply and sanitation Creation of National data Bank and monitoring cell

TENTH PLAN (2002-2007)	Public Private Participation Strengthening U L B autonomy	Assistance for promoting rental housing in private sector Foreign direct investment in Township building
ELEVENTH PLAN (2007 – 12)	Increase supply of developed LAND Land Banking Viability Gap Funding for infrastructure & housing projects Rental Housing Integrated city development Legislative and fiscal incentives for making housing as liquid asset Sustainable resource management Housing Safety Enhanced role of Housing. Co-Ops	Land pooling and land sharing by public Agencies with - (2007 – 12) Special courts to settle land compensation disputes Equitable compensation in cash or kind Statutory provision for reserving 10 to 15% land for EWS /LIG housing up to 20 to 25% of units, Special safeguards to prevent speculation and resale Re- densification with additional FSI and TDR facilities Central Govt. support to bridge gap between affordable cost and viable sale price Model rent Act Assistance to Institutions for Employee housing High density settlements with rapid transit system Stamp duty reductions Computerization of property registration & transfers Documentation of ownership records Assistance to popularize measures Mandatory provision to incorporate in projects certain measures like Rain water harvesting, to obtain Local Authority permission New building code for disaster resistant housing Initiate Techno-Financing regime Database through vulnerability Atlas Preference for land allotment, Permission to acquire, Enhancement of share capital contribution. to Fed

VI. CONCLUSION

The objective of creating affordable housing is to provide adequate shelter to all. Creation of affordable housing should encompass both – enabling people to buy and to rent, for which there is a need to put an institutional structure in place.

Private sector, which comprises residential developers, develops affordable housing projects and sells them in the open market. Government agencies

such as Urban Local Bodies (ULBs) and Urban Development Departments (UDDs) are responsible for laying down guidelines and bylaws for affordable housing.

People who look to buy houses in urban areas are mainly those who have been in the city for a considerable amount of time and require new houses due to growing family size. Thus, the aforesaid model addresses only a part of the target segment that needs affordable homes. Also, this model, does not guarantee

whether the beneficiaries of such projects are the actual needy people or speculative investors.

Another target segment that requires affordable homes are city migrants who cannot afford to buy houses immediately but are capable to rent housing premises. Such people require a different approach towards affordable housing. A common thread is required to bind these groups together such that they are able to work in a unified manner and reach the actual target group. Such a model would ensure that the beneficiaries would be the actual target segment, thus eliminating speculative investors.

Development of large-scale affordable housing is the greatest necessity of urban India today. Indian cities lack low-income housing, which has resulted in the proliferation of slums and unorganized real estate across the landscape. Whilst this is detrimental to the planned growth of cities, it is also restrictive to slum dwellers who are deprived of basic civic amenities and fail to be an equal citizen. Large-scale urban housing are becoming increasingly difficult due to lack of land parcels, congested transit routes, lack of finance, rising input costs and regulatory hurdles. However, it is vital that these issues should be addressed urgently so that a comprehensive framework can be established in ensuring the development of affordable housing.

The 'Housing for All by 2022' focuses on single-window clearance and various other efforts to create low-cost housing. The Union Budget 2017-18 has given infrastructure status to affordable housing. The announced tax benefits and proposed changes in the long-term capital gains tax will boost developers' confidence in these projects.

The success of affordable housing initiatives depend on the proactive involvement of various stakeholders, including private sector players, operating with a clear road map of roles and responsibilities. Innovative PPP models must be explored to yield win-win scenarios

for all involved partners and encourage private developers to participate more in this competitive market.

Following the PPP policy, both ownership and rental models backed by an institutional structure are expected to result in the right kind of housing supply to reach its designated end-users effectively. All states should have their own township policies earmarking dedicated zones for affordable housing. Incentives in the form of land lease, additional FSI, further reduction in stamp duty, input tax credit for developers etc. will significantly reduce project costs. With the enforcement of the Real Estate Regulation and Development Act (RERA) 2016, which also focuses on timely completion of projects and adoption of innovative technologies like prefab and pre-cast housing, there is a hope for effectively narrowing down the demand- supply gap. Unlocking older housing stock and dilapidated structures through reconstruction and redevelopment is expected to add to the overall supply of affordable housing in a big way. If the PPP policy is able to regularise, monitor and encompass the all-important principles of inclusiveness, equity, environmental sustainability and transparency, they will certainly succeed.

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