

AFFORDABLE HOUSING: A WAY FORWARD

CHITWAN S DHAKAD, AR.ASHISH SHARMA
AMITY SCHOOL OF ARCHITECTURE AND PLANNING
AMITY UNIVERSITY ,GWALIOR,MADHYA PRADESH

ABSTRACT

The paper addresses the approach to minimize the cost of housing and how to give affordability to people. The basic principle behind this paper is to study the affordable housing conditions in India and what are the policies of government that can be implemented and to also discuss enabling strategies. Prevention of slums and ensuring home for all is a problem so unique in India.

The aim of this paper is to study past and present government programs and public/private initiatives in order to identify best practice examples which have maximized the amount of affordable housing that can be generated with limited resources.

KEYWORDS: Affordability, Housing Policies, Problems in policies, stakeholders

I. INTRODUCTION

Affordable housing has three main parameters

- Affordability
- Income level
- Size of dwelling unit

According to 2011 census - the country had a population of 1,210.08 million, out of which 377.10 million (31.6%) lived in urban areas.

According to Ministry of Housing and Urban Poverty Alleviation (MHUPA), the urban housing shortage in the country in the end of the 10th five year plan was estimated to be 24.71 million for 66.30 million households.

1(i) What is affordable housing?

Affordable housing refers to housing units that are affordable by that section of society whose income is below the intermediate household income. Every country has its own denotation of affordable housing. But largely it is same. In United States the definition of affordable housing is that the cost of houses should not exceed thirty percent of the household's gross income level.

1(ii) Difference between low cost housing and affordable housing

People always misunderstand between affordable housing and low cost housing but they both have their own aspects.

Low cost housing – low cost housing is generally meant for economically weaker section and also have peoples of lower income group it uses such techniques which reduce the total built up cost of the house

Areas in which low cost housing can be practiced

- Foundation
- Lintel
- Wall
- Roof

Affordable housing- basically it is meant for lower income group and medium income group it includes basic amenities. Which are required for normal house.

II. METHODOLOGY

Policies by government

There are numerous of policies which are running from the past few decades for a motive of providing housing for all. But still this initiative of government doesn't make much difference. Because somewhere a wide gap is being produced and the policies do not reach through the peoples as it was passed by different builders and stakeholders

- Pradhan mantri Jeevan bimayojna
- Pradhan mantrijandhanyojana
- Rajiv awasyojana
- Janani bhandaranyojana
- Janani surakshayojana
- Jawaharnehru national urban renewal mission
- Kasturba Gandhi balikavidhyala
- Inspire programme
- National pension scheme
- Pradhan mantri Kaushal vikasyojana
- Pradhan mantrisurakshabimayojana
- Pradhan mantra jandhanyojana

Central level schemes for affordable housing

National urban housing and habitat policy (2007)
Jawaharlal Nehru urban renewal mission
Basic services for urban poor
Integrated housing and slum development programme
Rajiv awasyojana

National urban housing and habitat policy (2007)

- Facilitating accessibility to serviced land with focus on economically weaker sections and low- income group categories.
- Accelerating the pace of development of housing and related infrastructure
- Using technology to modernize the housing sector and enhance energy and cost efficiency

Jawaharlal Nehru national urban renewal mission (JNNURM)

- It was launched with an aim to encourage and expedite urban reforms in India
- Basic services for the urban poor(BSUP)
- It seeks to provide services and settlements
- Integrated housing and slum development programme

Rajiv awasyojana

It includes development of all existing slums, notified or non-notified, improvement of basic services to urban poor, creation of affordable housing.

STAKEHOLDERS

- Government

1% subsidy on loans upto INR 1 million for purchase of houses costing less than INR 2 million

- Real estate developers

Private developers have been aggressively pursuing affordable housing post the economic slump of 2008

Developers have realized the opportunity and need of affordable housing and have taken several steps to tap the same

III. DIFFERENT PHASES OF POLICIES

3(i).Phase I (1950-60s)

After the Independence, The Government of India was confronting a tremendous challenge in housing, particularly in urban territories, because of vast scale movement. After that it has been announced that private area had not possessed the capacity to give it adequately. This brought government to bring different plans for various segments of society in coming years. While it was not clear which government should take this responsibility, the Central government set out to take a lead in Urban part, and brought out plans like Subsidized Housing Scheme for Industrial Workers (1952), Low Income Group Housing Scheme (1954), Middle Income Group Housing Scheme (1959) and Slum Clearance and Improvement Scheme (1956) and so on.

3(ii).Phase II (Early 1970s – Mid 1980s)

After different tests in the primary stage, the administration at last acknowledged in the second stage that it can't provide housing to all, as it imagined prior. This acknowledgment was very unmistakable in the drop of number of housing related plans by the legislature for the areas other than poor or social. Amid this period, government housing plans were particularly centered around bringing down areas of the general public. Other sections were encouraged to take up housing activities as self-provisioning activity with limited support from the government. Hence with a vision of "controlled and well directed growth" of the housing sector, government created a national level Housing and Urban Development Corporation (HUDCO) in 1970. At its inception, HUDCO was forecast as an institution which will work as the government's nodal agency in promoting "sustainable habitat development to enhance the quality of life".

3(iii).Phase III (Mid 1980s – Early 2000s)

It was amid at this stage that illiberal policies had started making their ways into India. The legislature was changing the economy, which can be seen in housing policies also. Its lodging approaches had begun looking at limiting government's part as a supplier of lodging in the nation and pushed it to take up the part of a facilitator in this area. The Seventh Plan recommend the legislature that " Government's part in the field of urban lodging has peer power to be special. The significant exertion should originate from the private area, Government's part should be limited to the change of slums, guide arrangement of lodging to the weaker segments of the general public and consolation and support of lodging account organizations... " Even the duties of slums change and weaker segment housing

3(iv).Phase IV (Early 2000s onwards)

Phase IV is, by and large, a continuation of the neoliberal tendencies of Phase III, but on a larger scale. At this point, the administration had easily put itself in the part of promoter of housing exercises. At long last, it additionally pronounced that it doesn't have the sort of money related abilities to finance the urban advancement and housing exercises in the nation as much as s required. Consequently it began searching for approaches to pull in private area interest in this part.

Demand for affordable housing in India

There is a large demand for affordable housing in india. First is the progressive urbanization, going hand in hand with a growing urban population, which increased from 109 million in 1971 to 377 million in 2011, and is projected to grow to 600 million by 2030. The consequence of the growing concentration of people in urban spaces is felt in land and housing shortages , besides the stress on basic amenities such as water and power. The Ministry of Housing estimated a housing shortage of 18.78 million houses during the 12th plan period, with 99 percent in the economically weaker and lower income groups.

Slums and informal tenements are estimated at 65 million as per Census 2011.

Second, alongside the growth of the urban population, rising incomes have led to the expansion of the middle class. This has led to a increase in demand for affordable housing.

Third, the real estate sector is a major component of the Indian economy. It is estimated that the real estate sector contributed to 6.3% of the GDP in 2013–14, at an estimated 3.7 lakh crores and employed about 7.6 million people (CREDAI, 2013) Housing is the largest component of the financial as well as the construction sector (High Level Task Force on Affordable Housing for All, December 2008, p. 6). A thrust on AH will not only lead to better quality of life, but also significantly provide a boost to the GDP of the country.

IV. ISSUES IN AFFORDABLE HOUSING SECTOR

4(i).Scarcity of land

The Increase in population, rapid urbanization, and poorly conceived regulations have created shortage in land and incapable of development. This is due to excessive control over land.. Land acquisition has been a thorny issue, giving rise to land mafias and illegal invasion, and reducing availability of land at an affordable price.

4(ii).Scarcity of marketable land parcels

Large land was owned by railways, ports, and defence authorities. These are non-marketable pockets,. Further, scattered and poorly planned settlements make it difficult to provide land for mass housing. Property buyers take many factors into consideration, such as basic utilities, connectivity, infrastructure, quality and so on.

4(iii). Titling issues

India lacks a strong system to protect land rights. There are two aspects to land title: first, a formal recognition of property rights by the state through a system of titles; and second, facilitation by the state, of efficient trade in rights, through a process of registration. Both of these elements exist in India, but in incomplete form. First, not all land transactions require registration, for example land acquisition, court decrees, mortgages, agreements and so on. Second, while Indian law requires compulsory registration of land sale, the registration authority is not mandated to verify history or ownership; thus it is the transaction and not the title that is registered.

4(iv). Rising costs

Both land and construction costs have increased due to increase in labour and construction materials cost. Even the housing loan is difficult to avail if customer is working in unorganized sector and do not have any income proof

4(v). Regulatory restrictions

Project sanctions can take several years, and need to be cleared by many departments across the national and sub-national levels, including the environment, fire, revenue and water departments, the traffic police and so on. The consequent time and transaction costs discourage many entrepreneurs.

Affordable housing; Public policy; Stakeholder participation; State subsidies; Low-income housing;

V. CONCLUSION

Affordable housing seems to be a simple solution but it is difficult to implement because there is large gap between policies and peoples somewhere it is beyond the reach of common peoples, policies has different stakeholders like government, real estate developers.

Developing affordable housing in Indian cities faces significant challenges due to several economic, regulatory and urban issues.

- (i) lack of availability,
 - (ii) titling issues and lack of information,
 - (iii) rising costs of construction
 - (iv) excessive control on development creates artificial shortage
- are sum factors due to which policies cannot be implemented.

VI. REFERENCES

1. Data collected by government for policies
2. Research paper on housing
3. Newspaper articles of need for housing