



AFFORDABLE HOUSING: DREAM AND DEPARTURES

Three basic necessities for human life are “Roti, Kapda aur Makaan”. India, being a developing nation, is still fighting to provide the same to all citizens of the country. With various problems such as population growth, the issue still seems to be growing. Since Independence, Governments have been trying hard to provide shelter to every citizen, but the major problem persists for economically weaker section and middle-class segment, Government has launched various schemes time to time to get their dream home.

WHAT IS AFFORDABLE HOUSING?

Economically weaker sections of society, in general, are people striving for food and clothes in their day to day life and shelter is their priority but considering big investments need of Government aid is required to fulfil this basic need. Affordable housing is a scheme proposed to provide shelter to economically weaker sections, lower income group and Middle-income group depending on three factors such as income of household, size of the property and affordability. Affordable housing is planned for both Urban and Rural population of India.

PMAY launched in the year 2015 with a target to provide home to poor and shelter less people with a mission of housing for all by 2022, when we will be celebrating our 75th Independence Day, is being a subject of mix reactions so far.

HISTORY & CURRENT SCHEME

Talking about the history of affordable housing, Government came up with different schemes such as Indira Awas Yojana in the year 1985. This scheme was made for Rural areas whereas challenges for Urban areas were typically different. To address the different challenges, Jawaharlal Nehru National Renewal Mission (JNNRM) in the year 2005 following with National Urban and Habitat Policy in the year 2007 and Rajiv Awas Yojana (RAY) in year 2013 were specially designed for Urban area.

The earlier schemes had vision but direction was not clear, Rajiv Awas Yojna was introduced aiming the Slum Free India whereas JNNRM was launched with a target of only 1.5 million dwelling units by 2012.

Current government redefined all the parameters of “Affordable Housing Scheme” with a mission of “Housing for ALL by 2022”. First, in Jun 2015, Pradhan Mantri Awas Yojana was launched for Urban India targeting 1.12 Cr Houses and then in April 2016 scheme was launched for Rural India targeting 2.95 Cr. houses.

PRADHAN MANTRI AWAS YOJANA - URBAN

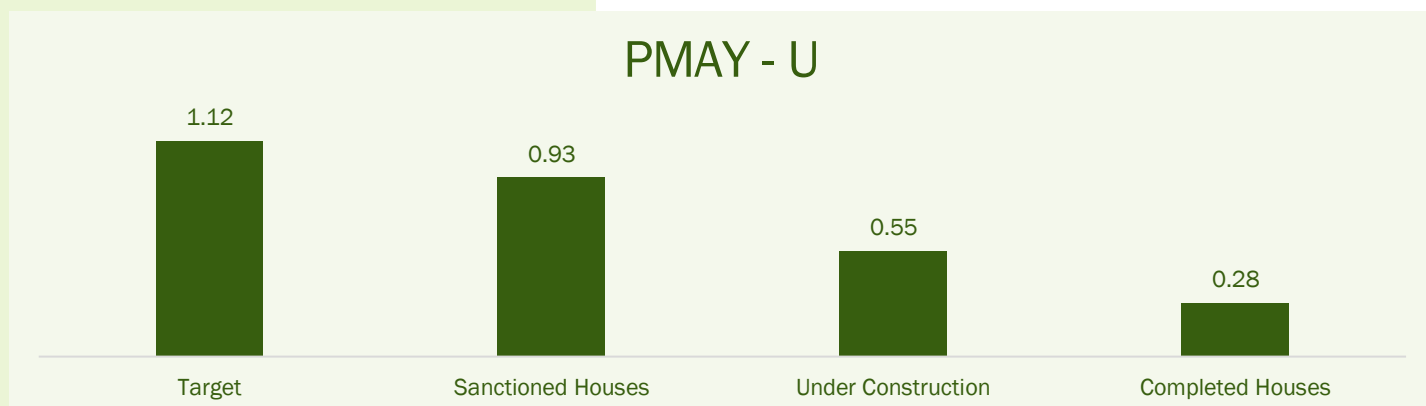
PMAY – Urban scheme has total 4 components namely BLC, CLSS, AHP & ISSAR. In Beneficiary – led individual house construction scheme (BLC), individuals are allowed to build a new house or enhance the existing house wherein a Central Assistance of 1.5 lakh per house is provided.

Credit Linked Subsidy Scheme (CLSS), is proposed to provide loan subsidy for all categories of people depending on the personal financial capacity. This scheme was basically developed to increase funding by financial institutions towards the housing problems in India.

Specification	EWS	LIG	MIG I	MIG II
Maximum Home Loan amount (Rs.)	Up to 3 Lakh	3 - 6 Lakh	6 - 12 Lakh	12 - 18 Lakh
Interest subsidy	6.50%	6.50%	4.00%	3.00%
Maximum interest subsidy amount (Rs.)	2,67,280	2,67,280	2,35,068	2,30,156
Maximum carpet area	30 sq. m.	60 sq. m.	160 sq. m.	200 sq. m.

Next scheme which is Affordable Housing in Partnership (AHP) wherein houses for EWS are built in partnership by State/UTs/Cities including private sector and industries. Under this scheme a central assistance of 1.5 lakhs per house is granted for a project comprising of minimum 250 dwelling units out of which 35% units have to be given to EWS category.

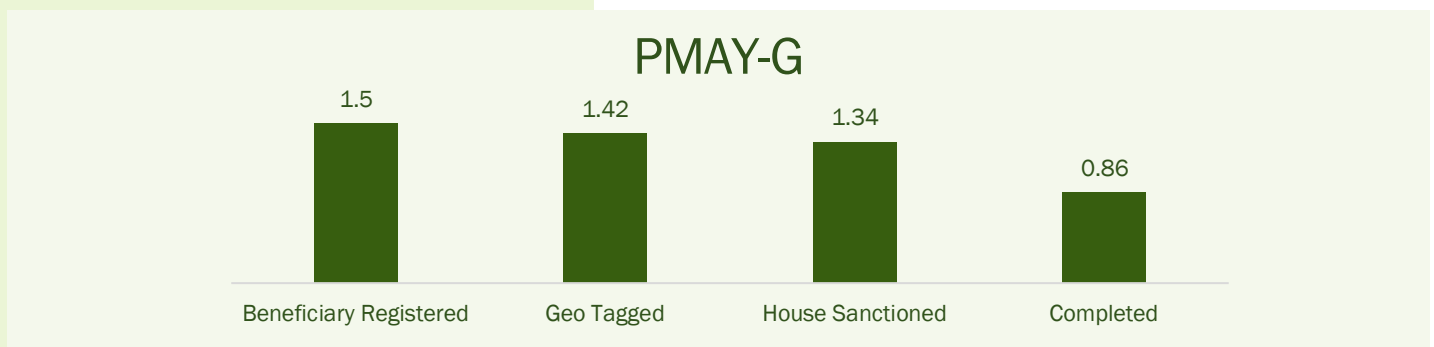
The last scheme is In-situ Rehabilitation of existing dwellers (ISSR) where in land is used as a resource to develop a project to provide housing to existing slum dwellers. Here the Government tends to provide extra FSI/FAR and TDR for such projects to make them financially viable.



Out of 1.12 Cr of affordable houses in Urban area so far 93 Lakhs, including 28 lakhs completed or 55 lakhs grounded units, are sanctioned. Investment in sanctioned houses is Rs. 5.56 lakh Crore which includes Rs. 2.82 lakh Cr as Public Sector investment and Rs. 2.74 lakh Cr from the Private Sector. Out of Rs. 1.46 Lakh Cr approved Central assistance, a total of Rs. 57,896 Cr has been released to the States/UTs so far. Going with this pace government is sure to achieve the target by the end of 2020.

PRADHAN MANTRI AWAS YOJANA - GRAMIN

Indira Awas Yojana was relaunched as PMAY - G in April, 2016, earlier only people BPL were qualified under this scheme but current Government announced that anyone who does not have “Pakka Ghar” can go for this scheme. Scheme allowed an assistance of Rs. 1.20 lakh in plain and Rs. 1.30 lakh in hilly regions and disbursement is facilitated in stages through Gram Panchayat or Gram Sabha. The scheme is fully digitalised and beneficiary can check their application and fund status through “AawaasApp”. Apart of this each beneficiary is being offered 90-day employment under the MNREGA scheme. The cost of scheme is to be shared between Centre and State Government in the ratio 60:40 in plain region and 90:10 in hilly region.



In Rural areas PMAY Gramin scheme is also picking up but progress is slow, out of set target of 2.95 Cr units till now only 1.34 Cr are sanctioned, and 86 Lakhs are completed which is 45% and 29% respectively. Lack of co-ordination between various acting bodies have not been helpful to achieve the set targets. Structural approval process in rural area is not transparent, financial institutions have been shying away from lending in rural areas due to absence of beneficiary's qualification documents and structural approval document further increasing the risk of demolition. Till date Rs.1883 Cr fund is allocated to PMAY-G scheme out of which Rs.1321 Cr is released.

Overall, PMAY scheme is going on with a decent pace with a few difficulties which are quite manageable. The government is focused to achieve promised targets within or before targeted time limit.

Government has taken a right step in the right direction, but the initiative has to be based on the realistic assessment and collaborative efforts of all the stakeholders to meet the intended objective. This would further create demand in the economy and fulfil basic needs of a large population.

India is a developing nation and like every developing country we also have lot of challenges and setbacks, but in coming years this scheme is going to play a major role to resolve one of the major problems of common man, Shelter i.e. “Makaan”.

**All numbers have been pulled from official government website.*

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