



# Affordable Green Housing



Developed by



With financial participation of



EUROPEAN UNION

Implemented by



# About SUNREF

Environmental integration offers significant economic development potential. Green growth provides a number of opportunities to companies through new markets, especially in the fields of:

Energy management

Sustainable natural resources management

Environmental protection

In developing countries, financing this green growth is a major challenge.

The French Development Agency (AFD) has developed a programme called SUNREF (Sustainable Use of Natural Resources and Energy Finance) in its effort to provide support to develop innovative green investments through environmental credit lines for local financial institutions.

The programme includes both extension of technical assistance and credit lines to local financial institutions so that they can finance small and medium-size projects of public and private promoters. Till date, under the SUNREF label, AFD has committed €2.5 billion to 70+ financial institutions over green projects in more than 20 developing countries.

## SUNREF in India

National Housing Bank (NHB) launched the SUNREF Green Housing India programme in August 2017, in partnership with the AFD, and with the support of European Union (EU). This programme aims at:

Reducing the negative impacts of housing industry on environment

Increasing savings in energy and water bills by encouraging the development of green residential houses with efficient building material use

Scaling up green and affordable housing projects in India

Providing low and middle income groups with green affordable housing

In line with AFD's mandate in India, the project brought together by NHB and AFD aims at reducing the negative impact on environment of the dramatic growth of the housing industry in the country by supporting the development of green affordable housing.

The SUNREF India programme has two components:

- Financing component, which aims to fund eligible green affordable housing projects, funded through a credit facility of €100 million, along with an investment grant of €9 million to reduce the cost of eligible loans for final borrowers of the credit facility, including up to €1 million dedicated to green label certification
- Technical assistance component, which aims to enhance the capacities of NHB and private and public stakeholders in elaborating and implementing green housing schemes

## SUNREF India - Focus Areas

- Promoting the existing local green labels for housing
- Making green housing more affordable to low-income households
- Making houses more liveable and eco-friendly using green techniques
- Demonstrating the market potential and relevance of green housing
- Encouraging the adoption of rules favourable to green housing in public policies

## SUNREF India - Objectives

**Reinforce**

the NHB institutional capacities in supporting the nascent green housing market and the active stakeholders in this sector

**Provide**

primary lending institutions<sup>1</sup> and housing developers with technical and financial support to ease the scaling up of the green affordable housing industry

**Spur**

technical measures on energy and environment's efficiency in the housing sector by promoting two existing labels: IGBC and GRIHA

**Ease**

the early adoption of rules favourable to green housing in the public policies of States and cities

SUNREF Green Housing India is expected to allow up to 12 000 households to benefit from improved housing conditions; with two-thirds of these living close to the low income households; through the construction of an estimated 420 000 square metres of new habitable floor. The project is expected to support 20 residential sub-projects green label certification.



<sup>1</sup>Primary lending institutions include housing finance companies, banks and other financial institutions.



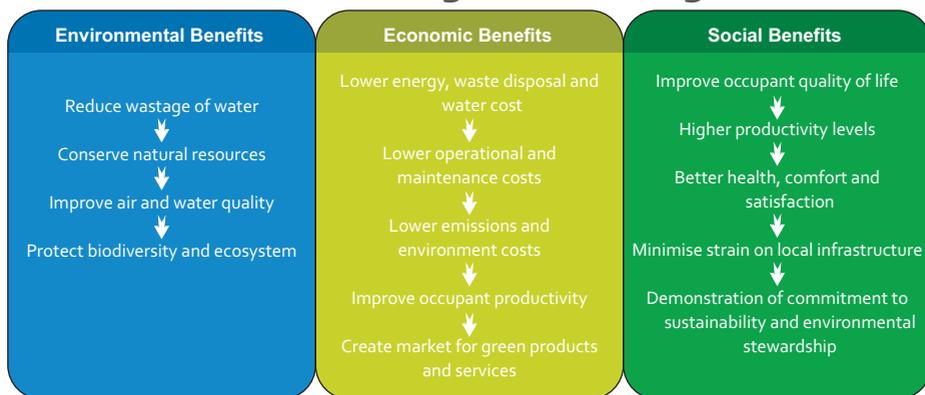
## SUNREF India - Project Beneficiaries

Private or public housing promoters and developers addressing the affordable green housing segment

Primary lending institutions lending in the affordable and green housing segment

Individuals (belonging to economically weaker section, low income group and middle income group)<sup>2</sup> buying a dwelling by taking a home loan. In order to favour the lower income segment households, SUNREF India will allocate at least 50% of the facility to economically weaker section and low income group households

## Benefits of green building



## SUNREF India - Benefits for Home Buyers

Green housing assists in achieving operational cost savings for energy and water for end users

Green buildings also help in achieving enhanced value of the residential property

It results in reduced construction time schedule for developers and early delivery of housing stock for home buyers

## SUNREF India - Benefits for Primary Lending Institutions

Refinancing facility (up to 100% of the loan value) at a competitive rate

Marketing and co-branding with SUNREF programme – green loan product development

Reimbursement of green certification costs for eligible projects that have received: IGBC Green Homes Rating & IGBC Green Affordable Housing Rating (pre-certified/ certified with Gold and Platinum rating)

GRIHA Rating & GRIHA for Affordable Housing Rating (pre-certified/ certified with 4 Star and 5 Star rating)

Training and capacity building activities provided through SUNREF

<sup>2</sup>As per definition of Government of India, individuals having annual income of up to INR 3 lacs, INR 6 lacs and INR 18 lacs fall under the categories of economically weaker section, low income group and middle income group, respectively.

# SUNREF India - Benefits for Project Developers/ Promoters

Re-Financing facility at competitive interest rate (up to 100% of the need) for developers/ promoters for eligible green housing projects from eligible primary lending institutions

Reimbursement of green certification costs for eligible projects that have received: IGBC Green Homes Rating & IGBC Green Affordable Housing Rating (pre-certified/ certified with Gold and Platinum rating)

GRIHA Rating & GRIHA for Affordable Housing Rating (pre-certified/ certified with 4 Star and 5 Star rating)

Technical support provided through the whole green certification process

Training and capacity building activities through SUNREF

Reduced construction time schedule and early delivery of housing stock

Marketing and co-branding with SUNREF programme



## SUNREF India - Eligibility for Home Buyers

Housing that received Gold/ Platinum or 4/ 5 Star pre-certification/ certification under IGBC/ GRIHA green homes/ green affordable housing rating system

Housing project located in any urban area in any State/ UT in India

Only projects targeting economically weaker section, low income group and middle income group are eligible\*

Maximum household income up to Rs 18 lacs per annum is eligible

*\*As per definition of Government of India, individuals having annual income of up to INR 3 lacs, INR 6 lacs and INR 18 lacs fall under the categories of economically weaker section, low income group and middle income group, respectively.*

# SUNREF India - Eligibility for Primary Lending Institutions

Housing that received Gold/ Platinum or 4/ 5 Star pre-certification/ certification under IGBC/ GRIHA green homes/ green affordable housing rating system

Housing project located in any urban area in any State/ UT in India

Only projects targeting economically weaker section, low income group and middle income group are eligible\*

Maximum household income up to Rs 18 lacs per annum is eligible

Individual house projects (houses built by individuals on their own land) are not eligible

Date of loan disbursement should be after 1st January 2016

Minimum tenure for home loans should be 5 years (not applicable for construction finance projects)

The borrower will allocate at least 50% of the facility to economically weaker section and/or low income group households

Maximum cap of 625 basis points allowed over and above the ultimate cost of borrowing by refinancing agency

## SUNREF India - Eligibility for Project Developers/Promoters

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## SUNREF India - Recognised Green Rating Agencies



IGBC - Part of the Confederation of Indian Industry (CII)



GRIHA – Joint initiative of TERI and the Ministry of New and Renewable Energy, Government of India

Both IGBC & GRIHA offer a wide array of services, which include developing new green building rating tools, green building certification and green building training and capacity building programmes.

For more information about the loan conditions and application procedures,  
please reach us directly.

## CONTACT

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