

**Report of the
High Level Task Force**

on

AFFORDABLE HOUSING FOR ALL

December 2008

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Mr. Anand Bhatt, a member of this Task Force tragically lost his life in the terrorist attacks in Mumbai on November 26, 2008. All the members of the Task Force are deeply shocked and grieved by the loss and pray that his soul rests in eternal peace.

AFFORDABLE HOUSING FOR ALL

1. Introduction

Vide Office Order No. 14012/1/2007-H.1(1A), dated January 15, 2008 the Ministry of Housing and Urban Poverty Alleviation (Government of India) constituted a High Level Task Force under the Chairmanship of Mr. Deepak Parekh, Chairman, Housing Development Finance Corporation Ltd. (HFDC), to “look into the various aspects of providing Affordable Housing for All”. Specifically, the Ministry of Housing and Urban Poverty Alleviation mandated the Task Force to –

1. Develop innovative financial instruments for bringing flexibility in the housing market;
2. Recommend ways and means of enhancing accessibility of EWS/LIG groups to housing with suitable governmental support;
3. Examine the framework of regional planning and master planning with a view to enhancing the supply of developed land;
4. Recommend measures for the promotion of low cost building technologies;
5. Suggest steps for enhancing the supply of rental housing;
6. Recommend legislative measures for accelerating the supply of housing units for the urban poor;
7. Examine various fiscal and spatial incentives for increasing supply of houses to economically weaker sections and low income families;
8. Assist the Ministry in devising an integrated strategy for in-situ slum upgradation with a view to improving the quality of habitat as well as providing the urban poor with places to work and sell;
9. Advise the Ministry about various types of programme initiatives with the aim of achieving the goal of “Affordable Housing for All”; and
10. Review affordability of all categories, including the Economically Weaker Sections (EWS), Low Income Groups (LIG) and Middle Income Groups (MIG) in terms of their income and consequent paying capability as well as other factors.

2. The Task Force has deliberated on the above mandates. It has familiarized itself with a thorough understanding of the Government’s initiatives towards affordable housing, as encapsulated in the Jawaharlal Nehru National Urban Renewal Mission (JNNURM; 2005-12), the National Urban Housing and Habitat Policy (2007), the Eleventh Five Year Plan (2007-12) and the various

programmes such as the Valmiki Ambedkar Awas Yojna (VAMBAY), the 20-point programme and the 2-million housing programme. The Task Force has noted the emphasis placed by the Government on (i) the provision of basic services to the urban poor including security of tenure at affordable prices, improved housing and earmarking at least 20-25 percent of developed land in all housing projects for EWS and LIG category with a system of cross subsidization under the JNNURM, (ii) improving the affordability of the weaker sections of society through proper capital or interest subsidies under the National Urban Housing and Habitat Policy, 2007, and (iii) inclusive growth as the key goal of the Eleventh Plan.

3. The Task Force has also reviewed the Census and the NSSO reports in order to get a quick assessment on the socio-economic conditions of households in need of affordable housing. According to the Census of India, about 15 percent of India's urban population live in slums (2001) and about 26 percent are below the poverty line (NSSO: 2004/05). The proportion of population living in slums and squatter settlements is much higher in metropolitan cities.

4. Households continue to live in slums, often unserved for many years, even for more than a generation. The National Sample Survey's 58th Round data showed that 39% of households were living in slum settlements for more than 20 years, another 37% were living in slums for more than 10 years but less than 20 years. Just 24% of those living in slums were migrants within the last decade. If the cities' provisioning systems are not put in place, then the low-income groups would continue to live in slums without access to water supply and sanitation for many years. Thus, even in the case of migrants, they may be able to take care of their income poverty, but their housing poverty continues.

5. The Task Force has made note of the fact that the Urban Land (Ceiling and Regulation) Act, 1976 has been repealed countrywide (with the exception of two states), thus paving the way for the release of lands notified under this Act into the market, subject to their completing other related legal formalities. Many State governments are in the midst of examining the relevance of rent control laws, as also the need to reduce stamp duty rates and registration fees. These are steps in the right direction

and need to be speeded up in order to begin to impact on the housing market. The Task Force has held extensive discussions with NGOs, civil society organisations and other groups having an interest in housing and urban development in Ahmedabad (May 2008), Bangalore (June 2008) and Mumbai (September 2008). Considering that issues relating to affordable housing are complex, and that the positions of stakeholders are often at variance with each other, the Task Force has elicited the views of a cross-section of society involving citizens, academia, real estate developers, business and industry, including the public sector, in the form of responses to a questionnaire (see Box 1). They have all helped the Task Force to appreciate better the broader and sometimes sensitive issues relating to affordable housing and these have helped to shape the recommendations made in the Report.

Box 1: Ingredients of the Questionnaire

- ◆ Enhancing supply of developed land
- ◆ Enhancing the supply of rental housing
- ◆ Strategy for in-situ slum upgradation
- ◆ Legislative changes
- ◆ Fiscal and financial instruments
- ◆ Affordable housing in the JNNURM framework
- ◆ Best practices in the production and management of affordable housing
- ◆ What is affordable housing?

6. The Report is organised in seven sections, beginning with a brief account of the issues relating to affordable housing and a discussion on the concept of affordability. The Task Force recognises that affordability is a relative concept, in terms of space and time. Given, however, the fact that many of the recommendations, particularly those that are related to fiscal incentives are meant for promoting affordable housing, this section provides a set of parameters that defines its boundaries.

7. Increasing the stock of affordable housing forms the core of the terms of reference of the Task Force. It is dealt with in Section 3 under three sub-heads, viz., augmenting land supplies, in-situ development and rental housing. The next section deals with the fiscal and financial frameworks. The Task Force is conscious of the fact that housing finance is largely a private sector activity; however, the government via a set of fiscal incentives and a responsive financial environment can

trigger the private sector to play an even bigger, decisive role in encouraging housing for those who are unable to access it in the open market. Section 5 lays out the various cost-effective technological options. Section 6 refers to the institutional framework for affordable housing. It indicates the merits of an institutional framework that is able to ensure adherence to affordable housing policies, strategies and programmes that may be enunciated to implement the recommendations contained in this report. This section also refers to the roles of the National Housing Bank (NHB), Housing and Urban Development Corporation (HUDCO) and their counter parts in the States, the network of housing finance institutions and above all the role of the private sector in promoting affordable housing. It is widely known that age-old laws, regulations and systems have constricted the land and housing market; this market is characterized by corruption, rent-seeking and delays, all of which constitute major barriers and impediments to increasing the stock of affordable housing. *The benefits expected from many of the laws and regulations have not accrued.* This section alludes to the importance of changes that are essential to be brought about in the institutional set up so that these are able to contribute to the goals of affordable housing. As land is a state subject, the resultant complexities in recommending amendments to the legal framework has led the Task Force to conclude that separate legal expertise may be necessary for the same. A few closing remarks are contained in the last section of the report.

2. Affordable Housing: The Concept and Issues

8. The need for affordable housing in India can hardly be over emphasized. Indeed, almost every available indicator suggests that provision of affordable housing is one of the most formidable challenges that India currently faces. Approximately 42.8 million persons or about 15.2 percent of India's urban population live in slum settlements¹. According to the Census of India, 35 percent of urban households live in single room dwelling units and 68 percent of such households have four members or more. Approximately 81 million persons or 25.7 percent of the total urban population are

¹ Slum settlements are settlements of poorly built congested tenements, in unhygienic environment usually with inadequate infrastructure and lacking in proper sanitary and drinking water facilities.

below the official poverty line. The Eleventh Five Year Plan estimates the urban housing shortage of 24.7 million units, with 99 percent of this shortage pertaining to the economically weaker sections (EWS) and lower income groups (LIG). These figures which represent one facet of “affordable housing” are disturbing, to use a conservative expression. It is evident to the Task Force that not to deal with this scale of the problem – even if it means doubling of the existing housing stock - or to delay action on this front can seriously affect the country’s economic growth and poverty reduction strategies.

9. Another reason why housing should receive dedicated attention is that housing (real estate sector), is a major sector of the Indian economy. In 2006/07, this sector contributed Rs.169,348 crore or 4.5 percent of the country’s gross domestic product and comprised approximately 7 percent of the total urban work force. Housing is the largest component of the financial sector, of the construction sector and is central to economic growth and the related multiplier effects on employment, poverty reduction etc. It has implications for the healthy growth of households, their optimism and investment opportunities and it creates an environment conducive to a positive outlook in society. Housing helps to provide a stable platform for future development of a democratic society. Globally, there is a strong correlation between economic development and housing and housing quality. The Task Force estimates that alleviating the urban housing shortage could potentially raise the rate of growth of GDP by at least 1-1.5 percent and have a decisive impact on improving the basic quality of life.

10. Notwithstanding the positive role of this sector, housing and urban development stands relegated to a peripheral place in the country’s development profile. No serious attempt has been made to look at the real estate and the construction sectors in their entirety, nor have the complex issues of land been reviewed at any stage. The profession of urban planning and the application of urban planning principles and tenets has declined, the results of which are obvious in almost all our cities and towns.

Box 2: Housing Reconstruction in Europe

European economies, faced with utter devastation after the Second World War, began the reconstruction process largely based on housing but it went further; they had a chance to rebuild society on new principles. The most important of these principles was that of a “property owning democracy”. Home Ownership was the single most important factor for the development of their post war society as well as economic development. The multiplier effects of housing investments (both forward and backward linkages) drove growth from construction materials to consumer durables. The current deep economic crisis facing the world economy stems from the housing sector which again demonstrates how important it is to get this sector right.

11. While the Task Force recognises that India has its own developmental priorities, not to have housing, in particular, affordable housing as one of the foremost priorities of the development agenda is tantamount to demonstrating a scant regard to the basic living conditions of a vast majority of the country’s urban population. Housing is an anchor which ignites the spirit of human endeavour. It is thus critical to recognize housing investment as a basic, fundamental building block of economic activity. It is not a social activity, although this orientation is often embedded in the development of human settlements. Thus, one of the primary recommendations of the Task Force is to put “affordable housing” at the centre of public policy.

12. The Task Force has grappled with the issue of the concept of “affordable housing”². In general terms, affordable housing is reckoned in terms of (i) multiples of household income, (ii) size of the tenement, and (iii) in case of rented accommodation, in terms of a percentage of household income. There are other definitions as well. The definition of “adequate shelter” in the Habitat Agenda alludes to the multiple and complex characteristics of minimum standards in an urban setting: *“Adequate shelter means more than a roof over one’s head: It also means adequate privacy; adequate space; physical accessibility; adequate security; adequate lighting, heating and ventilation; adequate basic infrastructure; -- all of which should be available at affordable cost”*.

13. This definition highlights the position that all citizens should be able to afford shelter, so described. Affordability goes beyond the ability to secure some form of tenure – i.e., a title of

² Estimating the number of households in need of affordable housing is not a mandate of the Task Force.

ownership or rental of a legal dwelling unit. It also means the capacity to hold on to this asset through a regular source of income.

14. The Task Force recognises that any attempt to fix a definition of affordable housing for a country as large and diverse as India, using the concept of "one-size-fits-all" is counter-productive. Several factors enter the equation: gross household incomes; cost of the tenement excluding land costs where the cost differentials are large; the size of a tenement; and so forth. The suggested parameters are as under:

Affordable housing for EWS/LIG categories of households

15. A unit with a carpet area most likely between 300 and 600 sq ft, with (i) the cost not exceeding four times the household gross annual income (ii) EMI/rent not exceeding 30 percent of the household's gross monthly income.

Affordable housing for MIG category of households

16. A unit with a carpet area not exceeding 1,200 sq ft, with (i) the cost not exceeding five times the household gross annual income (ii) EMI/rent not exceeding 40 percent of the household's gross monthly income.

17. The Task Force visualizes the size of the household as five members.

18. The Task Force has not attempted to make an estimate of the number of households that would constitute the affordable housing category and the EWS, LIG or MIG categories. It, however, strongly advocates to the Government of India to undertake a separate exercise of estimating the number of households in each of the categories and those that would constitute the category needing "affordable housing", on the basis of parameters outlined above. It needs to be kept in

mind that even middle-income households face very serious affordability constraints when land markets are distorted and imperative urban planning is all but absent.

19. The Government may also wish to insist that data on housing starts and completions at the national and state level be made readily available. The piecemeal information presently available in most cities/wards is derived from the issue of commencement and completion certificates. This crucial information needs to be collected and collated through an institutional structure. Getting data on the housing supply side of the equation would be critical for future planning. If this data were to be supplemented with the size of the unit and its location, the combination would give an accurate picture of the demographic profile of households, where they are shifting to and the associated infrastructure requirements in future.

3. Land for Affordable Housing

(i) *Land Policy*

20. The stock of affordable housing in urban India is grossly limited. The few available statistics indicate that the rate of growth of one-room or even two-room dwelling units is lower compared to dwelling units of larger sizes. There are many impediments to the growth of affordable housing, land and capital being the two key constraints. The Task Force has extensively debated the issue of increasing the stock of new housing and the complexities associated with land supplies, in-situ development and rental housing. The Task Force is aware of the fact that "land" is not a homogeneous product; each parcel of land is unique, with a particular set of locational and physical attributes. Land markets are diverse and serve different needs. One of the distinctive features of land is that its sale, purchase and use are regulated and controlled, either directly or indirectly, by the national, regional or local governments. Well-defined and well-implemented policies enable the supply of land to match its demand; ill-defined policies through over-regulation, create land shortages and distortions in the land market, and lead to speculation and price escalation, resulting in urban population and

households falling out of the affordability threshold. It is pertinent to add that the complex regulations and permissions required by local municipalities are such that land cannot be quickly put to effective use, further distorting the market. The need for cadastrals, computerized land records and application of e-governance to land transactions is a key requirement to improve the speed of transactions.

21. The Task Force holds the view that urban land policy in India³, long out-dated, continues to set the rules for the development of urban land supplies and land use; the inability to adjust land policy of the 1960s and 1970s with the changes in the demand portfolio and supply conditions have led to (i) serious shortages of urban land at prices that are affordable, (ii) encroachments on public and private lands, (iii) irrational land use and (iv) absence of spatial plans in cities. Land policies and the way in which these have been implemented over the decades, have pushed the cost of urbanization to a level where, on the one hand, it has adversely affected the living conditions and quality of life of urban households, particularly of the urban poor, and on the other hand, made business and industry less competitive. There is thus an urgent need for a fresh urban land policy that is able to address the large and growing housing requirements of the urban population, and likewise, the land requirements for public spaces, education, health, business, and industry. The Task Force is of the view that the Government of India should commission a professional study which is adequately funded to examine the range of issues covering urban land and recommend a comprehensive, long-term urban land policy. This is the fundamental building block for both urban housing and infrastructure. Given concerns of the environment, "sustainable" methodologies need to be developed and this could be a crucial component of the study.

³ A formal Urban Land Policy for India was formulated way back in 1965. No attempt has been made to revise it even when the 1965 urban land policy has lost its relevance.

Box 3: Land for Social Infrastructure

Land for social infrastructure is a key requirement for competitive cities – gardens, schools, entertainment enclaves and health centres. A city's locational advantage would depend crucially on four factors:

- ◆ Cost of doing business in the city
- ◆ Labour market in the city
- ◆ Social infrastructure in the city
- ◆ Transport infrastructure

In other words, getting land markets to function effectively is a fundamental building block for affordable housing as well as a competitive urban environment.

22. The impact of urban land polices as practiced in India is well documented. Urban land markets do not operate efficiently - land is in short supply or the price of land is too high. In fact, the land market, in the sense the term is generally understood, i.e., a place where land can be purchased and sold, does not exist in India. A large number of transactions, therefore, take place under non-market conditions, which work against urban poor households. Almost all data suggest land supplies in cities and towns have not expanded at rates that are needed; between 1991-2001, the total increase in urban lands on account of either addition of new settlements and jurisdictional changes and acquisition and conversion of rural lands into urban was about 14,000 sq. kms. The total urban land stock in India is 2.3 percent of the country's total geographical area, housing roughly 30 percent of the country's population.

23. Another point that emerges from urban land market studies is that the cost of regulating the land market in India is extremely high, both to the economy as well as urban households. Simply put, the bureaucratic procedures involved in the administration and enforcement of various laws and regulations are long and arduous and are overcome, most of the time, by payments made informally and illegally. Since urban poor households are unable to make such payments, they remain without access to lands and are consequently forced to resort to informal, most of the time, unauthorized housing.

24. A somewhat dated study (1985) points out "The concept of expropriation is based on a sovereign power of eminent domain; this power is generally accepted worldwide and allows the state

to take private land for the good of the state. Much of the lands pertinent to eminent domain in developing countries is inherited from former colonial powers. The cost and time required to implement these outdated laws make them almost useless. The majority of these need drastic revision if they are to be effective during periods of rapid urban expansion". Referring to this situation, the National Commission on Urbanisation (1988) noted: *"As it stands today, the Land Acquisition Act of 1894 neither passes land quickly to the state, nor does it ensure timely payment of compensation."*

25. The Task Force circulated a detailed questionnaire among different stakeholders, inviting their views on a variety of themes relevant to the mandate of the Task Force. One of the key questions on which views were sought related to the supply of developed lands. The Task Force posed the question: "There is a common perception that developed land is in short supply and that the rate at which land is developed and released into the market lags behind the rate at which it is demanded. It is also held that inadequate developed land is the single most important reason for the growth of slums and other similar settlements. Do you subscribe to this view? What factors, in your view, hamper the supply of developed lands?" Respondents identified a number of factors that adversely affect the supply of lands:

1. Cumbersome land acquisition procedures
2. Lack of clear rules on land development
3. Ill-defined zoning laws
4. Siphoning off of lands earmarked for housing in Master Plans by land regulatory agencies,
5. Faulty urban planning and by-laws, restricting the FARs and building height
6. Rudimentary land records, resulting in litigation over land transactions
7. Lack of political will and absence of attention to land and land-related issues.

26. Taking into account all these evidences, the Task Force would like to make the following specific suggestions:

(i) **Bring in additional lands into urban usage on a regular basis:** The Task Force is of the view that until such time India attains an urbanization level of about 60-70 percent, additional lands will need to be brought in for meeting the housing needs and land requirements of other sectors. Failure to add new lands for urban use will lead to encroachments, unauthorized occupation of public and private lands and create conditions for social disorder and insecurity. There are several instruments which are currently in use for bringing in additional lands into urban use. These are (i) Land Acquisition Act, 1894; (ii) Land Revenue Acts of the States which inter-alia relate to conversion of agriculture lands for urban use; additional lands also come into the market when rural settlements acquire an urban status. The Task Force is acutely aware of the problems that have arisen in connection with land acquisitions, be these for expansion of housing or infrastructure, or industrial development. Evidence is before us. Both acquisition of lands and conversion of agricultural lands for urban use and their development and release into the market have been and continue to be arduous, and time-consuming processes. The processes of Master Planning whose basic purpose is to estimate the future requirements of urban lands and allocate them for different urban uses after the application of the due processes of acquisition are virtually at a standstill. The Task Force cannot fail to point out that disappointingly, Master Planning exercises in most instances continue to be carried out on principles and premises that are out dated in today's fast moving societies. Cities are dynamic entities; no plan can freeze their development for a period of 20 years. It is in this connection, the Task Force would like to suggest (i) simplification of the procedures and processes for bringing additional lands into the market; and (ii) reviewing the processes of Master Planning and effecting such changes as are necessary for making a proper assessment of land requirements and allocation of such lands for different uses, including lands for affordable housing.

The Task Force further suggests that "affordable housing", as defined in this report, be treated a 'public purpose'. The Task Force considers it to be a necessary step for effectively addressing the issue of land for affordable housing. It is aware of the abuses that

have come to be associated with acquisitions made for public purposes; at the same time, the benefits and gains of treating affordable housing as a 'public purpose' are significantly greater than the risks involved⁴. It alone will signal to the country that affordable housing is a developmental priority. The issues relating to acquisition of agricultural and farm lands are possible to be dealt with by designing innovative compensation packages, e.g., compensation involving a revenue stream running for 10-15 years in combination with or in lieu of fixed, one time compensations.

- (ii) **Upward revision of Floor Area Ratio/Floor Space Index.** There has long been a recognition that existing FAR/FSI policies in India are obsolete, particularly for a country where land is scarce, where land pressures are high and expected to rise further, and where there is intense competition for use of land, e.g., between rural and urban areas and within the urban settings, between residential housing and other uses and within the residential housing, between high income and low income groups. The Task Force recommends an upward revision in the FAR/FSI, across cities of different sizes commensurate with investment in infrastructure that it will necessitate. It strongly recommends that infrastructure upgrading precede the FAR increase to ensure that existing households are not impacted negatively as a result of new development. For this it might be necessary to develop detailed critical space plans which incorporate infrastructure intensive cluster development. However, the extent to which it should be revised upwards, is a State issue and cannot be decided nationally. The Task Force estimates that at least 15-20 percent of the housing needs in the affordable housing category can be met by adjusting the FAR/FSI in cities and towns. Impact fee may be imposed on those benefiting from higher FAR/FSI.

⁴ The Task Force visualizes two types of risks: (i) the design of the compensation package; (ii) non-adherence to the public purpose in lands so acquired. Both types of risks are possible to be addressed.

(ii) *In-situ Development*

27. The Task Force has deliberated on the complex issue of in-situ development at length and visited Ahmedabad, Bangalore and Mumbai to study in-situ development projects. As the Task Force visualises, **in-situ development on public lands is one of the most effective instruments for addressing affordable housing issues in partnership with the Government.** Compared to other channels such as acquisition of lands and their development, conversion of agricultural lands, optimal utilisation of lands with the use of vacant land tax, in-situ development provides a route, which is speedy, effective, economical and sustainable. In-situ activities can be taken up via upgrading, redevelopment and relocation. According to rough estimates, about 15 million households currently live in squatter settlements and slums, with uncertain and insecure tenures. The experiments that the Task Force have seen, suggests that these settlements can be upgraded with subsidies that may be not more than 30-35 percent of the cost of new constructions of equal dimensions. In-situ development is an activity which is possible to be undertaken on a participatory basis, with minimal government intervention and holds huge potential for being sustained.

28. The Task Force has considered the issue of in-situ development as well as the manner in which it can be scaled up significantly. It is only in a few cities that effective non-governmental organisations (NGOs) and civil society groups are involved with in-situ development, and the scales at which they operate are dictated by the size and funding of the NGOs.

29. In-situ development is closely dependent on government's policy towards security of tenure. Security of tenure is a pre-requisite to scaling up in-situ development. The Task Force recognises that tenurial security is a complex issue and fraught with wide-ranging ramifications. Many transactions take place without being recorded and more often than not, the urban poor who participate in such transactions are not even aware that these transactions are unofficial and carry high risks. At the same time, given that it is a crucial component of "in-situ development" and given the fact that irrespective of the nature of security that is accorded to those living in settlements, those living in insecure tenures cannot be displaced (except on a selective basis). The Task Force considers "security of tenure" as

an important and integral tool for relieving pressures on the housing market and recommends its formal recognition by the Government of India, as essential to solving housing problem in the country.

30. In recommending in-situ development via security of tenure, the Task Force is well aware of its likely ramification. There are two aspects of the security of tenure to which the Task Force would like to draw the attention of the Government. One: there are several forms of providing security, including regularization of settlements, community or cooperative ownership, security via lease, use rights, which enables in-situ development to take place. The international evidence that the Task Force had an opportunity to peruse while preparing the report affirm that while tenurial security is the right of individuals and groups to effective protection by the State against forced eviction, there are several forms of security which can be availed of, depending on the situation and circumstance. What needs to be ensured is that there is no threat to eviction and tenurial security is organised in a way that it enables the poor households to access market funds. These are indispensable components of security of tenure. Two: the Task Force, however, would like to emphasize that in-situ development via security of tenure, if taken up in an isolated manner, or as an independent measure, without simultaneously bringing in additional lands for accommodating the continual flow of population, can hardly be expected to yield the desired impact. **The Task Force, therefore, recommends that the three suggestions relating to land for affordable housing, viz. additional lands, revision in the FAR/FSI and in-situ development be implemented in an integrated manner.**

31. In respect of in-situ development, the Task Force recognises the role played by NGOs, civil society groups and community-based organisations (CBOs). One of the prerequisites of in-situ development is direct engagement of such organisations not only for organising the communities and preparing them for in-situ development, but equally important for ensuring that the space is organised in accordance with the basic principles of spatial planning and development. The Task Force is aware that the NGO and CBO sector in so far as housing and urban development is concerned is grossly underdeveloped in the country. This is in sharp contrast with the situation in a rural setting. There is

also no agency like NABARD for urban areas, which is also a limiting factor for the development of NGO/CBOs. For the role that the Task Force envisages for them, it is necessary to accord proper recognition to the NGOs and CBOs – an important step towards promoting the institution of NGOs/CBOs and ensure that they function as representative bodies of the community. The Task Force foresees that a major effort may be necessary to build their capacities in managing the different aspects of “in-situ development”. Box 4 shows how AVAS, a Bangalore-based NGO, has brought about social transformation via in-situ housing.

Box 4: The AVAS Approach to In-situ Development

The threats, demolitions and evictions were negated in all AVAS in-situ housing projects.

The strength in AVAS in-situ development was that housing interventions were in the locale of an existing slum community which therefore required no search for extra land to rehabilitate slum dwellers.

No additional finance was required to purchase additional land. In-situ housing, therefore, helped in cost savings on land.

The land, when first occupied by the poor who built small huts for mere survival, was totally uninhabitable. Once the poor made it livable, the market value of the property increased manifold.

The ownership rights (some areas have been finalized, others are in process although housing has been completed) were given to each family as joint pattas in the names of the husband and wife, or only to women in case of women headed households, or as community lease cum ownership rights, promoting a cooperative land ownership model. Each community derived what was essentially suited to their needs for land titles.

(iii) Rental Housing

32. Rental housing is an important component of affordable housing. Chawls in Mumbai are a testimony to the commitment of textile mills and other industries towards rental housing. In recent years, however, the high costs of constructing public housing for rental purposes and ongoing cost of maintenance has made it difficult to initiate large-scale rental housing activities except for a limited target group. Also, over the years, the Government of India has relegated the role of rental housing for the poor and has not put out any definitive policy on rental housing. Employers like the textile mills too have reduced their role in the production of rental housing substantially. The efforts made in the building of housing units for the EWS have also been frittered away on account of manipulations in the selection of beneficiaries, targeting etc. Continuance of rent control laws in several states has seriously affected the overall environment for rental housing and constrained the private sector

investment in low-income housing. What seems to be a key is to foster an environment that would make rental housing for EWS and LIG categories of households a worthwhile activity to invest in. The Task Force suggests that the Government of India should pay attention to the creation of a healthy rental housing market, in conjunction with engaging itself in the production of housing under programmes such as the JNNURM.

4. Fiscal and Financial Framework

33. Whichever way one looks at the issue of capital flows into the housing sector, particularly in housing for the EWS and LIG, housing finance remains a highly underdeveloped component of the financial market. Lending for housing is relatively small and poorly accessible. Lending institutions remain vulnerable to various types of risks, as a result of which housing finance continues to be costly. Moreover, loans secured on property are vulnerable because property titles are not clearly established. The urban poor face the problem even more acutely as they lack the incomes (or, very often, evidence for income) for any down payment and are more likely to lack formal legal titles and therefore, unable to offer them as collateral.

34. The high price of housing in India has become a serious constraint. One of the important trends in housing finance is the widening gap between incomes and housing prices, as the latter have risen sharply in relation to incomes. The gap is the main indicator of the underlying affordability that the housing finance system needs to bridge. Access to finance is thus critical for the effective operation of housing finance markets more so than the cost of housing finance. In the absence of long-term finance, the large demand for housing remains unsatiated.

35. An important source of finance, notwithstanding the criticism on grounds of economic efficiency and ineffectual targeting, is the State. The Government of India via its agency HUDCO has intervened in the housing market, with the intention of widening housing finance. In general, it is

designed to improve access to housing finance. Important roles have been played by State-Level Housing Boards, Development Authorities and a large number of housing finance institutions (HFIs) in providing financial assistance for housing purposes. However, access to finance for housing from all these sources is able to meet a fraction of the total demand for housing finance.

36. The role of State Housing Boards in providing housing at affordable levels has diminished in the recent period. The focus of many State Housing Boards has shifted to merely 'selling land for profit'. Further, State Housing Boards are selling more land for commercial projects, thereby shifting away from their core role of providing housing. State Housing Boards either hold huge surplus cash balances generated from the sale of land or pass these funds to their respective State governments which get channelled into activities besides housing.

37. The Task Force recommends that the role of State Housing Boards be revamped. They need to be encouraged to once again focus on playing a more active role in the provision of affordable housing, even if it is through public private partnerships. **Secondly, funds raised through the sale of land transactions by State Housing Boards must be ring fenced, with a defined proportion to be redeployed only for affordable housing.**

38. For this Task Force, formulating a fiscal and financial framework that would help provide a boost to affordable housing without compromising the basic canons of sound financial principles has been an extremely important activity. The Task Force has, in this connection, reviewed the financial and fiscal initiatives that have been given to promote housing for the poor and the extent to which they have been effective. It is also aware of the emphasis that the Government has placed on instruments like mortgage-backed securities, or the proposal for the setting up of a National Shelter Fund. The Task Force has also looked at the working of micro-finance, community funds as are practiced in other developing countries.

39. Taking into account the totality of the situation, the Task Force has come to the conclusion that a financial and fiscal framework for affordable housing must have three complementary components: (i) allocation of additional budgetary resources for affordable housing; (ii) creation of a pool of funds or resources, with a potential for replenishment, and (iii) an incentive structure so as to encourage investment flows into this sector. These three components are detailed out below:

Funding of Affordable Housing

- i. Direct funding of affordable housing under the aegis of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). Taking into account housing costs and the need to reach out to a very large number of urban poor households, the Task Force recommends that (i) the JNNURM funds for affordable housing be increased by 100 percent; (ii) a part of the funds be used for direct provisioning of housing for urban poor households, and (iii) a part of the funds be used as supplements for in-situ development to be routed through the NGOs and CBOs. Given that in-situ development is cost-effective and enjoys sustainability, efforts should be made to fully involve the NGOs and CBOs in advancing the housing goals embodied in the JNNURM;
- ii. A cess of 0.5 percent on all central government taxes be credited to a dedicated Shelter Fund, to be managed by the National Housing Bank. The Task Force would recommend reinforcement of such a Fund with a budgetary support of equal amount, so as to make a long term impact on affordable housing; and
- iii. Permit housing finance institutions (HFIs) to access long term External Commercial Borrowing (ECB) market, since the HFIs require long term funding sources at the lowest cost possible to pass on to the ultimate borrowers;

Tax Related Incentives

- i. Reinstatement of Section 80 IB of the Income Tax Act for developers engaged in affordable housing projects.
- ii. Extension of the scope of Section 36(1)(vii) of the Income Tax Act to include housing finance institutions.
- iii. Further reduction in stamp duty rates and registration fee for affordable housing to 2 percent ad valorem uniformly in all states. The Task Force considers a 5 percent stamp duty rate as provided for under the JNNURM far too excessive.
- iv. Levy a flat charge of Rs. 1,000 on registration of equitable mortgages.

40. The Task Force is of the view that in-situ development requires a different kind of financial framework. It recommends:

(i) **Promotion of Housing Micro-Finance:** Today there are few institutions that are systematically giving affordable loans, especially to slum dwellers. The Task Force proposes the need for a housing finance company whose main focus will be on micro-housing loans. At the same time, existing institutions such as SEWA Bank and other similar micro finance institutions should be encouraged, supported and even upscaled by effecting changes in the existing regulations that constrain their operations.

(ii) **Promotion of Household Savings:** Financial institution lending to the poor employed in the informal sector must be allowed to not only issue credit but also take deposits. Offering full scale banking services to the poor is a critical component of increasing access to financial products for the poor. Offering savings products to the poor is important because:

- The poor need to save a lump sum amount required for a down payment; and
- Assessing the customer's savings capacity is an important part of the risk screening process of the micro-finance institutions.

41. The latter is especially true in the case of housing because of larger loan amounts. It is more difficult to set up other risk management strategies such as joint liability groups. The savings issue is

problematic because the Reserve Bank of India (RBI) is phasing out the right of non-banking financial institutions to take deposits. Therefore, the Task Force recommends allowing housing micro-finance institutions to take deposits.

42. The Task Force has considered the status of “affordable housing” in the hierarchy of sectors which draw benefits under various regulatory frameworks. It is of the view that including affordable housing as “infrastructure” will be a step in the right direction for purposes of the RBI, SEBI, IRDA and the Central Board of Direct Taxes.

5. Technology for Cost Effectiveness

43. The major issue of any design for a sustainable habitat is to create a balance between resource conservation and quality of living environment. Appropriate housing typology and technology options are important to help reduce the cost of construction and to increase the speed of construction to save on time as well as maintenance.

44. The Task Force recommends a *low-rise, high-density built form* as an appropriate measure for upgrading, redevelopment or construction of housing projects for the lower income groups.

45. The Task Force recommends the following technology options for the construction or upgrading of housing:

- Housing projects could use *new prefabricated construction technology* where the construction needs to be done at a faster pace with quality control.
- It is important to work out various technology options including *load bearing and framed structural systems with limited prefabrication* of building components to derive financial viability.
- In smaller towns, the concept of *core housing* should be considered as it is cost effective and allows for incremental construction.

46. The Task Force also recommends that the following alternative technologies for low-cost buildings may be considered:

- i. Ferro-cement technology
- ii. Use of mud bricks and fly ash bricks for walls
- iii. Use of hollow clay blocks for walls in hot climate areas
- iv. Use of reinforced bricks and stone slabs like Agra red stone for floors and roofs where these are locally available
- v. Stone chowkhats for doors and windows
- vi. Use of pre-cast Roller-Compacted Concrete (RCC) core units, channels and RCC planks for floors
- vii. Use of clay tiles and slates for roofing material for heavy rainfall areas
- viii. Use of bamboo mat with lime / cement plastering for walls in the North Eastern States where bamboo grows in plenty
- ix. Use of fibre/ bamboo boards/ rice husk for doors and windows

Industrial processes of housing will be required to be situated in key regions of the country, to serve local populations.

6. Institutional Framework

47. The terms of reference have mandated the Task Force to recommend an institutional framework that would be sensitive to the cause of affordable housing and would help to promote it on a scale that is needed. The existing institutional framework for housing comprises, aside from the relevant Ministries and Departments, HUDCO and State-level housing boards, development authorities and housing finance institutions. The portfolio of their investments, their priorities and the conditions of lending are known. The legal framework for housing consists of a host of Constitutional provisions, Land Acquisition Act, 1894, Revenue Acts, Town and Country Planning Acts, Stamp Duty and Registration Acts etc. The impact of these on the land and housing markets has been studied extensively and need not be repeated in this report.

48. The Task Force is also aware that the restructuring of HUDCO is under consideration of another Task Force, whose recommendations may impact on the counterpart institutions in the States. It, therefore, is reserving its views on the institutional framework except to underline the absence of an institution that enjoys the power to oversee and regulate “affordable housing”. Today, for all the rhetoric, India does not have a coherent institutional framework to promote affordable housing. This Task Force recommends that whatever that framework is, it should be *dedicated* to this task, be structured as a *partnership* institution which would harness private sector creativity and energy, be well funded partly by government but mostly in a manner that enables the use of market oriented funding to ensure sustainability of the housing effort for decades to come. The Task Force also considers it important that a “real estate regulator” that could serve as a single window for overseeing and monitoring the affordable housing agenda, regulate the activities, promote policy reform e.g., stamp duty and registration, protect the consumers from real estate fraud and coordinate digitisation of land records be set up on a priority basis.

49. To establish a real estate regulator, a model bill may be prepared and discussed with the various States. The Task Force recognises that this legislative process for having real estate regulators in place in the States would be a time-consuming process, and therefore, in the interim consideration be given to be setting up of Ombudsman type bodies at the State level. The role of the housing and real estate Ombudsman would be to monitor JNNURM housing projects, ensure that proper appraisals are being done, collect relevant data, identify beneficiaries for JNNURM housing projects and address consumer grievances.

50. Housing Finance Institutions have played an important role in providing finance for housing. Given the limitations of time, the Task Force has not been able to evaluate the role that they have exercised in financing affordable housing. It needed a detailed field-level study before it could suggest how to make them sensitive to this housing segment. Suffice it to say that the 3-decade experience of

housing finance in India has demonstrated the credibility of mortgage finance even when there was an absence of suitable foreclosure laws. However, this evolution has helped develop the market for housing finance for a particular constituency: those formally employed in the organised sector (currently estimated at 35 million persons). No HFI, so far, has helped finance the vast majority of people who are self employed (currently estimated at 350 million persons). The new institutional regime would necessarily have to concentrate its attention of the latter market.

7. Closing Remarks

51. Augmentation of the stock of affordable housing is an imperative that the Government of India can afford to ignore only at a severe cost to the macro-economy. The Task Force considers it necessary to reiterate and re-emphasise the strong linkages between housing and the economy. Housing has huge multiplier effects and can provide the much-needed triggers to the Indian economy. The Task Force would like to suggest the benefits of having an inter-Ministerial group to focus on 'Housing and the Economy'. There are dividends that the country can reap from this sector. It is evident to the Task Force that achieving the goal of affordable housing for all is a long-term issue. In the short run, however, what is necessary is to reinforce the efforts that are currently being made via the JNNURM and bring into use the financial and fiscal incentives proposed herein.

52. A caring society would not tolerate the present situation of millions of people in the country. We need to define what is an acceptable living standard of our poorest urban dweller – not the minimum size of concrete block that he or she is entitled to. Decent human living requires space and privacy for a civilised existence. Next we need to resolve that India build a society in which every family has a stake defined as a home - the anchor for a democratic society. And finally we need to design the methodology of action which will achieve these goals in an acceptable period of time. This report is a pointer which illustrates the track we need to be on. Much more needs to be done and we

strongly recommend that the debate be institutionalised so that constant progress is demonstrated on the ground.

**Affordable Housing For All
A Summary of Responses**

Note: These are the views of the respondents to the questionnaire and not necessarily those of the members of the Task Force.

A. ENHANCING SUPPLY OF DEVELOPED LAND

Factors hampering supply of developed land

- Cumbersome land acquisition procedures
- Lack of clear rules on land development
- Absence of new/updated/revised Master Plans
- Zoning laws in cities are not well defined
- Faulty urban planning and bylaws restrict the floor area ratio (FAR) and building height
- Lack of institutional financing
- Rudimentary land records, leading to number of land transactions in litigation
- Lack of political will and attention

Reforms to bring about efficiency in the land market

- Simplify approval procedures for development projects and land conversion and adopt advance methods of planning, factoring in population growth and migration projections
- Define how the reform process differs from what was intended in the Master Plans
- All the information must be placed pro-actively in the public domain

Role played by the state-level development authorities in the acquisition and development of lands in urban areas

- State governments play a major role in releasing land for development. In addition, they also provide direction to the growth in the city. However, the focus of the state government has been limited to auctioning land to private players. This has contributed to escalation of land prices, which is detrimental to the concept of affordable housing.
- State level development authorities have restricted roles in private land market due to their public role. The Land Acquisition Act has been used in unscrupulous ways in view of the confusing definition of "public good".

Recommendations for the state-level development authorities to play effective role

- Improve transparency, increase speed of execution
- Better interaction with all stakeholders
- Enforce anti-encroachment laws
- Facilitate easier conversion of agricultural land
- Check under-utilisation of land
- Urban Master Plan must take into account population growth and plan for the resultant demand for land
- Increase coordination with infrastructure development agencies to ensure that land development and infrastructure creation go hand in hand
- Establish a single window clearance system, which makes land available for development in a time bound manner

- Make lands available to the private sector at nominal rates and encourage the private sector to channel funds into development of affordable housing
- Avoid delays in implementation of Master Plans: The process typically loses purpose due to the delays in their formulation and implementation. Delays in planning leads to manipulation of the plan by interested parties and drives up land rates. This defeats the purpose of affordable housing.
- Define “public good” as provided for in the Directive Principles of the Constitution

Supplementary measures necessary to de-stress the urban land market

- Redevelop under-utilised or badly utilised land parcels
- Release surplus lands under government sector and public sector undertakings
- Need to curb speculative trading in land

Changes recommended in the existing procedures for bringing in additional lands to meet the demand for urban land on a continual basis

- Redraw the boundaries of the top 300 cities and do away with the need to convert from “agricultural zoning” within these new urban boundaries.
- Continuous updating of Master Plans and planning of new townships
- Remove all land ceiling Acts and let state bodies acquire and develop unused non-agricultural land
- Streamline the process of conversion of agricultural lands particularly the non-arable and fallow lands
- Need for change in by-laws, which could permit doubling of FAR

Importance of cross subsidies in the use of land

- Cross subsidies may not work at macro level. It has to be seen at project level for intra project transfers only.
- Cross-subsidy has to be at a macro level to have any impact. Having cross-subsidy requirements for each project level could be very sub-optimal. Each project need not have low-income housing reservation.
- Most people cannot afford built-up housing or its high maintenance costs. They should be given secure tenure on land alone (either individually or as group housing co-operatives) – which should be subsidised if necessary or given on long term lease at low rentals – and allowed to build their own homes within the frame of social and physical infrastructure provided by state development agencies.

B. ENHANCING THE SUPPLY OF RENTAL HOUSING (with particular reference to rental housing for the urban poor, EWS and LIG households)

Reasons for deficient rental housing

- Overall shortage of rental housing
- Low returns
- Fear that the tenant may not leave
- Inadequate legal system

Examples of rental housing for the urban poor

- Housing quarters for government employees is a prevalent concept in India – these are provided across income segments and the rent is charged as per the house rent allowance.
- The history of *chawls* built by factories and textile mills were a successful solution to the increasing population of migrant workers moving into cities. The participation of companies in finding housing solutions for their employees was also commendable. However, these structures suffer from lack of maintenance, but still persist today as housing for low-income households.

Role of public agencies such as the state-level housing boards, in enhancing the supply of rental housing

- Incentivise developers through tax exemptions and low interest loans
- Provide land on instalments to developers with the specific mandate for rental housing.
- Government, while formulating the housing and habitat policy, should earmark a percentage of development for EWS/LIG. The developer should be given fiscal incentives and higher FSI to compensate for meeting the obligations.
- Two areas of focus for public agencies could be the decontrolling of rent so that the rental assets are better-maintained and better regulation of the number and quality of rental housing. A greater need for capacity building of housing co-operative societies is also necessary to ensure better self-maintenance.
- Ombudsman / fast track courts to settle cases
- Maintain a database of people from economically weaker sections desirous of availing dwelling units

Policy shift required for the private sector to engage itself in the production of rental housing

- Fiscal or tangible incentives such as higher FSI and transfer of development rights
- Cross-subsidize such projects through allotment of alternate high potential land parcels
- Modification in rent control act to make it compatible to owner and tenant and fiscal incentives for investment.

Scope for public-private partnership (PPP) in the production and management of rental housing. Recommended structure of PPP

- There is a scope of PPP in rental housing. The focus, however, should be on incentivising developers through cross subsidisation
- The PPP structure should be one in which the government retains equity for providing fiscal incentives
- One could look at a joint venture with land being provided by the government and constructed by private companies with sizes and specifications being controlled tightly to keep the end prices low and finally allotted by the government. Another may be where government body rents and administers LIG/EWS and the private body builds the project and sells HIG/MIG in one portion.

Need for a regulator

- The regulator should: (i) track rents, (ii) initiate research on rental price indices including operation and management and (iii) provide information on landlords' and tenants' rights
- Regulator should be involved in pricing
- Oversee the timeframe of availability of housing site, construction of dwelling units, allotment of the same to registered people and to check the books of accounts

- A State level self-regulatory body of the private sector entities may undertake the regulatory and oversight function. However, in the event of a state level regulator for the housing and real estate activities being established through the regulatory bill, the same agency may also undertake regulation for this segment.
- No separate regulator is required exclusively for housing. Regulation has a cost and may often be contrary to the social objectives envisaged.

C. STRATEGY FOR IN-SITU SLUM UPGRADATION

Key issue for in-situ upgradation of slums

- Absence of a clear policy
- Fear that it may mean a de-facto recognition of the tenure
- Lack of funding

Impediments in undertaking in-situ upgradation

- Lack of suitable policy framework
- Lack of political will for implementing such schemes
- Land owning authorities reluctant to give "prime" lands to poorer communities because it is not "profitable". This is part of the collusion to divert housing land to other purposes.

Impact of in-situ slum upgradation on the overall problem of affordable housing for the urban poor

- In-situ upgradation of slums would improve the habitat and quality of life with a limited addition to affordable housing stock.

D. LEGISLATIVE CHANGES

Legislation(s) responsible for the constrained supply of land and/or housing in the urban areas

- Land Acquisition Act because "public purpose" is not defined within the Constitutional framework and slum clearance and improvement Acts because these have focused more on clearance than on improvement
- The Planning and Development Acts of various states
- Rent control laws are skewed towards the tenant

Legislations that need to be repealed and amended

- Revision and rationalisation stamp-duty and property titling laws would reduce the cost of ownership, thereby increasing affordability
- Land acquisition and compensation rules
- Amendment of rent control acts
- Amend the Land Acquisition Act by defining "public purpose" in accordance with the Fundamental Rights and Directive Principles for State Policy embedded in the Constitution. Amend the Slum Clearance and Improvement Act to only a Slum Improvement Act with related modifications. Replace the principle of "eminent domain" of the State by "democratic domain" of the people. Strengthen Public Accountability and Disclosure Acts.
- Stamp duty rates need to be uniform across the country and they need to be brought down from their current levels. Further, a nominal duty should be considered for affordable housing.
- Stamp Duty should be brought down uniformly to 2%.

- The rate of stamp duty should be lower (differential rates) for low-income housing.

E. FISCAL AND FINANCIAL INSTRUMENTS

Financial incentives recommendations

- Fiscal incentives to developers
- Subsidising lands for housing projects
- Lower interest rates and tax rates for end users
- Exemption from income tax on income from LIG/EWS house constructions
- Interest subsidy of 4-5 percent on housing loans for LIG/EWS houses
- Section 80 IB of the Income Tax Act for housing to be re-instated
- Zero interest housing loan for EWS and LIG, and 3% for MIG

Are the poor willing to take housing loans at the market rate or are subsidies necessary?

- There should be differential interest rates for different slabs of loan amounts and only the lowest slab should be subsidised.
- The poor would certainly be willing to pay market interest rate, an example of which can be found in the micro-finance industry. Subsidies will only increase expectations of government assistance.

F. AFFORDABLE HOUSING IN THE JNNURM FRAMEWORK

Reforms for effective earmarking of urban land and provision of tenurial security

- Tax exemptions to developers undertaking such schemes
- Link land availability with livelihood opportunities – currently missing within the JNNURM framework
- Private sector initiative in developing and maintaining social infrastructure
- Transparency in earmarking of land, and insurance that these lands are not marginalised. Robust and easy-to-use transportation systems from these sites to places of employment and capacity building around tenure rights.
- Tax incentives for developers of EWS/LIG housing

Most appropriate tenure security

- Restricted lease rights (e.g. use but not sale or transfer)
- Community/group ownership
- Under restricted lease rights, the period of no sale or transfer may be fixed at a minimum period, say 15 years

Need to involve communities/women in the development of the housing strategy

- Ownership/Lease rights should be in the name of women
- All rights afforded in lease agreements should be equally applied to the women
- Women should be listed on the security documents and drive community participation efforts since they are the most versed about their household's needs
- Giving joint ownership and lease rights to the men and women of the household

G. LOW COST BUILDING TECHNOLOGIES

- Low cost materials and technologies are not popular for low-cost housing, but appropriate propagation of this technology would help

Hurdles in adopting low-cost technologies

- Lack of awareness
- Lack of choice
- Prohibitive cost of transportation of materials makes it unviable to use cheaper materials like fly ash bricks.

Alternative methods of low-cost building technologies

- Ferro-cement technology
- Use of mud bricks and fly ash bricks for walls
- Use of hollow clay blocks for walls in hot climate areas.
- Use of reinforced bricks and stone slabs like Agra red stone for floors and roofs where these are locally available
- Stone chowkhats for doors and windows
- Use of pre-cast Roller-Compacted Concrete (RCC) core units, channels and RCC planks for floors
- Use of clay tiles and slates for roofing material for heavy rainfall area
- Use of bamboo mat with lime /cement plastering for walls in the North Eastern States where bamboo grows in plenty
- Use of fibre/ bamboo boards/ rice husk for doors and windows

TABULATION OF OBJECTIVE QUESTIONS

A. ENHANCING SUPPLY OF DEVELOPED LAND

Developed land is in short supply

- Yes: 81%
- No: 15%
- Can't say: 4%

Majority of the respondents are of the view that the supply of developed land lags behind its demand.

The land acquisition activities carried out by state-level development authorities in order to enhance the land supply in the market are effective.

- Yes: 4%
- No: 88%
- Can't say: 4%

Majority of the respondents are of the view that the land acquisition activities carried out by the state-level authorities to enhance the supply of developed land were ineffective.

The repeal of the ULCRA Act, 1976 has improved land supply in the urban areas.

- Yes: 38%
- No: 38%
- Can't say: 24%

Most of the respondents feel that it will take time for the repeal to have its impact on the current land supply conditions in the urban area.

Success of governmental efforts to enhance the supply of developed land

- Yes: 50%
- No: 42%
- Can't say: 8%

Half of the respondents feel that interventions such as land pooling, land banks and town-planning schemes have been effective to a certain extent.

Adequacy of state-level policies and initiatives:

- Adequate: 15%
- Inadequate: 62%
- Can't say: 23%

Majority of the respondents feel that the state-level policies have been inadequate.

B. ENHANCING THE SUPPLY OF RENTAL HOUSING (with reference to EWS and LIG households)

Public agencies must be directly engaged in the production of rental housing.

- Yes: 42%
- No: 58%
- Can't say: 0%

Majority of the respondents are of the view that public agencies should not be engaged in the production of rental housing.

Need for a regulator of rental housing:

- Yes: 58%
- No: 30%
- Can't say: 12%

Majority of the respondents feel that there is a need for a regulator if the private players enter the market.

C. LEGISLATIVE CHANGES

The land and the housing market should be left free to be determined by the market mechanism

- Yes: 19%
- No: 77%
- Can't say: 4%

Majority of the respondents believe that a free market will not be able to take care of the needs of EWS and LIG households.

D. AFFORDABLE HOUSING IN THE JNNURM FRAMEWORK

Involvement of women in housing is essential to bring about sustainability in the housing programme for the urban poor

- Yes: 65%
- No: 12%
- Can't say: 23%

65% of the respondents are of the view that involvement of women brings about sustainability in the housing programme.

E. LOW COST BUILDING TECHNOLOGIES

Popularity of low-cost technology/ material for housing

- Popular: 15%
- Not so popular: 54%
- Unaware of the concept: 31%

The low-cost technology for low-cost housing is not so popular in urban areas.

Suitability of low-cost technology/ material (recommended by Building Materials and Technology Promotion Council (BMPTC) for low-cost housing in urban areas.

- Suitable: 27%
- Not suitable: 27%
- Can't say: 46%

The response is mixed.

Readiness amongst the developers to adopt these technologies

- Yes: 31%
- No: 35%
- Can't say: 35%

Response is mixed but majority had reservations about these technologies.

F. WHAT IS AFFORDABLE HOUSING?

Percentage of monthly household that should go as rent for:

- 250 square feet
The responses are in range from 10% to 30%.
The average is 20%.
- 400 square feet
The range is from 12% to 35%.
The average is 23%.
- 500 square feet
The range is from 15% to 35%.
The average is 25%.

Note: Outliers have been excluded.

Kindly note that the following Task Force members, Mr. P.K. Pradhan, Principal Secretary Urban Development, Government of West Bengal and Mr. S. R. Rao, Principal Secretary Urban Development, Government of Gujarat have not participated in the deliberations of the Task Force.