

General Studies-3; Topic: Infrastructure

Housing For All by 2022

1) Introduction

- The government launched the “Housing For All by 2022” programme in 2015, with the Pradhan Mantri Awas Yojana (PMAY) as a key anchor scheme.
- PMAY envisages building 20 million urban units by 2022.
- The government accorded infrastructure status to affordable housing, thereby opening an arena of growth opportunity for the sector.

2) Need for providing Affordable Housing

- A right to shelter is a basic human need.
- To ensure a decent habitat for people in urban areas, particularly the poor
- Global examples indicate that affordable housing activities generate direct and indirect employment
- It also generates sustained consumption in the long term.
- A 2014 study by the National Council of Applied Economic Research indicates that every additional rupee of capital invested in the housing sector adds Rs1.54 to the GDP.
- Every Rs1 lakh invested in residential housing creates 2.69 new jobs in the economy.
- For achieving UN's SDG goal 11- ensure adequate, safe and affordable housing and basic services and upgrade slums.
- To uplift the living standards of the people as well and pave the way for prosperous India.

3) Concerns / Challenges

- The progress of PMAY’s implementation has been disappointing.
- Supply side challenges include land availability and supply of quality developers.
- Lack of participation of large organized real estate players due to low profit margins.
- Massive capital expenditure at every stage
- The lack of skilled workforce will negatively affect the scheme.
- Lack of clarity on powers of various agencies executing the scheme. Decisions that should be taken on a local level are often devised by state or the Central government.
- The approval process is slow, which is again a big challenge. In the World Bank's Ease of Obtaining Construction Permits Index, India was ranked 185 out of 187 countries in 2016.
- Illegal settlements that is not fit for human habitation.
- Lack of clear communication & co-ordination among the implementing agencies
- Land and property records are currently not digitized and remain in poor condition.
- People residing in ancestral homes with ownership in the name of their deceased parents or the slum dwellers with no property rights face difficulty in availing interest subsidy on a home loan.

4) Way Forward

- The actual execution on ground needs to be accelerated to realize the true potential.
- States need to simplify the process of updating property records so that citizens can obtain legal documents to their land and property
- Enable individual households who don’t have legal titles to in-situ upgrade their housing by providing them with security of tenure — even a “no eviction guarantee”.

- Ahmedabad's success with the Slum Networking Program shows that the security can encourage slum residents to invest money and upgrade their shelter.
- The government should proactively allow urban public land holding to be utilized for affordable housing projects.
- The government can also explore an affordable rental housing scheme which could create a stock of affordable housing
- Countries such as Singapore and Sweden have such huge public housing programmes
- The private sector can play a role in implementing best construction practices, and in maintaining the housing stock, as practiced in New York.
- By building a strong support system and hand-holding the real estate entrepreneurs, we could create an ecosystem of quality developers.
- Loans need to be provided at affordable rates.
- A single window clearance can help in faster approvals.
- Fast tracking approval processes and targeting the actual beneficiary.
- The entire housing ecosystem needs to be well developed and all the stakeholders need to work collaboratively with high degree of conviction and risk-taking ability.

