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# UNIT 1 HOUSING

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## Structure

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- 1.2 Housing: Concept and Types
- 1.3 Factors Influencing Housing Pattern
- 1.4 Housing Conditions and Shortage
- 1.5 Housing Finance and Classification
- 1.6 Housing Development Process
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## 1.1 INTRODUCTION

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Housing sector is a major contributor to GDP of a country. As per the Central Statistical Organisation (CSO) estimates, housing sector's contribution to GDP for the period 2003-04 is 4.5 per cent. Real estate is one of the fastest-growing sectors in India, with the housing sector growing at 34 per cent annually, according to the data from National Housing Bank (NHB). It is estimated that 80 per cent of the country's real estate market accounts for residential property.

In urban India, the share of rental housing is low compared to developed countries, where it is between 40 and 50 percent. The share of rental housing in urban areas is 30 percent, according to NSS 65<sup>th</sup> Round, 2008-09. In most cities in India, over 30 percent of the population lives in slum like conditions. India's urbanisation is only around 30 per cent, while in other countries, it is much higher. According to McKinsey Report 2010, 70 per cent of all jobs in the next 20 years will originate in urban areas.

Seeing the above facts, it can be concluded that while it is very important to make investments in urban areas in order to ensure better productivity, housing is an area which will need utmost attention in the times to come. Housing is an integral part of town planning. Residential land use constitutes approximately around 30 to 40 per cent of the total land use of the city, depending on various conditions. Amongst all the land uses in the city master plan, residential land use usually is the largest portion.

After reading this unit, you will be able to:

- Explain housing concept, types and classification
- Discuss factors influencing housing pattern and housing shortage
- Describe affordable and inclusive housing
- Analyse housing policies and plans

## 1.2 HOUSING: CONCEPT AND TYPES

The Census of India provides various definitions of terms used commonly in the housing sector. Some of the key terms used in Census 2001 and their definitions are given here below:

- a) **Census House:** A 'census house' is either a building or part of it used or recognised as a separate unit because of having an independent main entrance from the road or common courtyard or staircase, etc. It may be occupied, vacant or used for either residential or non-residential purposes. If a building has a number of flats or blocks, which are independent units having separate entrances of their own from the road or a common staircase of a common courtyard leading to a main gate these will be considered as separate census houses.
- b) **Household:** A 'household' is usually a group of persons who normally live together and take their meals from a common kitchen unless the exigencies of work prevent any of them from doing so. The persons in a household may be related or unrelated or a mix of both. However, if a group of unrelated persons live in a Census house but do not take their meals from the common kitchen, then they will not collectively constitute a household. Each such person should be treated as a separate household. The important link in finding out whether it is a household or not is a common kitchen. There may be one member households, two member households or multi-member households. In a few situations, it may be difficult to apply the definition of household strictly as given above. For example, a person living alone in a census house, whether cooking or not cooking meals will have to be treated as a household. Similarly, if husband and wife or a group of related persons are living together in a census house but not cooking their meals it will also constitute a normal household.
- c) **Institutional Household:** A group of unrelated persons who live in an institution and take their meals from a common kitchen is called an 'Institutional Household'. Examples of Institutional Households are boarding houses, messes, hostels, hotels, rescue homes, observation homes, beggars' homes, jails, ashrams, old age homes, children homes, orphanages, etc
- d) **Permanent House:** Houses with wall and roof made of permanent materials. Wall can be of G. I., Metal, Asbestos sheets, Burnt bricks, Stone or Concrete. Roof can be made up of Tiles, Slate, G. I., Metal, Asbestos sheets, Brick, Stone or Concrete.
- e) **Semi Permanent House:** Either wall or roof is made of permanent material (and the other having been made of temporary material).
- f) **Temporary House:** Houses with wall and roof made of temporary material. Wall can be made of grass, thatch, bamboo etc., plastic, polythene, mud, unbaked brick or wood. Roof can be made of grass, thatch, bamboo, wood, mud, plastic or polythene.
- g) **Serviceable Temporary:** Wall is made of mud, unbaked bricks or wood.
- h) **Non-Serviceable Temporary:** Wall is made of grass, thatch, bamboo etc., plastic or polythene.

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## 1.3 FACTORS INFLUENCING HOUSING PATTERN

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Factors influencing housing pattern are as follows:

### 1.3.1 Social, Economic and Political Factors

Housing has many social, economic and political dimensions. Indian society comprises of great diversities. India is a federal union of states comprising twenty nine states and seven union territories. The states and territories are further subdivided into districts and so on. The patterns of social organisations vary across the country. There had always been a distinct imprint on the nature of housing settlement structure in the past. Housing design is often dictated by social requirements. Lots of literatures have emerged in the country on the way housing design is done. Traditional spatial patterns and settlement structure are governed by social requirements. Both at the settlement level as well as within the dwelling unit, space is organised in conformity with the social considerations. In various cities of India, the location of neighbourhoods is made up of same castes and professions. Similarly, caste grouping also takes place such as 'Agraharam' or *Agrahara* is a neighbourhood, which comprises of Brahmin quarter of a heterogeneous village or to any village inhabited by Brahmins in South India. The rural areas as well the social patterns of various communities, such as landlords and tenants, workers and so on defines housing patterns and social status, which is reflected in housing form. Economic factors also govern housing patterns. It is obvious that the rich people have huge mansions, while the middle income families have more modest homes and those at the bottom of the pyramid struggle to live in small spaces. Further, to the national economy as a whole, housing is a major contributor. Investments in housing have many tangible and intangible benefits. The housing industry has many forward and backward linkages and there are as many as 260 industries which are involved in the process. Therefore, housing contributes greatly to the economy in terms of employment generation and income generation. A large number of skilled, semi skilled, rural and women workers gain employment through house construction. Rural folk also get supplementary income by participating in construction activities. It also contributes to national income and the GDP. The Income Tax Department levies Capital Gains Tax on long term capital gains on sale of property- be it residential or any other. Every year, the Union Finance Minister presents a national budget in which various duties and levies as well as concessions are announced. The entire housing finance industry which is a multi-crore business is an outcome of the housing activity. Renting out of housing benefits, house owner is also thereby a contributor to the micro economy. On the fiscal side, housing contributes substantially to the finances of the urban local bodies by way of 'house tax' or 'property tax'. Housing has serious political connotations. Housing being a basic need, it is high on political agenda and forms a key element of political rhetoric. Political parties across the country want to win the support of the industry by giving incentives and sympathy of the public, especially the low income and the poor, by regularising squatting and unauthorised land colonisation.

### 1.3.2 Influence of Climate, Materials and Technology

Housing form, technology and materials used for construction vary across the country. It depends on physical factors, such as climate (including temperature, humidity and rainfall) and availability of natural resources. In the coastal areas,

the climate is moderate and there is less of difference between the summers and winters. Humidity is high and therefore, there is a need for wind flow in order to attain thermal comfort. As there are incessant rains, so the traditional house form here has emerged with spacious houses with central courtyard, large windows for free passage of air and high gable roofs to withstand the rains. Further, use of locally available stone, brick and timber is common. The availability of clay has also ensured that burnt clay tiles are put to use. On the contrary, in the arid climate of Rajasthan, where the summers are sweltering and the winters are chilling, rains are also scanty, in this continental climate, thick walls with small openings, shaded courts and narrow lanes to get as much shade as possible and flat roofs are popular.

However, in the hilly areas it's quite different as it is very cold and sunshine is always desirable, locally available stones are used, as against brick. There are no courtyards as there is paucity of space on the hill slopes. Timber and tiled roofs are common. Construction is often light in order to take care of earthquakes which are quite common here. 'Icra walling' and use of bamboo is popular. One can see that traditional housing has always been in tune with nature.

## 1.4 HOUSING CONDITIONS AND SHORTAGE

According to the estimates made by the Technical Group constituted by the Ministry of Urban Development for assessment of the urban housing shortage at the end of the 10th Five Year Plan, the total housing shortage in the country is 24.71 million. The category-wise housing shortage and requirement are given as follows in table 1 and 2.

**Table 1: Housing Shortage in India 2007**

Income Category	Housing Shortage in Million DUs
Economically Weaker Sections (EWS)	21.78
Low Income Group (LIG)	2.89
Middle Income Group (MIG) and High Income Group (HIG)	0.04
<b>Total</b>	<b>24.71</b>

*Source: Government of India, MoHUPA*

This shortage is likely to go up to 26.53 million during the Eleventh Five Year Plan i.e. 2007-2012 as detailed below:

**Table 2: Housing Requirement during 11th Plan Period (2007 - 2012)**

Category	No. of DUs in Million
Housing Shortage as the beginning of 11th Five Year Plan	24.71
Addition to household	8.71
Addition to housing stock	7.27
Up gradation of Kuccha house	0.38
Total Housing Requirement during the 11th Plan period (2007-2012) (24.71 + 8.71 + .38 – 7.27 = 26.53)	26.53

*Source: Government of India, MoHUPA*

In this section you studied housing: concept and types and factors influencing housing pattern, housing conditions and shortage. Now, you should be able to answer some questions relating to this section given in *Check Your Progress-1*.

**Check Your Progress 1**

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

1) What are the different types of Housing? Explain any one briefly?

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2) What are the factors influencing housing pattern? Explain any one?

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**1.5 HOUSING FINANCE AND CLASSIFICATION**

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**1.5.1 Housing Finance**

The majority of the population, particularly those living in the urban areas are landless and do not have access to housing. Further, their incomes and affordability are low. As a result of this, their access to finance for housing is severely limited. The Government of India has initiated several measures so that more people gain access to affordable housing finance. Housing finance in India can be seen in terms of two levels; bulk finance and retail finance. Bulk finance for developing various large scale housing projects by state housing boards and development authorities is made available at reasonable rates by the Housing and Urban Development Corporation (HUDCO). Other international donor agencies such as the World Bank, DFID, KFW, etc. also channelise funds into the housing sector. On the retail side, a large number of housing finance companies (HFCs) have emerged in the country. Many banks have also started housing finance provision. Collectively, housing loans are regulated by the National Housing Bank, the apex regulatory organisation which is a subsidiary of the Reserve Bank of India.

**Table 3: Income Classification in India**

	<b>Income ceiling Rs</b>	<b>Cost ceiling in Rs.</b>	<b>Loan ceiling in Rs.</b>
EWS	Upto Rs 5,000/-	2.00 lacs	1.50 lacs
LIG	5,001-10,000	4.25 lacs	3.00 lacs
MIG	10,001-20,000	No ceiling	
HIG	> 20,001	No ceiling	

Source: HUDCO, New Delhi

Date of Effect: 26<sup>th</sup> April, 2010 onwards

### 1.5.2 Classification of Housing

Housing can be broadly classified into the following types:

#### a) Public Housing

Public housing is housing for low income families provided by various housing agencies. The most popular public housing agencies are

- 1) State Housing Boards and
- 2) Development Authorities.

In states, like Andhra Pradesh, Housing Board and several other development authorities are operational in different parts of the state. There is also the Andhra Pradesh Weaker Sections Housing Corporation as well as Rajiv Gandhi Housing Corporation. Public housing agencies normally, take loans from HUDCO prior to launching of the projects. Housing reservations for various sections of the society are made and the products are allotted on a no-profit-no-loss basis. Usually, property is allotted on a long-lease basis. In some cases, it is sold on a 'freehold' basis too.

#### b) Rental Housing

Rental housing has been a popular form of investment in the early part of the twentieth century. Landlords in cities like erstwhile Bombay (now, Mumbai) were investing surplus funds in building 'mansions' which they would in turn rent out in order to earn a regular revenue stream. This also provided a viable housing access to the less fortunate who could not afford houses; they could easily rent out a place. However, this was short lived with the War Rent Restriction Order in the aftermath of the World War, in a climate of housing shortages. Soon, what came about as an order of a temporary nature became a legislation on Rent Control. It was not long before other state governments followed suit and there was a proliferation of Rent Control Acts in various states. A much criticised legislation, these Acts were totally biased towards protection of tenants and rents were frozen. It became practically impossible for landlords to get tenants evicted. Over the decades, these ridiculously low rents which came out of concepts such as 'fair rent' and 'standard rent' as per complicated 'rent fixation formulae' by Rent Controllers gave a raw deal to the landlords while tenants had every reason to stay put and not vacate. Inner cities of most large Indian cities decayed as it was the responsibility of the landlord to maintain these properties which fetched peanuts for a return, on properties which are otherwise notionally of very high value. This, over time, led to systematic decline of our cities. Even

in newer areas, landlords have been very sceptical to give their properties on rent, they would rather invest in properties and keep them locked, rather than let them out. Therefore, it is not surprising for us to see investments in real estate lying idle.

The intrinsic difference between investments in real estate and investments in other asset classes is that one can get periodic revenue streams on the one hand and also get capital appreciation on the other. At the same time, the asset is also put to good functional use. However, this is brought to notice on account of the peculiar situation in India where you have huge housing shortages on the one hand and a large number of vacant locked up apartments on the other.

Time and again, it has been advocated in many platforms that rent control acts have outlived their usefulness and in the current climate of liberalisation, these legislation have to be reformed and a more balanced regime of rule of law to be enacted so as to bring about a more harmonious relationship between landlords and tenants. The Government of India, as part of its much publicised Jawaharlal Nehru Urban Renewal Mission, has been advocating reform in this area. Unfortunately, only a handful of state governments have gone ahead with a new Rent legislation. The National Housing and Habitat Policy of the Government of India has been advocating a regime encouraging rental housing where the principle “that rent of a housing unit should be fixed by mutual agreement between the landlord and the tenant” and that the government should only play the role of a facilitator. However, quite contrary to its own stated policy, the Government of India has put up a new Model Residential Tenancy Act 2011 which once again talks of the outdated concept of ‘rent fixation’ where the government machinery will intervene. This appears to be quite illogical prima facie. As a result, the intent of the Government of India is unclear.

The arguments in favour of organised rental housing are that

- a) It provides easy access to housing to all those people who cannot afford to purchase a house on account of high market prices.
- b) It is a viable solution for short term housing needs for all those executives who need to pack up and move from one city to another on transfers.
- c) It is a necessity for young college going students who are not in a position to get subsidised hostel accommodation.
- d) With some facilities thrown in, it is a good arrangement for single women and the elderly who need a safe place to stay.

The popularity of rental housing is also on account of the fact that it does not tie up funds, has lower transaction costs, allows for mobility and transfers the maintenance liability to the owner. For landlords, while this could be a good parking place for surplus funds, the real estate industry could get the much needed diversification avenue. As a matter of fact, at the high end, there are a good number of ‘service apartments’, which had come up in the urban centres. In these apartments, MNC executives, mostly the younger lot find a comfortable residential option. Thus, rental housing as an organised economic activity is a win-win for all stakeholders. Globally, in most developed countries, rental housing constitutes a much higher percentage of

the total housing stock than in the case of India. For example, in Berlin, rented housing constitutes as high as about 90 percent of the total stock, while it is around 50 percent in Rotterdam and around 55 percent in New York. Closer home, in South East Asia, rental housing constitutes about 40 percent in Bangkok. In India, the percentage is much less, at around 25 percent. In most parts of the world, Governments have consciously created comprehensive policies for rental housing, putting up itself large housing estates with subsidised rental housing stock for the general public. There is a whole range of rental housing options which are available from where India can learn lessons.

A good initiative has been launched by the Mumbai Metropolitan Regional Development Authority (MMRDA) where a large number of rental housing units are being envisaged under various public-private-partnership models. Some of the leading industrial houses have also made forays into the rental housing area in the recent past, despite the fact that the current regulatory regime does not yield a comfortable RoR (Room on Rent). A ray of hope has also been provided by the Government of India in its *Rajiv Awas Yojana* (RAY) for 'slum free cities', where it is advocating for some percentage of housing to be developed towards rental housing. These experiments which are at the initial stage have nevertheless raised doubts pertaining to its ownership, day to day maintenance, eviction after completion of leave period, long term maintenance and renewal, insurance, risk mitigation, litigation, etc. which need to be adequately addressed since structures for the same are not yet in place.

All said and done, in the absence of organised rental housing for the consumer today, renting a house continues to be wrought with problems galore. Government departments and PSUs have been providing rental accommodation to their employees in lieu of House Rent Allowance (HRA).

However, today, it is no longer economically viable to live in government provided rental accommodation, as the loss of HRA is as good as an EMI which one may have to pay to a bank for purchase of an ownership apartment. Therefore, the incentive to live in rented accommodation is straightaway removed. While this may be good for encouraging ownership housing for the well to do formal sector workers, it serves no purpose for the large number of low income employees or informal sector workers. Further, India does not have 'fair housing laws' unlike in the USA and discrimination on various grounds is common. The landlord is often seen as the person dictating terms and the tenant has little choice but to fall in line. Supply being little, with few landlords being brave enough to allow tenants, the demand far outstrips the limited supply. Consequently, rents continue to remain high. Landlords increase rent every year, with the threat of throwing out the tenant almost anytime. For families, this often becomes a big challenge and the tenant can do little. On the other hand, landlords have their own tale of grievances, be it from the Property Tax department of the local municipal body wanting to raise the tax or the Income Tax department looking out for evasion. Interestingly, at the same time, landlords also live in fear of the tenant not vacating and the possibility of getting caught in protracted long litigation. At the end of the day, it seems neither the landlord nor the tenant is free from trouble. While global experience tells us that the advantages of organised



rental housing far outweigh the disadvantages, it is imperative that policy and law be completely revamped and restructured so that incentives for landlords, tenants and real estate developers are attractive. Governments across the country need to wake up to this call where housing can actually drive the economy to double digit growth through the right kind of policy, legislative and fiscal environment.

c) **Cooperative Housing**

Housing cooperatives have a long history in modern India. The National Cooperative Housing Federation of India (NCHF) is the apex organisation of entire cooperative housing movement in the country. It is engaged in promoting, developing and coordinating the activities of housing cooperatives since its inception in the year 1969. At the grassroots level there are now about 92,000 primary housing cooperatives with a membership of over 65 lakhs. These cooperatives are supported by 26 Apex Cooperative Housing Federations at state level, which are affiliated to NCHF. These federations have raised loans amounting to Rs.10,159 crores from funding institutions like LIC, NHB, HUDCO, cooperative banks, etc. and in turn disbursed Rs.10709 crores to their primaries as well as individual members for the construction of 23.84 lakh dwelling units in various parts of the country. The LIC has allocated a sum of Rs.125 crores as loans to Apex Cooperative Housing Federations for the year 2009-10 and raised the individual loan limit from Rs.7.00lakh to Rs.10.00 per member. A large number of cooperative housing societies have been formed in various cities of India. Mumbai and Delhi are good examples of a large number of cooperative housing societies.

In this section you studied housing finance and housing classification. Now, you should be able to answer some questions relating to this section given in *Check Your Progress 2*.

**Check Your Progress-2**

- Note:** a) Write your answer in about 50 words.
- b) Check your answer with possible answers given at the end of the unit.

- 1) What do you understand by Housing finance? Explain briefly.  
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- 2) How are housing classified? Explain any one.  
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## 1.6 HOUSING DEVELOPMENT PROCESS

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Housing development in urban areas are mostly done either by the government or by the below mentioned process and stakeholders.

### i) Real Estate Developers and Brokers

Private profit-making developers or real estate developers are allowed to operate in our cities and towns in order to produce housing of various types, namely villas, apartments, townships, etc. Usually they cater to the upper income population and the quality of the products is invariably better as compared to those of the public housing authorities. While real estate *developers* are the producers of the housing products, the transaction facilitators or the marketing arm of the industry, as *brokers*. Developers in India are organised under the banner of the Confederation of Real Estate Developer Associations of India (CREDAI) and brokers under National Association of Realtors – India (NAR-INDIA).

### ii) Public Private Partnerships

The Government of India as well as various State governments encourages public- private partnerships. Various models of public private partnerships exist in the country. In Haryana, the state government grants 'license' to colonisers to undertake real estate development and build housing complexes. In West Bengal, the state government encouraged the developers to provide housing with reservations for various income groups. In Rajasthan, there are many variations of public-private partnerships. In Maharashtra, the public private partnership route has been adopted for providing housing to the slum dwellers through slum redevelopment schemes.

### iii) Slums and Squatter Settlements

In India majority of low income group people cannot afford formal housing so they choose to squat on marginal or public lands. Invariably, after some time, Government view them with sympathy and regularise them by grant of tenure, provision of civic services and so on. Typically, in any Indian metropolis, squatters constitute as much as 30 to 50 percent of the population of the city. While *squatters* illegally squat on land not belonging to them, *slums* are areas which are found to be lacking in civic services and are in a state of dereliction. While a squatter can be a slum, a slum need not always be a squatter; for instance the old city of Delhi is a slum but not a squatter. However, in India, both these terms are used synonymously.

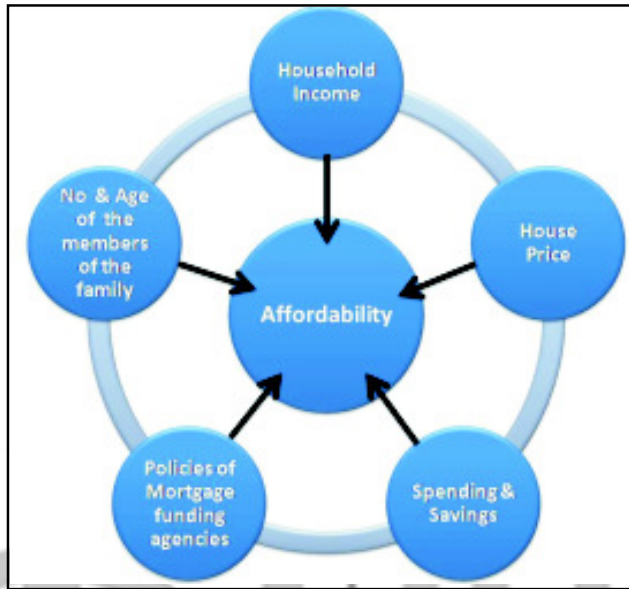
### iv) Illegal Land Colonisation

In many cities, land is illegally colonised by the landlords who join hands with developers. They do not take any permission and do not adhere to the provisions of the Master Plan, development controls, sub division regulations or the local building bye laws. Large parcels of land are developed in this manner and many people who cannot afford to purchase any other type of housing go for this type of housing.

## 1.7 AFFORDABLE/INCLUSIVE HOUSING

### 1.7.1 Affordable Housing

The concept of affordability is complex and is not easy to define. At the most simplistic level, it is the “ability and willingness to pay.” Affordability is a concept which is relative and varies from person to person. The affordability of a household in a given location is an outcome of the following factors which are depicted in the diagram given below:



Affordability is applicable to all income groups. Affordability of a person increases with increase in the monthly income. It has been observed that for an EMI of Rs. 3,000 to Rs.10, 000, the capital cost of the house varies from Rs. 3, 00,000 to Rs. 20, 00,000. For a large number of urban households, this could be termed as the ‘affordability range’.

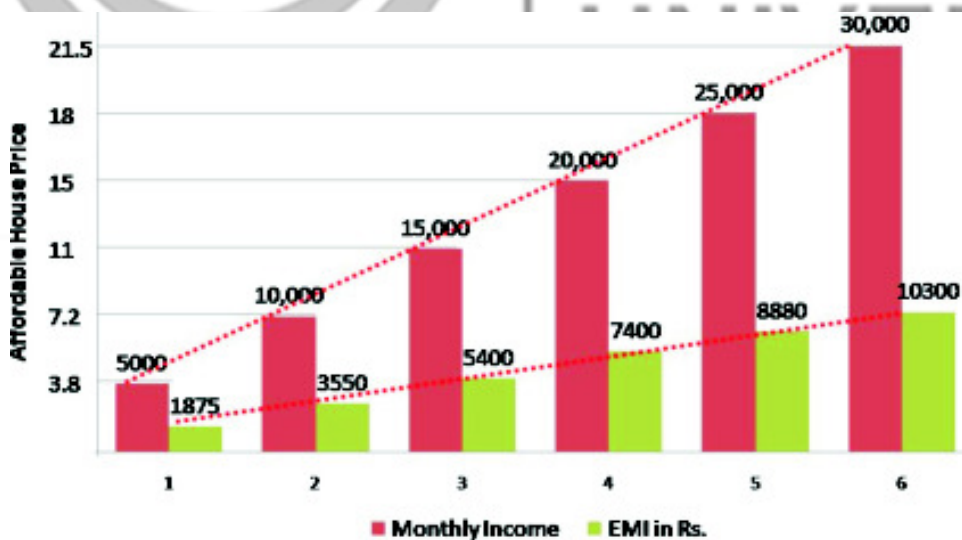


Figure 1.2: Relationship between Monthly Income, EMI & House Price (Rs. in lakhs)

The income slabs for EWS, LIG, MIG & HIG as per Planning Commission, Government of India, adopted by HUDCO are given below in table 4.

**Table 4: Different Income Categories (effective 26<sup>th</sup> April 2010 onwards)**

S.No.	Income Group	Household Income ( Rs./month )
1	EWS – Economically Weaker Sections	5,000 or less
2	LIG – Low Income Group	5,001 to 10,000
3	MIG – Middle Income Group	10,001 to 20,000
4	HIG – High Income Group	20,001 and above

Source: HUDCO Records

The housing requirement in the Rs.3-10 lakh income group range across India is approximately 2.06 million housing units by 2011. As per industry understanding in India today, the range of Rs. 3-18 Lakh has been considered as the affordable range where the market predominantly exists. A large number of private companies have recently come forward to put up affordable housing projects in various cities of India. Tata Housing at Boisar is one of the more well known examples. Value Budget Housing Corporation (VBHC) is yet another popular initiative at Bangalore. There are over 25 developers operating in this segment in over 12 cities in the Rs.3 to 7 lakh price range. According to a study conducted by the Monitor Group, this segment is a 10 lakh crores opportunity with scope for a large number of players to take part.



The Government of India set up a High Level Task Force in the year 2008 to look into the various aspects of providing affordable housing. This Task Force came up with a definition of affordable housing as under given in table 5:

**Table 5: Recommendations of Affordable Housing Task Force, Government of India, 2008**

Parameter	EWS/LIG	MIG
Size of the house	300 to 600 sft. carpet area	Not exceeding 1200 sft. carpet area
Cost of the house	Not exceeding 4 times gross household annual income	Not exceeding 5 times gross household annual income
EMI/Rent	Not exceeding 30 percent of gross monthly income	Not exceeding 40 percent of gross monthly income

### 1.7.2 Inclusive Housing

Globally, ‘inclusive housing’ has been at the centre of public policy debate for long. The United Nations Habitat Agenda, Chapter III on Commitments: A. Adequate Shelter for All (Paragraph 39) states as under:

*“We reaffirm our commitment to the full and progressive realisation of the right to adequate housing, as provided for in international instruments. In this context, we recognise an obligation by Governments to enable people to obtain shelter and to protect and improve dwellings and neighbourhoods. We commit ourselves to the goal of improving living and working conditions on an equitable and sustainable basis, so that everyone will have adequate shelter that is healthy, safe, secure, accessible and affordable and that includes basic services, facilities and amenities, and will enjoy freedom from discrimination in housing and legal security of tenure. We shall implement and promote this objective in a manner fully consistent with human rights standards”.*

Further, the Habitat Agenda commits governments to *“protecting all people from and providing legal protection and redress for forced evictions that are contrary to the law, taking human rights into consideration; when evictions are unavoidable, ensuring, and as appropriate, that alternative solutions are provided.”* [Paragraph 40(n)].

Whilst in India we have till date not used the word ‘inclusive’ in our National Urban Housing and Habitat Policy or in any of our state housing policies, the concept has been in many ways latent in our policy thinking. As a welfare state, the Government of India as well as the state governments has always taken a sympathetic view towards providing housing to the low income populations. However, due to the rather low level of public / government investments, such housing has been small in quantity and hard to come by.

India has 286 million people living in over 5000 cities and towns with over 40 per cent of them living in 60 metropolitan urban agglomerations. There are 61.7 million urban people living in slums and squatter settlements today. It is projected that urban population of the country will grow to 468 million by 2020. This would have serious impact on housing, civic infrastructure, basic amenities and employment.

Government of India has launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) to address the problems of slums and civic amenities to the

poor in an integrated manner and has allocated an amount of US \$12.5 billion as central grant which would leverage state share, institutional finance and beneficiary contribution.

In the Indian context, one can visualise inclusive housing in terms of the following categories namely:

- a) **Social Inclusion** – India is a land of diverse cultures where caste being one of the key components. While there are four major divisions of caste, there are dozens of sub-castes within. Society is highly stratified and segregated. A large number of states and languages further add to the complexity. Many sections of Indian society have been disadvantaged and deprived for centuries and it is the endeavour of the governments both at the national and sub-national level to ‘include’ citizens from all walks of life. The *Indira Awas Yojana* is one such national housing programme which incorporates social inclusion, although it is only confined to the rural areas of the country.

However, a large number of social groups perceive that they are not included in the housing programmes / they have little access to housing programmes. Whilst policy does not discriminate any social group from accessing housing, the exclusion is more from the lack of awareness and low incomes of the people than anything else. Further, social exclusion seems to exist in many places, by way of traditional practice, for centuries.

- b) **Economic Inclusion** - Large segments of urban population belong to the low income population. The affordability of such population is very low and therefore, they automatically are excluded from the formal housing market. Further, the nature of formal supply is also such that it caters only to the upper reaches of the income band and the lower reaches of the income band are excluded. Such population has no other choice but to fend for them and look for alternatives, not always formal or legal. Consequent physical segregation is the outcome of economic out pricing. As a result, large pockets of low-income population tend to congregate in one or more places, thereby creating islands of exclusion. Similarly, the richer class of people who are able to get themselves included in the formal systems of housing supply, in the well serviced and ‘posh’ areas, become inhabitants of ‘exclusive’ enclaves of prosperity where people who have ‘arrived’ can only stay.

- c) **Financial Inclusion** – One of the ways in which one can include the categories of people who cannot afford housing is to increase their access by way of greater access to mortgage finance. In India, today, unfortunately, housing finance cannot be accessed by a majority of the houseless population on account of the fact that the conditions are quite stringent. On account of a variety of reasons, banks and financial institutions demand many requirements to be fulfilled before loans are sanctioned. Therefore, the lower income population gets excluded from the housing finance market. Although attempts are being made by the National Housing Bank and other organisations to develop micro-finance systems which can include the lower incomes in their loan portfolios, a lot of ground still needs to be covered before financial inclusion of the low income population can become a reality.

- d) **Inclusion of the Aged** – With increased medical facilities, advancement in treatment methodologies and general improvement in the quality of life, the

population of aged persons or the elderly is on the rise. Often, such population find it difficult to access housing. Housing for the elderly, as is popular in some societies, is not very popular in India. Further, there is also a school of thought that by developing exclusive projects for housing the elderly, one is actually secluding them from the social mainstream and milieu and thereby, contributing to exclusion of a different kind. There are no laws in this regard in India and whatever little is being done is by the private sector and the state has done precious little.

- e) **Inclusion of the Physically Challenged** – There are many sub-categories of physically challenged persons in Indian society. Persons with any of these challenges need special provisions in housing units in order to make living adequate and comfortable for them. Full access or barrier free built environments have become very important in order to cater to the needs of an inclusive society. In most cities in India, the local building byelaws do incorporate mandatory provisions for buildings to make these provisions. However, here again, one can cite many examples where these provisions are seldom implemented. In fact, the building byelaws incorporate these provisions for public and semi-public buildings and not for residential buildings. This makes it very difficult for physically challenged persons to access housing.
- f) **Inclusion Under Special Circumstances** – There are many groups of people living under special circumstances. Groups engaged in home based economic activities, occupational groups (such as fishermen), refugees, disaster affected victims, oustees, etc. Again, while the special requirements of each of these groups are very peculiar and different, sometimes, their physical inclusion becomes difficult. In most instances, housing projects catering to the requirements of such population do not get developed. Further, other groups of people such as single men, single women, orphans, widows, etc. are also other vulnerable sections of the society who often are not included in the housing supply in the country and thereby suffer from exclusion. While there is no specific mention of ‘inclusive housing’ in the Indian National Housing and Habitat Policy, the goal ‘housing for all’ has in it, implicit, the concept of inclusion
- g) **Supply of Inclusive Housing in Indian Cities** – The supply of formal housing by virtually all the public housing suppliers has not only come down in terms of mere numbers, it has also lost its focus on the low income population, leave alone ‘affordability’ or ‘inclusion’. Therefore, most of the low income housing actually exists as self – built provision, often illegal in nature. Unauthorized land subdivisions and squatter settlements have become the order of the day in the absence of formal housing supply of an affordable nature for the low income population.

There is an argument that the state housing agencies cannot provide for the large number of low income population and therefore, it would be better for the State to act as a facilitator and let people provide for themselves. While this argument may be acceptable for various other sectors of development, in the case of housing, the state has to intervene in a strong manner and has to provide the services, if not the shelter units, so as to bring housing within the inclusive ambit of all. Unfortunately, this is not happening. The result

therefore is that we have exclusive pockets of low income population and the urban poor in our cities.

**h) Exclusivity in Housing Provided by the Real Estate Developers** – On the one hand, Indian cities are characterized by large pockets of housing occupied by the low income and the poor, there are also many ‘exclusive’ physical envelopes of high quality, high value, high income housing. The State encourages private real estate developers, in the name of public-private-partnerships, who actually develop one exclusive housing project after the other, catering specially to the needs of the rich minority. These are in a sense, state sponsored exclusive enclaves. One can therefore see the dichotomy in the government policy towards housing in the country.

The emerging issues for achieving ‘inclusive housing’ are :a) first of all, is it possible to achieve inclusivity in a country where the levels of education are very low, with large sections of urban population ( leave alone the rural population ) with limited education; b) without recognizing housing a right, is it possible to bring about inclusive housing; c) with low levels of private; incomes and limited state budgets, how can housing become more affordable and thereby, more inclusive and finally; and d) by developing exclusive enclaves for specific sections of the society, are we achieving inclusion or are we propagating exclusion ?

In this section you studied affordable /inclusive housing. Now, you should be able to answer some questions relating to this section given in *Check Your Progress 3*.

**Check Your Progress-3**

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

1) What is meant by affordable housing?

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2) Who are the stakeholders in housing development ?

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## 1.8 HOUSING POLICIES/PLANS

### 1.8.1 National Urban Housing and Habitat Policy (NUHHP), 2007

Housing is primarily a State subject in India, but the Central government has been formulating National Housing Policies to provide guidance to the State Governments to meet the growing housing shortage. This process started way back in the year 1986. This resulted in the first ever *National Housing Policy, 1988*. In 1991, India adopted a more 'inclusive' view of economic development by emphasizing that it must integrate with the global economy. In pursuance of this, it reduced custom duties and welcomed Foreign Direct Investment (FDI) in several sectors of the economy. *The National Housing Policy, 1994* was a product of this economic point of view. The 1994 Policy sought to increase supply of land serviced by basic minimum services with a view to promoting a healthy environment. The *National Housing and Habitat Policy, 1998* laid greater emphasis on the aspect of "habitat" as a supplementary focus to housing. The emphasis on "providing" housing continued in this Policy with emphasis on both quality and cost-effectiveness especially to vulnerable sections of society. The present *National Urban Housing and Habitat Policy (NUHHP), 2007* seeks to enhance the spotlight on 'habitat' with a 'Regional Planning approach' as well as further deepen the role of Government as a 'facilitator' and 'regulator.' Moreover, the new Policy lays emphasis on earmarking of land for the EWS/LIG groups in new housing projects. The Policy lays emphasis on Government retaining its role in social housing so that affordable housing is made available to EWS and LIG of the population.

As a housing policy centred on urban areas, it aims at promoting sustainable development of habitat in the country with a view to ensuring equitable supply of land shelter and services at affordable prices to all sections of the society. However, given the magnitude of the housing shortage and the staggering requirement of funds amounting to Rs.3.61 lakh crores to meet the cost of construction only for overcoming the shortage, it is obvious that public sector efforts alone will not suffice in fulfilling the requirement due to budgetary constraints of both Central and State Governments. Involvement of *multiple stakeholders* namely; private sector, co-operative sector, industrial sector for labour housing and the services, institutional sector for employee housing has been emphasised in the NUHHP.

The policy aims at forging strong *partnerships* between the public private and cooperative sectors for accelerated growth in the housing sector and sustainable development of habitat. 10-15 per cent of land in every new public/ private housing project or 20-25 per cent of FAR which is greater will be reserved for EWS/LIG housing through appropriate legal stipulations and spatial incentives. The Policy seeks to augment housing stock at an accelerated rate both on ownership and rental basis with a view to overcoming shortage of EWS/LIG units. NUHHP 2007 addresses "Urban Housing" exclusively. The focus is on *Affordable Housing for All* with special emphasis on Scheduled Castes / Tribes, Backward Classes, Minorities, the urban poor and Empowerment of Women. The new initiatives under NUHHP, 2007 are:

- 10 per cent-15 per cent land or 20 per cent-25 per cent FSI (whichever is greater) to be reserved for EWS and LIG housing

- Private sector to be permitted land assembly within Master Plan
- A special action plan to be prepared for urban slum dwellers
- A special package to be worked out for cooperative housing, labour housing and employee housing.
- States/UTs to be advised to develop 10 year perspective plans for housing for EWS and LIG
- Special financial and spatial incentives for inner city areas
- Central and State Govt. to develop special incentive plans for in site slum up gradation
- Plan funds and other assistance to be dovetailed according to Action Plan prepared under State Habitat Policy prepared by States
- Micro-finance Institutions (MFIs) to be promoted at State level to expedite the flow of finances to urban poor
- Model Guidelines to be developed by Central govt. for use by States/UTs for land supply
- States/UTs to be encouraged to undertake reforms listed under JNNURM
- Prepare detailed city maps by GIS and satellite data, etc.
- Transfer of proven, cost-effective building materials and technologies to be encouraged by transfer from Lab to Land
- Development of Mass Rapid Transit System (MRTS) at sub-regional level
- All States to be encouraged to develop a “Habitat Infrastructure Action Plan” for all cities with a population of over 1,00,000
- Policy gives primacy to provision of shelter to the urban poor at their present location or near their work place
- Approach will be in – site slum rehabilitation. Relocation will be considered only in specific cases
- Formation of Cooperative Housing Societies of urban poor and slum dwellers to be encouraged

### **1.8.2 Housing in Five Year Plans and Programmes**

**First Five Year Plan (1951-56)** - Governmental initiatives began in the early 1950s as a part of the First Plan with a focus on institution-building and housing for weaker sections of society. In the subsequent five year plans, government action ranged from strengthening the provision of housing for the poor and the introduction of several schemes for housing in the rural and urban regions of the country. During the early years of housing development in India, initiatives were taken mostly by the Government, and it is only in the recent years that private construction activity has made significant contributions mainly in urban or semi-urban regions in the area of housing.

**Second Plan (1956-61)** - The scope of housing program for the poor was expanded in the Second Plan. The Industrial Housing Scheme was widened to cover all workers. Three new schemes were introduced, namely, Rural Housing, Slum Clearance and Sweepers’ Housing. In 1959, the Central Government announced a scheme to offer assistance in the form of loans to the State

Governments for a period of 10 years for acquisition and development of land in order to make available building sites in sufficient numbers.

The general directions for housing programs, in the **Third Plan (1961-66)**, were co-ordination of efforts of all agencies and orienting the programs to the needs of the Low Income Groups.

**The Fourth Plan (1969-74)** took a pragmatic view on the need to prevent the growth of population in large cities and decongestion and dispersal of population through the creation of smaller townships. The Housing and Urban Development Corporation (HUDCO) was established to fund housing and urban development programs. A scheme for improvement of infrastructure was also undertaken to provide basic amenities in cities across the country.

**The Fifth Plan (1974-79)** reiterated the policies of the preceding Plans to promote smaller towns in new urban centres, in order to ease the increasing pressure on urbanization. The Urban Land (Ceiling and Regulation) Act was enacted to prevent concentration of land holding in urban areas and to make available urban land for construction of houses for the middle and low income groups.

**The Sixth Plan (1980-85)** refocused attention on the provision of services along with shelter, particularly for the poor.

**The Seventh Plan (1985-90)** made a marked departure in the focus given to the government-led housing development stressing on the need to place major responsibility of housing construction to the private sector. A three-fold role was assigned to the public sector, namely, mobilization for resources for housing, provision for subsidized housing for the poor and acquisition and development of land. To augment the flow of institutional finance to the housing sector and promoting and regulating housing finance institutions, the National Housing Bank (NHB) was set up as a wholly owned subsidiary under the aegis of the Reserve Bank of India in 1988. The Seventh Plan clearly also recognized the problems of the urban poor and for the first time an Urban Poverty Alleviation Scheme known as Urban Basic Services for the Poor (UBSP) was introduced. National Housing Policy (NHP) was announced in 1988. The long term goal of the NHP was to eradicate homelessness, improve the housing conditions of the inadequately housed and provide a minimum level of basic services and amenities to all. The role of Government was conceived, as a provider for the poorest and vulnerable sections and as a facilitator for other income groups and private sector by the removal of constraints and the increased supply of land and services.

**The Eighth Plan (1992-97)**, for the first time, recognized the role and importance of the urban sector for the national economy. The new Housing and Habitat Policy unveiled in 1998 aimed at ensuring “shelter for all” and better quality of life to all citizens by using the unused potential in public, private and household sectors. The key objective of the policy was on creating strong public-private partnership for tackling the housing problems. Under the new policy, the Government proposed to offer fiscal concessions, carry out legal and regulatory reforms and create an enabling environment for the development of the housing sector. The policy emphasised the role of the private sector, as the other partner, to be encouraged to take up the land assembly, housing construction and investment in infrastructure facilities. Ever since the added emphasis was given to private initiative in housing development, there has been a rapid growth in

private investment in housing with the emergence of real estate developers mainly in metropolitan centres and other fast growing townships.

The Planning Commission suggested modification of the Housing policy to incorporate affordable housing program for the BPL category. Considerable efforts were made during **Ninth and Tenth Five Year Plans** to enlarge the resource base and initiate innovative institutional mechanisms to augment housing delivery in urban areas. Focused efforts were also initiated to cover the poor and vulnerable groups of society to enable them to access basic shelter related services. Fiscal concessions coupled with legislative measures were also initiated to encourage increased investments in housing by individuals and corporate. The National Common Minimum Program (NCMP) has stated that housing for weaker sections in rural areas will be extended on a large scale. The Tenth Plan, therefore, had suggested provision of free housing only to the landless SC/ST families and shift to a credit-cum subsidy scheme for the other BPL families. The repeal of the Urban Land (Ceiling and Regulation) Act, 1976 has been a significant step towards reform in the urban land market. Following the repeal of the central legislation, a number of state governments have also repealed the state-level law.

**Eleventh Five Year Plan (2007-2012):** This Plan stressed the need for improved housing stock through urban renewal, in site slum improvement, and development of new housing stock in existing cities as well as new townships. Furthermore, the Bharat Nirman Programme has also recognised and accorded due priority to the need to end homelessness. The program has set a target to construct 60 lakh houses from 2005 to 2009. The housing component under the Programme is being implemented in parallel with *Indira Awas Yojana* scheme. For the Eleventh Plan, the focus is on targeting the poorest of the poor while targeting the remaining housing shortage with other interventions.

### 1.8.3 Constitution of India and Housing Laws

Up to the year 1972, 'right to property' was a fundamental right in the Constitution of India. However, with the 42<sup>nd</sup> Amendment of the Constitution of India in the year 1972, 'right to property' ceased to be a fundamental right and became only a legal right. Therefore, as per this, property ownership is only by law and not by fundamental right.

### 1.8.4 Housing – A Right

Housing rights provisions have been included within The Habitat Agenda (1996), Agenda 21 (1992), the UN Vancouver Declaration on Human Settlements (1976), the UN Global Strategy for Shelter to the Year 2000 (1988) and other texts.

The UN Global Shelter Strategy captures the essence of housing rights in the following terms:

*“the right to adequate housing is universally recognised by the community of nations...All nations without exception, have some form of obligation in the shelter sector, as exemplified by their creation of ministries or housing agencies, by their allocation of funds to the housing sector, and by their policies, programmes and projects....All citizens of all States, poor as they may be, have a right to expect their Governments to be concerned about their shelter needs, and to accept a fundamental obligation to protect and improve houses and neighbourhoods, rather than damage or destroy them”.*

The Constitutions of Armenia, Congo, Ecuador, Finland, Guyana, Haiti, Iran, Lithuania, Mali, Panama, Paraguay, Peru, Sao Tome and Principe, Seychelles, Slovenia, Uruguay and others also enshrine housing rights. Other constitutions suggest the general responsibility of the State, often phrased in terms of policy considerations, to ensure adequate housing and living conditions for all, in an environment of equality, based on the rule of law. Such formulations are found with respect to Bangladesh, Bolivia, Brazil, Burkina Faso, Colombia, Costa Rica, Dominican Republic, El Salvador, Finland, Guatemala, Nepal, Netherlands, Nigeria, Pakistan, Philippines, Poland, Romania, Sri Lanka, Sweden, Switzerland, Turkey, Venezuela, Viet Nam and others. It should also be recognized that even though the phrase ‘human right to adequate housing’ may not be found within national legislation, a synthesis of national laws and judicial decisions may in fact provide considerable protection of citizen rights in this respect.

The 1995 Final Report of the UN Special Rapporteur on Housing Rights provides guidance into how the right to adequate housing should be approached by firmly stating that this *right should not be taken to mean*: (a) That the State is required to build housing for the entire population; (b) That housing is to be provided free of charge by the State to all who request it; (c) That the State must necessarily fulfil all aspects of this right immediately upon assuming duties to do so; (d) That the State should exclusively entrust either itself or the unregulated market to ensuring this right to all; and (e) That this right will manifest itself in precisely the same manner in all circumstances and locations.

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## 1.9 APPROPRIATE TECHNOLOGY FOR HOUSING

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Technology plays a very important role in housing construction. Using proper technology, not only helps in optimising on the use of materials and saving on time, but also helps in reducing the cost of housing and making it more affordable. In order to bridge the gap between research and development and large scale application of new building material technologies, the erstwhile Ministry of Urban Development, Government of India, had established the Building Materials and Technology Promotion Council (BMTPC) in July 1990. The Council strives to package proven innovative technologies for the benefit of entrepreneurs interested in setting up manufacturing units in tiny, small, medium and large scale sectors. There has been a demand for setting up such an apex institution in order to provide an inter-disciplinary platform to various agencies under Central and State Governments and the private sector for scaling up proven technologies to enhance their wide-spread use and for assisting commercial production as well as systematic dissemination of appropriate technology for the benefit of the construction agencies and different sections of the population. The Council is structured to undertake the task of the extension and application of technologies and materials developed by research institutions on the ground with the backing of financial institutions and enabling regulatory environment.

The objectives of BMTPC are as follows:

- Improving the policy environment for sustained growth of cost-effective building materials, production and availability.

## Urban Challenges

- Promotion of production units of building materials/components based on industrial waste such as Flyash, Redmud, Phosphogypsum; agricultural residues such as rice husk, jute, coir etc. other wastes and by-products.
- Modernisation of small scale and village level building materials production units in rural and urban areas.
- Construction of Demonstration Structures to showcase appropriate technology and wider dissemination.
- Formulation of standards for innovative building materials and construction technologies.
- Strengthening industrial extension services for attracting more investment in building materials sector by working with national and international agencies.
- Up scaling of technologies, know-how acquisition, absorption and dissemination.
- Assessing vulnerability and risk in natural disaster prone areas.
- Promoting natural hazard resistant construction technologies.
- Global technology search and encouraging joint ventures in building materials and construction sector.

The Council through its extensive networking with various R&D Institutions, Ministries/Government Departments, Universities, Financial Institutions, Public Agencies, Business Federations/Organizations and various international organizations such as UNIDO, UNCHS, ADB, World Bank etc., strives to provide multifaceted S & T services to the various stakeholders in the construction and building sector.

- Support for identification and development of technologies and building materials based on agricultural and industrial wastes and promotion of proven technologies for rural and urban housing construction.
- Advise entrepreneurs in technology selection, prototype development, commercial production and marketing and extend appropriate support for training and development/up gradation of process/technologies and procuring equipment, etc.
- Assist in arranging technology transfer from other countries, selection and evaluation of foreign technologies.
- Undertake Techno-Economic Feasibility Studies and formulation of detailed Project Reports on innovative energy-efficient building materials/products and construction systems.
- Assist in capacity building and skill development through training of village artisans, craftsmen and help in production of simple building components using local materials, skills and manpower and to coordinate with national, State and local level institutions of periodic training and orientation courses for professionals like engineers, architects, town planners, contractors and construction managers for creating confidence in use of new materials and technologies.

In this section you studied, housing in policies/plans. Now, you should be able to answer some questions relating to this section given in *Check Your Progress 4*.

**Check Your Progress 4**

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

1) What is National Urban Housing and Habitat Policy (NUHHP), 2007?

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2) What are the appropriate technologies for housing?

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**1.10 LET US SUM UP**

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India is part of a global trend that is advancing towards an increasing urbanisation, according to which more than half of the world’s population is living in towns and cities. India has a total population of 1,027 million as accounted by the 2001 census, out of which 27.8 percent live in urban areas. The span of ten years between 1991 and 2001 has showed a steady increase of 2.1 percent in the proportion of urban population in the country. It is noteworthy that the contribution of urban sector to Gross Domestic Product (GDP) is currently expected to be in the range of 50-60 percent. In this context, enhancing the productivity of urban areas is now central to the policy pronouncements of the Ministry of Urban Development. Cities hold tremendous potential as engines of economic and social development, creating jobs and generating wealth through economies of considerable scale. They need to be sustained and augmented through high urban productivity for a country’s economic growth. National economic growth and poverty reduction efforts will be increasingly determined by the productivity of these cities and towns. For Indian cities to become growth oriented and productive, it is essential to achieve a world class urban system, which in turn depends on attaining efficiency and equity in the delivery and financing of urban infrastructure.

After 1950, the Government of India formulated ten five year plans aimed towards housing and urban development, which led to the launch of Urban Poverty and Alleviation Programme of *Nehru Rojgar Yojana* (NRY). These plans laid emphasis on institution building and on construction of houses for government employees and weaker sections. The Industrial Housing Scheme was widened to cover all workers. As a follow-up of the Global Shelter Strategy (GSS), National Housing Policy (NHP ) was announced in 1988, whose long term goal was to eradicate the problem of lack of housing, improve the housing conditions of the inadequately housed, and provide a minimum level of basic services and amenities to all. The role of Government was conceived, as a provider for the poorest and vulnerable sections, and as a facilitator for other income groups and private sector by the removal of constraints and the increased supply of land and services.

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## 1.12 CHECK YOUR PROGRESS-POSSIBLE ANSWERS

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### Check Your Progress 1

1) What are the different types of Housing? Explain any one briefly?

**Ans.** The different types of housing are: Census House, Household, Institutional Household, Permanent House, Semi-Permanent House, and Temporary House.

One of type is Institutional Household, where a group of unrelated persons who live in an institution and take their meals from a common kitchen is called an *Institutional Household*. Institutional Household are boarding houses, messes, hostels, hotels, rescue homes, jails, ashrams, orphanages, etc.

2) What are the factors influencing housing pattern? Explain any one?

**Ans.** The factors influencing housing pattern are social, economic, political factors and also influence of Climate, Materials and Technology.. In the coastal areas, the climate is moderate in nature. There is little difference between the summers and winters. Humidity is high and therefore, there is a need for wind flow in order to attain thermal comfort. Rains are also quite heavy



here. Therefore, as a result of all these conditions, the traditional house form here has emerged with spacious houses having a central courtyard, large windows to allow free passage of air and high gable roofs to take care of the rains. Further, use of locally available stone, brick and timber is common.

### Check Your Progress 2

1) What do you understand by Housing finance? Explain briefly

**Ans.** The majority of the population landless and do not have access to housing. In order that households gain access to affordable housing finance, the Government of India has initiated several measures. Housing finance in India can be seen in terms of two levels; bulk finance and retail finance. Bulk finance for developing various large scale housing projects by state housing boards and development authorities is made available at reasonable rates by the Housing and Urban Development Corporation (HUDCO). On the retail side, a large number of housing finance companies (HFCs) have emerged in the country.

2) How are housing classified? Explain any one?

**Ans.** Housing is classified into: Public Housing, Rental Housing and Co-operative Housing. Cooperative Housing: The National Cooperative Housing Federation of India (NCHF) is the apex organisation of entire cooperative housing movement in the country. It is engaged in promoting, developing and coordinating the activities of housing cooperatives since its inception in the year 1969. At the grass roots level there are now about 92,000 primary housing cooperatives with a membership of over 65 lakhs. A large number of cooperative housing societies have been formed in various cities of India. Mumbai and Delhi are good examples of a large number of cooperative housing societies.

### Check Your Progress 3

1) What is meant by affordable housing?

**Ans.** Affordable housing is the “ability and willingness to pay.” The affordability of a household in a given location is an outcome of the following factors:

Household Income, House Price Number, and Age of the Members of the Family, Spending and Savings, Policies of Mortgage Funding Agencies

2) Who are the stakeholders in housing development?

**Ans.** The stakeholders in housing development are Real Estate Developers and Brokers, Public private partnerships, slums and squatter settlements, illegal land colonisation. Real Estate Developers and Brokers: Private profit-making developers or real estate developers are allowed to operate in our cities and towns in order to produce housing of various types’ viz. villas, apartments, townships, etc. They usually cater to the upper income population and the quality of the products is invariably better as compared to those of the public housing authorities.

### Check Your Progress 4

1) What is National Urban Housing and Habitat Policy (NUHHP), 2007.

**Ans.** NUHHP 2007 addresses “Urban Housing” exclusively. The focus is on Affordable *Housing for All* with special emphasis on Scheduled Castes / Tribes, Backward Classes, Minorities, the urban poor and Empowerment of Women. The new initiatives under NUHHP, 2007 are:

- 10 per cent-15 per cent land or 20 per cent-25 per cent FSI (whichever is greater) to be reserved for EWS and LIG housing
- Private sector to be permitted land assembly within Master Plan
- A special action plan to be prepared for urban slum dwellers

2) What are the appropriate technologies for housing?

**Ans.** Technology plays a very important role in housing construction. Using the proper technology not only helps in optimising on the use of materials and saving on time, but also helps in reducing the cost of housing and making it more affordable. Promotion of production units of building materials/ components based on industrial waste such as Flyash, Redmud, Phosphogypsum; agricultural residues such as rice husk, jute, coir etc. other wastes and by products. There needs to be modernisation of small-scale and village-level building material production units in rural and urban areas.

