

**GOVERNMENT OF INDIA
HOUSING AND URBAN POVERTY ALLEVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3163

ANSWERED ON:15.03.2011

COST OF HOUSING

Rama Devi Smt. ;Sinh Dr. Sanjay

Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

(a) whether the Government is aware that prices of real estate is increasing rapidly and making housing out of reach for people belonging to middle class and lower class in metro cities; and

(b) the details of the corrective steps taken by the Government in this regard?

Answer

THE MINISTER OF HOUSING & URBAN POVERTY ALLEVIATION (KUMARI SELJA)

(a) National Housing Bank (NHB) has reported that NHB RESIDEX, which is an initiative of the National Housing Bank to provide an index of residential prices in India across cities with the year 2007 as base year, has shown a mixed trend in the 15 cities covered under NHB RESIDEX in the quarter ended September, 2010 (July – September).

Residential housing prices in 5 cities have shown an increasing trend in this quarter(July-September, 2010) over the previous quarter (April - June, 2010). They are Chennai (12%), Jaipur (9%), Hyderabad (8%), Pune (8%) and Bengaluru (2%). Chennai (12%) has shown the maximum increase followed by Jaipur (9%) and Hyderabad (8%). There are 8 cities which have shown correction in prices over the previous quarter which are namely Surat (-21%), Lucknow (-13%), Bhopal (-7%), Faridabad (-4%), Ahmedabad (-3%), Kochi (-3%), Kolkata (-3%) and Delhi (-2%). Surat (-21%) has shown the maximum price correction in residential property prices followed by Lucknow (-13%) and Bhopal (-7%). Patna and Mumbai have shown no change in prices.

Citywise details of movement of index can be seen at Annexure.

(b) The National Urban Housing & Habitat Policy (NUHHP) 2007 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, 'land' and 'colonisation' being state subjects, it is for the State Governments to pursue the initiatives under the NUHHP: 2007 and create additional housing stock for stabilization of prices and facilitation of housing at affordable prices.

However, the Central Government is supporting the construction of housing for poor sections of the society in urban areas through various programmatic interventions.

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM), launched by the Government in the year 2005 supports provision of housing and basic services to urban poor in slums in 65 specified cities under the Sub Mission Basic Services to the Urban Poor (BSUP) and in other cities and towns under the Integrated Housing and Slum Development Programme (IHSDP). The schemes covers Low Income Group (LIG) and Economically Weaker Sections(EWS) income segments.

The Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) provides for interest subsidy on housing loans to the Economically Weaker Sections (EWS) and Low Income Group (LIG) as part of credit-enablement measures and encourages those households to avail of loan facilities through Commercial Banks/Housing Finance Companies for the purposes of construction/acquisition of houses and avail 5% subsidy in interest payment for loans upto Rs. 1 lakh. The scheme aims to cover 3.10 lakh beneficiaries over the 11th Plan Period.

The Government has launched new scheme of Affordable Housing in Partnership with an outlay of Rs. 5,000 crores for construction of one million houses for EWS/LIG/Middle Income Group (MIG) with at least 25% for EWS category. The scheme aims at partnership between various agencies/ Government/ parastatals/ Urban Local Bodies/ developers for realizing the goal of affordable housing for all.