

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

UNSTARRED QUESTION NO:4698
ANSWERED ON:07.08.2009
PROPERTY PRICES IN INDIA
Muttamwar Shri Vilas Baburao

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

- (a) whether it is a fact that the property prices in most of the countries are showing a downward trend in view of the slump in the global realty market;
- (b) if so, whether this trend has any impact on the property prices in India also;
- (c) if so, the extent of fall in the property prices noticed during the last one year;
- (d) whether the Government proposes to take some effective steps to curb the exorbitant increase in the prices of residential flats, particularly built under the co-operative group housing scheme; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI SAUGATA ROY)

(a) to (c): Yes, Madam. A downward trend has been witnessed in the property prices in the global realty markets. As per the National Housing Banks, Residential Housing Price Index (NHB RESIDEX), a fall in the property prices has been observed in some of the cities covered under the Index. Out of the 15 cities covered, the index has shown marginal decline in prices of residential properties in nine cities, viz., Hyderabad, Patna, Ahmedabad, Chennai, Jaipur, Lucknow, Pune, Surat and Kochi.

(d) & (e): The Union Government formulated the National Urban Housing & Habitat Policy, 2007 with the aim of providing 'Affordable Housing for All' with particular emphasis in meeting the housing needs of the Economically Weaker Sections (EWS) and Low Income Group (LIG). This policy seeks to promote sustainable development of the urban habitat with a view to ensuring equitable supply of land, shelter and services at affordable prices to all sections of society.

In 2005, Government launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), to make provision, inter-alia, of housing and basic services for the urban poor by a holistic and integrated development of 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). A total of 461 projects under basic Services to the Urban Poor (BSUP) and 839 projects under Integrated Housing & Slum Development Programme (IHSDP) have been approved all over the country for a envisaging construction/upgradation of 9,93,523 and 4,61,887 dwelling units respectively.

In December 2008, Government started a new scheme-Interest Subsidy Scheme for Housing for the Urban Poor (IHSUP) for providing interest subsidy to make housing loans affordable and within the repayment capacity of Economically Weaker Sections (EWS)/Low Income Group (LIG). The scheme makes available loans upto Rs. 1 lakh through Commercial banks/Housing Finance Companies for the purposes of construction/acquisition of houses with an interest subsidy of 5%.

With a view to encourage allotment of land for EWS housing, another scheme for 'Affordable Housing in partnership', was started under which Central Government assistance is available for infrastructure connectivities for housing projects which provide houses upto 80 Sq. mt. carpet area of which at least 25% are for EWS/LIG.

In June, 2009, Government announced the intention to comprehensively address the issue of slums and to provide a Rajiv Awas Yojana (RAY) for housing in urban areas wherever states are willing to assign property rights to people living in slum areas.