

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

STARRED QUESTION NO:130

ANSWERED ON:06.03.2013

CONSTRUCTION OF HOUSES NO

Reddy Shri Modugula Venugopala ;Sainuji Shri Kowase Marotrao

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

- (a) the details of the targets fixed and achieved for construction of houses for all the people including Scheduled Castes (SCs), Scheduled Tribes (STs), Economically Weaker Sections (EWSs) and Lower Income Groups (LIGs) during the 11th Five Year Plan, State, year and city-wise;
- (b) the details of the shortfalls, if any, in achieving the targets during the above period, State, year and city-wise and the reasons therefor;
- (c) the details of the housing units estimated to be required in the country, State-wise by the year 2020;
- (d) whether the Government has fixed any target for construction of houses in the 12th Five Year Plan for all including SCs, STs, EWSs and LIG people; and
- (e) if so, the details thereof, State-wise and the steps taken/being taken by the Government in this regard including the financial assistance that is likely to be provided, State-wise?

Answer

THE MINISTER OF HOUSING & URBAN POVERTY ALLEVIATION (SHRI AJAY MAKEN)

(a) to (e):A Statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 130 FOR 6.3.2013 REGARDING CONSTRUCTION OF HOUSES

(a):Housing being a State subject, targets have not been set for construction of houses as such, for all including Scheduled Castes (SCs), Scheduled Tribes (STs), Economically Weaker Sections (EWSs) and Lower Income Groups (LIGs) for the 11th Five Year Plan. However, under Jawaharlal Nehru National Urban Renewal Mission launched in December, 2005 based on allocation of Additional Central Assistance, construction support for about 15.70 lakh houses was sanctioned till 31.3.2012. Out of these, 10.36 lakh houses have either been completed or are at different stages of construction. These houses are allotted to beneficiaries by the respective State Governments and Urban Local Bodies (ULBs). State-wise and year-wise details of number of houses sanctioned and completed during the 11th Five Year Plan under Basic Services to the Urban poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) are at Annexure-I and Annexure-II respectively. The City-wise details of houses sanctioned and completed under BSUP are at Annexure-III. Similarly, 8400 houses have been sanctioned under the pilot phase of Rajiv Awas Yojana (RAY), which was launched on 02.06.2011. The details of State-wise and city-wise houses sanctioned and completed under RAY are at Annexure-IV.

b).The review meetings undertaken at various levels have revealed that the reasons for the shortfalls in achieving the targets during the above period, among other things, are as under:

Cost escalations, due to rising prices of steel and cement amongst other factors and the reluctance of States, Urban Local Bodies and beneficiaries to meet such cost escalation – particularly ULBs in view of the precarious municipal financial position. Gov's contribution remains frozen to the original estimation and the cost escalation is to be borne by the States / ULBs / Beneficiaries.

In IHSDP component, which is meant for small and medium towns, cost ceiling was artificially imposed at Rs 80,000 per Dwelling Unit which was revised in 2009 to Rs.1 lakh per DU effect from 1.4.2008 of which Government of India contribution was 80%. This ceiling simply translated to a heavier burden on the States / ULBs resulting in stalling of projects.

Lack of project management capacity at State/Implementing Agency/ Urban Local Body (ULB) levels

Difficulties in making slum residents temporarily relocate in the case of in situ projects;

Inability and unwillingness of beneficiaries to contribute their share; and

Lack of availability of litigation-free land.

1st phase of JNNURM has been extended till 31st March 2014 to facilitate completion of sanctioned projects.

(c):A Technical Group constituted by the Ministry of Housing and Urban Poverty Alleviation has estimated the housing shortage in urban areas in the beginning of 12th Five Year Plan as 18.78 million. The report has revealed that the Housing shortage during the period 2012-17 may not increase if the rate of growth in housing stock continues to be higher than the growth in number of Households in the 12th Five Year Plan, as was observed in the last decade.

(d) and (e):No target has been set for construction of houses in the 12th Five Year Plan Period. However, the draft Expenditure Finance Committee (EFC) note for Rajiv Awas Yojana (RAY) and Rajiv Rinn Yojana (RRY) has the provision of targeting construction of 2 million houses in the 12th Five Year Plan under capital / interest subsidy. The financial assistance in the schemes have been proposed to be between 50% to 90% of cost as Capital Subsidy under RAY and 5% interest subsidy in case of RRY for loans upto Rs 5 lakhs for EWS / LIG category beneficiaries. These supports will be subject to conditionalities and the states' willingness to participate. In addition, the establishment of a Credit Risk Guarantee Fund, allowing External Commercial Borrowing for Affordable Housing, creation of an 'Urban Housing Fund', provision of lower interest loans for Affordable Housing by HUDCO, concessions granted by the State Governments under their Affordable Housing programmes and mandatory reform requirement of reserving 20-25% of developed land for Economically Weaker Sections (EWS)/ Lower Income Groups (LIG) category through cross-subsidization in all housing projects are some of the other measures which will enhance the availability of Affordable Housing stock.