

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

UNSTARRED QUESTION NO:2619

ANSWERED ON:13.03.2013

HOUSING

Bhagat Shri Sudarshan;Naik Dr. Sanjeev Ganesh;Patil Shri Sanjay Dina ;Siricilla Shri Rajaiah;Vijayan Shri A.K.S.

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

- (a) whether the cost of housing in the country is escalating and if so, the details thereof and the reasons therefor along with the steps taken/being taken by the Government in this regard;
- (b) whether cases of swindling/cheating of the buyers by unscrupulous builders and property dealers have come to the notice of the Government and if so, the details thereof;
- (c) whether there is a lack of regulation and legislation to deal with the real estate firms and builders in the country;
- (d) if so, the details thereof and the reasons therefor;
- (e) whether the Government proposes stringent regulation and legislation to protect the buyers from unscrupulous builders and property dealers and if so, the details thereof; and
- (f) whether the Government proposes to make it mandatory for the private builders to construct certain percent of the flats for economically weaker sections and if so, the details thereof?

Answer

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

(a): National Housing Bank (NHB) RESIDEX which tracks the movement of residential prices in select cities, indicates that average annual increase in the price of houses during 2011 and 2012 was 12.3% (Base Year – 2007). These residential prices are market driven and based on demand and supply factors.

In order to facilitate supply of affordable housing stock and ease the prices for the urban poor, Government of India is implementing the following schemes:

Jawaharlal Nehru National Urban Renewal Mission (JNNURM) with its two components Basic Services to Urban Poor (BSUP) and Integrated Housing & Slum Development Programme (IHSDP)

The scheme of Rajiv Awas Yojana (RAY)

Affordable Housing in Partnership Scheme (AHP)

Also to increase availability of cheap credit to the urban poor to enable them to construct/ purchase houses, Government of India is implementing the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP), soon to be rechristened as Rajiv Rinn Yojana (RRY).

(b) to (e): 'Land' and 'Colonisation' are State subjects, therefore it is the primary responsibility of State Authorities to address the cases of swindling/cheating of the buyers by unscrupulous builders and property dealers.

The Real Estate projects approval/implementation is governed by respective State Town & Country Planning Acts, Development Authority Acts and other such legislations, totally within the jurisdiction of the respective State Governments.

The Real Estate transactions are governed mainly by Contract Act and remedy under Indian Penal Code (IPC), Criminal Procedure Code (CrPC), Consumer Protection Act and other similar Acts are available to deal with the real estate firms and builders in case of breach of contract.

The Ministry of Housing & Urban Poverty Alleviation is aware of cases of swindling/cheating of the consumers by unscrupulous builders and property dealers. Therefore in order to ensure consumer protection, bring in transparency and fair and ethical business practices in real estate transactions, the Ministry has mooted a Real Estate (Regulation and Development) Bill. The Bill aims to establish a regulatory oversight mechanism to enforce disclosure, fair practice and accountability norms in the real estate sector, and to provide an adjudication machinery for speedy dispute redressal. However no time frame for its finalization can be assigned at this juncture.

(f): This Ministry has advised States to reserve at least 15% of residential FAR / FSI or 35% of dwelling units for EWS / LIG categories whichever is higher, with a system of cross- subsidization in all future housing projects.