

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

UNSTARRED QUESTION NO:1149

ANSWERED ON:11.12.2013

AFFORDABLE HOUSING SECTOR

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

- (a) the details of targets set and achieved in terms of ensuring affordable housing to economically weaker sections during the Eleventh Five Year Plan;
- (b) whether the Government proposes to review its stand on providing infrastructure status to the housing sector in view of the huge shortage of houses in urban areas and if so, the details thereof;
- (c) whether the Government has any proposal for promoting affordable housing in the country by promoting private partnerships and introducing subsidy for providing housing to the urban poor; and
- (d) if so, the details thereof and the steps taken by the Government in this regard?

Answer

THE MINISTER OF HOUSING & URBAN POVERTY ALLEVIATION {DR. (MS.) GIRJA VYAS}

(a): It is the primary responsibility of States to provide affordable housing to all citizens including Economically Weaker Sections, as 'Land' and 'Colonisation' are State subjects. However, in order to supplement the efforts of the State Governments in addressing the issue of housing shortage, this Ministry has been propagating National Urban Housing & Habitat Policy (NUHHP): 2007 formulated with a view to provide 'housing for all' and is implementing various schemes viz., Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Rajiv Awas Yojana (RAY), Interest Subsidy Scheme for Housing the Urban Poor (ISHUP), Affordable Housing in Partnership (AHP).

JNNURM: No year-wise targets were fixed under Basic Services to Urban Poor (BSUP) & Integrated Housing and Slum Development Programme (IHSDP) which are components of JNNURM. However, sanctions were issued for construction of 1.5 million houses under JNNURM and the States have been advised to achieve the completion of houses by 31st March, 2015. The details of projects approved under BSUP & IHSDP components of JnNURM Scheme are at Annexure I.

A new Scheme of 'Rajiv Awas Yojana' (RAY) aimed at ushering in a slum-free India was launched on 02.06.2011 in two phases; the preparatory phase for period of two years which ended in June 2013 and implementation phase. No targets were set under the preparatory phase of RAY. Government of India has approved the implementation phase of RAY in September, 2013 for period of 2013-2022 with allocation of Rs. 35810 crore for the 12th Plan Period. The details of pilot projects, assistance sanctioned and released under Rajiv Awas Yojana since its inception so far are at Annexure-II.

ISHUP: The scheme was envisaged to facilitate flow of credit to 3.10 lakh beneficiaries. This was a demand driven scheme implemented during the 11th Five Year Plan period on a pilot basis. The total plan outlay for the scheme was Rs.1,100 crore. The year-wise and State-wise progress under the scheme is at Annexure- III.

AHP: The Affordable Housing in Partnership Scheme (AHP) aims at encouraging the public private partnerships for the creation of affordable housing stock, is dovetailed with RAY. Under the AHP, a total of 11 projects of 2 States (Rajasthan & Karnataka) for construction of 6768 DUs have been sanctioned, details of which may be seen at Annexure IV.

(b): The Ministry of Housing & Urban Poverty Alleviation had submitted a formal application for inclusion of "affordable housing" sub-sector into the harmonized master list of Infrastructure to the Institutional Mechanism (IM) under Department of Economic Affairs, Ministry of Finance constituted under the Cabinet Committee on Infrastructure as per the procedure for inclusion of new sector. However, the IM was of the view that since housing sector has adequate benefits under Section 35AD of Income Tax Act, the need for inclusion of housing or affordable housing into the harmonized master list of Infrastructure did not merit consideration and the request of this Ministry was rejected. However, the Ministry has again requested Ministry of Finance for a review of the decision.

(c) & (d): The Government has approved the scheme of Affordable Housing in Partnership (AHP) on 03.9.2013 to improve the present Scheme to make it more implementable. In order to increase affordable housing stock, as part of the preventive strategy, Affordable Housing in Partnership (AHP) is implemented as part of the scheme of Rajiv Awas Yojana. Central support will be provided at the rate of Rs. 75,000 per Economically Weaker Sections (EWS)/Low Income Group (LIG) Dwelling Units (DUs) of size of 21 to 40

sqm. for housing and internal development components in affordable housing projects taken up under various kinds of partnerships including private partnership. A project size of minimum 250 dwelling units is eligible for funding under the scheme. The DUs would be a mix of EWS/LIG-A/LIG-B/Higher Categories/Commercial of which at least 60 percent of the FAR/ FSI will be used for dwelling units of carpet area of not more than 60 sq.m.

Under implementation phase of Rajiv Awas Yojana (RAY) launched on 3.9.2013 as a Centrally Sponsored Scheme for the period of 2013-2022, Government of India provides capital subsidy to the extent of 50% to 80% of unit cost of houses depending on the population of the city. Further, the Government has also launched Rajiv Rinn Yojana (RRY) as a 100% Central sector scheme applicable for all urban areas of the country, wherein Government of India provides interest subsidy to housing loans availed by urban poor. It provides an interest subsidy of 5% on loans granted to Economically Weaker Sections (EWS) and Low Income Group (LIG) categories to construct their houses or extend the existing ones. Loan upper limit is Rs. 5 lakh for EWS and Rs. 8 lakh for LIG; interest subsidy would, however, be limited to the first Rs. 5 lakh of the loan amount, in case the loan exceeds this amount.