

# Affordable Housing in Independent India and its Reforming Models

Tanvi moghe<sup>1</sup>, Dr. Madhav Kumthekar<sup>2</sup>

<sup>1</sup>Post Graduate Student, S.P.S.M.B.H's College of architecture, Kolhapur-416008, Maharashtra, India

<sup>2</sup>Professor & Head, Dept. of Civil Engineering, Govt. College Of Engineering, Karad. Maharashtra, India

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**Abstract** -India's housing policies have grown in parallel with the country's transition since independence. These measures influenced people's perceptions of what it means to live well and devised tools to address the housing shortage. The recently announced housing policy, Pradhan Mantri Awas Yojna (PMAY2015), aims to meet the country's current growth trends and aspirations. The government's position has shifted from direct provider with a social welfare approach to facilitator, according to a review of Indian housing policy.

**Key Words:** housing, affordable, policies, PMAY

## 2. HOUSING POLICIES IN INDIA

The importance and limitations of housing policies for EWS and LIG housing in India are being critically assessed after six decades of design and implementation (Hingorani, 2011). Following independence, the young nation was burdened by the influx of migrant workers. To address the evolving social context, policies developed over time. Initially, housing policies treated housing as a government-provided service with little expectation of involvement from the intended beneficiaries. The accommodation that was offered was of poor quality. Housing that was readily available did not elicit any emotional attachments. People from lower socioeconomic groups were unable to keep their possessions for long periods of time. The market system influenced the transfer of ownership from beneficiaries to higher-income groups, which was contrary to the original plan. Bad management of rental housing stock resulted from the Rent Control Act, resulting in poorer living conditions for tenants and a loss of capital and profits for landlords.

In the 1970s and 1980s, a concerted campaign was undertaken to combine the poverty alleviation agenda with housing. The emphasis turned to public-private cooperation. The government's position in housing was changing from provider to enabler, with a focus on efficient land and finance mechanisms, building materials, and appropriate technology. A strong shift towards participatory growth was noticeable through schemes like "sites and facilities" or "slum upgradation," in which beneficiaries were expected to participate partially. Despite a major paradigm change, it failed to meet the housing needs of the poorer parts of society, whilst the wealthy continued to consolidate housing as an asset. Local Bodies (LBs) were entrusted with resource control in the 1990s, following the 73rd and 74th amendments to the Indian Constitution. Individual LB capability was highly dependent on implementation; planning and implementation capacity building became a major challenge for success. Incentives for the private real estate sector and loan availability from the housing finance industry have greatly improved MIG and HIG housing. It ultimately resulted in speculative housing stocks being vacant. The Jawaharlal Nehru National Urban Renewal Mission (JnNURM) (MoUD, 2005) was founded in 2005. At the outset, this was intended for 64 cities and is one of the greatest investments ever made by any government on the planet. Basic Services for the Urban Poor (BSUP) is a part of this that aims to improve the built environment and services for the poorest parts of the population. The Mission provided in-situ renewal, redevelopment, and new housing options in various locations. Efficient LBs can be able to benefit. This whole mission has the potential to change the way LB

## 1. INTRODUCTION

Housing is a fundamental social desire and a barometer of living standards. In any democratic country, affordable housing (AH) is a socio-political agenda that ensures that every family has a place to call home. Around 1.77 million people in India live without a roof over their heads (Jha, 2013), with around 10 million of those houses in a dilapidated state and about 7 million living in unlivable conditions (MHA, 2011). To close this huge gap, the Government of India (GoI) has formulated an ambitious plan to provide permanent housing for all by 2022 through the Pradhan Mantri Awas Yojana (PMAY 2015)- Housing for All by 2022, which differs significantly from previous schemes. Policies are critical to achieving every government's socioeconomic development targets, which they propose in their election manifesto. Agenda-setting and the creation of procedural mechanisms for policy implementation and evaluation are both part of housing policy. Implementation mechanisms are critical to policy development because they allow for changes in the way programmes are delivered to the public or the way procedures are implemented. In contrast to other initiatives initiated after the country's independence in 1947, PMAY's land and finance structures have advanced further. The article's first deliverable will be a review of policy reforms and their effect on house ownership by economically weaker section (EWS) and low income community (LIG) residents. The idea of sustainable integration of housing design and planning with suitable technology and materials, the Eco-services system network, and disaster risk mitigation are all incorporated into AH. The model is being developed as a roadmap to a long-term solution for AH.

capacity building is done. However, only those LBs with advanced project management skills were able to succeed. In 2014, the Sardar Patel Urban Housing Mission was widely debated, with new concepts such as foreign direct investment, infrastructure projects, high-rise dense neighbourhoods, and so on. The PMAY-2015 was implemented by the Government of India, and it is discussed in the following parts.

## 2.1 PMAY-2015

Under the Sardar Patel Urban Housing Mission, the Government of India intended to provide a roof to every urban homeless family with a dwelling unit in 2014. The mission was later expanded upon, and the “Pradhan Mantri Awas Yojana – 2015: Housing for All” was created. The Mission established four verticals in which to address the housing needs of the urban poor (including slums) (MoHUPA, 2015):

- Promotion of Affordable Housing for the Poorer Section by Credit-Linked Subsidies
- Affordable Housing in Collaboration with the Public and Private Sectors
- Subsidy for the building of individual houses by beneficiaries.

This is intended to include all legislative towns as of Census 2011, with 500 Class I cities being prioritised. The coverage of these 500 Class I cities will be done in three stages: The first phase will conclude in 2017, with an emphasis on 100 cities, followed by 200 cities in each of the second and third phases, which will conclude in 2019 and 2022, respectively.

The Mission focuses on slum dwellers, urban poor living in non-slum areas, prospective refugees, and the homeless and destitute. In-situ development/upgrading for slum dwellers; affordable housing in collaboration for urban poor; temporary rental housing/affordable house with interest subsidy for migrants; and government funded rental housing/night shelter for homeless are among the policies that have been recognised.

The Mission is intended to assist in the development of houses with a carpet area of up to 30 m<sup>2</sup> as well as basic civic amenities. The States/UTs have the flexibility to decide the size of the house and other facilities at the state level with consultation from the Government of India, but the central financial assistance will not be increased. Under this scheme, a target of ten million dwelling units has been set. The state government will choose the cities, negotiate with private developers, and set building standards / guidelines such as allowable built area, density, and other factors based on regional needs, which will be formulated in consultation with experts from regional technical institutes.

### “In-situ” Slum Redevelopment using land as Resource.

This is a critical tool for providing housing to slum dwellers who qualify. This strategy aims to unlock the untapped potential of slum land to provide housing to deserving slum

dwellers, allowing them to integrate into the formal urban settlement (MoHUPA, 2015). The Private Partner will be chosen using a Transparent Bidding System. The government has the choice of undertaking the resettlement on its own or with the assistance of private partners. The slum's land will be under the jurisdiction of the federal government. The majority of the property will be used for slum resettlement. However, cross-subsidization and other methods may be used to raise income from a limited portion of the property.

**Credit Linked Subsidy Scheme.** (MoHUPA, 2015) This initiative is for EWS and LIG beneficiaries who are looking for loans from financial institutions. The qualified beneficiaries will receive loans with a 6.5 percent interest subsidy for a period of 15 years or until the loan is paid off, whichever comes first. The subsidised rate would refer to loans of up to Rs. 6 lakhs for Dwelling Units with Carpet Areas of 30 m<sup>2</sup> and 60 m<sup>2</sup> for the EWS and LIG sections, respectively.

**Affordable Housing in Partnership (AHP).** The AHP is the policy's only supply-side intervention system. The Central Government will provide the developer with Rs. 1.5 lakhs per EWS dwelling unit for any AH project (as specified by PMAY). State governments may adjust benefits and qualifications, as well as the concept of EWS, with the Ministry of GoI's approval. Person house building or improvement based on the needs of the client. The beneficiary, whether they live in or outside the slum, will receive Rs. 1.5 lakh in central assistance for the construction of new houses as part of the mission. The beneficiary of this system should not be taking advantage of any other policy systems, according to the fourth vertical (MoHUPA, 2015).

## 3. CONCLUSION

Current housing policy highlights an equally-changing outlook that looks to bringing out changes in government has an intermediary social involvement in the structure to being a facilitator with the availability of land and finance as well as a service provider. This helped Middle and High-and/Income income groups to strengthen their asset base, but failed to help those at the lower end of the socioeconomic spectrum because of their lack of land and finance. Most of the strategies outlined in PMAY 2015 are heavily dependent on the government's financial capacity to fund projects. the long-Although the vision under which the policy operates focuses on private participation, however, the actual strategies employed to implement it are not adequate. Direct government intervention has not been very successful in relieving the housing shortage because the shortage has remained stubbornly unyielding for an astonishingly long time. Land market could be eased by introducing an alternative financing mechanism, but to an innovative application would help to alleviate the housing shortages in India. Improving the financial capability of a

borrower's prospects will contribute significantly to improving the housing market conditions in India. While every one of these problems deserves to be discussed on its own, it is challenging for those in charge of housing policy to cope with them on their own. A significant reworking of India's economic and financial configuration is required in order to institute a great many relevant policies. A large part of India's legal, economic, financial, and monetary infrastructure is still underdeveloped. A critical issue is building up public housing finance and ensuring security of tenure in India unless new laws are introduced to assist in the collection of taxes for urban sector investment and improvements in the financial sectors. With this main challenge being to design affordable construction techniques, the availability of building materials, phase of construction, and quality workmanship, there are two others that must be faced. First, with respect to skills, is the need to solve a series of problems. Secondly, immigration challenges must be addressed in the development of the industry because skilled people are both coming and leaving all the time.

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