

**What are the best strategies to offer
affordable housing in developing countries?**

Junior Member Presentation

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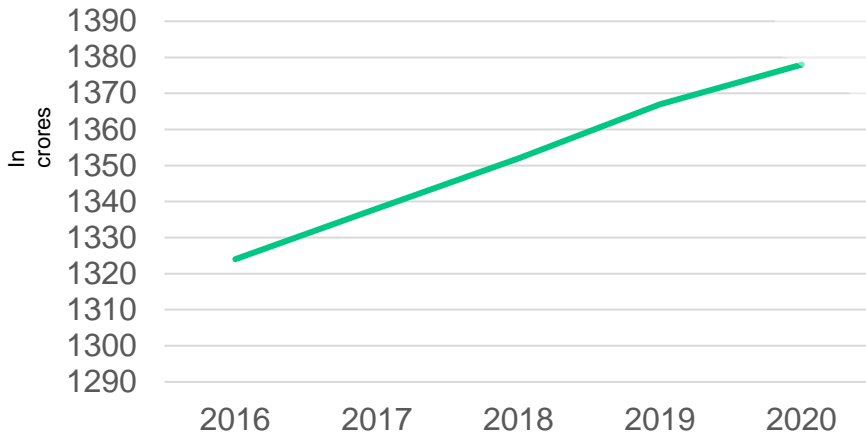


Executive Summary

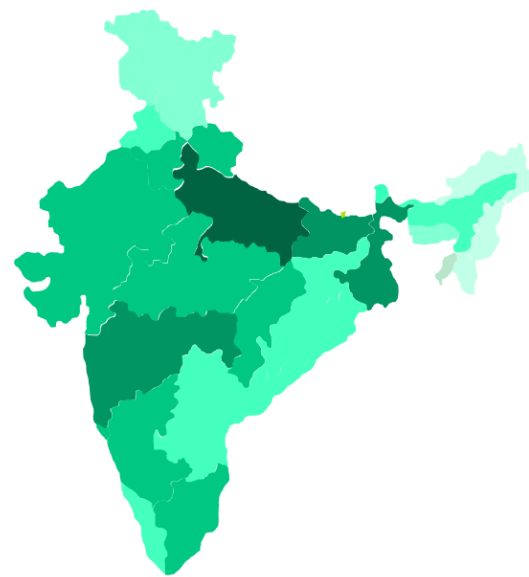
- **The constant increase in the population and the migration of people from rural to urban areas: the causes of shortage of housing**
- **There is a pressing need to make houses affordable, especially in the urban part of the country, where the prices of houses and the input costs have sky rocketed in recent times.**
- **After the increasing housing pressure, the government of India has implemented many schemes focused on solving the housing issue in urban India.**
- **A close analysis of how the developed countries have come up with solutions to solve the issue of affordable housing**
- **The current housing situation in India is grim. Carefully analyzing the mistakes of the past and taking inspiration from other countries does give us certain solutions.**
- **With India set to replace China as the most populous country by 2030, calls for the need to adopt sustainable practices in construction activities and in apartments.**

The constant increase in population and the migration of people from rural to urban areas: the cause of shortage of housing

Population over the years



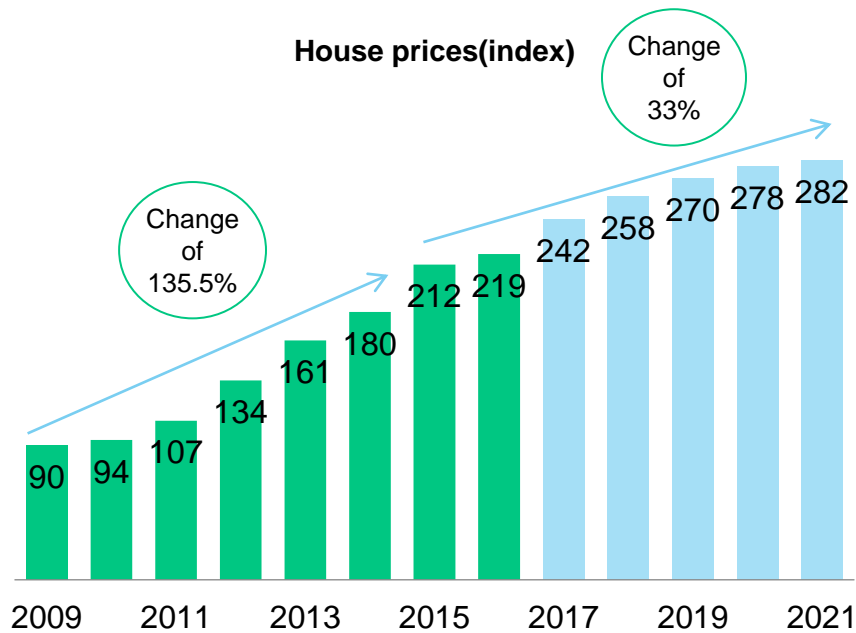
- A constant increase in the population.
- Though the rate of increase is falling, it is still round **1%** increase per year.
- According to reports, the ideal ratio of the number of people to the number of household is **4:1**.
- The ratio is **4.4:1**, clearly showing the shortage in housing.
- The problem is severe in urban areas where the ratio is **5:1**.



- Shift in the population from certain states to another states for better facilities.
- This situation has created a huge spurt in the demand for housing in certain states of the country
- The average population density of the country is **382 per sq km**.
- In Uttar Pradesh the number is **829 per sq km**, while in Nagaland the number is **119 per sq km**.
- A major of the population is migrating in the urban areas.

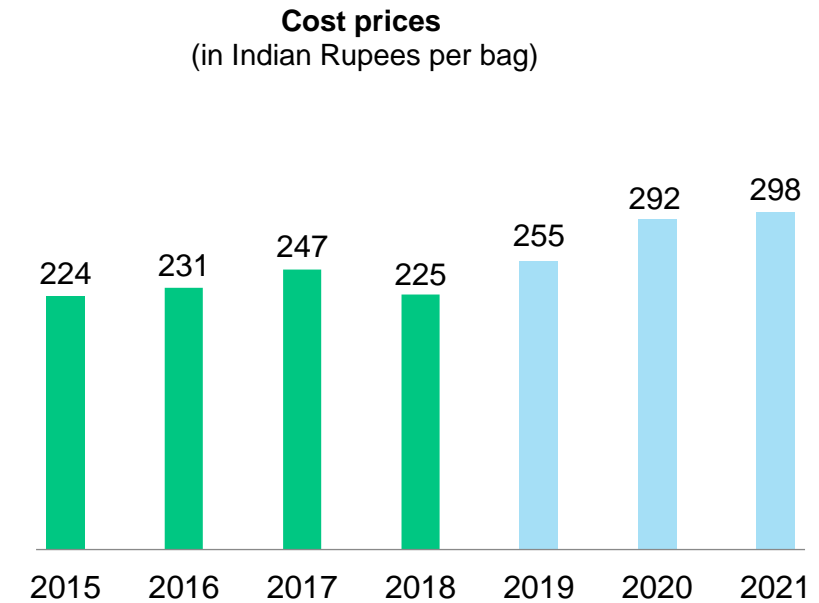
There is a pressing need to make houses affordable, especially in the urban part of the country, where the prices of houses and the input costs have sky rocketed in recent times.

The house prices index is expected to grow further with high inflation and economic instabilities around the globe



The index has gone up over the years, there was a slow down in the recent years, due to the COVID-19 pandemic, where everything came to a standstill.

With the rapid increase in the input costs and the increase in demand for



The consumption of cement in India is expected grow to at a CAGR of 5.68%. This high demand for cement in the country will further push the prices higher.



After the increasing housing pressure, the government of India has implemented many schemes focused on solving the housing issue in urban India.

Government Policy and Actions

Goal

Make efficient use of the land and provide proper housing to everyone in urban India.
Focus on in-situ rehabilitation of slum dwellers, by providing them proper housing
Subsidy for beneficiary led construction/ enhancement of houses.

Key Objectives

Improving the land use pattern

- Planning is the key to achieve 17 UN Sustainable Development Goals
- Not hampering the natural ecosystem in the process of development
- Enforce the “National Land Use Policy Guideline and Action Points” with more force
- Build the National Spatial Data Infrastructure

Solving the problem of unavailability and high costs of building materials

- Curb the current inflation which is driving the input costs higher
- Providing Subsidy on certain construction material
- Making provisions to provide easy loans to people in the realty sector

Recent Developments

Launch of Pradhan Mantri Awas Yojana in Urban India to provide housing for all.

- A Technology Sub-mission had been introduced to bring in a basket of new technologies
- The new technology can invigorate the construction market
- The scheme has been progressive and largely holistic for ownership based housing
- a comprehensive approach has enabled sanctions of over 10.3 million houses in last 5 years

A close analysis of how the developed countries have come up with solutions to solve the issue of affordable housing

Europe

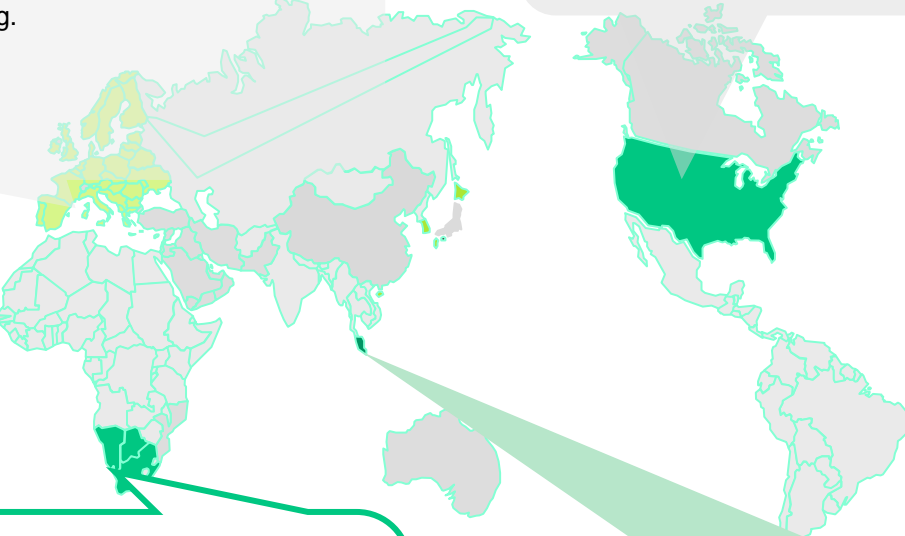
- Ireland- Rent allowance to certain sections of people.
- France- Housing project is given to a combination of private and public organization.
- Demark- Introduced concept of co-housing.

US

- Turning suburban areas into an urban setting by having high rise building.
- Providing incentives to the developers who get the project done in time.

Characteristics

- The idea of co-housing, enables groups of people to own their individual homes but share common facilities, such as eating together on a regular basis.
- In Singapore, 80% of the population currently living in publicly governed and developed housing, and house prices have remained relatively stable in comparison to international standards.



South Africa

- In 2018, the Secretariat of the African, Caribbean and Pacific (ACP), the European Commission (EC) and UN-Habitat launched program to commonly address the issue of urban poverty and improve the lives of slum dwellers within the ACP regions.

Singapore

- By 2002, the government owned 90% of the land, and it made it possible for the government to put a cap on the prices.

The current housing situation in India is grim. Carefully analyzing the mistakes of the past and taking inspiration from other countries does give us certain solutions.

“Quality, affordable housing is a key element of a strong and secure lowa”-
Tom Vilsack



Rent control

- Rent control act of Maharashtra permits the landlord to increase the rent by **4%** annually.
- Landlords can increase the rent by up to **15%** as well.
- Proper guidelines needed to be enforced to ensure that landlords don't exploit the tenants
- Rent increase varies from state to state, people aren't aware about this.



Land use pattern

- Improving the land use pattern to maximize the available land.
- Proper long term planning needs to be done, so as to avoid demolition of property later.
- Only **10%** of land in India is under construction.
- Well planned high rise buildings built with best technology and in suitable terrain.
- Construction not done at the cost of damaging the natural environment.



Reduce cost of construction

- In Maharashtra, the Slum Rehabilitation Authority had approved **2131** projects.
- **533** out of them never took off, even though funds had been sanctioned.
- The cost of completion of the project will now be **30%** more.
- Give projects to builders who have been live up to the expectations
- Incentivize the builders who have done work on time



More schemes

- **17%** of urban population lives in slums, out of which **70%** are permanent.
- Government had introduced Integrated Housing and Slum Development Programme in 2005.
- Total project cost of **Rs. 30188.69 crores** for construction of **1017252** Dwelling Units
- Only **29%** of sanctioned housing projects have been completed under the IHSDP.
- Need more such schemes with the aim to provide housing for the Urban poor.
- A separate committee directly under the ministry, to look after the proper implementation

Source: Housing.com
Times of India

Ministry of Housing and Urban affairs

Ministry of agriculture and farmer's welfare

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With India set to replace China as the most populous country by 2030, calls for the need to adopt sustainable practices in construction activities and in apartments.

Strategies to become Sustainable

Local Energy generation

- Setting up solar panels
- Stabilize the power grid.
- Generate clean source of energy

Green Buildings

- Creating structures and using process that are environmentally responsible
- To meet the growing appetite for sustainable workplaces and homes.

Green Building material

- Explore new green materials like green steel and new technologies
- To reduce the cost of production

Services to reduce emissions

- Services to track emissions and carbon footprint
- To help conscious citizens lead a better and healthy life.

Extra services on site

- Setup services like Ev charging point, green facilities management
- To enable occupants' sustainability preferences