



Ministry of Housing and Urban Affairs
Government of India

Outcome of

Affordable Housing – Demand and Supply Dynamics

Reporting Back Session

Speakers and Session Format

- Session Format:
 - Panel Discussion and Q&A
- Moderators
 - Shri Kumar Ravikant Singh, Joint Secretary, Ministry of Housing and Urban Affairs
- Speakers
 - Smt. Usha Padhee, Additional Chief Secretary, Housing & Urban Development Department, Government of Odisha
 - Mohammed Shayin, Commissioner & Secretary, Housing for All Department, Haryana
 - Shri N.K. Patel, Chairman, NAREDCO, Gujarat
 - Shri Pankaj Motwani, Managing Director, Motwani Constructions
 - Shri Soumendu Chatterjee, Executive Director, ANAROCK Property Consultant
 - Shri Kiran Avadhanula, Senior Urban Sector Specialist and Lead Sustainable Urban Development, KfW Development Bank

Challenges Identified

Pre – construction

- Land price/ availability is the “**elephant in the room**”.
- Narrow margins in affordable housing segment compare to HIG and Luxury projects
- Higher cost of project finance in affordable housing projects
- Absence of viable rental housing model and rental housing ecosystem

Post Construction

- Limited paying capacity among low-income residents for maintenance

Key Areas of Deliberation

Pre construction:

- **How to ensure land for affordable housing:**
 - Through urban planning and reservation of land for affordable housing projects
 - Reserving land near **Transit-Oriented Development (TOD) Zones for affordable housing**
 - **Think housing – transport – employment together through urban planning**
 - **Government to either provide housing through housing boards or to make land available for PPP projects while fixing costs**
- **How to make Projects more viable:**
 - Cross subsidization of EWS and LIG with MIG, HIG and Luxury projects including FAR incentives and TDR / FAR trading
 - Innovative financing mechanisms including REITs for affordable housing and rental housing or industrial housing
 - **Economies of Scale: Housing projects on land size greater than 2 hectare are more viable**
- **Solutions for rental housing:**
 - Though there have been some green shoots, largely a **viable rental housing model** is something that's very much needed

Post construction

- **Post-Occupancy Maintenance and Long-Term Sustainability:**
 - Community engagement at the construction stage improves quality of construction
 - Community engagement for the maintenance is essential as envisaged in RERA

Key Recommendations

- **Urban Planning interventions** – Affordable Housing Zones, Land reservation for large projects with a sufficient Shelter Fee can help improve the land availability for affordable housing
- **Affordable Housing in TOD Zones** - Affordable Housing Reservation, Rental Housing reservation in TOD Zones is the need of the hour.
- **Transit Housing (Short term rentals) and Rental Housing** – Provision of transit housing along with rental housing (long term) is essential in industrial hubs.
- **Single Window** – A true single window mechanism is essential. Resolution of conflicting regulations of two different Government Departments.
- **Active Government involvement** – Government has to provide the housing. Through housing boards or through providing land through PPP for affordable housing. Price cap on housing unit is a viable option suggested by the private sector.

- A comprehensive action agenda for housing through **National Housing Policy**
 - Active use of **non-monetary incentives** such as **FAR, TDRs, tradeable carbon credits** in housing to cross-subsidize affordable housing through more profitable segments
 - Encourage states to adopt a **true single window system** and an agency that **resolves conflicting regulations** between agencies
 - Develop a **viable Rental Housing Ecosystem**
 - **Active involvement of Government** in affordable housing including by **providing land** in PPP and housing stock through **housing boards**. Both private sector and government involvement is essential
- Affordability = **cost of house + distance from employment and essential services**
- Ensure affordability across housing lifecycle – **quality construction** and **easy maintenance**
- Ensure a **balance between viability and affordability**



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The core takeaway “*Balance*”

Thank You