

Housing for poor finally taking off

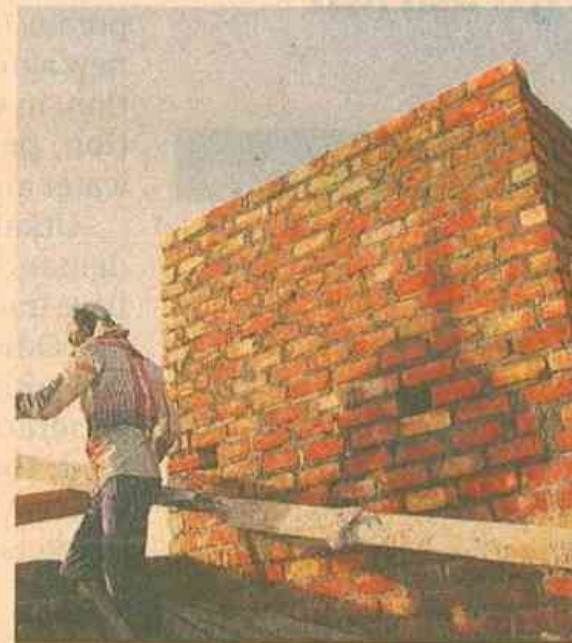
It's taken two-odd years for the ambitious PMAY to get going but there's finally sign of momentum

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Though the central government's Housing for All or Pradhan Mantri Awas Yojna (PMAY) was a slow starter, the scheme seems to have gained momentum in the past six months.

The government launched the scheme for the urban poor in June 2015 and extended it to rural areas in November 2016, promising a firm (*pucca*) housing unit for every household covered by 2022. Initially, it intended to cover only the economically weaker sections or EWS (those earning up to ₹3 lakh a year) and the low-income group or LIG (earning up to ₹6 lakh). The coverage was later increased to include the middle income group.

Property developers and consultants say the scheme will be successful in the next two-three years, given the government's recent initiatives, such as incentives to buyers of low-cost homes and to the builders. An interest subsidy



THE PROGRESS SO FAR

- On March 21, the govt said it sanctioned the construction of 110,000 houses for the urban poor in six states at a cost of ₹5,773 crore
- The Centre has ensured assistance of ₹1,816 crore of the total investment under the PMAY (urban scheme)
- Madhya Pradesh has been allotted 27,475 houses, Bihar 25,221, Jharkhand 20,099 and Odisha 2,115 houses
- About 31,424 affordable houses were approved for Karnataka, while Kerala got 11,480 houses

of 3-6.5 per cent was announced for loans of ₹6-12 lakh. For those in the EWS and LIG category who wish to take a loan up to ₹6 lakh, there is an interest subsidy of 6.5 per cent for a tenure of 15 years. Around 20,000 people have availed of the money under this scheme as of January this year.

In December, the government had increased the loan amount to ₹12 lakh, targeting the mid-income category. The interest subsidy on loans up to ₹12 lakh is three per cent. For rural areas, an interest subven-

tion of three per cent is offered on loans up to ₹2 lakh for constructing new homes or extension of old ones.

Recent impetus

This year's Union Budget gave impetus to the scheme, such as according formal infrastructure status to affordable housing and increasing the allocation for PMAY. Allotment under PMAY-Grameen was increased to ₹23,000 crore from last year's ₹15,000 crore.

On March 21, the government said it had sanctioned the

construction of a little 110,000 houses for the urban poor in six states at a cost of ₹5,773 crore under PMAY. According to a PTI report, the Centre has assured assistance of ₹1,816 crore of the total investment under the PMAY (Urban) scheme. Madhya Pradesh has been allotted 27,475 houses, Bihar 25,221, Jharkhand 20,099 and Odisha 2,115 houses. As many as 31,424 affordable houses were approved for Karnataka, while Kerala got 11,480, stated the ministry of housing and urban poverty alleviation (HUPE).

Last month, the Union minister for HUPE, M Venkaiah Naidu, inaugurated a scheme for 352 projects involving investment of ₹38,000 crore to build around 200,000 houses.

The government is also nudging private developers to build more affordable houses. In recent months, the Prime Minister's Office (PMO) held a number of meetings with leading ones, developer bodies and bankers on what is needed for mega-size projects in these segments. Around 30 members from the real estate sector recently met PMO officials. There were representatives from Tata Housing and DLF, beside those from sectoral associations Credai and Naredco. "The hour-long meeting was all about affordable housing. The PMO said it was ready to work with the industry to make PMAY a success," said a person who was at the meeting.

Last month, Credai said it aimed to build 203,851 low-cost homes, for ₹15-30 lakh, in 53 cities across 17 states under the scheme.