

2024 Lok Sabha polls | Housing schemes and promises to voters

As the Lok Sabha elections draw near, political parties engage in a fierce competition to win over voters. In this context, housing has emerged as a critical issue, reflecting the needs and aspirations of the growing population. Here, we take a closer look at the housing scenario in India and examine how it is a part of various political promises

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As the 2024 elections drew near, various political parties attempted to woo voters with schemes, freebies and promises. If the Narendra Modi government emphasised its commitment to what it called the four “real” castes — women, farmers, poor, and youth, the Congress promised *nyay* (justice) to five groups: youth, women, farmers, labourers and minority members in the country.

Poll promises are often woven around the key issues affecting the public — or the most visible ones. **Among the various issues plaguing the nation, one which political parties often promise to correct is the issue of housing. India has around 1.7 million homeless people, according to the 2011 Census.** Even for people with houses, the quality of build, congestion, and inadequate amenities and infrastructure remain major concerns.

Here we take a look at India's housing crisis and how political parties seek to tackle it.

India's housing crisis

According to a Government of India report in 2012, an estimated 18.78 million more houses were required to cater to the housing demand in the country. Post this, **a study** by the Indian Council for Research on International Economic Relations (ICRIER) in 2020 found that India's urban housing shortage rose by 54% from 2012 to become 29 million in 2018. This included homeless populations, inadequate houses that could not be upgraded, obsolete houses and congested households.

Housing requirements vary depending on the city as well. According to the Delhi government's Economic Survey for 2020-2021, an additional 2.4 million new housing units were required to meet the city's housing deficit.

However, an analysis by the Centre for Social and Economic Progress of the 2011 Census data noted that coexisting with an urban housing shortage of 19 million units were 11 million vacant units, as noted by this **policy brief**. While houses are built, and there are several vacant housing options, none of these cater to the class which needs it the most.

Per the government's definition, affordable housing properties are those with an area not more than 60 sq.m, with the price capped at ₹45 lakh. This definition, however, does not apply to all regions; for example, metropolitan cities like Mumbai see higher prices per sq m. There is also a difference between housing demands in cities and those in rural areas.

In the first quarter of 2024, housing sales were at an all-time quarterly high, with 1.30 lakh units sold across the top seven cities against approximately 1.14 lakh units at the same time last year. The Mumbai Metropolitan Region and Pune accounted for 51% of total sales. But in the new housing supply, it was mid-segment homes that continued to dominate with a 33% share. Affordable housing was at a mere 18% share. Luxury homes had a higher share at 25%.

This is a continuing trend. **As reported by *The Hindu***, the share of affordable housing in overall sales during the first half of 2023 saw a sharp decline, to approximately 20% — an 11% decrease as compared to the first half of 2022. For the top seven cities in the country, the share of affordable housing in the total supply reduced to 18% in the first quarter of 2023, from 23% in the first half of 2022.

In an interview with *Al Jazeera*, Abdul Shakeel, member of a housing civil society group in New Delhi, said that, given the high cost of land and construction materials, “building low-cost houses for low-income people is not economically viable. The low-income class cannot afford the house unless the charges are subsidised.”

Urban congestion and lack of proper housing create another issue — slums. The last Census in 2011 found that over 65 million people, about 5% of India’s total population, lived in slums, accounting for 17% of the Indian urban population. Cities like Greater Visakhapatnam, Jabalpur, Greater Mumbai, Vijayawada, and Meerut **recorded huge slum populations** of over 40%.

A right to housing has been held to be a part of the fundamental right to life under Article 21 of the Constitution by the Supreme Court. Housing is also important for the Indian economy. **The real estate sector** is responsible for about 50% of the economic output in the country. **The Ministry of Statistics notes that** more than one-third of all gross fixed capital formation in 2021-22 could be attributed to housing and building construction.

Policy measures

There was no explicit housing policy in place till well after India attained Independence. From 1947 to 1964, there was migration to cities and industrialisation. To a certain extent, the housing demand created by this was catered to by units provided by public sector employers.

The first policy intervention from the Government came in 1985, with the Indira Awaas Yojana, which was focused on rural housing. After 2004, **urban housing came into focus** with programmes such as reform-led infrastructure investment schemes for cities and the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), launched in 2005. In 2008, the Parekh Committee report on housing led to urban housing interventions such as the Rajiv Awas Yojana and Rajiv Rinn Yojna. .

The Housing for All schemes (2015-22) were launched once the Modi government came to power. The two wings under these are Pradhan Mantri Awas Yojana (Gramin) and Pradhan Mantri Awas Yojana (Urban).

There have also been efforts made by private players, or under public-private ventures. For example, in 2016, the International Finance Corporation, the World Bank's private arm, **agreed to invest around \$38 million** in affordable housing finance firms in India, besides a \$30 million investment for Shapoorji Pallonji & Company to develop affordable housing projects.

What is PMAY-U?

The Pradhan Mantri Awas Yojana-Urban was launched by Prime Minister Narendra Modi in June 2015 to tackle urban homelessness. It was another wing of his promise of "Housing for all by 2022". The PMAY-U promised houses for 1.18 crore families by December 2024. As of March 2024, it has only achieved around 67% of its target, i.e, around 80 lakhs.

The duration of the PMAY-U was initially seven years, from FY 2015-16 to FY 2021-22. It has now been extended up to December 31, 2024 – with all verticals except Credit Linked Subsidy Scheme (CLSS) – to complete houses sanctioned up to March 31, 2022.

Further, **as a report by *Newslaundry*** suggested, quoting government figures, the government has addressed a mere 25.15 % of the housing shortage so far, which is far less than the touted 67%.

Around 83% of the houses to be constructed under PMAY-U are not meant for the urban landless poor, but rather for families already having access to capital and land. The slum rehabilitation scheme within PMAY-U has sanctioned only 2.96 lakh homes.

The completion rates also differ from State to State. Bihar, Andhra Pradesh, Manipur, Mizoram, Meghalaya, Sikkim, Andaman and Nicobar, and Jammu and Kashmir have all achieved less than 50% of the target. The northeastern states see the lowest numbers.

There are four verticals under the PMAY-U:

In-situ slum redevelopment: This is done with the participation of private developers. Beneficiary households are granted Rs 1 lakh by the Centre. Besides this, State

governments often match this amount, and additional funds may be provided by urban local bodies.

Credit Linked Subsidy Scheme (CLSS): A subsidy is offered on home loan interest rates.

Affordable housing in partnership with public or private sector: Under this, the government provides incentives for building affordable housing. In a project where 35% of homes are built for economically weaker sections (EWS), the central government provides funds of Rs 1.5 lakh per EWS house.

Beneficiary-led individual house construction or enhancement (BLC): This applies to eligible families in the EWS section who have land or homes in need of upgradation. The Centre makes available funds of Rs 1.5 lakh for individual families, and States and urban local bodies may add another Rs. 1 lakh to this amount.

A temporary fifth vertical was recently introduced in the wake of the COVID pandemic. **Affordable Rental Housing Complexes (ARHCs)** was added in 2020 to provide “sustainable and inclusive affordable rental housing avenues for urban migrants/poor.”

Data reveal that the Centre has contributed about 25%, or Rs 2.03 lakh crore, to the overall investment expenditure under the PMAY-U. Beneficiary households reportedly contributed 60%, or Rs 4.95 lakh crore, while State governments and urban local bodies together have spent Rs 1.33 lakh crore on the scheme.

What is PMAY-G?

The Pradhan Mantri Awas Yojana-Gramin was launched by the Modi government in 2016 with the aim of constructing 2.95 crore houses, to further the “Housing for All” scheme. The scheme offers ₹1.3 lakh for each unit constructed under the scheme, with a 60:40 funding split between the Centre and State.

According to the [PMAY-G dashboard](#), as of April 30, 2024, a total of 2.6 crore houses have been completed.

According to data shared by the government, as of September 29, 2022, over 69% of houses constructed under PMAY-G were either wholly or jointly owned by women.

Indeed, the Central government has pitched the PMAY-G as a women-led development scheme on multiple occasions. A senior official in the Ministry of Women and Child

Development said that it had been the government's endeavour to ensure women get a fair share of government schemes under Nari Shakti initiative. The idea behind the initiative is to have "women-led" development instead of "development of women."

"By providing houses under the PMAY-G, the government has fulfilled the aspirations of women of owning a *pucca* house and strengthened their participation in the financial decision-making of the household. Living in a *pucca* house with basic amenities gives security, dignity and basic amenities economic power and uplifts their social inclusion," the official added.

 A Flourish map

What are some State government housing schemes?

This year, seven States are set to go to the polls as well. Andhra Pradesh, Arunachal Pradesh, Odisha and Sikkim will see polling simultaneously with the Lok Sabha, while Haryana, Maharashtra and Jharkhand will hold Assembly elections later this year.

In the run-up to the polls,, the Andhra Pradesh government has announced several housing schemes and allotted houses to the people. The main one is the Navaratnalu-Pedalandariki Illu scheme. Under this, the State had taken up construction of 21.76 lakh houses, with an outlay of ₹56,700 crore. Over and above this amount, A.P.'s Housing Secretary Ajay Jain says that the State provides a top-up of ₹70,000 per unit and free sand for the construction.

Of these, the construction of 7.43 lakh houses in multiple Jaganna colony layouts was completed as of October 2023, with the State reportedly acquiring more than 77,000 acres of land. The State was chasing a target of building 1.79 lakh homes by a deadline of March 2024. In a press release, it specifically mentioned that the government would register the house sites and houses in the names of women beneficiaries to empower them. Further, the release stated that the government will provide infrastructure such as water, electricity, Internet, drainage, and roads, as well as social infrastructure such as schools, anganwadi centres and health centres.

Credit battles between the State and Centre have also emerged due to housing schemes and attendant promises. **Andhra Pradesh reportedly faced hurdles**, when, last year, it added the 'YSR' initials to the PMAY (G) scheme, thus renaming it Pradhan Mantri Awas Yojana-YSR. This resulted in the Union Finance Ministry putting a temporary