

NAREDCO seeks government support for affordable housing initiatives

June 08, 2012

Sujeet Kumar Jha

National Real Estate Development Council (NAREDCO) on Thursday organised a conference on affordable housing in the capital, which saw keen participation from policy makers, industry bigwigs and other stakeholders. It was brought to light at the conference that currently there is a dearth of about 26 million low-cost dwelling units in the country. Navin M Raheja, President, NAREDCO and CMD, Raheja Builders said, "We should all introspect why we have failed to provide appropriate 'housing to all' in the country, and whether our efforts are going in the right direction and supported with right policies at the same time."

It was observed during the conference that delays in different approval processes cause the project cost to skyrocket, and in order to genuinely achieve the target of housing for all, the policy of single window clearance is urgently required.

Speaking at the conference, Sunil Mantri, vice president, NAREDCO and chairman, Sunil Mantri Realty, said: "Land cost and lesser FSI work as major obstacles in the path of making housing affordable. In fact the cost of the land to be allotted for affordable housing project should be completely subsidised." He also suggested that the government should totally waive off all the additional charges including EDC, IDC and stamp duty, if the project to be created is of low cost housing."

"We require to re-write the directives and at the same time old rules are required to be amended as per the need of the hour. The policies should be transformed and made workable if the target of providing housing to all is to be achieved," added Raheja.

Sanjay Chawla, CEO, Era Landmarks, said: "Single window clearance is the only way out for reducing the project cost caused by the delay in project approvals."

On the other hand, representatives from the government's part also stated their commitments for providing a roof over every head. They opined that to achieve the target of providing affordable housing on such a mass scale, a business model is needed to be followed that will require efforts from all the stakeholders -- the banks will have to provide access to credit for the poorer sections and the developers will have to construct low cost housing for them.

Susheel Kumar, joint secretary (housing), Ministry of Housing & Urban Poverty Alleviation, Govt of India, said: "We are gradually in the process of developing housing models for ownership or rental affordable housing."

He said that the ministry is currently working on a rule to waive off all kinds of required clearances if the project is situated at a certain distance from the Central Business District.

R V Verma, CMD, National Housing Bank said: "There has to be a good amount of confidence building measures between all the stakeholders of affordable housing." Verma also informed that the NHB is looking at providing loans at concessional rates to the poor, to promote affordable housing.

Besides all these discussions, a couple of presentations touching upon various aspects of affordable housing constructions were also displayed at the occasion.

Vikram Jain, Lead, Low income housing practice, Monitor Group, Mumbai, with the help of his presentation demonstrated how low income housing is an attractive business opportunity. He established that low income housing never means low quality housing but the construction of low income housing requires innovations to maximise efficient use of space in design and minimise the cost.

Raghav Garg of Garg Group, demonstrated how low cost housing can be created without losing on quality and open space requirements. He added that his company has already created such housing project christened 'Dinesh Nagar', in Hapur, Ghaziabad. Garg also stressed on the need of having separate appraisal norms in the banks when someone takes the loan for buying into a low income housing project.