

National Urban
Planning and Management
Conclave,
Lucknow

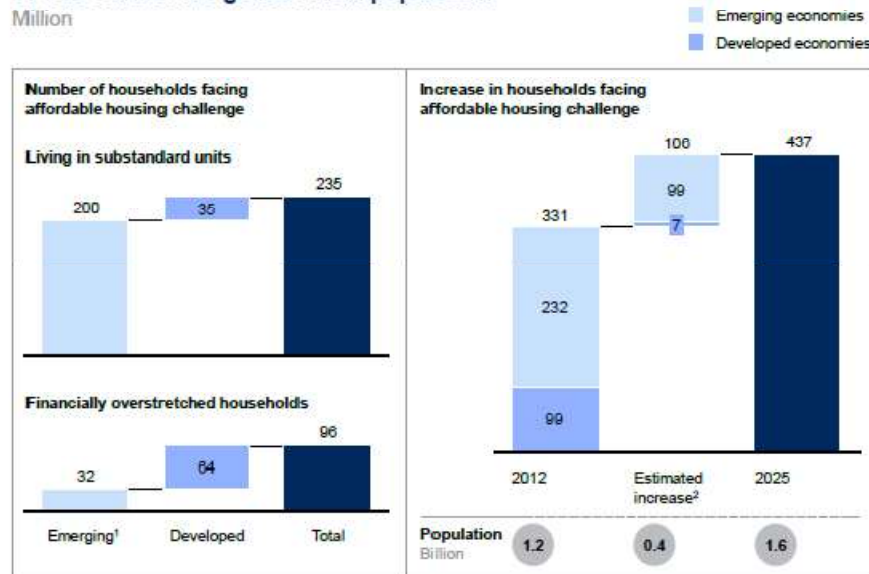
September 24th, 2022

Achieving Housing Affordability in Cities of Uttar Pradesh

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Professor & Chair, Housing,
CEPT University

Affordable Housing : A global Issue

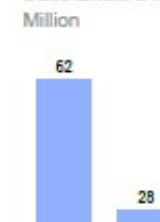
By 2025, the affordable housing gap could affect 440 million households, or one-third of the global urban population



- In 2012, 330 Million families live in substandard housing
- By 2025 , 440 Million families or 1.6 billion people (1/3 rd of global population of 4.5 billion)
- In India in 2012, 28 million (MGI) families or 19 million (MHUPA)
 - EU 11 million families

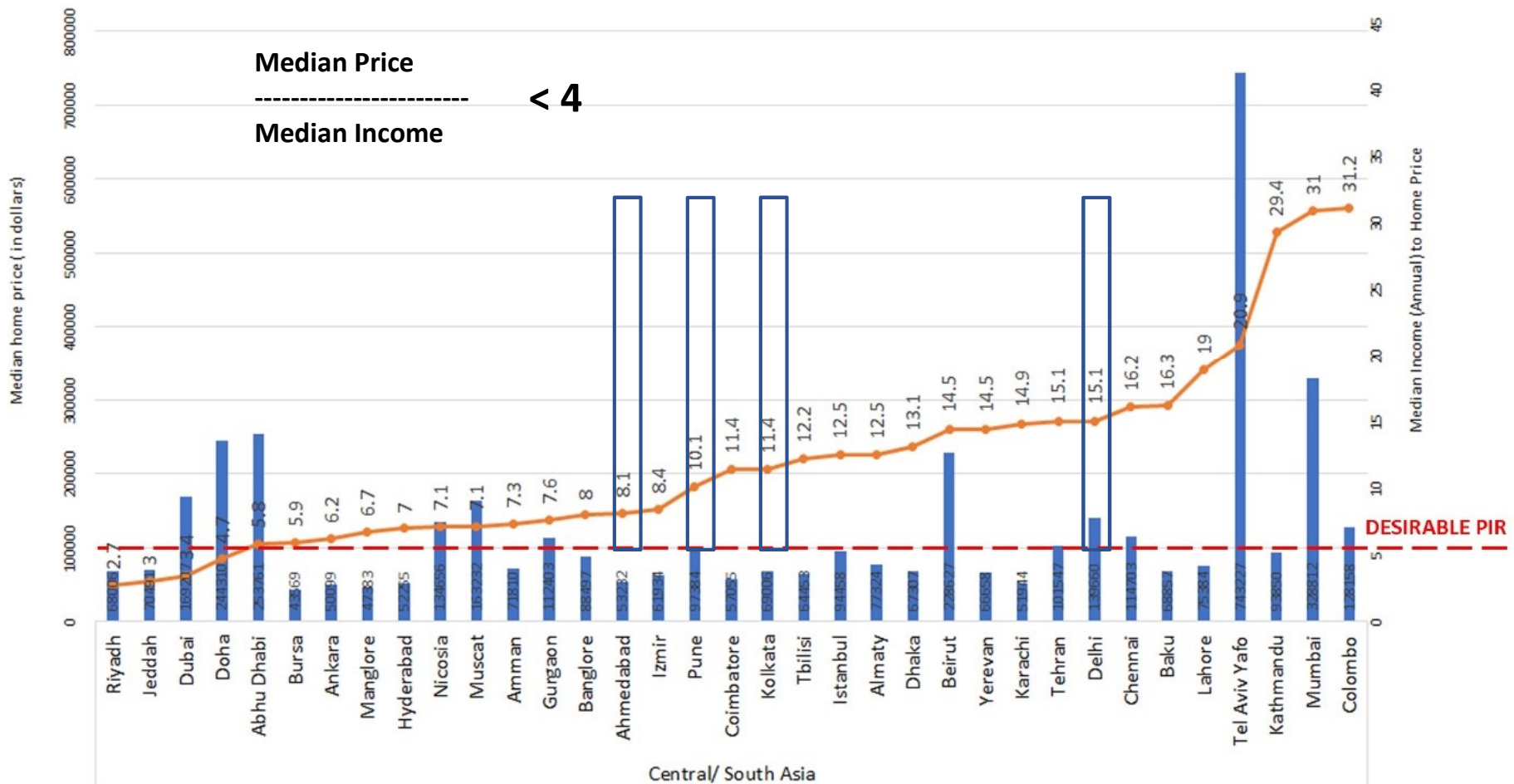
About 60 percent of substandard housing is concentrated

Substandard housing units in urban areas¹

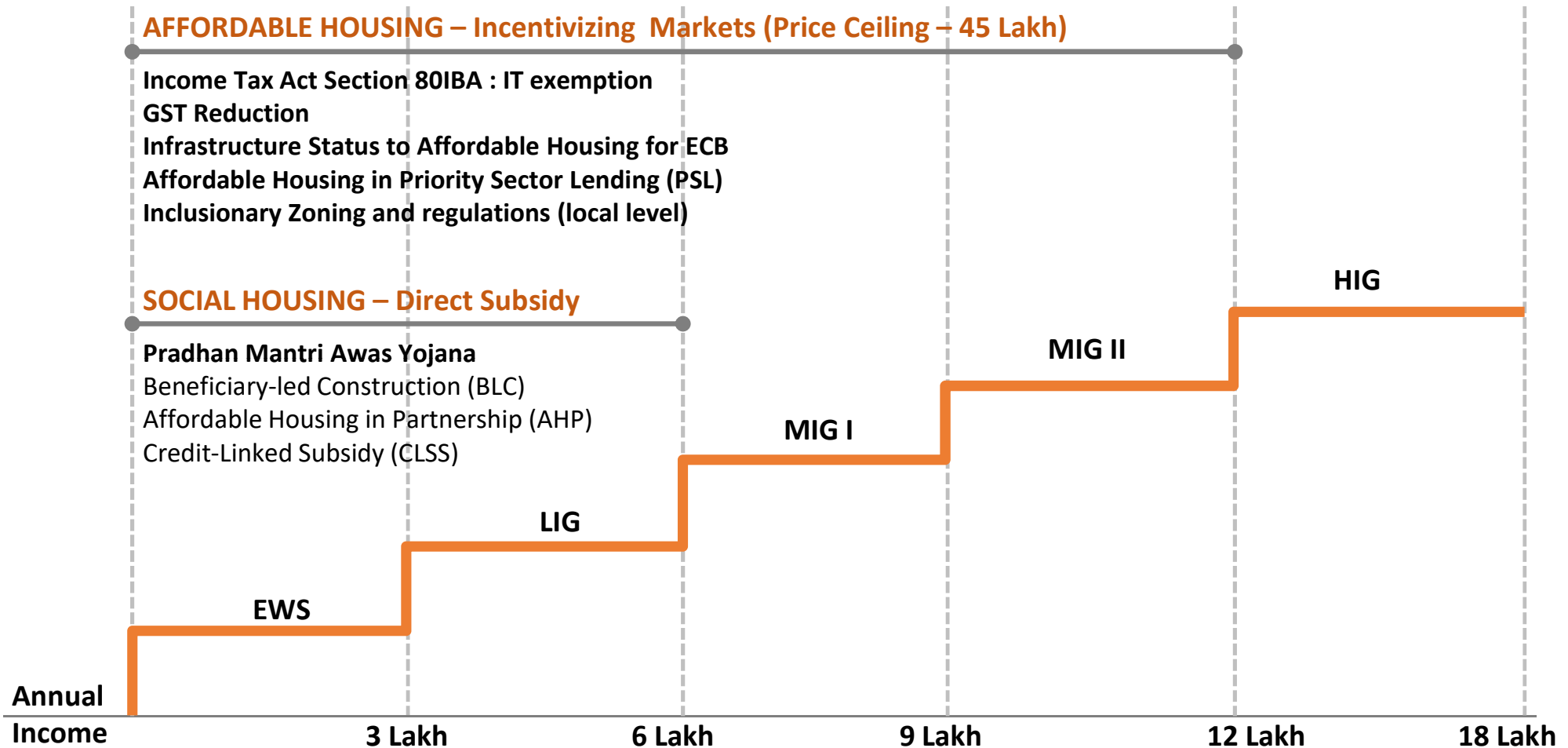


Source : MGI, 2014 : A blueprint for addressing the global housing challenge

Liveable City : Affordable Housing for all income groups



Policy Landscape for Affordable Housing in India :



Inclusionary Housing : Karnataka, 2015

Tool: Mandatory

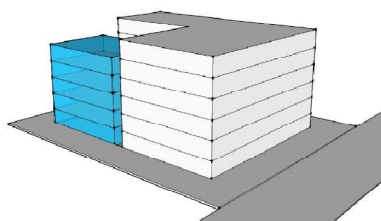
Minimum Plot size:

- In case of plotted housing:
4,000 sq. mt.
- In case of group housing:
1,000 sq. mt.

Legal Provisions

Regulations in **Karnataka Town and Country Planning Act 1961** under section 13-E, 12(2)(iii) and 76K.

Developer Compliance/Contribution



Create on-site units

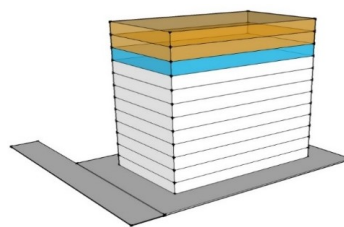
- 10% of the Plots
- 15% of the DUs

OR



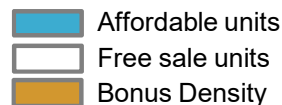
Pay in Lieu Fee

Incentive to the Developer



Bonus Density

- Equal to the BUA of EWS and LIG housing created.



Price

- ----

Housing Size

EWS: Plot: up to 54 sq. mt. | DU: 25 - 30 sq. mt.
LIG: Plot: 54 - 108 sq. mt. | DU: 30 - 50 sq. mt.

Eligibility Criteria

Income:

As per Karnataka Affordable Housing Policy 2016
EWS: INR 87,600 to 0.15 Million pa
LIG: INR 0.15 to 0.3 Million pa

Inclusionary Housing: Odisha, 2015

Tool: Mandatory & Volunteer

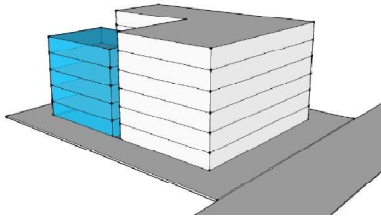
Mandatory:
 Min Plot Size - 2000 sq. mt.
 Typology - Apartment/ group housing

Voluntary:
 Additional incentives for additional BUA constructed

Legal Provisions

Under "Policy for Housing for All in Urban Areas, Odisha, 2015" [No. 20719-HUD-HU-SCH-0002-2015/HUD.]22nd August 2015

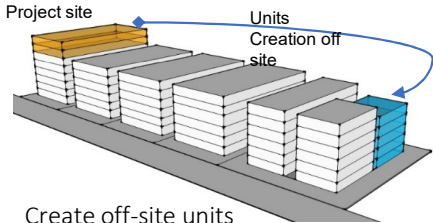
Developer Compliance/Contribution



Create on-site units

- 10% of the DU

or



Create off-site units

- 10% of the DU

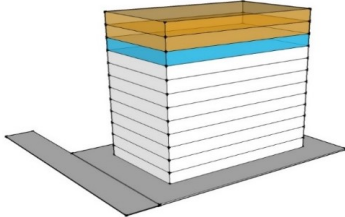
or



Pay in Lieu Fee

- 25% of construction cost of EWS unit

Incentive to the Developer



Bonus Density

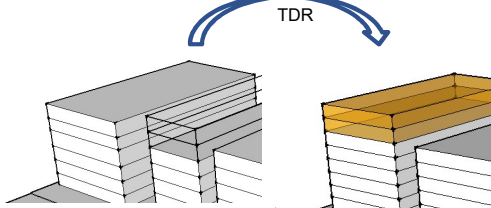
Mandatory

- Equal to 100% BUA of EWS

Voluntary

- Equal to 100% BUA of EWS
- Equal to 50% BUA of LIG

or



Transfer of development rights

Voluntary

- Equal to 100% BUA of EWS
- Equal to 50% BUA of LIG

- Affordable units
- Free sale units
- Bonus Density

Price

As per the cost of construction and SOR released by Government of Odisha:

EWS: INR 5.54 - 7.91 million

LIG: INR 8.17 - 15.82 million

Housing Size

EWS: 21 - 30 sq. mt.

LIG: 30 - 60 sq. mt.

Eligibility Criteria

Income:

Mandatory: EWS | Voluntary: EWS and LIG

EWS: < INR 0.18 Million pa

LIG: INR 0.18 to 0.36 Million pa

Resale Control

10 years

DUs cannot be put to rent

Inclusionary Land Management Tools

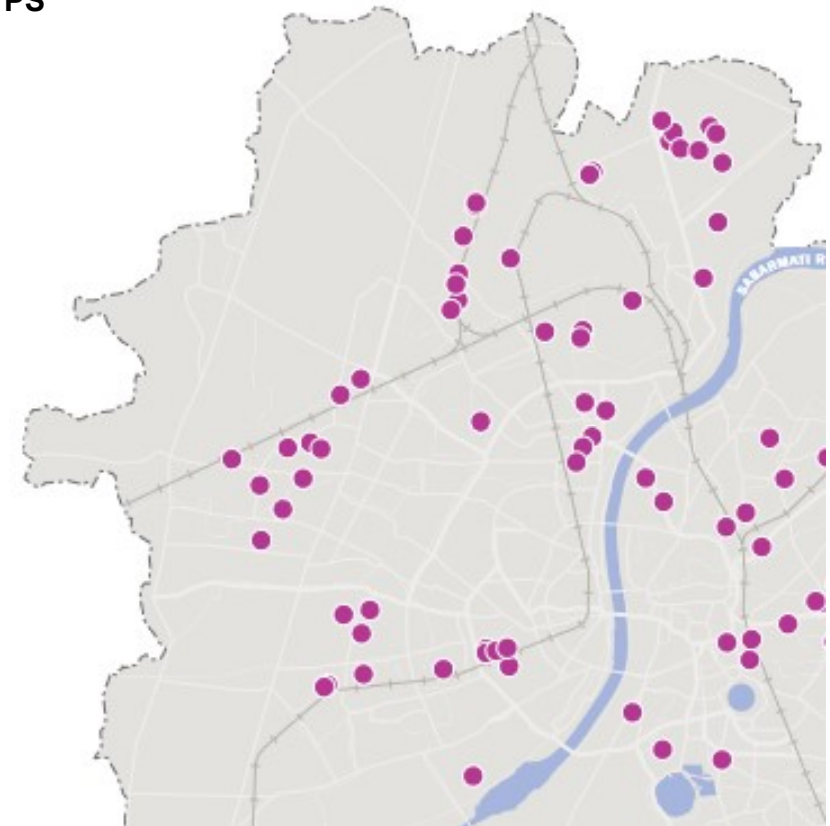
Legal Provisions

- Under **Gujarat Town Planning and Urban Development Act (GTPUDA) Chapter V section 40** is the provision for TPS
- **Section 40(3)(j) of GTPUDA allows for reservation of 10% of land for the SEWS**
- Section 40(3) (e) &(jj) allows for appropriation of land public purposes

Purpose	As per Legislation	Land Appropriated till 2010	
SEWS Housing	10%	4.5	3%
Green and Open Spaces	5%	4.5	3%
Public utilities + Social Infrastructure	5%	5.7	4%
Public Land Banks for Sale	Upto 15%	12.1	8%
Roads	15%	21.8	14 %
Total Appropriated area	40 - 50%	48.5	42%
Non-Appropriated		105.3	68%

- Land appropriated for SEWS Housing in Ahmedabad (2010): **4.5 sq. km.**
- This Land allowed for the construction through various schemes: **80,000 DUs**

Dispersed location of Public Housing in Ahmedabad due to TPS



Source:

Ballaney, S. 2013. Supply of Land for Development—Land Readjustment Experience in Gujarat, India: Urban Legal Case Studies. Nairobi: UN-Habitat

Mahadevia, D., Pai, M., & Mahendra, A. (2018). Ahmedabad: Town Planning and Urban Development Act (GTPUDA) Chapter V section 40

Inclusionary Zoning: Residential – Affordable Housing Zone

RAH Zone is a 1km overlay zone along the 74 km outer ring road. This zone permits residential development for providing Affordable Housing along with ancillary commercial uses.

AUDA DP 2021 & Section 14.1 of the DCR of Ahmedabad

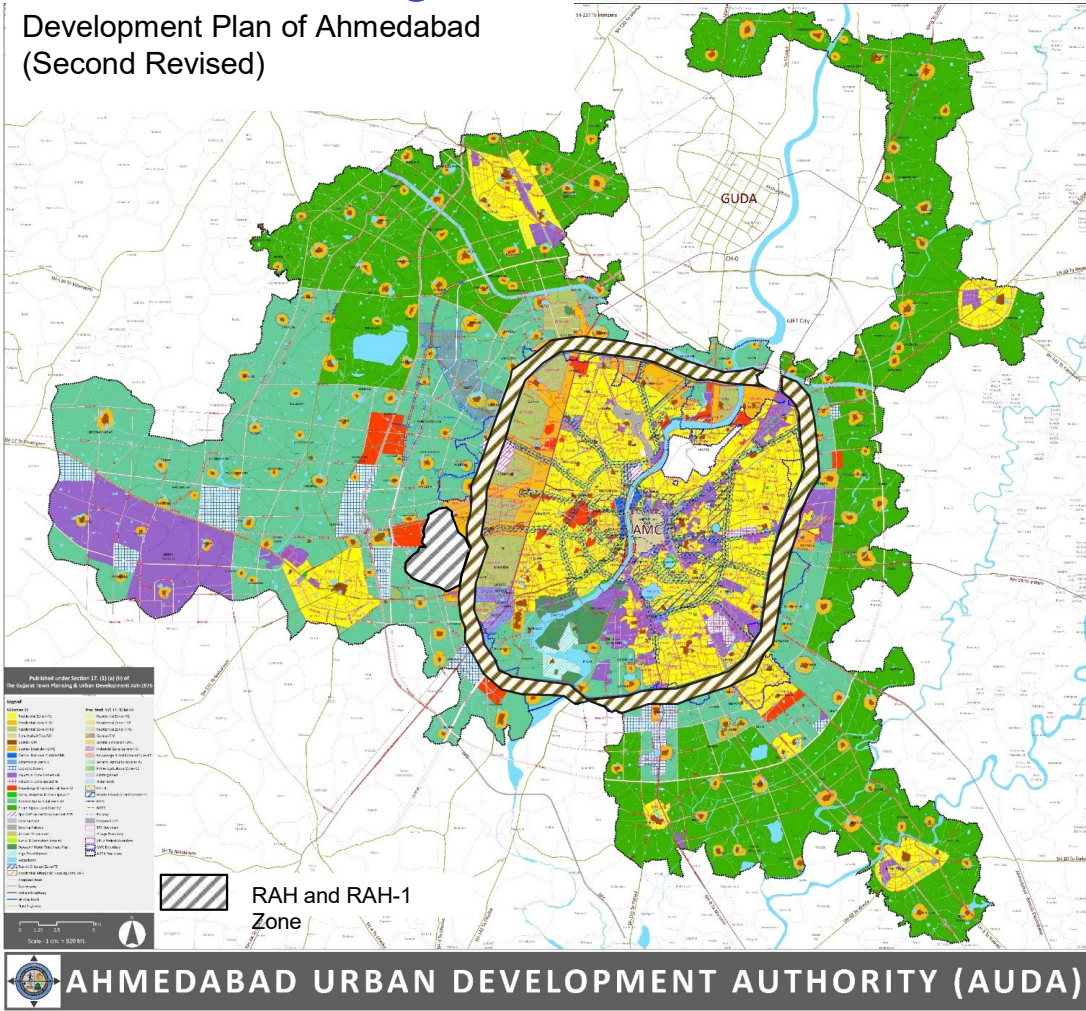
- **Mandates creation of 15 Lakh DUs**
- AH units are built with built up area of up to **90 sq. mt.**
- **No price cap or buyer HH income cap.**
- **Voluntary:** Developers can choose to build as per base zone or overlay zone.

Direct Incentives to Developers

1. Density Bonus
 - Higher FSI allowed vis-à-vis Base Zone
2. Zoning Variance
 - 10% Built up Area allowed for Commercial Use
 - Reduction in Parking Norms
 - No Common open area except margins
 - Lobby area not counted in FSI calculations
3. Fee Reduction
 - Reduction in the Premium (cost) for Purchasable FSI

Indirect Incentives:

4. Fast track Provision of Serviced Land through Town Planning scheme
5. Connectivity through Public Transport



Market Response

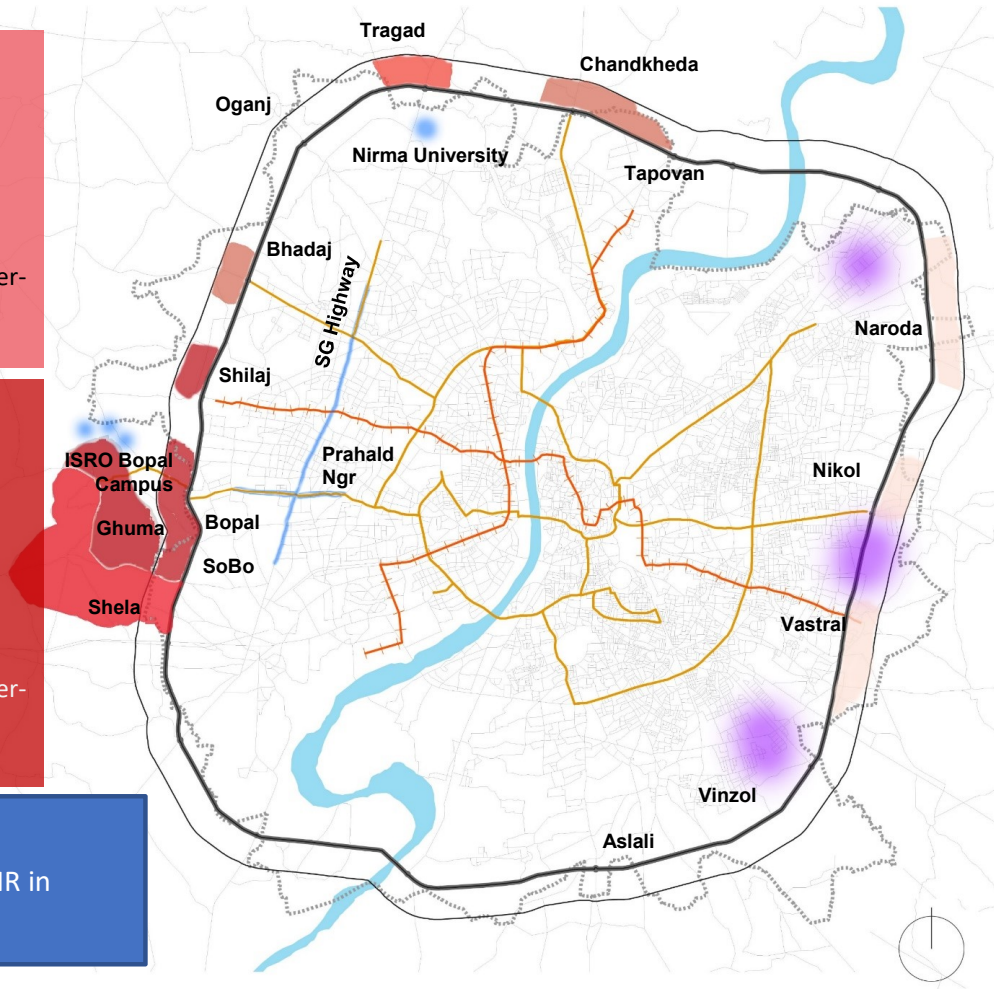
West : Shilaj
 Product supplied: 1RK, 2 & 3 BHK
 Ticket Sizes:
 INR 5 – 7 Mn ; 2Mn (for 1RK)

Economic Status of buyer/renter: Salaried professionals working in IT sector & ISRO (Bopal) and people shifting from affluent inner-city neighborhoods like Vastrapur.
 Annual HH Income : 0.6 – 1.2 Mn

South-West : Shela, South Bopal (SoBo) & Ghuma
 Product supplied: 2 & 3 BHK
 Ticket Sizes:
 Bopal & SoBo: INR 5 – 7 Mn
 Shela & Ghuma: INR 4 – 6 Mn

Economic Status of buyer/renter: Salaried professionals working in IT sector & ISRO (Bopal) and people shifting from affluent inner-city neighborhoods like Vastrapur.
 Annual HH Income : 0.6 – 1.2 Mn

PIR Range of 4-7
 PIR less than 10.85 (Overall PIR in Ahmedabad³)



North : Tragad, Chandkheda, Tapovan
North-West: Bhadaj & Oganj
 Product supplied: 2 & 3 BHK
 Ticket Sizes: INR 3.5 - 5.5 Mn

Economic Status of buyer/renter: Students and youth, migrants of tier-3 cities of North Gujarat like Mehsana, Palanpur etc.
 Annual HH Income : 0.4 – 0.7 Mn

East : Naroda, Nikol, Vastral, Vinzol & Aslali
 Product supplied: 1RK, 1,2 & 3 BHK
 Ticket Sizes: INR 0.9 - 3.8 Mn

Economic Status of buyer/renter: Main labor force (industrial) of the city
 Annual HH Income : 0.25 – 0.30 Mn

Legend

Land Rates:
 [Color gradient from red to white] Highest to Lowest

AMC Boundary
 [Dotted line]

RAH Zone
 [Black outline]

Metro
 [Orange line]

BRTS
 [Yellow line]

Roads
 [Grey line]

Market Catalysts
 Industrial Job Centers [Purple box]
 Other (commercial/ Institutional) Job Centers [Blue box]

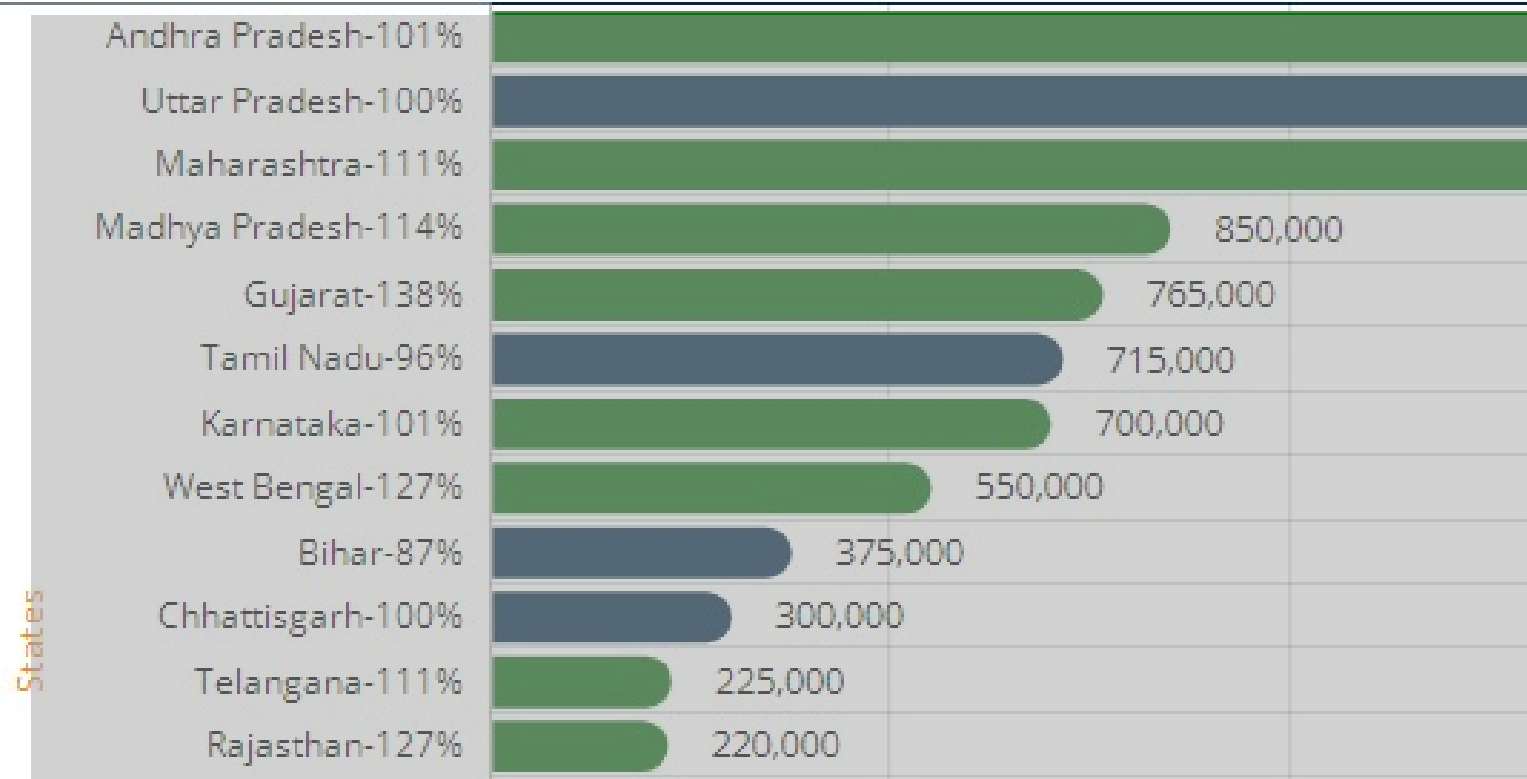
Source: Interviews with:
 1. Mr. N K Patel, Developer on 04 June '20
 2. Mr. Sharvil Shridhar on 07 July '20
 3. Numbeo

Urban Housing Demand Met through PMAY-U in Uttar Pradesh

Demand Saturation under PMAY(U)

■ more than 100%
 ■ 75% To 100%
 ■ less than 75%

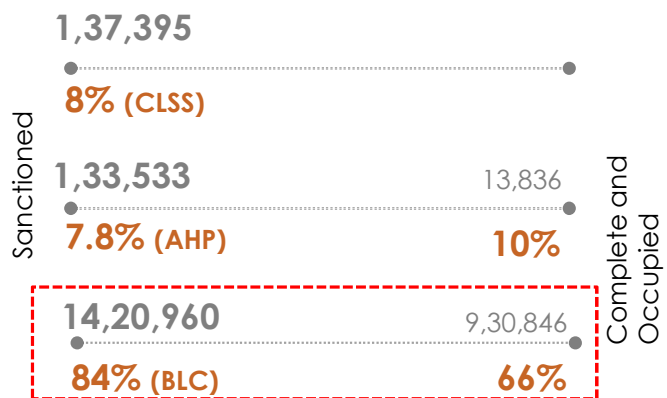
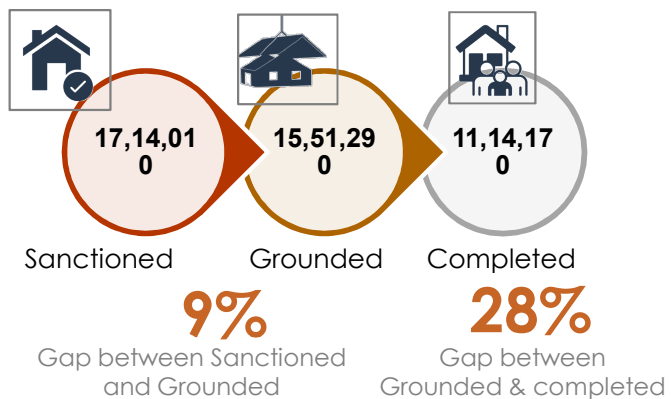
Housing Demand Saturation:
1.7 Million



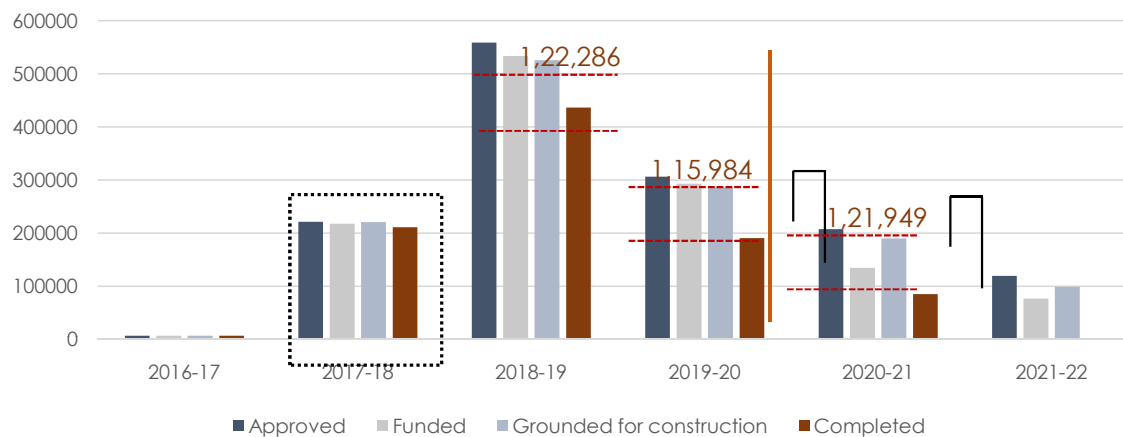
(source: as per PMAY dashboard (pmay-urban.gov.in) accessed Sept. 2022)

Uttar Pradesh : Leading practice in BLC in India

PMAY (U) IN UP



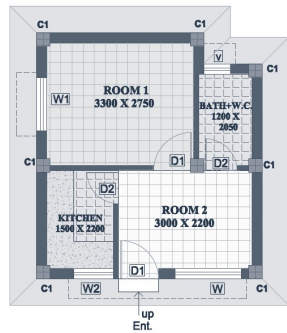
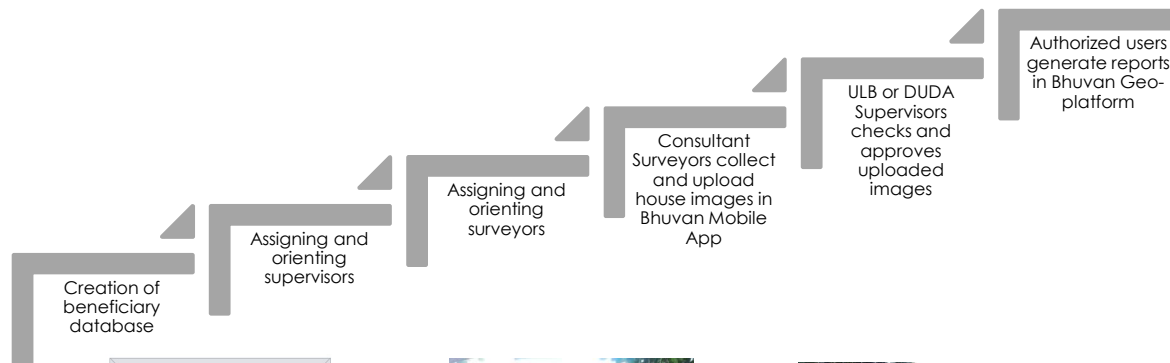
Status of Housing Under BLC



Total Grant 2.5 Lacs
Central 1.5 Lacs
State 1.0 Lacs

1.4 million units self built under BLC

Uttar Pradesh : Leading practice in BLC in India



Rs 50,000- On Approval



Rs 1,50,000- till roofing



Rs 50,000- Completion

ULBs provide basic layouts to avoid construction delays and monitor construction status

Beneficiaries in Ghaziabad

Mrs. Rajkumari Devi
Works as Driver



G+2	4 Household Size	90 sq. m. Carpet area
3 BHK	2 Members above age of 18	12 months Time taken to Complete the house

Mr. Deewan Singh
Works in Factory



G+2	4 Household Size	99 sq. m. Carpet Area
3 BHK	2 Members above age of 18	13 months Time taken to Complete the house

Mr. Lakhani Singh
Business in weekly Market



G	7 Household Size	27 sq. m. Carpet Area
2 BHK	4 Members above age of 18	7 months Time taken to Complete the house

Houses self built within 15 months

Beneficiaries in Ghaziabad

	Carpet Area	Cost of Const.	Beneficiary Contribution			EMI	PMAY-U Logo	Services	Layout
			Amount	% Share	Source				
Ram Naresh	23 sq.m.	3.5 Lakhs	1 lakhs	28%	Own, Local Person	-	✓	✓	Self
Leela Vati	41.8 sq.m.	3 Lakhs	0.5 lakhs	16%	Local Person	-	✓	✓	Self
Lakhan Singh	27 sq.m.	5.2 Lakhs	2.7 lakhs	52%	Own	-	✓	✓	ULB
Anu	27.5 sq.m.	3.1 Lakhs	0.6 lakhs	19%	Relatives	-	✓	✗	ULB
Deewan Singh	33 sq.m.	6.8 Lakhs	4.3 lakhs	63%	Friends, Relatives	18%	✓	✓	Self
Latesh	41.8 sq.m.	4.8 Lakhs	2.3 lakhs	48%	Friends, Relatives	15%	✓	✓	Self
Kaajal	33.4 sq.m.	2.8 Lakhs	0.3 lakhs	11%	Own	-	✓	✓	ULB
Parmila Devi	32.5 sq.m.	5.1 Lakhs	2.6 lakhs	50%	Own	-	✓	✓	Self
Avdesh	28.0 sq.m.	3 Lakhs	0.5 lakhs	16%	Own	-	✓	✗	Self
Shishupal	41 sq.m.	2.7 Lakhs	0.2 lakhs	7%	Own, Relatives, Friends	-	✓	✓	Self

Sources: Primary Survey

Beneficiaries in Lucknow

	Carpet Area	Cost of Const.	Beneficiary Contribution		Beneficiary Contribution Source	PMAY-U Logo	Services	Layout
			Amount	% Share				
Tula Tikaram	37 sq.m.	3 Lakhs	0.5 lakhs	17%	Own, Relative	✓	✗	Self
Rekha, Late Shiv Ram	32 sq.m.	3 Lakhs	0.5 lakhs	17%	Own, Relative	✓	✗	Self
Raj Laxmi	32 sq.m.	4.5 Lakhs	2 lakhs	44%	Own, Relative	✓	✗	Self
Jyoti, Manoj	32 sq.m.	2.5 Lakhs	0	0	Own, Relatives	✓	✗	Self
Rajesh Kumar	32 sq.m.	4 Lakhs	1.5 lakhs	27%	Own, Relatives	✓	✗	Consultant
Neelam Sharma	32 sq.m.	4 Lakhs	1.5 lakhs	37%	Own, Relatives	✓	✗	Consultant
Pavan Kumar	37 sq.m.	3.5 Lakhs	1 lakhs	28%	Donations	✓	✗	Consultant
Baha Mur Mur	37 sq.m.	3.5 Lakhs	1 lakhs	28%	Donations	✓	✗	Consultant
Rajjo Devi	30 sq.m.	4 Lakhs	1.5 lakhs	37%	Own, Relatives	✓	✗	Consultant
Urmila	30 sq.m.	5 Lakhs	2.5 lakhs	50%	Own, Relatives	✓	✗	Consultant

Sources: Primary Survey

Beneficiaries in Lucknow



Jyoti, Manoj



Rajjo Devi



Urmila



Pavan Kumar

G	4 HH	Carpet Area 30 sqm
2 BHK	12 Months	0 Members above 18 years of age

G	6 HH	Carpet Area 35 sqm
2 BHK	12 Months	6 Members above 18 years of age

G	5 HH	Carpet Area 37 sqm
2 BHK	6 Months	3 Members above 18 years of age

G	4 HH	Carpet Area 37 sqm
2 BHK	6 Months	2 Members above 18 years of age

Sources: Primary Survey

Uttar Pradesh: Affordable Housing in Partnership (AHP)

PMAY-AHP Vertical, Uttar Pradesh

Incentive

- Subsidy from central government : 1.5 lakh/ EWS unit
- Subsidy from state government: 1 Lakh/ EWS unit
- FSI of 2.5



Design Parameters

Development of affordable housing on private land

Parameters	National Policy	State Guidelines
Carpet Area Ceiling	30 sq.mt. (EWS)	22.77 sq.mt.- 30 sq.mt. (EWS)
Minimum dwelling units	250	250
Percentage of Affordable Housing Units	Minimum of 35% of total units should be for the EWS category	Minimum of 35% of total units should be for the EWS category (150 EWS units/Ha)
Commercial Area	--	10% of built-up area
Price Ceiling (INR)	As per State Policy	22.77 sq.mt. : 6 lakh 22.77-30 sq.mt. : on pro rata basis

Convergence with National Level Policies

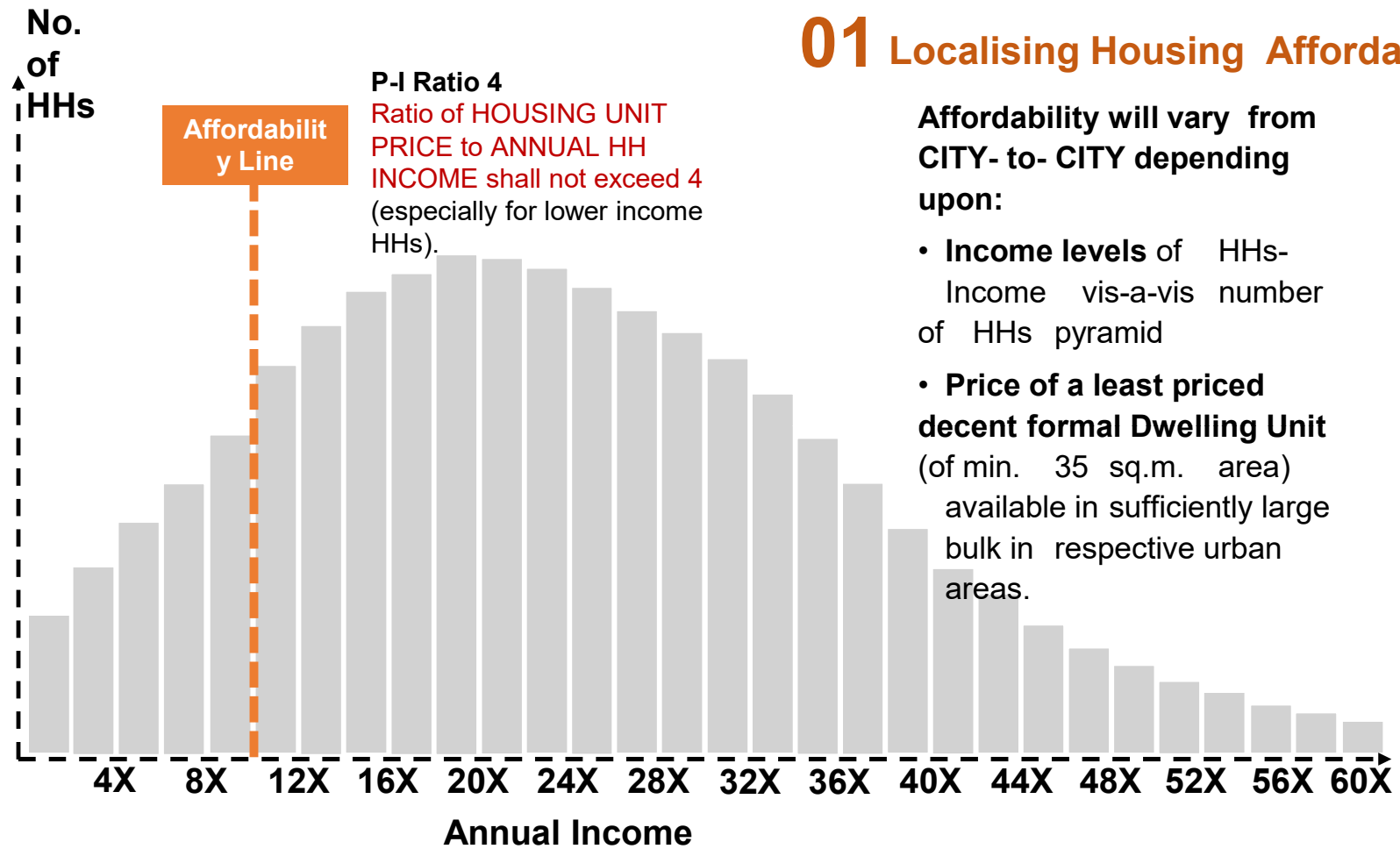
- Income Tax exemption if commercial component is 3%
- Reduction in GST
- CF under Priority Sector Lending
- Infrastructure Status

Affordable Housing Schemes at Local Level

Affordable housing schemes in Lucknow and Ghaziabad

City	Scheme	Implementing Agency	Types	Size (sq. mt.)	Cost INR in Lakh	DU Units
Lucknow	Lucknow Affordable Housing Scheme	Lucknow Development Authority (LDA)	2BHK	83.6	31.5	100 units
Ghaziabad	Madhuban-Bapudham Pocket-C, F, B & E	Ghaziabad Development Authority (GDA)	1BHK	41.3	10.8	-
			2BHK	126.8	50.6	
			3BHK	156.9	62.6	
			3BHK + Study	169.2	67.5	
	Mandakini & Alaknanda, Vaishali Scheme		2BHK	52.2	46.1	26
	Koyal Enclave Scheme.		1BHK	34.8	24.4	141
			2 BHK	51.3	34.2	340
Indraprastha Scheme	1BHK	45.0	20.0	-		
	2 BHK	60.0	27.0			
Chandrasila (Nehru Nagar) Scheme.	2BHK	81.0	43.1	33		
	2BHK + Study	105.0	55.9	18		
Modinagar Sanjaypuri Scheme.	1RK	29.7	5.8	70		

Way Forward to achieve Housing Affordability in Cities of Uttar Pradesh



01 Localising Housing Affordability

Affordability will vary from CITY- to- CITY depending upon:

- **Income levels** of HHs- Income vis-a-vis number of HHs pyramid
- **Price of a least priced decent formal Dwelling Unit** (of min. 35 sq.m. area) available in sufficiently large bulk in respective urban areas.

02 State will never be able to produce adequate subsidized units to meet Housing shortage.

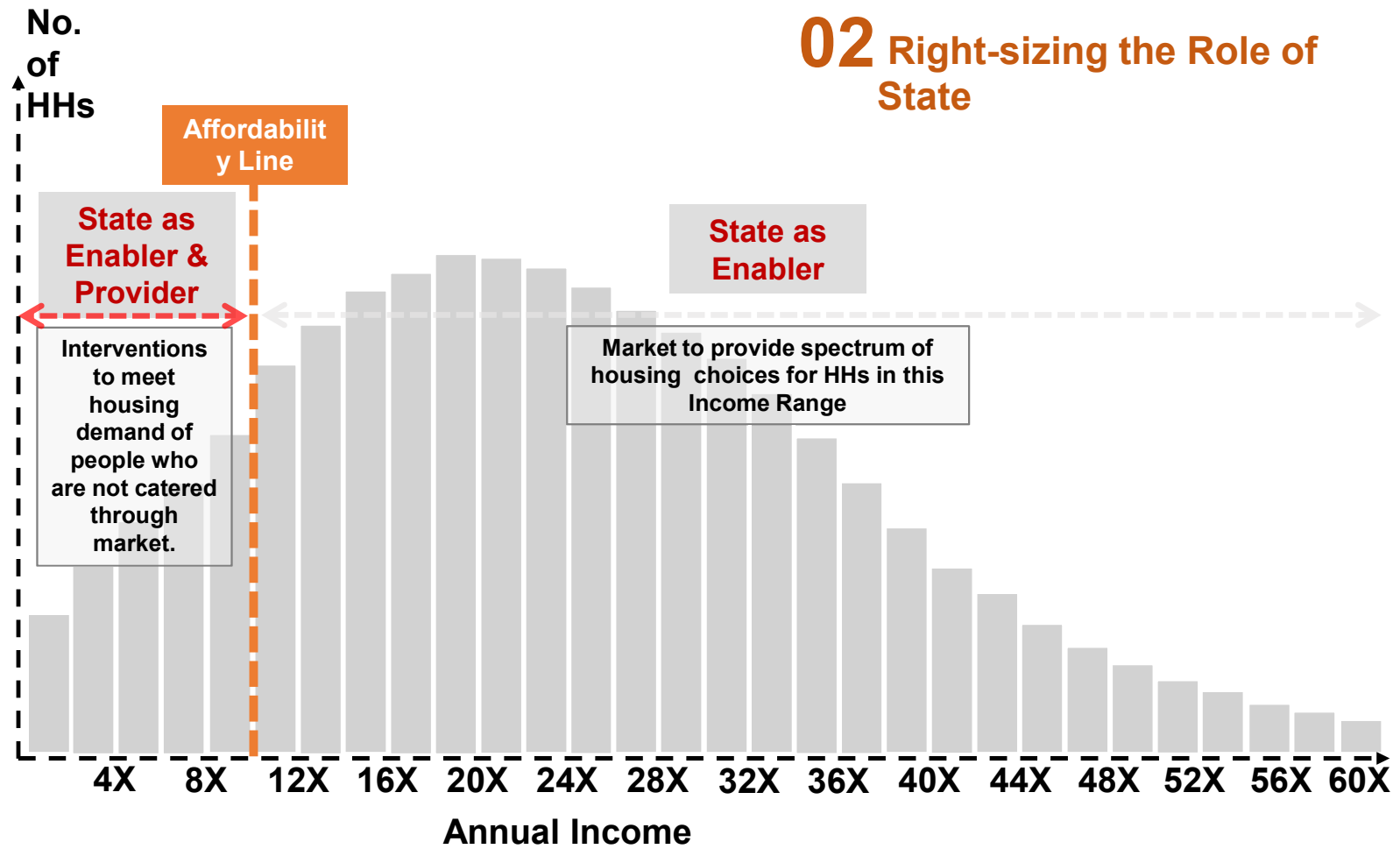
These subsidized units play a critical role in providing particularly for our lowest income residents

BUT

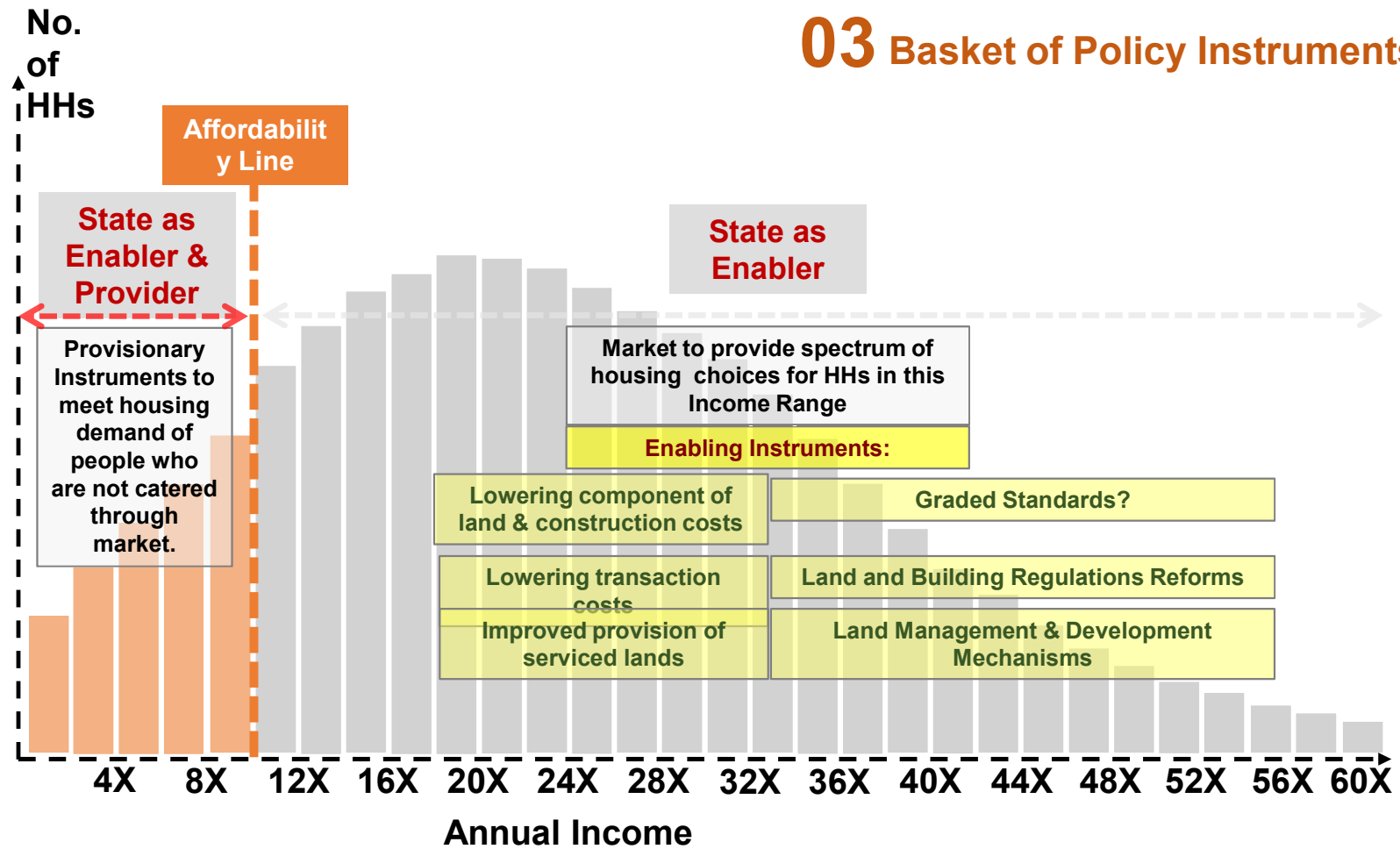
The State simply does not have the massive resources needed to shift to a dominant public-subsidy-based housing approach.

Hence, **right sizing** the State provision is required.

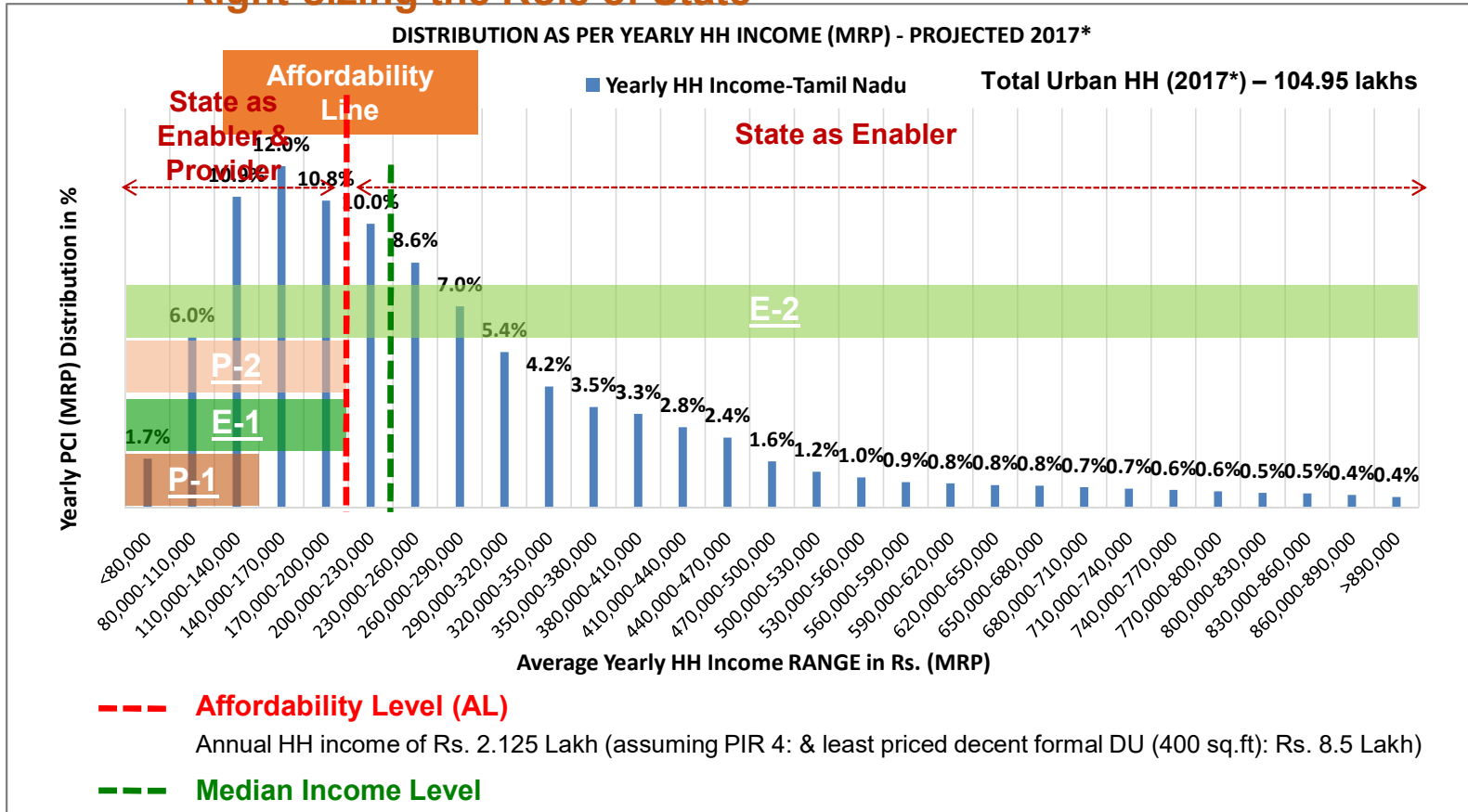
02 Right-sizing the Role of State



03 Basket of Policy Instruments



Right-sizing the Role of State



P-1 : Provisioning-1

- A) Slum Rehab. Projects;
- B) Slum In-situ Upgrade;
- C) Slum In-situ Devp./ Redevelopment

E-1 : Enabling-1

- A) DCR Modifications;
- B) Cluster Devp., LAP;
- C) Inclusionary Zoning

P-2 : Provisioning-2

- A) Financial Subsidies;
- B) New Public Housing;
- C) Sites and Services

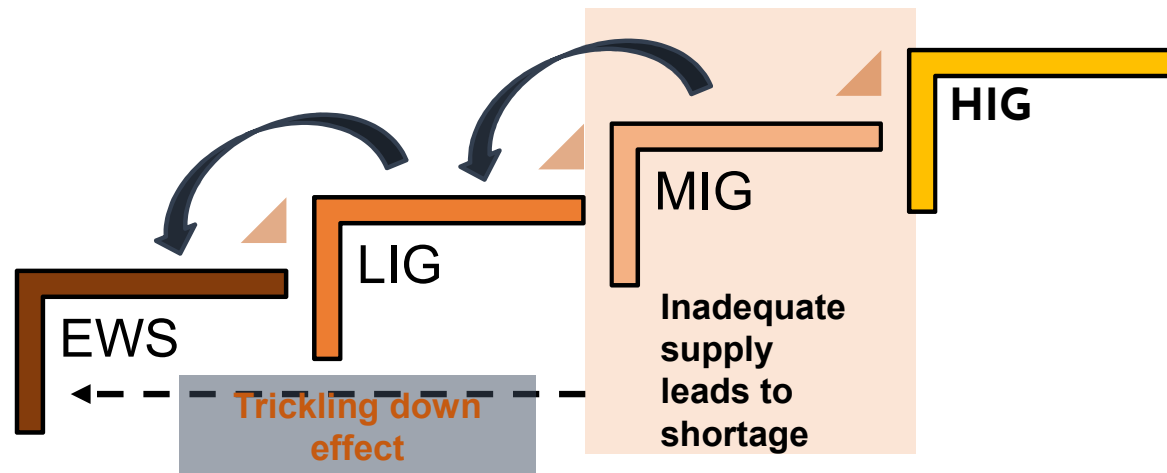
E-2 : Enabling-2

- A) DCR Reform;
- B) Land Statutes & Approval Process Reforms;
- C) Land Management Reforms

04 Housing is an integrated market rather than discrete sub-markets for different income groups

Government policies and Interventions act as market enabler and can prevent this trickling down effect

A city has an integrated housing market or housing ladder where market failures in any submarket have ramifications across the city.



04 Housing is not a discrete activity but is integrated with land-use, transport and infrastructure.

Supply of adequate serviced land can enable markets to provide affordable housing.

05 Addressing the affordable housing gap in a city does not mean only investing in new buildings.

Renewal is as important as new buildings

06 High building standards do not ensure decent housing.

High standards impose cost and outprice low income house holds from buying a unit.

THANK YOU

Email: sejal@cept.ac.in

