

# PM's housing-for-all scheme will face many challenges

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The new Housing for All scheme launched by Prime Minister Narendra Modi, which aims to provide a house for everyone by 2022, is facing a huge challenge acquiring the requisite mass of land needed to build affordable homes.

The scheme, aiming to build about 2 crore houses in urban centres for the economically weaker and lower income group people, would need over 57,000 acres of land (about 50% of Mumbai's municipal area), shows the estimates done by Jones Lang Lasalle (JLL), a real estate consultancy.

So the kind of housing supply that the government is targeting seems out of the question if appropriate lands are not made available, adds JLL.

Though it is a very promising scheme but, "its implementation would require a clear, well-thought out policy with concrete and measurable deliverables coupled with initiatives to streamline the developmental process," says Snehdeep Aggarwal, founder and chairman, Bhartiya Group, a Gurgaon based real estate company. This will require coordinated efforts to acquire some of the non-essential land currently held by government bodies such as the railways,

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port trusts and the department of heavy industries.

This scheme would be further challenged in order to meet the demand with a steady supply. Constructing 20 million houses in the next seven years would be a

daunting task. "Every year, India needs to construct about 3 million houses which seems unrealistic going by the previous records," says Ashutosh Limaye, head of research, JLL. As per the erstwhile Planning

Commission's report, construction of houses in the past five years, both by the government and private builders, has averaged about one million only. This means that India needs to more than double its current capacity to build its housing sector. "Such capacity building would need faster regulatory clearances and resolving land litigation issues carefully to improve the participation from all stakeholders," adds Aggarwal.

The bottleneck from the demand side might arise from the lack of cheaper financing option for the lower income group people. Affordable housing

needs to be backed up by an equally affordable financing option. The government needs to top up its existing interest subsidies (incentives) to prop up more demand from the targeted group. Moreover, the scarcity of required land within the existing cities might push some part of this scheme to the fringe areas of the cities where land may be available but basic infrastructure, like road, power and water, would have to be developed. Moreover, creating social infrastructure like schools, hospitals et cetera would require additional spending by the stakeholders.