

VARIOUS PARAMETERS AFFECTING AFFORDABLE HOUSING IN GOVERNMENT & PRIVATE SECTOR, PUNE, MAHARASHTRA

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Abstract: *The real estate sector in India is being recognized as an infrastructure service that drives the economic growth engine of a country. Real Estate business was one of the key drivers of growth before the world witnessed economic slowdown. Now, with the companies trying to consolidate their positions and finding effective means of sustaining growth, the management of real estate has emerged as one of the key challenges for the corporate sector. The real estate sector in India assumed greater prominence with the liberalization of the economy, as the consequent increase in business opportunities and labour migration led to rising demand for commercial and housing space. At present, the real estate and construction sectors are playing a crucial role in the overall developments in the retail, hospitality and entertainment (hotels, resorts, cinema theatres) industries, economic services (hospitals, schools) and information technology-enabled services (like call centres) etc and vice versa. The Indian real estate sector has traditionally been dominated by a number of small regional players with relatively low levels of expertise and/or financial resources. Historically, the sector has not benefited from institutional capital; instead, it has traditionally tapped high net-worth individuals and other informal sources of financing, which has led to low levels of transparency. This scenario underwent a change with in line with the sector's growth, and as of today, the real estate industry's dynamics reflect consumer's expectations of higher quality with India's increasing integration with the global economy.*

Index Terms: *Keywords- Affordable housing, real estate, Pune*

I. INTRODUCTION

Residential Sector in Real Estate: Residential demand is the mainstay of the Indian real estate sector. The major demand drivers for the residential market include increasing disposable income levels, increase in the number of nuclear families/households, tax savings on home mortgage products as well as real estate being considered a "necessity" investment.

Demand for houses increased considerably whilst supply of houses could not keep pace with demand thereby leading to a steep rise in residential capital values especially in urban areas. Broadly, residential real estate industry can be divided into four growth phases:

Phase I (2001-2005) – It was an initial growth phase with stabilizing residential real estate prices following the global recovery post the "dot com" bust and 9/11 terrorist attacks in New York. At the same time, there was steady growth in Indian economic activity, noteworthy recovery in IT/ITES industry, growing urbanization and a rising trend towards

nuclear families.

Phase II (2006-2008) – It was a high growth phase where high demand for residential real estate led to doubling of housing prices. Demand rapidly increased due to India's growing population, accentuated urbanization, rising disposable incomes, rapidly growing middle class and youth population, low interest rates, fiscal incentives on interest and principal payments for housing loans and heightened customer expectations.

Phase III (2009-2010) – It witnessed substantial slowdown and part recovery in demand because of the global economic downturn, which led to a decline in affordability by slowdown in the capital markets, has resulted in oversupply and falling prices.

Phase IV (2011-2014) – It is expected to remain a consolidation phase after slowdown. Demand is expected to remain strong with capital values witnessing modest rise. This period is expected to witness substantial supply of housing especially in urban areas.

In spite of the stupendous growth witnessed in the past 15 years, substantial housing shortage is still prevalent in India. The housing shortage in India is estimated at 78.7 million units at the end of Phase II. The overall housing shortage in India is likely to decline to 75.5 million units by the end of Phase IV.

However, the rise in migration towards urban areas and an increase in the trend of nuclear families will lead to continuous housing shortage in urban areas. Housing shortage in urban areas is estimated at 19.3 million units at the end of 2008, up from 15.1 million units at start of 2005. Housing shortage in urban areas is likely to touch a whopping 21.7 million units by the end of 2014. The government's continuous focus on improving the housing situation, especially for population below poverty line, under schemes like Indira Awaas Yojna, Rajeev Gandhi Awaas Yojna, Two Million Housing Programme, is expected to reduce housing shortage in rural areas. Rural housing shortage is expected to decline to 53.8 million units by 2013-14 from 59.4 million units at the end of 2008.

Location of the research:

Location of the research is mainly Pune city & surrounding. Pune is the seventh-most populous city in India and the second largest in the state of Maharashtra. It was known as Punyanagari in earlier times. It is situated 560 metres above sea level on the Deccan plateau, on the right bank of the Mutha river. It is spread over 700 square kilometres.

II. AIM & OBJECTIVE

This paper is summary of the measures the coverage of Affordable Housing among the low and middle income

groups and to analyze the barriers faced by them. More specifically, the objectives of this research was: (1) To study and understand the concept of Real Estate Sector and Affordable Housing. (2) To examine the essential factors those are instrumental to the success of affordable housing concept through survey study of the low and middle income groups in Pune. (3) To examine the effect of affordable housing for low-income households on property values. (4) To analyse, interpret and correlate the findings to prove or otherwise the essential steps required for overcoming the barriers faced by the low income groups to afford a house in Pune which would help indirectly in futuristic planning and contribute greatly towards the survival, growth and development of the low and middle income groups. (5) To advise and guide the government based on the findings of this study, the ways and means for continuous up gradation of low and middle income groups.

III. REVIEW OF THE LITERATURE

Literature review that had carried out to understand research in length as follows:

Enablers for affordable Housing: Technology & Institutions

Seminar Proceedings Report – 6th Global Summit, 11-13 Jan 2013 Vibrant Gujarat

Urban Development & Urban Housing Department, Government of Gujarat

Vision of Government of Gujarat for affordable Housing:

Government of Gujarat is working on an ambitious plan to enable creation of affordable Urban Housing infrastructure of 5mn units in next five years across Urban and Rural Areas. Government envisages having Urban areas slum free and Rural areas free from Kaccha Houses and ensure there is additional scope of enhancing the capacity to manage increase in demands due to increase in Urbanization and Rate of growth of the country and Gujarat in Specific. This seminar aims at getting suggestions and recommendations to create an enabling environment for meeting the target set.

Report 2012 – Green Building – Chapter 7

Centre for Science & Environment, New Delhi

EXTENT OF PROBLEM - As per Government estimates, the total housing shortage in the urban areas, at the beginning of the 11th Plan period was around 24.71 million units (see fig 1) and is likely to go up to 26.53 million units by 2012. Unofficially the deficit stands at more than 40 million, growing at 10% each year.

The urban situation is equally appalling with 99 per cent of the housing shortage pertaining to the Economically Weaker Section (EWS) and Low Income Group (LIG) categories. Often there Affordable housing and low cost housing are used as synonyms, although they differ a great deal from each other. Low-cost housing is generally meant for the Economically Weaker Sections (EWS) categories and comprises bare minimum housing facilities while affordable

housing is generally meant for people from Low Income Groups (LIG) and Middle Income Groups (MIG). In fact the inadequacy of housing stock and lack of spaces for house these units in Indian cities manifest in the form of growth in slum and squatter settlements. It is the 6% growth of slums that is fast outstripping the growth in urbanization in India and its cities at 3% and 4% respectively. According to UN Habitat India is adding 4.4 million people to slums every year and 202 million Indians will be residing in slums by 2020.

CONFUSION OVER DEFINITION - There is much confusion and debate about how to define affordability. The meaning of affordability may take different connotation for people based on their incomes. Similarly the concept takes different meanings for builders, governments, finance agencies, architects etc. Several experts' have questioned, what defines affordability. Does it imply owning a house where one wants, or ability to buy it at a price one can afford or both? Generally houses in a bracket between 5-15 lakhs are considered falling in affordable housing bracket.

Case Study:

Public Private Partnership in affordable housing under JNNURM (2008-09)

CRISIL, Infrastructure Advisory

THE CONCEPT - Keeping in mind PCNTDA's vision, CRISIL designed the integrated township such that it comprises housing units for the poor, affordable housing units for the general public, a primary health care centre, a hospital and a school.

Shelter, HUDCO Publication, Issue April, Volume – 14, No. 1

Theme – Affordable Housing. Housing & Urban Development Corporation Limited (HUDCO), New Delhi

Housing is one of the basic human needs and each person longs to have a house in their life span. The latest estimates by the Technical Group on Urban Housing for the 12th Plan has estimated the total urban housing shortage in 2012 as 18.78 million, of which almost 96 per cent pertains to the economically weaker sections and the lower income groups. The investment requirement for addressing this shortage would be in the order of Rs. 9.4 lakh crore, assuming an average per unit cost of Rs.5 lakh.

Affordable housing has also been one of the prime concerns for the government. The strategy to achieve this goal cannot be conventional as there is a need to deliver cost-effective housing at an unprecedented pace. A Task Force on 'Affordable Housing for All' defined affordable housing in terms of a) multiples of household income; b) size of the tenement and c) percentage of household income in case of rented accommodation. This definition highlights the position that affordability is a major concern for urban poor, who in the absence of access to formal housing resort to slums and informal settlements.

Report – Affordable Housing, September 2009

ICICI Property Services. (A division of ICICI Home Finance Company Limited)

In recent times, 'Affordable Housing' has emerged as a challenge for policy makers, town planners, housing finance practitioners, and construction agencies. While the need for affordable housing is recognized by all, the means to achieve this goal are however not clear as yet. Taking a leaf out of the international experience, any policy intervention in this sector will need to be sustainable over the long run, cutting across different markets such as land, technology, building materials, design and architecture and finance. "Affordability" reflects the ability of the individuals to pay for the house they aspire to own. In urban India itself, the housing shortage aggregates to a staggering 24.71 million units.

While the demand for housing has always outpaced the supply, the challenge, for the most part, lies in the real sector that is responsible for production and supply of housing in the market. The production and supply chain must be strengthened to deliver customized products according to demand and affordability by different segments of the market. This would require a responsive and flexible supply mechanism with an optimal mix of all inputs viz. land, infrastructure, technology, design and specifications and financing to suit the needs and affordability of different income groups. Land and infrastructure are largely influenced by public policies of the central and state governments and the urban local bodies. Construction technology and building designs tried out successfully in different countries faced with similar "affordability" challenges may offer useful lessons and should therefore be encouraged and given a fair trial. It offers challenge as much as opportunities to the private sector. There is a growing role of the informal sector agencies in this market space as well which has been sought to be harnessed and promoted in recent times.

"Affordable" housing in the Indian context is a problem of "scales" and should be tackled through a multi-agency and multi-product approach. There is role for all actors and stake holders in this pursuit and the current policies seek to create adequate space for different entities engaged in this market.

Historically, the construction industry has converged around MIG (Middle Income Group) and HIG (Higher Income Group) housing. The enormous gap in the LIG/EWS (Lower Income Group/Economically Weaker Section) market segments offer untapped opportunities for the private sector construction agencies to identify such demands and respond on a commercial and sustainable basis. This market has been largely served by the public housing agencies in the states, in the form of social housing. The financial sector has recently opened up to the housing market but their capacity to serve the lower income households are yet to be sustainably demonstrated. In these globally difficult economic times, when all other real estate asset classes have seen surplus stocks, the "affordable" housing supply is still scarce.

It is encouraging to see a number of private sector developers entering this space with intent and promise to deliver. It is the price of the dwelling unit that matters ultimately for affordability and the market has the inherent capacity to

produce and deliver housing to all segments of the population. This however needs to be demonstrated. And for this to happen, the product offerings will need to cover a wide range of buyers, particularly those at the lower end of the market.

This Report has quite credibly dealt with some of the nuances associated with "affordability" and has made a very insightful analysis of the factors and issues that can have a bearing on "affordability", quite distinct from what we may call "affordable".

The Report also draws on the best practices and the role that technology and town planning have played in comparable economies.

Affordable Housing Policy – December, 2009 With focus on EWS & LIG Housing (For Urban Areas of Rajasthan)

Department of Urban Development, Housing & Local Self Government, Government of Rajasthan

Goal of Sustainable development of housing - "Affordable housing for all and integrated habitat development with a view to ensure equitable supply of land, shelter and services at affordable prices in Rajasthan, with special focus on urban poor and excluded groups of society".

Department of Urban Development, Housing and Local Self Government undertook a detailed exercise in understanding various housing schemes of Government of India and dovetailing these with agencies working in the public sector (like R.H.B., ULB's etc.) and with the private developers. Various models with a host of incentives are aimed at providing low cost housing at a much faster pace and to augment the pool of housing for EWS/LIG/MIG-A categories.

A major initiative has been taken by Government of Rajasthan in July, 2009 in drastically reducing the stamp duty in the case of EWS/LIG houses from 8% to mere Rs.10/- in the case of EWS and Rs.25/- in the case of LIGH. In other cases the stamp duty has been fixed at 5% with a reduction of 1% in the case of women.

The various incentives and shorter approval process are aimed at attracting private sector investments into this sector in a big way. Based on the experience gained a review of the policy would be undertaken at an appropriate time.

With the help of the policy framework and the in-built incentives it will be possible to motivate various agencies, including private developers to take up construction of affordable housing for EWS/LIG categories in various urban centers of Rajasthan.

Government of India, Ministry of Housing & Urban Poverty Alleviation (JNNURM Mission Directorate)

The Scheme of Affordable Housing in Partnership aims at operationalising the strategy envisaged in the National Urban Housing & Habitat Policy (NUHHP) 2007, of promoting various types of public-private partnerships – of the government sector with the private sector, the cooperative

sector, the financial services sector, the state parastatals, urban local bodies, etc. – for realizing the goal of affordable housing for all. It intends to provide a major stimulus to economic activities through affordable housing for the creation of employment, especially for the construction workers and other urban poor who are likely to be amongst the most vulnerable groups in recession. It also targets the creation of demand for a large variety of industrial goods through the multiplier effect of housing on other economic activities.

This Scheme is a part of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and takes into account the experience of implementing Basic Services to the Urban Poor (BSUP) and Integrated Housing & Slum Development Program (IHS DP) for three years, and the assessment that shortfall in response from BSUP towns is a factor of the lack of urban land availability for expansion of cities, and after consultation with States/UTs who have agreed that the responsibility of making urban land available at affordable rates must rest with them in order to reduce the acute shortages of housing in urban areas. The scheme is also an acknowledgement of the strain of BSUP and IHS DP on state budgetary resources, and the need to draw in institutional finance for construction of affordable housing on a mass scale.

The scheme is primarily applicable to the 65 cities covered under the BSUP program. Other cities of population above INR 5 lakh could be considered during implementation with approval of the National Steering Group for JNNURM, if adequate number of projects is not forthcoming from the 65 cities. However, project proposals from non-BSUP towns could be considered for sanction based on a review of the implementation of the Scheme by the Ministry of Housing & Urban Poverty Alleviation after two years.

The scheme seeks to encourage State Governments to make provision for land to meet the acute shortage of affordable housing and to work in the partnership model envisaged in the NUHHP 2007.

These Guidelines will come into effect from 1st April, 2009 and the scheme will be a part of JNNURM.

Reserve Bank of India

Foreign Exchange Department, Central Office, Mumbai
RBI/2012-13/339 A.P. (DIR Series), Circular # 61,
December 17, 2012

Definition of eligible project

A low cost affordable housing project for the purpose of ECB would be a project in which at least 60 per cent of the permissible FSI would be for units having maximum carpet area up to 60 square meters.

Slum rehabilitation projects will also be eligible under the low cost affordable housing scheme. The eligibility of slum rehabilitation project for ECB will be based on the parameters to be set by the Central Sanctioning and Monitoring Committee of the Affordable Housing in Partnership Scheme (AHP) constituted under the Chairmanship of Secretary, Housing & Urban Poverty Alleviation (HUPA) which administers the slum

rehabilitation projects.

Eligible Borrowers:-

(a) Developers/builders:-

Developers/builders with proven financial track record based on the following criteria shall qualify for availing ECB for low cost affordable housing projects:

- i) Developers/builders undertaking low cost affordable housing projects should be a company registered under the Companies Act, 1956;
- ii) Such developers/builders should have minimum 5 years' experience in undertaking residential projects, and should have good track record in terms of quality and delivery;
- iii) The developers/builders should not have defaulted in any of their financial commitments to banks/ financial institutions or any other agencies;
- iv) The project should not be a matter of litigation;
- v) The project should be in conformity with the provisions of master plan/ development plan of the area. The layout should conform to the land use stipulated by the town and country planning department for housing projects; and
- vi) All necessary clearances from various bodies including Revenue Department with respect to land usage/environment clearance, etc., are available on record.

(b) Housing Finance Companies (HFCs):-

HFCs, satisfying the following conditions, can avail of ECB for financing prospective owners of low cost affordable housing units: -

- i) The HFC should be registered with the National Housing Bank (NHB) and operating in accordance with the regulatory directions and guidelines issued by NHB;
- ii) The minimum paid-up capital, as per the latest audited balance sheet, shall not be less than INR 50 crore;
- iii) The minimum Net Owned Funds (NOF) for the past three financial years shall not be less than INR 300 crore;
- iv) Borrowing through the ECB should be within the HFC's overall borrowing limit of 16 times their Net Owned Funds (NOF);
- v) The net non-performing assets (NNPA) shall not exceed 2.5 % of the net advances;
- vi) The maximum loan amount sanctioned to the individual buyer will be capped at INR 25 lakh subject to the condition that the cost of the individual housing unit shall not exceed INR 30 lakh; and
- vii) The ECB shall be swapped into Rupees for the entire maturity on fully hedged basis.

Besides HFCs meeting norms set at para above, NHB shall be eligible for rising of ECB for financing low cost affordable housing units of individual borrowers. Further, in the event a developer of low cost affordable housing project not being able to raise ECB directly as envisaged above, National Housing Bank shall be permitted to avail of ECB for on-lending to such developers who satisfy the conditions stated in para 3 (II) (a) above subject to the interest rate spread set by RBI.

Housing for all – Page # 14 of 43, Budget 2014-15

Speech of Mr. Arun Jaitley, Minister of Finance, July 10, 2014

Housing for All - Our government is committed to endeavor to have housing for all by 2022. For this purpose, I intend to extend additional tax incentive on home loans to encourage people, especially the young, to own houses.

I propose setting up a Mission on Low Cost Affordable Housing which will be anchored in the National Housing Bank. Schemes will be evolved to incentivize the development of low cost affordable housing. I propose to allocate this year also a sum of INR 4,000 crores for NHB with a view to increase the flow of cheaper credit for affordable housing to the urban poor/EWS/LIG segment.

I have already outlined some other incentives such as easier flow of FDI in this sector. Government is willing to examine other suggestions that would spur growth in this sector.

I also propose to add inclusion of slum development in the list of Corporate Social Responsibility (CSR) activities to encourage the private sector to contribute more towards this activity.

Constructing Change – Accelerating Energy Efficient in India’s Building Market

Interim Issue Paper, March 2012

Administrative Staff College of India & Natural Resources Defence Council

Real Estate Developers drive demand for building development. As real estate developers make investments and financial decisions for construction projects, they heavily influence whether the new fleet of buildings across India’s booming cities will be energy efficient. While some leading developers are building more efficiently, the developer-community still needs to increase awareness of the energy savings and reduced costs derived from efficient buildings. Many developers view the perceived “higher upfront cost of efficiency measures” as a significant obstacle to uptake, even though the efficiency measures pay for themselves.

Financial Institutes are critical to reducing the potential higher upfront costs for efficiency measures through effective low-interest loans and innovative financial products. Currently, the financial industry is concerned about the lack of demand for these products from building owners and developers. At the same time, building owners point to the lack of financial products that can help overcome the higher upfront cost of efficiency technologies as an obstacle that prevents builders from adopting the measures. Opening a dialogue between the real estate developers and financial institutes to share best practice and develop solutions can overcome the gridlock between supply and demand for efficiency measures.

Action Steps for Governments, Developers, and Banks

Looking ahead in 2012, leadership by state and local governments, real estate developers, and financial institutes is crucial to create change in India’s buildings market toward cost-saving, energy-efficient and state-of-the-art buildings. Based on ASCI and NRDC’s extensive research and stakeholder discussions, highlighted below are the key action steps for state and local government, real estate developers, and financial institutes.

IV. RESEARCH METHODOLOGY

Selected research method – Descriptive & diagnostic research Study

Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual or of a group, where diagnostic research studies determine the frequency with which sometimes occurs or its association with something else. This study is concern with specific predictions with narration of facts and characteristics concerning individual, group or situation.

The Research was based on primary data. The respondents of the study are the Govt officials, banking and finance Organisation, Architectures, Construction houses in and around Pune city and the New Pune As per the development plan.

Conditions: The respondents are related to Affordable housing Development for Government (SRA and other) & They have ability to impact the decision on Affordable housing

The instrument was a questionnaire for Govt and Private sector respondent

Primary data collection was collected by adopting following data collection methods: By observation, through personal interview, through telephone interview, by mailing of questionnaire, Through schedules

Secondary Data was collected from Journals, magazines, reports and publications of various sources. Also Internet and reference books was used for the validation of our data.

Sample Size

For the purpose of study a random sampling method was adopted.

Observation

The affordability of housing is one of the main elements in the social, economic and environmental health of a region. It is a key indicator of smart growth and implicates the local government, transportation, economic development, environment, and shelter sectors in the need to improve quality of life. Ensuring a range of housing options and prices is a key smart growth strategy. By using our land more efficiently, building homes closer to employment, shops and learning institutions, we are creating more complete communities that reduce the need for driving, expanding costly infrastructure, and using up valuable green space.

Income is the primary factor and is considered to be more important than price and availability in determining pricing affordability. Hence it is essential to understand the trends and disparities in income and wealth in order to understand the challenges of making housing affordable. Housing is often the single biggest expenditure of low and middle income families. For low and middle income families, their house is also the greatest source of wealth.

Important Aspect - The Housing Market and Affordable Housing:

Households in need of affordable housing have low income and spend more than 30 percent of gross household income on shelter costs. If prices in the housing market increase faster than incomes, more low income households will be in

need of affordable housing. Conversely, if incomes increase faster than the cost of housing, fewer households will be in need. Although this ratio is straightforward, it is affected by a variety of other underlying "supply and demand" factors.

Developers will either have to redevelop existing properties or develop on new land in order to increase supply. If we assume that older or poorer quality housing is the first to be redeveloped, then low-income renters who are living in this housing stock and first time low-income buyers will be severely affected. This is because owners of older rental properties will have an incentive to sell to developers, yet there will be no new supply of affordable rental or owner occupied units for displaced tenants to move into.

Interest rates are also very important and have an effect on both the demand and supply of housing. If the interest rate declines, developers will find it cheaper to finance their business, making development more profitable. At the same time, a drop in the interest rate will increase the amount of money households can affordably spend on housing.

There are three areas that need urgent attention to provide affordable homes:

Availability of flats which are affordable, Availability of bank finance, Availability of land for housing

Conclusion

Income plays an important role as a primary determinant of whether a household is in need of affordable housing, but income also affects the price of housing in the market. Housing is a normal 'good' and, as incomes increase, we expect that more housing will be demanded, which in turn increases the average price of housing. Demographics play a similar role because housing is a necessity, so as the population increases, so does the demand for housing. As demand for housing increases, housing prices rise.

Increased demand will provide the incentive for developers to increase the supply of housing. If enough new housing is constructed to meet the demands of a growing population, there should be little impact on the price of housing. However, the costs faced by developers will also have a significant impact on whether or not housing is affordable. Land has to be purchased and the labour force that is building new housing has to be paid. New housing developments will be aimed at capturing as much of the new demand as possible and given the costs of land and construction, housing will only be supplied above a certain minimum price level. This means that the supply of affordable housing, which is often comprised of older and poorer quality stock, is not likely to keep pace with the supply of new higher priced units. This especially affects low-income earners whose wages may have fallen or have risen only marginally.

V. SCOPE & LIMITATION

Temporal scope for the purpose of data collection and study mainly the duration of 2010 to 2015 (i.e. five years) was considered. Wherever, necessary references were made from historical data & the pilot study.

Functional Scope: Purpose of the study is to understand the

barriers for affordable housing especially in Maharashtra specifically about Pune. The idea is to understand the psyche, dynamics and the get physical barriers towards creation of affordable housing both Government and Private sector. It will also look into the schemes of SRA and GOVT Initiative for Public Private Participation (PPP) with the Banking Regulations to create finance for the same.

Geographical scope: This study is an in-depth study with special reference to the urban part of Maharashtra especially for PUNE.

LIMITATIONS - Sampling effect, Spectrum limitations of location, Limited parameters, Limited criteria, Effect of changing government schemes, Effect of changing private organizations schemes, Effect of changing mind set of generations

Scope - Affordable Housing:

Affordable Housing in simple terms means a house that is affordable to those with a median household income. The National Affordable Housing Summit Group defines the term 'Affordable Housing' as "reasonably adequate in standard and location for lower or middle income households and does not cost so much that a household is unlikely to be able to meet other basic needs on a sustainable basis." Removing regulatory barriers to affordable housing solutions like manufactured housing and SROs would increase the supply of housing for individuals and families currently priced out of local markets. Innovative housing solutions, such as manufactured housing and single resident occupancy (SRO) dwellings, would help alleviate the shortage of affordable housing. These solutions would require local governments to remove regulatory barriers by adopting more flexible building standards and less restrictive zoning. Housing Affordability can be measured by the changing relationships between house prices and rents, and between house prices and incomes. The price of housing had increased dramatically creating a crisis in affordable housing which led to an increase among policy makers in affordable housing.

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