



Impact Evaluation of Affordable Housing In Partnership at Chhattisgarh

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Abstract

Chhattisgarh state is the first in nation to get Central Government approval for Affordable Housing Projects in Chhattisgarh under Pradhan Mantri Awas Yojna (PMAY) launched in June 2015. Under this project, the aim is to build 26,034 houses in 11 cities and towns of Chhattisgarh till 2022 including 12670 houses for Economically Weaker Section (EWS) that includes all households with an annual income of less than Rs. 3 Lakh and 13364 Houses for Lower Income Group (LIG), that includes all households with an annual income of less than Rs. 6 Lakh. Most of the people in urban areas are working either as daily wages or Informal sectors. They are facing financial problems in constructing Pucca house and require financial support for the construction of their house. To full fill their need of house in affordable cost, Affordable Housing in Partnership (AHP) scheme is regarded. Under this scheme, Subsidy by NHB (National Housing Bank) & HUDCO (Housing & Urban Development Corporation) or Financial support by Nationalized Banks, Housing Finance Institutions provides loan to the beneficiary. The impact of the affordable housing, with the initiatives taken by the government is evaluated in this article.

Keywords: PMAY, Housing, EWS, LIG, AHP, NHB, HUDCO.

1. Introduction

Housing is one of the most basic human needs along with food and clothing. In India, housing has always been a challenge owing to a number of factors like exponential population growth, high purchase/construction costs, and limited availability of affordable housing and lack of funding. India has recorded an increased requirement for housing in recent years [1,2]. The increased demand in housing is based on increasing levels of income & savings, urbanization, emerging of a younger earning age group, decrease in the average size of household & nuclearization of families. Likewise, there is an increased demand for commercial and residential space in metro / surrounding areas, due to phenomenal growth in sectors like retail, information technology, IT enabled services, etc.

As per the Census, the housing stock in Chhattisgarh increased from 2.0 crore in 2001 to 2.5

crore in 2011. Out of 2.0 crore houses, approximate 58.0 Lakh households are considered as non-live able [3,4]. According to the report of Technical Group, Ministry of Housing and Urban Poverty Alleviation (2012) [5], 96% of housing shortages in urban areas are in the EWS (Economically Weaker Section with an annual income of less than Rs. 3 Lakh) and LIG (Low Income Groups with an annual income of less than Rs. 6 Lakh).

2. Objectives

The objectives of this research article are as follows:

1. To examine the various initiatives taken by the Chhattisgarh Government for boosting affordable housing section.
2. To analyze the impact of affordable housing on individual household.
3. To realize the various income group EWS, LIG, MIG, and HIG income occupation.

4. To provide suggestions for demand and provision of affordable housing section.

3. Methodology

The composition is based on both primary and secondary market data. The secondary data is collected from Government policies like Pradhan Mantri Awas Yojna -Housing for all mission and according to [5], (CSMC) Control Sanctioning and Monitoring Committee Department of urban administration of C.G., the yearly report of HFC's [1,6], etc. However, the Primary research was conducted by conversation sampling methods and the research is through a planned, non-structured interview Guide with the basic structure of information to be gathered from the respondents.

Maximum of the data is gathered through secondary source like an official website at bank annual report of financial institutions, segment of India, district handbook of Chhattisgarh. The comparative analysis approach is employed to analyze the data based on different themes.

4. Overview

4.1 Demand for Affordable Housing (AH) in Chhattisgarh

The demand drivers for AH in Chhattisgarh are several. Commencement is the progressive urbanization, going hand in hand with a growing urban population. Out of the total population of Chhattisgarh, 23.24% people live in urban regions. The full figure of population living in urban areas is 59, 37,237 and is projected to grow to Approx 1 Crore by 2030. The result of the growing density of people in urban spaces is felt in land and housing shortages and congested transit, besides the stress on basic amenities such as water, power, and lung space.

All 168 Urban Local Bodies of Chhattisgarh have been admitted in the PMAY (Urban) Mission, are shown in Table 1, below:

- Phase –I (15/09/2015) – 36 Cities
- Phase –II (29/11/2016) –23 Cities
- Phase –III (25/05/2017) –109 Cities

Table 1. Category Vs No. of ULB [1]

Category	No. of ULB
> 1 Million	1
>1 lakh and <1Million	8
>50,000 and <1 Lakh	6
<50,000	153
Total ULB's	168

4.2 State and Local Bodies for AH

National housing bank and HUDCO (Housing and Urban Development Corporation) have been authorized to provide interest subsidy as per the projects or Houses with condition of calling for a loan of 20-year tenure. Chhattisgarh Housing Board will construct Club House and Other Infrastructure constructed on Public Private Partnership (PPP) Model.

Affordable Housing in Partnership Projects scheme can be implemented in Chhattisgarh by:

- i. Chhattisgarh Housing Board,
- ii. Raipur Development Authority,
- iii. Naya Raipur Development Authority,
- iv. Kamal Vihar Development Authority.

Table 2 shows the eligible housing loan amount and its corresponding subsidy and PMAY-U.

Affordable housing project proposed under the element as follows.

- i. Independent affordable housing in Partnership.
- ii. Housing project where 35% of the house are constructed for EWS category.
- iii. Facilitate Public Private Partnership (PPP).
- iv. 1.5 lakh per EWS house, available for all EWS people under AHP.

Table 2 Eligible housing loan amount and its corresponding subsidy and PMAY – U [1].

Category	Subsidy	Eligible housing loan amount	Sanctioned carpet area
EWS	6.5%	600000	Up to 30spm
LIG	6.5%	600000	Up to 60spm
MIG-I	4%	900000	Up to 120spm
MIG-II	3%	1200000	Up to 150spm

Table 3 shows the Dwelling units of EWS/LIG in in different divisions of Chhattisgarh namely, Raipur, Naya Raipur, Bhilai, Bilaspur, Rajnandgaon, Bilaspur, Kanker.

Table 3 Dwelling units of EWS/LIG in Chhattisgarh [1]

Division	EWS	LIG
Raipur	3014	4168
Naya Raipur	7720	7688
Bhilai	192	336
Rajnandgaon	210	272
Bilaspur	272	266
Kanker	134	96

4.3 Impact of Affordable Housing in Partnership (AHP) on Household

Affordable Housing in Partnership Scheme is very important at the National level [5], City level and Individual level as well. City is an engine of economic development and housing that can be extended by the median, with wage earners are the pre-requisite for the city to attract and retain Labored force. Affordable Housing in Partnership is one of the indicators of balanced development of the state. When housing became unaffordable, then it creates either bubble or a gap in the housing market with serious repercussions to economic policy or imbalanced situation to cater urban population.

Low-cost housing in partnership mostly caters informal segment [5] providing financial support to the EWS or LIG section to fulfill the requirement of housing or shelter, and also in the implementation of Urban Poor.

4.4 Housing Finance

Over the years, the Indian Government has cast out several schemes and initiatives to eradicate this mismatch. These opening moves of the central government are complemented by the RBI, NHB and many state governments. The PMAY, which was founded in the year 2015, has a 4dimensional structure that aims to provide Housing for All by 2022 [3,5].

Currently, there are 83 HFC's in India and approximately 15 HFC's in Chhattisgarh. These HFC's are regulated by the RBI and are supervised by NHB. The focus on Affordable Housing and Affordable Housing Finance is increasing exponentially day by day. This is mainly driven by customer demand, government initiatives and more HFC's are also shifting their focus to the informal sector, which continues to be an untapped market. Increasing growth opportunities have resulted in the introduction of a lot of new players, many of which use very aggressive sales and customer acquisition strategies for market penetration.

5. Analysis

The Analysis has been made after the review of all the schemes and their impact with discrimination in the rural and the urban share [6,7,8].

5.1 Rural-Urban Share of Chhattisgarh

The Rural share of Chhattisgarh is about 20.09% and the Urban share is about 79.91% for the year 2001 as shown in Fig. 1.

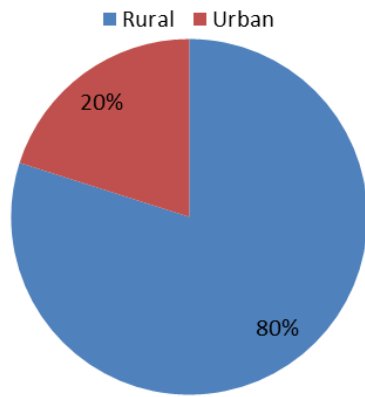


Fig.1 Rural-Urban Share of Chhattisgarh-2001

However, the Rural share of Chhattisgarh is about 23.24% and the Urban share is about 76.75% for the year 2011 comparatively, as shown in Fig. 2.

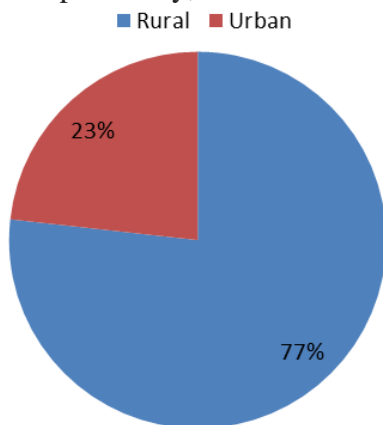


Fig.2 Rural Urban Share of Chhattisgarh-2011

Similarly, on the basis of evaluation nad the schemes reviewed, the analysis has been made for the forthcoming decades, 2031 and 2021. Fig. 3. Shows the Rural- urban share of Chhattisgarh in 2031. Similarly, the Rural- urban share of Chhattisgarh in 2021 is shown in Fig.4.

5.2 Average Monthly Income of Households

The analysis and the Pie Chart on the basis of average monthly income for different categories of the existing population is also made as shown in Fig. 5. The lowest category of average monthly income (0- 9999) is found as lowest in the percentage of the population and is found about 6% only. However, the highest average income (>40000) group is found as 9%.

5.3 Occupation Salaried Vs Self Employee

Another analysis for the occupation based workers/ employees are also reviewed in comparison to the self Employees.

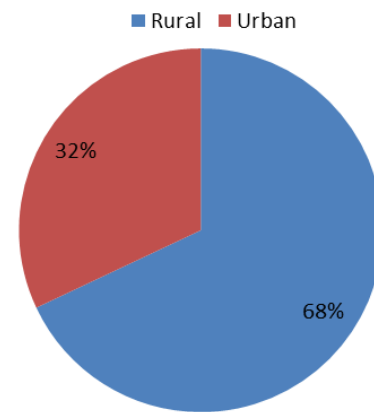


Fig.3 Rural Urban Share of Chhattisgarh-2031

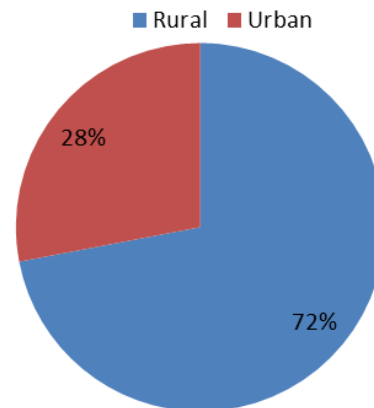


Fig.4 Rural Urban Share of Chhattisgarh-2021

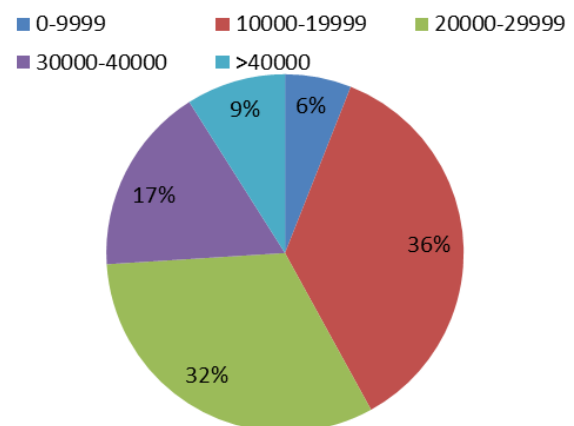


Fig.5 Average Monthly Income

This part of analysis is categorised as salaried persons, self employed persons and both (in combination), this analysis on the pie chart is shown in Fig. 6. The category of combination (both salaried and self employee) is found to be lowest with 22% only. However, the salaried category consist of 40% , as the highest with self employeeed including 38%.

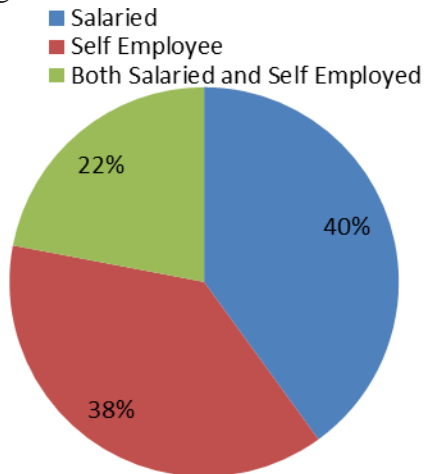


Fig.6 Occupation Salaried Vs Self Employees

Table 4 shows the Rate of Interest of 11 different HFC's and they are found to be with maximum ROI for AU Small Finance.

Table 4 Rate of Interest (Roi) of Different HFC's [6]

S. No.	HFC's	ROI
1	Aadhar Housing Finance Limited	8%-11%
2	Avas Financiers Limited	9. 5%-13%
3	AU Small Finance	14%-18%
4	Svatantra Micro Housing Finance Corporation Limited (SMHFC)	9. 25%-13. 5%
5	Axis Bank	10. 5%-11. 5%
6	Bandhan Guru Home Loan	8. 75%-13. 5%
7	HDFC	9%-14%
8	Home First Finance (HFFC)	11%-15%
9	ICICI Home Finance	8. 25%-9. 35%
10	IIFL	8. 7%-11. 45%

11	Shubham Housing Development Finance Company Limited.	11. 9%-18%
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5.4 DU'S (dwelling unit) of AHP Projects in Chhattisgarh

A review is made on DU's (dwelling unit) and categorised on the basis of Actual DU's and Targeted DU's in Chhattisgarh, the Actual DU's are reported about 94% with Actual DU's about 6% only as shown in Fig. 7.

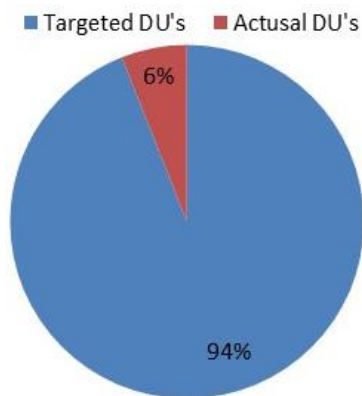


Fig.7 DU's Units of AHP Projects in Chhattisgarh

The targetted AHP Projects in Chhattisgarh for the last 5 years are formulated and analysed which are also found with the different percentages as shown in Fig. 8 with the targetted AHP Project in year 2020- 2021 and next upcoming year 2021- 2022 is also shown.

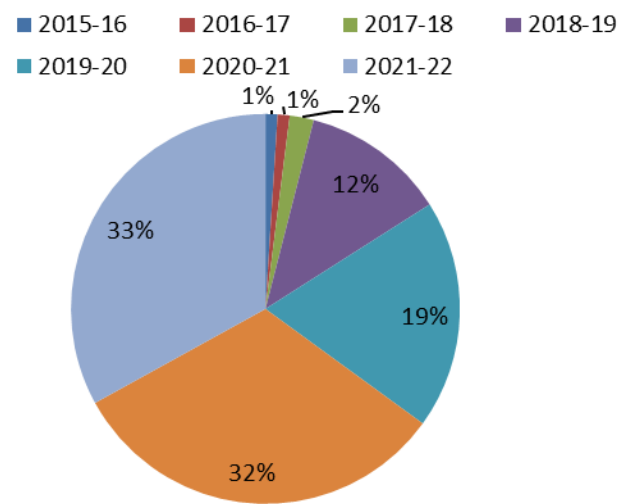


Fig.8 Targeted AHP Project In Chhattisgarh

5.5 Demand Assessment Survey for Different Class

A demand assessment for different classes has also been surveyed for ISSR, AHP, BLC, CLSS, with the maximum percentage of about 53% for AHP and the least percentage for BLC of about 6%, as shown through pie chart in Fig. 9.

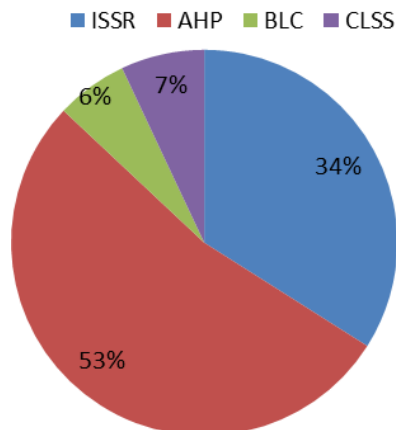


Fig.9 Demand Assessment survey for Different Class

Conclusion and Recommendations

The current condition of affordable housing at Chhattisgarh in a 14-urban area with urban housing shortage in Chhattisgarh is 56.18% at EWS and 36.44% at LIG. Various housing finance companies are making and giving financial support to the AHP Beneficiaries who has less documents, income proof and belongs to the informal sectors.

It has also been found that in Chhattisgarh state, the Chhattisgarh Housing Board is working in affordable housing and Approx 15 HFC'S are working for affordable housing in partnership to encourage affordable housing and boost the section.

Conflict of interest

The author declares no conflict of interest.

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