

ANALYSIS OF AFFORDABLE URBAN HOUSING PROJECTS OF BHOPAL

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Abstract - The Urban Housing Shortage in India is prominent across different income groups and the mission of government's scheme i.e. "Pradhan Mantri Awas Yojana" states to provide "Housing for All" by 2022. "Affordable Housing in Partnership" (AHP) is one of the vertical components of this mission. This research paper is based on the analysis of Affordable Housing projects of Bhopal city under PMAY housing policy. Under the mission government of India sanctioned 6 Detail Project Report (DPR) for AHP in Bhopal. By analyzing the different aspects of the "Affordable Housing" (AH) projects of Bhopal city, there are convincing reasons for the delay in the construction of the projects. This research intends to suggest a possible backdrop from this AHP scheme and suggest reforms on policy and also to PPP in the scheme. The focus lies on the PPP in the AH projects. The results of the analysis and inference will then be abstracted into tentative suggestive guidelines on how to approach affordable housing in a developing country with PPP and investments with a case-specific area of Bhopal.

Key Words: Affordable housing, Affordability, Government Laws, Housing shortage, Public-Private Partnership, Rental housing, Urban reforms, Demand and Supply of Housing etc.

1. INTRODUCTION

Urban population of India enrolled a decadal development of 32 % ascending from (285 – 377) million, somewhere in the range of 2001 and 2011. It is opined that: this pattern is probably going to endure on the back of strong financial improvement the nation over. Under this condition, to fill the current shortage in the nation's stressed framework and specially, housing. The rapid developing pace of urbanization, attributable to the country urban movement is, putting a strain on the urban foundation in the urban communities. As the developing urban advancement, a developing worry for India's urban organizers is the gigantic urban housing lack tormenting the nation.

1.1 Affordable Housing

Affordable housing indicates to "The housing that deemed affordable to the different income groups and the cost of the house not exceeding 4 times of the household gross annual income and EMI/rent not exceeding 30% and 40% of households monthly income for prescribed carpet area not exceeding 300-400 sq ft. and 1200 sq. ft respectively".

1.2 Implementation Methodology, PMAY

On 25th June 2015, the Hon'ble Prime Minister, while propelling The "Pradhan Mantri Awas Yojana" - The Affordable housing scheme, declared that 50 million houses will be built for the poor by 2022, out of which 30 million houses will be in rural areas and 20 million houses will be in the urban division. This scheme is based on four pillars which are described below:



Figure - 1: Four Verticle of PMAY Scheme

2. HFAPoA FOR BHOPAL

Bhopal Municipal Corporation proposed the Task for arrangement of HFAPoA for Bhopal. The Preparation of Housing for All Plan of Action was helped by already prepared “Slum-free” City Plan of Bhopal under RAY, GIS mapping of the city and 100% Socio-economic Survey of Slums under MPUSP Technical Assistance.

2.1 Identification of Strategy for Slum & Non Slum under HFAPoA

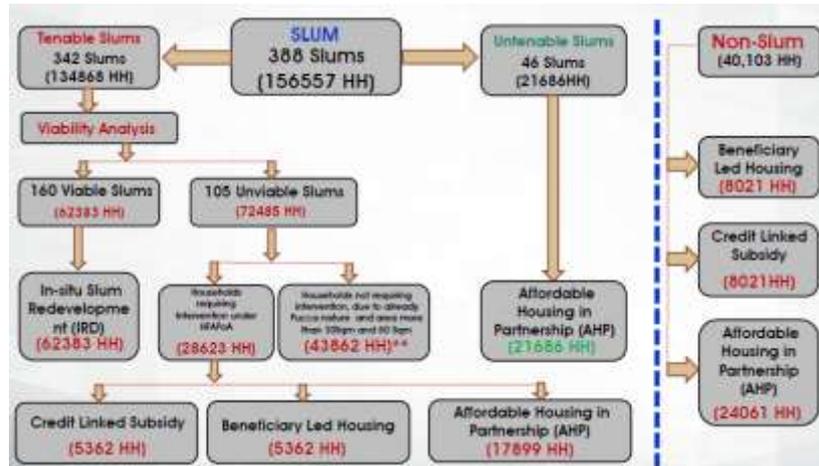


Figure -2: Identification of Strategy for Slum & Non-Slum

2.2 Affordable Housing Projects in Bhopal

There are majorly 6 DPR’s Detailed Project Report (DPR) sanctioned by the Government for “Affordable Housing in Partnership” (AHP) projects in Bhopal. These are the locations of the “Affordable Housing” projects and the distances are shown from the new market area by road.

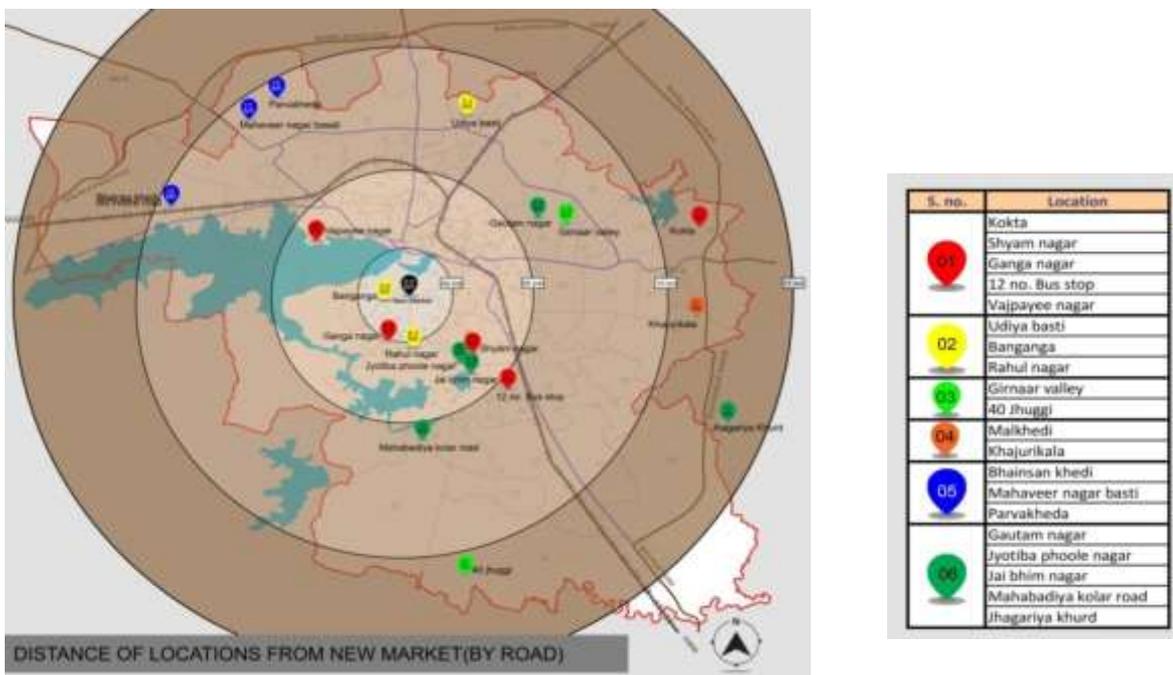


Figure -3: Distance of Affordable Housing locations from New Market Bhopal

5 identified sites to be constructed under vertical i.e. 5 sites of AHP namely Kokta, Shyam Nagar Part III, 12 No. Stop Slum cluster, Bajpayi Nagar and Ganga Nagar.

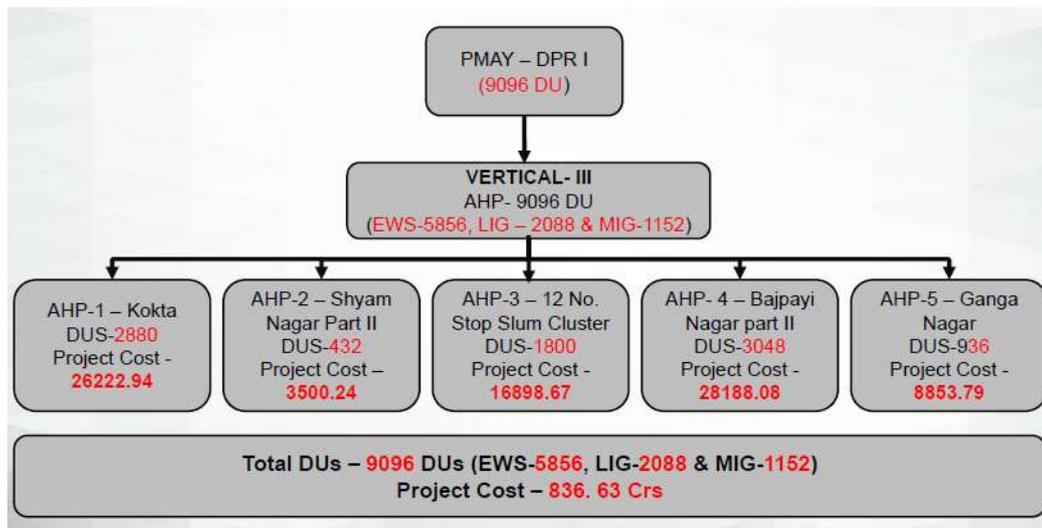


Figure -4: Distribution of Projects in Four Verticals

The major project is at KOKTA which includes construction of 2880 no of dwelling units for EWS, LIG and MIG segment under PMAY scheme. There are certain shortcomings of the projects which lead to delay in the construction of the projects. The major lacking seen in the analysis of the different projects are described below as per the priority basis of delay reasons.

2.3 Project Analysis

ISSUES	REASONS
LAND AVAILABILITY	Major Encroachment /Allotment Issue, Land allotment pending with collector.
PROGRESS OF WORK	Work is delayed by around 60% overall due to land issue, encroachment issue and due to fund lacking.
APPROVAL PROCESS	Certain approvals are pending at different locations like RERA, EC, Fire, T&CP.
LOCATION OF AFFORDABLE HOUSING UNIT	The major location, with 2880 no of dwelling unit is placed at the edge of the municipal boundary which is far away from the city area.

3. STRATEGIES AND RECOMMENDATIONS

3.1 Strategies for the AH Challenge using PPP:

The non-public play to AH in Republic of India Encouraging private division cooperation in urban AH improvement may require an organized exertion from focal and state governments. A key job of the focal govt. inside the "Lodging for all by 2022" vision would be that of a partner by making some empowering surroundings through:

- a) Introducing statutory and regulative changes in land securing, and a genuine bequest controller, and audit ancient laws overseeing the land part.
- b) Streamlining clearances and endorsement methods required by focal government offices like the Ministry of environment and Forest, and furthermore the Ministry of Civil Aviation.

- c) Channelizing higher and long-run ventures inside the segment by giving vital expense and non-charge motivators.

The execution duty would lie with states as with regards to the Indian constitution, housing, and urban improvement could be a state obligation. States should consider the ensuing proposals to speed up urban Affordable Housing improvement:

- a) Decentralize basic leadership by offering capacity to ULBs.
- b) Streamline the endorsement technique by presenting a solitary window leeway component.
- c) Develop "PPP" system to support non-public cooperation.
- d) Rationalize various aberrant expenses exacted on housing.

The following key themes are also encouraged by the official entity (either Central and state) to encourage private sector participation and expedite the development of AH.



Figure -5: Strategies for overcoming Housing Shortage

3.2 Promoting AH by PPP as a tool:

The "Public private partnership" model in Republic of India has pulled in enormous private area interests in segments like Roads and Highways, Railways, Power, and solid framework. With interest in foundation expected to twofold to the \$ 1 trillion all through the Twelfth 5 Year set up (2012-17), the PPP story in India's framework improvement will be of real result. Concerning of the focused on speculation inside the twelfth arrangement is to be accomplished through non-public division venture.

Still, there exists a huge undiscovered potential for "PPP" in land extends inside the mass housing area. At present, the housing deficiency inside the nation is to the tune of in regards to 6 crores units with the measure of yearly ventures inside the housing area being about \$ 110 to 120 billion as of now. Indian would require around eleven crores housing units on a pan India basis by 2022 to accomplish the administration's vision of "housing for all". To meet this striking housing agenda, ventures of over \$ 2 trillion or with respect to \$ 250 to 260 billion yearly speculations till 2022 would be required. concerning 85 to 90 % of the entire speculations required to fulfill the nation' housing motivation would move into creating urban housing, wherever improvement costs zone unit high gratitude to factors like land costs, development esteem, expenses, and charges.

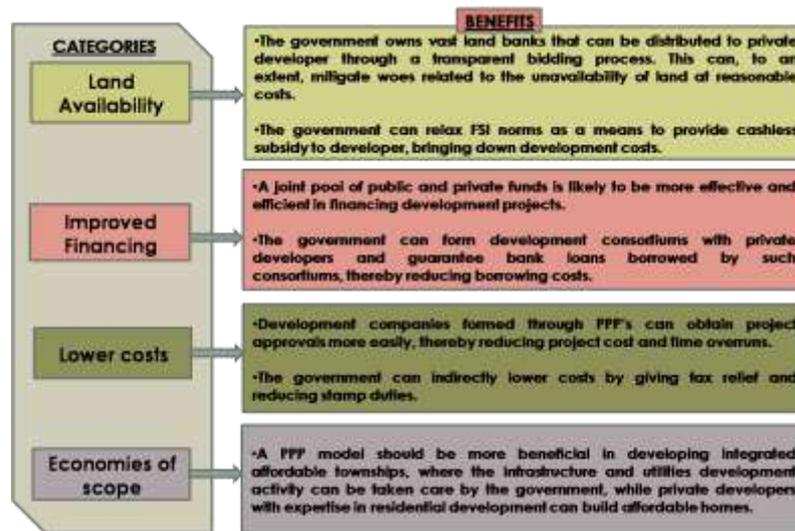
To make the "PPP" model profitable inside the mass housing segment, the govt. would wish to manage numerous structural problem initial. These grasps changing urban thinking of strategy, giving access to satisfactory financing hotspots for private players, setting up spot a component for quick clearances of licenses and endorsements all together that value invades and venture delays are frequently diminished.

The "PPP" structures are regularly proficiently acclimated location indispensable issues being developed like land accessibility, endorsement deferrals, subsidizing, and reasonableness by poor people. Among a ton of clear gifts of the "PPP" model in AH are:

Speeded up and simpler land procurement, made potential by the overall population part, may changes are overseeing in task lifecycle and venture costs. The focal and state governments should give the land non-heritable, at aggressive expenses to the individual segment that is generally higher in term of overseeing development dangers and venture conveyance.

3.3 Advantages of PPP model in AH development

The Public-Private-Partnership (PPP) model can be effectively used to overcome this compelling opportunity in the Indian "Affordable housing" market.



4. CONCLUSIONS

To quick track the pace of "Affordable Housing" improvement, it is basic that disengaged mediations be supplanted with a well-synergized way to deal with location worries of all partners in the esteem chain. In spite of the fact that the legislature has been proactive in giving motivating forces to private cooperation in the section, particularly in the previous two years, there are still a few stages that can be taken to associate the rest of the specks. A few proposals which will give the last push to the portion have been referenced beneath:

Clearer definitions – In 2017, the administration reported that the merchandise and enterprises charge (GST) would be diminished from 12% to 8% for ease lodging; anyway the round does not characterize ease lodging. Likewise, the legislature has said the GST will be decreased for "Moderate lodging" ventures, which have been given foundation status; anyway how and who will accord this framework status is as yet vague.

Ease of Land availability – The administration needs to routinely discharge land packages for reasonable lodging ventures, distinguished inside metropolitan points of confinement and bring progressively fringe lands into developable breaking points of the city experts.

Relaxed Development Norms – Easing FAR and thickness standards will be basic for the improvement of reasonable lodging. Additionally, the administration should survey the ground breaking strategy/zoning arrangements all the time, to take into consideration ideal designation of land for reasonable lodging.

Invest in Infrastructure Up gradation – The accentuation can't be on discharging land distributes, however centre additionally should be around giving the vital network and social framework, to enable these tasks to create as liveable and dynamic networks.

Dedicated approval window for affordable housing – Building endorsement process should be streamlined; a different quick track process should be set up for "Reasonable lodging" ventures. For "Affordable lodging" to work, quickening the structure endorsement forms is basic, so as to constrain the development time frame and the related expenses.

Use of advanced technologies – There is a requirement for designers to put resources into inventive development advancements to advance mass lodging improvements at sponsored development costs. Compact measured lodging units and

pre-assembled development innovation are a few methods that could be taken a gander at to address "Affordable Housing" needs.

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