Session – IV
Shelter
Session - IV

AFFORDABLE HOUSING
Thiru. T.N.Ramanathan, IAS
Managing Director, Tamil Nadu Housing Board, Chennai.

ABOUT T.N.H.B.
- TNHB formed in 1961
- Earlier it functioned as City Improvement Trust from 1947
- MOTO: A HOUSE FOR EACH FAMILY
- Services offered: Houses/Flats/Plots

CATEGORIES OFFERED
- E.W.S - A : 4 m x 8 m
- E.W.S – B : 4 m x 10 m
- L.I.G - I : 5 m x 12 m
- L.I.G – II : 6 m x 15 m
- M.I.G. : 10 m x 18 m
- H.I.G. : 12 m x 20 m

LANDMARK AREAS DEVELOPED
- Central Chennai
  - Anna Nagar
  - Ashok Nagar
  - K.K.Nagar
  - TOTAL

- North Chennai
  - M.K.B.Nagar
  - TOTAL

<table>
<thead>
<tr>
<th>Extent In Ac.</th>
<th>PLOTS</th>
<th>EWS HOUSES</th>
<th>MIG &amp; HIG FLATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Chennai</td>
<td>1609.74</td>
<td>9692</td>
<td>1765</td>
</tr>
<tr>
<td>North Chennai</td>
<td>330.42</td>
<td>1328</td>
<td>192</td>
</tr>
<tr>
<td></td>
<td>604.30</td>
<td>3643</td>
<td>264</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2544.46</td>
<td>14663</td>
<td>2221</td>
</tr>
<tr>
<td>Extent In Ac.</td>
<td>PLOTS</td>
<td>EWS HOUSES</td>
<td>MIG &amp; HIG FLATS</td>
</tr>
<tr>
<td>M.K.B.Nagar</td>
<td>227.29</td>
<td>2188</td>
<td>445</td>
</tr>
<tr>
<td>TOTAL</td>
<td>227.29</td>
<td>2188</td>
<td>445</td>
</tr>
</tbody>
</table>

Demand & Supply Of Housing in CHENNAI metro – 1981
Demand & Supply of Housing in CHENNAI METRO -1991

**Housing for EWS & LIG**
- Total housing stocks delivered: 3,95,746
- %) EWS (4mx8 m & 4mx10m): 1,25,666
- LIG (5mx12m & 6mx15m): 91,796
- Slum Tenements: 20,060 (Prior to 1971)
- SIHS: 3,046 (Below 300 SFT)
- (Subsidised Industrial Housing Scheme)
  - Total: 2,40,568 (60.79)

**Housing for MIG, HIG & Others**
- MIG: 70,649 (17.85%)
- HIG: 51,679 (13.06%)
- TNGRHS, Ancillary & Police Quarters: 32,850 (8.30 %)

**COST OF FLATS SOLD BY TNHB AT CHENNAI**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Type</th>
<th>Plinth Area in Sq.Ft</th>
<th>Over all Cost (Rs. in Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LIG</td>
<td>300-450</td>
<td>1.50-2.25</td>
</tr>
<tr>
<td>2</td>
<td>MIG</td>
<td>450-700</td>
<td>2.25-3.65</td>
</tr>
<tr>
<td>3</td>
<td>HIG</td>
<td>700-900</td>
<td>3.65-4.75</td>
</tr>
</tbody>
</table>

“There is enough on earth for everybody’s need, but not enough for anybody’s greed”
- Mahatma Gandhi
What it means?
- Affordability is a relative term linked to one’s income
- No precise definition is available
- US adopts 30% of the monthly income as the basis
- 5 times of per capita income is suggested as another yardstick (Source: Financial Express dated 24.10.2008)
- A well cut definition is needed to calibrate proper response

Necessity for affordable housing
1. Shortfall at the end of 10th 5 year plan 24.70 million for 67.40 million house holds
2. Shortage in supply for EWS & LIG - 99%
(Source: National Urban Housing & Habitat Policy 2007)

Assisting poorest of the poor to own or rent pucca house
Creating adequate stock on ownership basis through ORP or HP mode

Affecting Factors
- Non-availability of land at affordable price
- Social opposition to lawful statutory acquisition
- Protracted Legal Battle for E.C. by the land owners
- Spiraling cost of land due to competition in realty sector
- Escalating construction cost
- Cascading material cost
- Uncontrollable labour cost
- Shortfall of skilled man-power
- Latest service tax on Residential Apartments for more than 12 units

Avenues
- Govt. Land:
  - May be provided at lower rate
  - May be provided with subsidy
- Private Land:
  - Special Acquisition Act for TNHB as in the case of National Highways
  - Simplified compensation determination mechanism
  - Direct purchase from Land Owners through an Independent Committee headed by the District Collector
  - Allotting Residential/Commercial Plots, Houses/Flats to Land Owners to minimise litigations
  - Owners may be taken as share holders
  - Part of land cost may be paid initially
  - Remaining land cost may be treated as their share
  - PP with companies with declared CSR

Techniques
- Reducing initial investment by SFS
- Mass construction
- In-house plan, design & execution
- Latest technology
- Finance at low interest
- Lesser stamp duty for EWS & LIG
- Management information System (MIS) to monitor and strengthen building activities
Schemes in the Offing 2008-09
- Houses/Flats/Plots – 22,000 Units
- Strategies
- J.V.
- P.P.P.
- P.M.C.
- S.F.S.
- Vacant Land on Hand
- (Through out Tamil Nadu) – 3,089.85 Acres

Areas of schemes in chennai 2008-09
- M.K.B. Nagar
- Ernavur
- Madhavaram
- Ambattur
- Nolambur
- Anna Nagar West Extension
- K.K. Nagar
- Ramapuram
- Barraca Road (Purasaivakkam)
- Solinganallur

Areas of schemes in mofussil 2008-09
- Hosur
- Coimbatore
- Salem
- Erode
- Kancheepuram
- Arcot (Developed plots)
- Madurai
- Theni
- Thirunelveli
- Ariyalur (Developed plots)

ROAD MAP TO REDUCE LAND COST
- Independent Regulatory Authority to regulate land price
- Mechanism to forbid speculation in realty sector
- Discouraging purchase of land as an investment destination

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Session - IV
HOUSING FOR SLUM DWELLERS: FUTURE PLANS IN THE CONTEXT OF MASTER PLAN
T.K. Ramachandran, I.A.S., Managing Director, Tamil Nadu Slum Clearance Board, Chennai.

- General scenario of slums in Chennai
- Part II - TNSCB’s Achievements over the years
- Part III – Policies and strategies proposed
- Part IV - Issues

Growth of Slums in Chennai Metropolitan Area

<table>
<thead>
<tr>
<th>Year</th>
<th>No of slums</th>
<th>Slum population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>306</td>
<td>2.87</td>
</tr>
<tr>
<td>1961</td>
<td>548</td>
<td>4.12</td>
</tr>
<tr>
<td>1971</td>
<td>1202</td>
<td>7.37</td>
</tr>
<tr>
<td>1986</td>
<td>996</td>
<td>6.50</td>
</tr>
<tr>
<td>2001</td>
<td>1431</td>
<td>8.20</td>
</tr>
</tbody>
</table>

Slum population

TYPES OF SLUMS
- Slums along Waterways
- Slums along Road margin
TNSCB’s role and contributions

- Mandate as per TN Slum Areas (Improvement and clearance) Act, 1971
  - Declaration of Slum Areas
  - Slum clearance and redevelopment
  - Setting up of the Slum Clearance Board
- Three different types of schemes for shelters in slums
  - In-situ up-gradation of slum with tenure security (plot schemes)
  - In-situ tenement schemes
  - R & R Schemes
- Infrastructure up-gradation
- Community development and skill building

Cumulative Achievement upto March 2008

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Name of the Scheme</th>
<th>No of housing units/Families</th>
<th>Fund allocation Rs in Lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Housing</td>
<td>~80000</td>
<td>82969.25</td>
</tr>
<tr>
<td>2</td>
<td>Urban Development – Slum Improvement</td>
<td>650685 families</td>
<td>13931.51</td>
</tr>
<tr>
<td>3</td>
<td>Infrastructure Improvement</td>
<td></td>
<td>1430.20</td>
</tr>
<tr>
<td>4</td>
<td>Repairs and Renewals</td>
<td>31564</td>
<td>5480.36</td>
</tr>
<tr>
<td>5</td>
<td>Others</td>
<td></td>
<td>310.30</td>
</tr>
<tr>
<td></td>
<td>Total expenditure</td>
<td></td>
<td>104121.62</td>
</tr>
</tbody>
</table>
Problems:

**MUDP/TNUDP schemes**
- Unplanned-on as is where is basis
- Most planning norms flouted in spirit
- Quite retrograde – 3-6’ roads, no open areas
- Public safety norms compromised-Evacuation difficult during disasters
- Building norms being flouted
- Transfer of property
- Change of use to commercial
- Transfer of property/ resale
- Commercial use
- Encroachments
- Lack of maintenance
- Non-involvement of the people in maintenance
- Reluctance to take responsibility
- Reluctance/inability to pay for upkeep

**Constraints with the existing models**
- Entirely a Government show
- Financial constraints
- Land availability
- Staff
- Capacity constraints
- Willingness of beneficiaries to shift

**Some solutions**
- Greater involvement of the intended beneficiaries: cooperative based
- Redevelopment
- PPP and other models of financing
- TDRs/ Increased FSI
- Mixed development with proper planning
- Greater plot sizes, lower plot coverage
- Go Vertical to increase density

**Housing for the poor Provisions in the Master plan**
- Composite neighbourhoods
- Development through TDRs
- Reservation of 10% land for LIG/EWS (> 1H layouts)
- Housing integrated with infrastructure, tenure security, Livelihood opportunities etc.
- Public Private Partnerships
- Connectivity

**Specific strategies for inclusive housing by TNSCB**
- Review of space standards: 270 Sft to 320 Sft plinth area per unit
- Cost per dwelling unit - upto Rs 4,00,000
- Composite Housing – Rehabilitation Programmes including Housing, infrastructure,
- Community facilities provided
- Assurance of security of tenure
- Provision of Health and educational facilities
- Livelihood programmes and skill training are integrated
- Housing programmes are implemented in proximity to employment opportunities
- New employment opportunities are also created.

**Other strategies**
- Adequate infrastructure facilities such as water supply, drainage, sanitation, streetlights etc are being provided by the EIUS schemes
- High dense slums are housed in multistoried tenements in order to achieve the goal of total eradication of slums under JNNURM and XII FC Schemes
- Urban Renewal – are being carried out by demolition and reconstruction of dilapidated Buildings
- Optimum Utilization of place by achieving the maximum FSI

**INTEGRATED DEVELOPMENT APPROACH**

![Diagram of Integrated Development Approach]

**TNSCB - On going and Proposed Projects in Chennai**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of the Scheme</th>
<th>No of housing units</th>
<th>Fund allocation Rs in Crores</th>
<th>Project Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Emergency Tsunami Rehabilitation Programme</td>
<td>12000</td>
<td>600.00</td>
<td>31.12.2010</td>
</tr>
<tr>
<td>2</td>
<td>XII Finance Commission and Reconstruction</td>
<td>5000</td>
<td>156.00</td>
<td>31.3.2010</td>
</tr>
<tr>
<td>3</td>
<td>JNNURM</td>
<td>30000</td>
<td>1200.00</td>
<td>31.12.2013</td>
</tr>
<tr>
<td>4</td>
<td>Elevated Express Way</td>
<td>14000</td>
<td>560.00</td>
<td>31.3.2011</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>61000</strong></td>
<td><strong>2516.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

Housing demand as on 2011 – Nearly 50% of the EWS Hg demand will be achieved
Some of the Programmes of TNSCB

PROPOSED LAYOUT FOR ALL INDIA RADIO LAND

GROUNDFLOOR PLAN

* TYPE DESIGN NO. 14/2006
  (NO OF FLOORS - G+3 )
  * PLINTH AREA / UNIT - 25.6 Sqm

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PROPOSED LAYOUT FOR KARGIL NAGAR

* TYPE DESIGN NO. (NO. OF FLOORS - G+7)
* PLINTH AREA / UNIT - 310.40 sq.ft 28.83 sq.m (INCLUDING COMMON AREA)
* TOTAL NO. OF TENEMENTS - 2034
* TOTAL EXTENT - 5.3 HECT (EXCLUDING CRZ - 3.33 HECT)
* DENSITY - 611 units/hect
* PSCI - 1.76
* PLOT COVER - 22.01%

SINGLE UNIT

PLINTH AREA / UNIT - 310.40 sq.ft 28.83 sq.m (INCLUDING COMMON AREA)
PROPOSED LAYOUT FOR PERUMBKKAM-COMMUNITY FACILITIES

- Police station
- Bus Terminus
- Community Hall
- Creche / Anganwadi
- Milk Booth
- Primary Health Centre
- Library
- Nursery School
- Gym/ Youth Health Club
- High School
- Post Office
- Vocational Training Centre
- Space reserved for Commercial

PROPOSED ELEVATION FOR PERUMBKKAM SCHEME.
PLAN OF SINGLE UNIT

PLINTH AREA DETAILS

AVERAGE PLINTH AREA / UNIT:
1). 289.5 Sft (26.9 Sq.m) - EXCLUDING COMMON AREA.
2). 357.69 Sft (33.20 Sq.m) - INCLUDING COMMON AREA.
A COMPREHENSIVE REHABILITATION SCHEME AT SEMMANCHERI
Issues for discussion

- Identification of land for EWS housing
- Mechanics of operating TDRs and higher FSI in the context of EWS/Slum housing
- PPP regulatory framework: Need for statute change (like in Mumbai)
- Co-opting slum-dwellers and sharing of roles and responsibilities: institutional arrangements
- Need for greater planning, regulation
- Huge gap between theory (statute) and practice (on ground implementation)
- Institutional framework for maintenance and take-over by the local bodies
விளையாட்டு மற்றும் கல்வி பொறியியல் தொழில்நுட்பம் - கல்வி கல்விக் கல்விக்

...
குழுவில் பதிகங்கள் 2 காலங்கள் கருதவரும் அனுமதிக. மாத்திரம் மாதுநாளே பிரதானத்திய விளக்கத்தையும் உகிய மாதுநாளே பல்பிய எழுதிய கால் (முன்).

நுழைந்து கேரளம் பதிகங்கள் நீதிவாசன நுழைந்து நிலைவலயம் நிலையில் பிள்ளைப்படுத்தும், போக்கும் செய்திகள் வரையறுக்கும் புரோத்துக்கு அதிகாரிகள் பரிதரிக. செயல்முறையில் அதிகாரிகள் தமிழ்நாட்டு. தமிழ்நாட்டு வரை மற்றும் இளங்கு தலை பிள்ளைப்படுத்தும். தமிழ்நாட்டு புரோத்துக்கு அதிகாரிகள் புரோத்துக்கு மற்றும் போக்கும் நிலைகள். புரோத் புரோத்துக்கு புரோத்துக்கு மற்றும் போக்கும் நிலைகள். புரோத்துக்கு புரோத்துக்கு புரோத்துக்கு மற்றும் போக்கும் நிலைகள். புரோத்துக்கு புரோத்துக்கு மற்றும் போக்கும் நிலைகள். புரோத்துக்கு புரோத்துக்கு மற்றும் போக்கும் நிலைகள்.

புரோத்துக்கு புரோத்துக்கு புரோத்துக்கு மற்றும் போக்கும் நிலைகள். புரோத்துக்கு புரோத்துக்கு மற்றும் போக்கும் நிலைகள். புரோத்துக்கு புரோத்துக்கு மற்றும் போக்கும் நிலைகள். புரோத்துக்கு புரோத்துக்கு மற்றும் போக்கும் நிலைகள்.

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விளையாட்டுத் தொடர்பான நூற்றாண்டுகளில் விளையாட்டு இருந்து கொண்டு கொண்டிருந்தது பகுதியில் விளையாட்டு சடங்குகள் குறிப்பிட்டு வருகிறது. (B&C Mill) நிலையான விளையாட்டுக்களின் விளையாட்டுக்கண்டத்தாக அமைப்புக்காட்சி அர்கல் 150 முறை நிறமற்று அர்கல் வாழ்க்கையில் மாற்று அவ்வாறு பதிப்பாக்கத்தை எழுதிய நிலையான விளையாட்டுக்கண்டத்தாக அமைப்புக்காட்சி முழுமையான விளையாட்டு அமைப்புக்காட்சியில் அணிதாக்கல் மாற்று மக்களாக, அமைப்புக்காட்சியின் முழுமையான விளையாட்டு அமைப்புக்காட்சியில் அணிதாக்கல் மாற்று மக்களாக இருந்து விளையாட்டு முழுமையான விளையாட்டு அமைப்புக்காட்சியில் அணிதாக்கல் மாற்று மக்களாக. முழுமையான விளையாட்டு அமைப்புக்காட்சியில் அணிதாக்கல் மாற்று மக்களாக, அமைப்புக்காட்சியின் முழுமையான விளையாட்டு அமைப்புக்காட்சியில் அணிதாக்கல் மாற்று மக்களாக.
தர்க்கக்குழு ஆங்கிலத்தின் தொடர்புக்குட்பட்ட பெரும் கல்வி நிபுணர்

- அளவிலான முதல்வகையான விளக்கத்தில் செய்துருவான கட்டுப்பாடுகள் மற்றும் அதாவது விளக்கமான விளக்கத்தில் செய்துருவான கட்டுப்பாடுகள் மற்றும் அதாவது விளக்கமான விளக்கத்தில் செய்துருவான கட்டுப்பாடுகள்

- கீழ்வரையறை, பெற்றுச் செல்லும், பொறுப்புப் பகுதியானது, கல்விக் குழு, கல்வியமைப்பு, வாழ்வு குழு, கல்வியமைப்பு பகுதி, மற்றும் கல்வியமைப்பு பகுதி என அவற்றை எடுத்து அவற்றை மற்றும் கல்வியமைப்பு பகுதி என அவற்றை மற்றும் கல்வியமைப்பு பகுதி என அவற்றை மற்றும் கல்வியமைப்பு பகுதி என அவற்றை மற்றும் கல்வியமைப்பு பகுதி என அவற்றை மற்றும் கல்வியமைப்பு பகுதி என அவற்றை மற்றும் கல்வியமைப்பு பகுதி என அவற்றை மற்றும் கல்வியமைப்பு பகுதி என அவற்றை மற்றும் கல்வியமைப்பு பகுதியானது, பொறுப்பு பகுதியானது, கல்வியமைப்பு பகுதியானது, வாழ்வு பகுதியானது, கல்வியமைப்பு பகுதியானது மற்றும் கல்வியமைப்பு பகுதியானது

- பார்சு செதுக்குறியான முதல்வகையான விளக்கத்தில் செய்துருவான கட்டுப்பாடுகள் மற்றும் அதாவது விளக்கமான விளக்கத்தில் செய்துருவான கட்டுப்பாடுகள் மற்றும் அதாவது விளக்கமான விளக்கத்தில் செய்துருவான கட்டுப்பாடுகள் மற்றும் அதாவது விளக்கமான விளக்கத்தில் செய்துருவான கட்டுப்பாடுகள் மற்றும் அதாவது விளக்கமான விளக்கத்தில் செய்துருவான கட்டுப்பாடுகள் மற்றும் அதாவது விளக்கமான விளக்கத்தில் செய்துருவான கட்டுப்பாடுகள் மற்றும் அதாவது விளக்கமான விளக்கத்தில் செய்துருவான கட்டுப்பாடுகள்
-ooo-
India has some of the most highly populated urban cities in the world. Chennai is one such city. Continued rapid growth of population and industrialization coupled with improved standard of living pushed the demand for quality in shelter. Infrastructure facilities constitute the real capital of any economy.

India has more than a billion of population and the GDP is at about 8-10%. For the past decade, India has contributed enormously at the global level in knowledge based industries namely IT sector and subsequently in the Hardware sector and currently in the Auto and Auto ancillary sectors. Government is giving enormous push for improving our agricultural sector also. By and large, Indian three decades ago were generally without major credit card exposures and large housing loan.

Typically, Indian households used to save up and take a very minimal loan to make a house. It has been a scenario in 1960s & 1970s, subsequently home loans have been available and people started availing home loans for construction of houses, for the past 20 years or so in a big way. Indian literacy rate has been continuously growing up and migration towards urban centres has been continuously on the rise resulting in lot of demand for accommodation in the urban area. With this background, role of Private sector in housing has started in a big way.

Initially the Private sector comprised of small time builders, who can raise finance of their own for purchasing the land and develop housing, catering to a small group of buyers. This has been a trend at first stage of housing during 1970 & 1980. Subsequently larger plots of lands were available and the size of the projects has also started growing resulting in medium sized projects in the next 20 years.

When the certain tax incentives were available to the buyers and builders large scale housing has been the focus for the past 5 to 10 years. It has been mainly due to large scale buyer demands for good housing. The housing scenario in India is now being classified as tier one, tier two & tier three cities. In the tier one category, all the major metros are clubbed and tier two and three having huge potential is becoming major hubs in the near future.

By geography, the land size vs. population of India reveals that the availability of land is scarce, hence it makes the role of Private sector going for large sector housing difficult. However, in the recent past, the tax incentives scheme for housing encouraged the Private sector to go for large space of land.
and coming out with huge projects. The contribution for housing from the Public Sector namely the housing boards and other Government agencies has been on the decline. The role of Private sector needs to be addressed at certain issues, which can help us to contribute for providing better housing. Adequate infrastructure facility is a pre requisite for the economic growth of any development more so for housing also.

Infrastructure is the frame works through which essential services like, road, rail, communication, education, health care, drainage, water supply could be provided.

This basic need shall be provided by the Governmental agencies only.

Government's initiative in shaping infrastructure development through various ways, shall ease commutation and emerge as an affordable means of travel mode for end users. This healthy initiative will definitely motivate private sector for focusing on housing projects on a bigger scale.

The Government should come out with specified developed regions, for the housing, along with other amenities such as schools, hospitals, entertainment, shopping etc. in the vicinity, this will certainly help people to avoid unnecessary travel for various needs. The Private sectors also focus on the above aspects namely the schools, hospitals etc and induce people to walk to work culture.

While we address the requisites of Private sector for the residential projects of enormous size, the following requirements shall be catered. One aspect is the energy requirement for the entire project from conventional and renewable energy sources. The solar power generation, wind power generation are also becoming affordable since the cost of conventional power generally is going up year after year.

The individual homes can have solar water heaters and use of CFL bulbs to minimize the energy requirement energy needs by innovative construction methodology and doing green house concept should be encouraged.

We need to address water requirements for construction of the projects dependence of drawing ground water for projects needs to be discouraged and source supply by Government or by Public Private Agency can be encouraged for the water needs. The Private sector also should lay emphasize on recycling of water by segregating sewage water, kitchen water into usable re-cycled water for various needs and should ensure minimization of waste water into underground system. The Private sector also while promoting projects should ensure and advocate solid waste arrangement segregation to enable the public bodies to handle them with better ease.
It is always better to go for a vertical construction leaving ample space all round rather than to go for horizontal construction where the open air available get reduced.

The Private sector has to address the major issues in bringing down the cost of construction by way of innovation methods to reduce cost as well as time requirement for completion of project. The standardization of the units will be a good answer in cost cutting and timely completion. Thus the Private sector can participate in end to end land development, housing, energy sector and water supply to make the Private sector in the housing a cost competitive and satisfy the needs of the users.

The Government should process the township or housing development of larger land on a faster track. Certain tax incentive should also be made available to such projects and provision of housing in this project development for economically weaker section from about 10 to 20% with tax incentive will give a head way in subsidizing the sale of such weaker section requirement for housing. The Government should by and large encourage projects which will help to reverse migrate population from urban to non-urban/ rural area by providing better amenities and infrastructure.

The Government should take the initial lead in acquiring land and builder developer can be given the parcels of land at market-determined rates. So that it will lead better transparency in land availability and will enthuse lot of builders to participate in such projects.

Government shall take initiative in redevelopment of dilapidated housing structures both in the Government owned and private housing societies.

The Private Sector shall be allowed to participate independently for such re development scheme. The Government shall draw an agreement, which shall bear certain share in the finalized scheme of housing and commercial development for the Government.

It is needless to state that government shall give infrastructure support in augmentation of electric, water supply and connectivity demands required for successful implementation of such projects.

When we are addressing the issue of affordable housing, we are neglecting totally the additional infrastructure required for social infrastructure namely people with low-income group housing etc.

Whenever large projects in the Private sector area are focused, one should simultaneously develop similar extent of housing to cater for the low-income group, since mankind living in this residential category is required to work in the social infrastructure which contains schools, hospitals, households, offices etc.
The Government and the Private Sector should work in close liaison with each other to make housing affordable and eco-friendly to a large extent.

It is true that the private sector has not been involved in the housing of low-income group. But at the same time its also a fact that government also unable to fulfill the demand for such section of the society.

About 50% of the housing demand is for EWS & LIG. While, Survey shows that about 32% of the slums in the city are private land and about 58% is owned either by Government or other Government Organizations.

Slum population has increased from about 6.5 lakhs to 10 lakhs for the past 15 years.

The housing for lesser income group can be addressed only by the joint effort of both Government and the Private Sector.

Government can identify the available vacant lands in an around Chennai City, and also the slum areas covered horizontally with a thin population. Such areas can be developed well with all basic amenities for a vertical residential development.

Private developers can be invited for a joint development on the basis of sharing the constructed apartments. All the proposed residential units shall be of basic minimum size. The Government can allot/sale their share of apartments and the developer can sell his portion to any public.

This system will certainly provide good quality apartments because the developer has to maintain his credibility and sell his share of apartments.

In a recent evacuation of slum from a lake encroachment, we found most of the residents had a two-wheeler and a few four-wheelers also.

This shows our slum dwellers earnings and affordability has gone up, with this indication we can plan to build smaller size apartments with basic amenities and sell it on long-term finance facilities.

We request certain facility from the Government for a better participation in low cost housing.

1. Relaxation in processing fee, development charges, sales tax and other expenses for the construction.
2. Service tax relaxation.
3. There can be exemption in income tax on housing development of exclusive smaller residential units as it was done for large extent housing development under section 80-IB. Basic fundamental activity like permission for the plan for land development or Building proposal shall be time bound and quicker to facilitate further process of implementation.

The delay in obtaining such permission has a direct impact on final cost, which depends on:

a) The land prices are on increasing mode. Due to unmatched supply demand equation.

b) Global economy has eventually resulted in rising bank interest.

c) Slow down in various prominent sectors have dampen the job security of Common man and it has resulted in real estate investment also.

To avoid increase in cost of projects due to above factors, Government shall implement more simplified systems in processing the property development proposals.
Introduction

- Rapid Urbanization has led to an increase in the number of slums causing tremendous pressure on basic services and infrastructure.
- People belonging to Economically Weaker Sections (EWS) as well as Low Income Group (LIG) are finding it difficult to own a house.
- Owning a house for an urban poor has a multiplier effect in terms of better access to Municipal services like:
  - Potable Water Supply
  - Sewerage / Storm water facilities
  - Solid waste management and other related infrastructure.

Housing Shortage...

- Housing shortage in the country at the beginning of 11th five year plan was 24.7 million (67.4 million households).
- 99% of housing shortage pertains to EWS and LIG population.
- 27% of the total poor live in urban area; affordability remains a critical factor.
- Housing shortage in Tamil Nadu (2001) was 0.83 million
  - Issues in land title
  - Cost of land
  - Cost of construction
  - Cities are not growing vertically.
- For sustainable cities and urbanisation “Inclusive Housing” is a pre-requisite.

Source: National Urban Housing and Habitat Policy, 2007

Tamil Nadu

- Total Population 624 million (2001)
- Urban Population 44%
- Urban Households 5.9 million (2001)
- Houses
  - Permanent 74.16%
  - Semi Permanent 15.31%
  - Temporary 10.51%

Source: Census, 2001
http://www.census.tn.nic.in
Government Initiatives

- Tamil Nadu Slum Clearance Board exclusively caters to the housing needs of EWS
- Tamil Nadu Housing Board also caters to LIG
- As per the Development Control Rules, 10% of Land is to be allotted to EWS/LIG.
- Basic Services to Urban Poor Scheme (BSUP), a sub-mission of JnNURM focuses on Mission cities while Integrated Housing and Slum Development Programme (IHSDP) gives thrust to Non Mission Cities.
- All ULBs are directed to Earmark a minimum of 25% of financial resources towards providing basic services to the urban poor.

BSUP/ IHSDP

- The Mission period of JnNURM is 7 years from 2005-2012
- 3 Mission cities viz., Chennai, Coimbatore, Madurai and their urban agglomeration
- CMA area includes Chennai Corporation, 16 Municipalities and 20 Town Panchayats
- Urban areas of non-mission cities are addressed through IHSDP

BSUP/ IHSDP

- Objective is “holistic development of slums” (in-situ or relocation)
- In addition,
  - Government of India has a 7 point Charter on Urban Poor
    - Security of tenure at affordable prices
    - Improved housing for urban poor and EWS
    - Water supply and sanitation for urban poor
    - Earmarking 25% of developed land for EWS/LIG
    - Convergent delivery of services to achieve universal education
    - Convergent delivery of services to achieve universal health
    - Providing social security and fin. assistance to various disadvantaged sections

Total Outlay

- The total outlay for the Mission Period for Tamil Nadu is
  - BSUP - Rs.2064 Crores and
  - IHSDP - Rs. 363.94 Crores

The funding pattern for BSUP is

- 50% Government of India
- 40% Government of Tamil Nadu and
- 10% Beneficiary contribution (Not exceeding Rs.30,000/-)

The funding pattern for IHSDP is

- 80% Government of India,
- 10% Government of Tamil Nadu and
- 10% Beneficiary contribution (Not exceeding Rs.30,000/-)
Specification
- Mandatory provision of a bed room, a kitchen, living room and a toilet
- The cost per housing unit various from Rs.80,000 to Rs.1,60,000
- Emphasis on provision of individual water connection and sewerage connection
- Upgradation of infrastructure (roads, drains, community hall etc.) for the slum area as a whole

BSUP - Projects Approved

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<tr>
<th>Sl.No.</th>
<th>Area</th>
<th>No of projects approved</th>
<th>No. of Units</th>
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IHSDP - Projects Approved

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INTEGRATED HOUSING AND SLUM DEVELOPMENT PROGRAMME

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Commissionerate of Municipal Administration
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<th>S.No</th>
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<td>30.05</td>
<td>14.88</td>
<td>104.89</td>
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<td>29</td>
<td>Karunkuzhi</td>
<td>413.91</td>
<td>331.13</td>
<td>55.42</td>
<td>27.36</td>
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<td>Arani</td>
<td>169.4</td>
<td>135.52</td>
<td>25.92</td>
<td>7.96</td>
<td>80.72</td>
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<td><strong>Sub Total</strong></td>
<td><strong>2629.57</strong></td>
<td><strong>2103.66</strong></td>
<td><strong>331.87</strong></td>
<td><strong>194.04</strong></td>
<td><strong>1217.73</strong></td>
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<td></td>
<td><strong>Grand Total</strong></td>
<td><strong>22566.67</strong></td>
<td><strong>16919.20</strong></td>
<td><strong>4046.57</strong></td>
<td><strong>1600.90</strong></td>
<td><strong>10131.46</strong></td>
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</table>

**Commissionerate of Municipal Administration**

**PLAN SHOWING PROPOSED CONSTRUCTION OF HOUSING UNDER BSUP**

**ELEVATION**

**SECTION ON – CK**

**FOUNDATION DETAILS**

(Scale : 1:50)
BIOMETRIC IDENTIFICATION

Constraints

- Security of Land tenure is a pre-requisite for starting the house construction
  - Government has a number of schemes to provide land titles to the poor
  - Land at cheaper rates for LIG and EWS needs serious thinking
- People from EWS lack financial capacity to start house construction
  - Start up finance is arranged through Nationalized Banks
- Cultural resistance to live in apartments
  - People rear animals and feel comfortable in “their own land”

Some Success Stories...
BSUP

Madurai Corporation, S.Saratha, Meenambigai Nagar Ward -64

Before Completion

After Completion
Madurai Corporation, S.Balachamy, Meenambigai Nagar, Ward-64, Madurai-11

Before Completion

After Completion

Coimbatore Corporation

Before Construction

After Construction

MADHAVARAM MUNICIPALITY BSUP SCHEME

WARD NO. 2, NAME OF THE BENEFICIARY, THIRU. K. DOSS NO.20 PERIMAL KOUL ST. MADHAVARAM.
Ambattur Municipality, Ward No. 27 Beneficiary Address: P. Annamal, 13/55, Gangaiamman koil Street, Korattur, Chennai-80

Before Construction

After Construction

Ambattur Municipality Ward No. 27 Beneficiary Address: P. Vijaya, 59, Gangaiamman koil Street, Korattur, Chennai-80

Before Construction

After Construction

Ambattur Municipality Ward No. 27 Beneficiary Address: K. Umapathy, 27/36, Gangaiamman koil Street, Korattur, Chennai-80

Before Construction

After Construction
Alandur Municipality, Beneficiary Address: T.Logamani, 33, 3rd Street
K.K. Nagar, Chennai-114

Alandur Municipality, Beneficiary Address: Murugesan, 5/3, 5th Street
Nehru Colony, Chennai-114

Alandur Municipality, Beneficiary Address: S.Raji, 4/10, 11th Street
Nehru Colony, Chennai-114
Alandur Municipality, Beneficiary Address: Abishek Pandian, 47, 3rd Street
P.V. Nagar, Chennai-114

Before Construction

After Construction

Some Success Stories...

IHSDP
Tirupattur Municipality
Integrated housing and slum development programme
Mrs. Kala w/o Adhimoolam Bosco nagar.

Before Commencement

After Completion

PERAMBALUR

Before Commencement

After Completion

DHARMAPURI

Before Commencement

After Completion
ERODE CORPORATION

UDHAGAMANDALAM MUNICIPALITY KURUSADI COLONY
BENEFICIARY NAME: Mrs. SAVITHRI

UDHAGAMANDALAM MUNICIPALITY KURUSADI COLONY
BENEFICIARY NAME: Mrs. VELLAIMMAL
PUDUKKOTTAI MUNICIPALITY
IHSDP

Beneficiary:
M. Thandayuthapani,
61/20, Mela veethi,
Kovilpatti.

Manapparai Municipality

Beneficiary
K. V. V. Rao
s/o Kathi
23/32a Pitchumuthu street
Thiruvampatty

Before commencement

After completion
MELUR MUNICIPALITY
IHSDP
Kambar Slum

Construction of Community Hall
NAGAPATTINAM MUNICIPALITY

B.T Surface and construction of Drain at Vandepettai Street
Session - IV

Housing Finance

Mathew Joseph
Regional Manager, Housing Development Finance Corporation, Chennai.

HOUSING - THE PULSE OF OUR ECONOMY

2nd Largest Employment Generator in our Country

Backward/Forward Linkages – over 269 industries

Sector has been growing at over 30% p.a. in the recent past

HOUSING FINANCE - Timeline

- Pre 1970: Centralised directed credit
- 1971: HUDCO: public sector, wholesale lending
- 1977: HDFC: 1st private sector retail housing finance institution
- Late 1980’s: Public sector banks/insurance companies promote housing finance companies, also private sector enters
- Late 1990’s: Schedule commercial banks get into direct lending for housing finance – changing the market scenario
- 2000’s: Trans-National Banks also enter Housing Finance
  Retail Boom spearheaded by Housing Finance
**Housing Finance Market**

**PHASE I**
- Specialised Lenders
  - Housing Finance Companies (HFCs)
  - Bank/insurance co. sponsored HFCs
  - Developer promoted HFCs
  - Company promoted HFCs

**PHASE II**
- Aggressive entry of Banks
  - HFCs lose market share
  - Irrational competition
  - Rapid disbursements
  - Credit quality issues

**PHASE III**
- Oligopolistic Market Structure
  - Top 3 key players have over 80% of incremental market share
  - More rational market
  - Sustained mortgage growth at +25%

**Low Penetration: Mortgages as a % of GDP**

**Improved Affordability**

Subprime Crisis: It’s Effects

- Global slowdown
- Credit crunch
- Negative sentiments
- Falling real estate markets, stock markets abroad.
- Collapse of major financial institutions

Subprime Crisis: Impact on India

- Most mortgage lenders in India offer plain vanilla, amortising home loans
  - No interest only, 2/28 ARMs, piggy-back loans
  - No subprime or Alt A categories
- Indian borrowers are cautious and averse to high leverage
  - Typical borrower is a first time home buyer… buying a house for self occupation
  - Low loan to value ratio
  - Prepayments are common… even for fixed interest loans at rates higher than current market
- **Securitisation market at a nascent stage**
  - No up-fronting of profits
- **Very limited exposure to structured products**
- **Pre-emptive measures by the Reserve Bank of India**
  - Early caution on rising asset prices
Increase in provisioning requirements
Increase in risk weights & other liquidity tightening measures

Who We Are...
- Incorporated in 1977 as the first specialised mortgage company in India
- Now a Financial Conglomerate with interests beyond mortgages:

Mortgage Business Summary
- Mortgage Loan Assets: Rs. 81,192 Cr. (As of Sept 2008)
- Cumulative Loan Disbursements: Rs. 1,69,944 Cr. (Inception to Sept 2008)
- Cumulative Housing Units Financed: 3.2 million
- Mortgage Loans CAGR (5 years): 27%
- NPA (As of Mar 2008): 0.84%

Transformation of Chennai Housing Market
- Expansion of the City - Prolific growth of the suburban areas.
- Transformation of OMR into a Self-sustained Modern City in itself. (IT Corridor, Residential Townships)
- Sriperumbudur becoming a hot real estate investment destination with large Developers executing Housing Projects.

Housing Market Scenario
- High demand growth driven by:
  - Improved Affordability
    - Rising disposable income
    - Tax incentives (interest and principal repayments deductible)
    - Moderate interest rates
  - Increasing Urbanisation
    - Currently 28% of Indian population is urban
  - Favorable Demographics
    - 60% of India's population is below 30 years of age
    - Rapid rise in new households

72.26% HDFC Standard Life
60% HDFC AMC
23.26% HDFC Bank (inclusive of warrants)
74% HDFC ERGO General
100% HDFC Property Ventures
80.50% HDFC Venture Capital
2nd Master Plan: a Step towards Reform

- Path Breaking Initiative by CMDA.
- Second Master Plan drafted with a futuristic Outlook.
- Automatic Rezoning of Land Banks in certain areas is a Welcome Change.
- Providing 10% of BuA for EWS is a step towards Balanced & Inclusive Growth.
- Going vertical would result in providing more open space.
- More number of dwelling units can be constructed thereby reducing the selling prices.
- TDR concept would help in reducing the Urban Traffic Flow.
- Growing need for infrastructure in the city has been addressed.

Concerns

- Overall Market sentiment turning cautious which is impacting off take of units.
- Over supply in certain locations like OMR (estimated units under construction being 23000) & GST Road (estimated units under construction being 10000).
- Increasing construction costs, increased cost of borrowing & pressure on selling price.
- High land prices in city locations making Housing unaffordable to common man

Way Forward

- Provision of quality Housing at affordable cost.
- Planned development for inclusive and balanced growth.
- Working out ‘PPP’ models to optimize skills of both sectors.
- Rationalisation of Selling Prices.
- Easing of Interest Rates.

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