



Urban Housing – Challenges to Urban Economy

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Abstract

Urban India is facing the challenges of housing. With nearly half of the urban population living in slums & hutments, the problem of housing has become a serious challenge for economic growth. India is an emergent economy which is on the threshold of becoming an economic giant needs to review its urban housing policy. There is a need readdressing the housing challenges through a formulation of a comprehensible land management policy. This paper considers the role of policy makers in facilitating regular evaluation of the work of all levels of finance institutions, construction companies, the government should bring about synergies in the operation of various housing schemes and funding sources. This enhances the role of housing corporations & the Reserve bank in creating a feasible answer to urban housing challenges

Key Words: urban housing, challenges, impact on economy, role of government, regular evaluation of finance institutions, need for a review policy

Introduction

A number of housing societies has mushroomed in and around various urban centers in a haphazard and unplanned manner, They are being built without a proper layout plan and they are devoid of service lines. (Report of the Ministry of Urban Development 2012) . They lack other essential facilities as well. These unauthorized housing developments are encroachments on land belonging to Government, public- private-institutions or areas meant to be green belts. (Siddarsth Goel -Challenges Of Urban Housing In India 2014). The removal/ re-settlement of these overcrowded un-hygienic clusters, commanding massive vote banks, is a serious

challenge to correcting these aberrations for a planned growth of cities, especially in our democratic set-up. Therefore, massive concerted attempts need to be taken along with administrative actions. Besides it needs clever political handling as the impact on economy is enormous & multi-dimensional. (Siddarsth Goel - Challenges Of Urban Housing In India 2014).

Land management –urban housing problem accelerates primarily because of non-availability of land earmarked for housing & secondarily because of appalling land management policy. There is scarcity of a developed land at reasonable rates, especially to meet the needs of urban poor & weaker sections. The



slum clusters currently inhabited by these deprived sections are located in high land cost neighborhoods near central business districts of the metropolitan centers. (Rudra Prakash Pradhan- Does Infrastructure Play An Important Role In Urbanization 2013) .There is lack of development and enforcement of master planning for long-term growth of cities with earmarked areas for different sectors of growth like light/heavy industry, commercial, Education, health, housing forests and parks etc. serviced by appropriate infrastructure and transportation system. Therefore earmarking of appropriately serviced land with needed infrastructure and growth promoting land management policy are the urgent need of the time.(Role Of Private Sector In India's Growth 2012 Business Standard).The fees for registration of property deeds is also unreasonably high and needs urgent rationalization. (Report Ministry Of Urban Development 2012). The remedies would include planning specially preparing master plans. Prepare Master Plan and Metropolitan Plans in consonance with the concerned District Plan and the State Regional Plan. (Rudra Prakash Pradhan- Does Infrastructure Play An Important Role In Urbanization 2013) .

Identifying city specific housing shortages

Identifying city specific housing shortages and preparing city level

Urban Housing & Habitat Action Plans for time bound implementation can supplement housing challenges in urban centers. For supply & management of Land, a National Land Policy should be developed for optimal use of available resources including enhanced supply of serviced land for sustainable development. Promoting , planning and development of industrial estates along with appropriate labor housing colonies serviced by necessary basic services would be a n additional support. (Role of Private Sector in India's Growth 2012 Business Standard).

Adoption of critical urban reforms:

Encourage adoption of critical urban reforms relating to municipal laws, building bye-laws, simplification of legal and procedural frameworks, property title verification system and allied areas can support the urban housing issues.(Report of the Ministry Of Urban Development 2012).

Promotion of Ambiguities in Land Transactions

Promotion of improvements for elimination of ambiguities in transaction of conveyance deeds, lease deeds, mortgages, gifts, partition deeds and allied property-related documents. (Report of the Ministry Of Urban Development 2012).

UP-gradation with partnership -

Promotion of slum up-gradation with



partnership between the Central Government, State Governments, Urban Local Bodies, Banks/MFIs and potential beneficiaries.

Development of urban sprawls and satellite townships -Growth of a city beyond reasonable limits imposes unbearable strain on its services. City planners should be encouraged to lay down norms for development of urban sprawls and satellite townships. Reduction in the rate of in-migration into mega and metro cities is urgently needed through preparation of State/UT level regional Plans based on fast transport corridors for balanced growth.

A Mechanism for bye Laws- a mechanism for Framing of Model bye-laws should be developed to promote the use of renewable energy sources particularly solar water heating systems in residential and commercial buildings. (Role of Private Sector in India's Growth 2012 Business Standard). Developing integrated urban housing extensions of existing towns with complementary infrastructure or Special Economic Zones (SEZs) with both FDI and national investments in housing and infrastructure. Ensure that such fully integrated housing projects are well connected by MRTS corridors. Enforcing regulatory measures for planned development in an effective manner through checks on the growth of unauthorized colonies, new slums, and unlawful constructions, extensions of existing

properties and commercialization of residential areas etc will help to solve housing hazards..

Other Strategies-

1. Subsidy support to EWS/LIG housing would be examined in consultation with Ministry of Finance. The NHB would act as a refinance institution for the housing sector which would enhance subsidy support to housing .
2. Efforts should be made to encourage Foreign Direct Investment (FDI) from International institutions, Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) in the housing and infrastructure sector in consultation with the Ministry of Finance and RBI.
3. Stamp duty on the instruments of RMBS across all states should be rationalized.
4. Companies and Employers should also feel the importance of housing their employees. They should be encouraged to invest in the construction of rental housing for their employees which solves the problem of housing at least for a few. (Pranathi Dutta – Urbanization In India – 2012).
5. Plan Funds and other assistance for housing and infrastructure should be merged according to the Action Plan prepared and adopted



by the States under their State Urban Housing and Habitat Policy (SUHHP). This would bring about synergies in the operation of various schemes and funding sources.

6. Micro-Finance Institutions (MFIs) to be promoted at Central and State levels to should be advised to accelerate the flow of finance to urban poor. In this regard, suitable mechanisms should be evolved to develop simplified norms for prudential rating and providing finance to MFIs. Adequate regulation of MFIs should be undertaken to ensure that MFIs operations are transparent to the core.

Conclusion

Housing challenges in urban India demand a multi-dimensional strategy making. It is not just creating housing but the housing should accompany basic amenities. Policy makers should facilitate good governance & regularly evaluate the work of finance institutions, construction companies, land developers; this would bring about synergies in the operation of various schemes and funding sources. Housing corporations should act as refinance institutions for the housing

sector. The Reserve bank should enhance transparency and flexibility in the housing market.

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