



CREDAI
AFFORDABLE HOUSING COMMITTEE PRESENTS

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STATE OF THE LOW-INCOME HOUSING FINANCE MARKET 2018

Introduction:-

Rapid urbanization and the lack of planned affordable housing in India have led to a shortage of 10–12 million urban homes and 26–37 million urban households residing in informal housing, often in poor living conditions. The bulk of these households are low-income—Economically Weaker Section (EWS) households, with annual incomes below ₹3 lakhs, and Low Income Group (LIG) households with annual incomes of ₹3 lakhs to ₹6 lakhs. Despite a robust growth in demand for low cost homes, 90% of their supply in India is coming from small and informal developers. Several large and mid size builders still remain unsuccessful in providing homes to low income customers, said a **report by consulting firm FSG and National Housing Bank (NHB)**.

The report ‘State of Low-income Housing Finance Market’ released on Wednesday, 30 th May 2018 by industry body **Federation of Indian Chambers of Commerce and Industry (FICCI)** said the loan books of affordable housing finance companies in India have grown manifold in a span of five years. From a combined loan book of close to Rs1,000 crore in March 2013, it has shot up to over Rs27,000 crore at an average loan ticket size of Rs9.3 lakh and “facilitated the ownership of more than 230,000 affordable homes.

In this Bulletin we are giving detailed report released by FICCI recently so that our member developers understand significance of Informal sector and Affordable Housing Finance in growth of Affordable Housing in India.

Report Features:-

- ❑ The report finds that financing of customers with no income proof or those working in the informal sector is a vital innovation as highlighted by the loan portfolio of 27000 crores for the category.
- ❑ As per the report, 62% of the new housing finance is being used to fund self constructed standalone houses while 38% of financing from affordable housing finance companies (AHFCs) is taken up by low-income customers to “purchase apartments, often in areas with higher land costs, where self-construction is less affordable.”
- ❑ The report pointed out that large and mid-sized formal developers have largely been “unsuccessful in supplying affordable housing to low-income customers” as projects tend to be more expensive and located further away from the city in less desirable locations. “These distant locations also may lack infrastructure and require large investments, which further shrink the already low margins of such projects,” the report said.
- ❑ The report highlights an economically viable approach to help address "Housing for all" and at the same time generate employment and facilitate rental supply. It presents simple and practical recommendations to enhance the effectiveness of PMAY.

Download Link- Detailed Report:-



STATE OF THE LOW-INCOME HOUSING FINANCE MARKET 2018

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<http://ficci.in/spdocument/22983/State%20of%20the%20Low-Income%20Housing%20Market%20-%20High%20Res%20wo%20press%20marks%20-%2005-14....pdf>

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