

## The urban housing conundrum

*With the government failing to provide cheaper homes and private options out of reach, India's urban poor have little choice*

Rahul Chandran

Dusk brings with it the smell of woodsmoke and baking rotis, and the crescendo of scores of drums in a little community of artistes living in hutments on prime real estate a few kilometres from the Capital's central business district.

Its location has ensured that the small, overcrowded *basti* (shanty town) called Kathputli Colony, with its narrow streets and narrower alleys, is among the Delhi government's first experiments in the so-called in situ development strategy.

The blueprint envisages that a private developer, Raheja Developers Ltd, will construct at least 2,000 flats to accommodate residents of the neighbourhood and at the same time develop 170 luxury flats.

On the face of it, the strategy is a winner: the residents get constructed flats, the builders access to plum real estate and the government, which has already initiated a census of the neighbourhood to establish residency, stands to reap enormous goodwill.

But inhabitants of the colony are suspicious of the offer, which they say from past experience, is too good to be true. In many ways, the experiment mirrors the vexing question facing town planners in India: how does one house the growing number of urban poor?

Of the total shortage of housing estimated at 24 million units by the government in 2006, nearly 99% is in the low-income and economically weaker sections.

With the market taking care of the housing needs of middle-income and affluent groups, migrant workers and other low-income groups moved into shanty towns that mushroomed in upmarket neighbourhoods, mostly on prime property.

The earlier strategy of the Delhi government to move the shanties, most of them illegal, to the outskirts of the city resulted in their residents losing their jobs, unable to commute to the neighbourhoods where they had worked as vegetable sellers or security guards. Alternatively, it meant land owners could not access property that was legally theirs.

Kathputli Colony has become the testing ground for a new strategy.

Bhupsingh, who runs a small shop in one of the area's by-lanes and goes by one name, says his parents came to Delhi from Rajasthan in 1965-66. They first lived in a slum near Kashmere Gate, before moving to another one near New Patel Nagar, and to the present location in 1977. Many of Bhupsingh's neighbours also moved in around the same time.

## Deep distrust

“We want to be here only,” he said when asked if he would be willing to shift to a different area if the government provided land.

It is a measure of the deep distrust of the recurring promises of permanent housing that, despite visits by official from the Delhi Development Authority—the agency which oversees urban development in the Capital—most residents don’t believe the government.

“Our elders kept thinking they would get land. (Eventually) they did get land, but in the cemetery,” said 35-year-old Ajit Bhat, who makes his living as a puppeteer.

In neighbouring Gurgaon, the upscale suburb in Haryana, authorities mandated that builders devote a portion of their developments for economically weaker sections, defined as those earning less Rs5,000 a month. The lack of lock-in periods and high demand for housing led to allottees selling their units.

In January 2009, Rohit Gulati, an entrepreneur who lives in Gurgaon’s tony Laburnum estate, bought a 309 sq. ft, one-room, bathroom accommodation built by the developer as part of the mandated housing for the less well off.

He bought it for his driver Ram Lakhan for Rs15 lakh from the original allottee of the house, who had paid about Rs50,000, Gulati says.

“I have crazy hours and I need him at least four days a week,” says Gulati.

If Ram Lakhan was to find his own accommodation, he would pay Rs3,000 a month for a single room in the nearby Chakarpur village, Gulati says. “But it was filthy and he would end up having to sleep at the wheel,” he adds.

The problem, some analysts say, is that since the liberalization of the 1990s, the housing market has largely catered to middle and high-income segments. Affordable housing for the urban poor has largely remained within the government’s purview.

Maharashtra is a case in point. The state, which has the largest slum population in the country, has focused, over the years, on middle-income housing rather than low-cost one, according to an urban planner who works closely with the state government and didn’t want to be named.

“Even when Mhada (Maharashtra Housing and Area Development Authority) sells apartments for Rs45 lakh each today, it is targeted at HIG (high-income groups), which is for people with a monthly income of Rs14,000. Can those people afford those homes,” he asks.

However, state governments have started focusing on urban housing on a bigger scale as their revenues grow, a Union housing ministry official, who didn’t want to be named, said.

## **Just a slogan?**

Maharashtra has tried several initiatives through agencies such as Mhada, but the results have been far from impressive. The Slum Rehabilitation Authority, the nodal agency for sanctioning slum redevelopment schemes to developers, has approved only 600 schemes in the past 20 years.

“Building a million homes in five or 10 years is the government’s favourite slogan now, but little has been done so far in housing for the genuine low-income groups,” said V.K. Phatak, urban planner and former chief planner at the Mumbai Metropolitan Region Development Authority.

A 2009 survey by Knight Frank India, a property and research advisory, said that at a time when the real estate sector was realigning its focus towards affordable housing, there was a requirement of at least two million units by 2011.

More Indians will inevitably make urban India their home. It will be interesting to see whether the experiment with Kathputli Colony does reach fruition, and secondly whether it is successful in realizing targeted metrics to serve as a future template for dealing with the challenge of the acute shortage of affordable housing.

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