

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 2596
ANSWERED ON 24/03/2025**

**FINANCIAL ASSISTANCE AND REGULATORY FRAMEWORK
UNDER ARHCs SCHEME**

2596. SHRI SUJEET KUMAR:

Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:

- (a) whether Government has provided any financial assistance, tax benefits, or incentives to private developers for the construction of ARHCs;
- (b) if so, the details thereof;
- (c) the criteria for eligibility and rent fixation under the ARHCs scheme, and whether any mechanism is in place to prevent the exploitation of tenants; and
- (d) whether any review or evaluation of the ARHCs scheme has been conducted, if so, the key findings and the future improvements planned to enhance its effectiveness?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF HOUSING AND URBAN AFFAIRS
(SHRI TOKHAN SAHU)**

- (a) to (d): Ministry of Housing and Urban Affairs (MoHUA) launched Affordable Rental Housing Complexes (ARHCs) as a sub-scheme of Pradhan Mantri Awas Yojana - Urban (PMAY-U) to provide dignified living to urban migrants/poor near their workplace. This scheme is implemented through two models:
 - i. Model-1: Utilizing existing Government funded vacant houses constructed under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Rajiv Awas Yojana (RAY) to convert into ARHCs through Public Private Partnership (PPP) or by Public Agencies,
 - ii. Model-2: Construction, Operation & Maintenance of ARHCs by Public/Private Entities on their own available vacant land.

Beneficiaries of ARHCs are urban migrants/poor from Economically Weaker Section (EWS)/Low Income Group (LIG). They include labour, urban poor (street vendors, rickshaw pullers, other service providers etc.), industrial workers, and migrants working with market/trade associations, educational/health institutions, hospitality sector, long term tourists/visitors, students or any other persons of such category.

Under Model-1, so far, 5,648 existing Government funded vacant houses have been converted into ARHCs in different States/Union Territories (UTs). Under Model-2, MoHUA has approved proposals for 82,273 new ARHC units in 7 States, of which 35,425 have been completed and remaining are under different stages of initiation/construction. These ARHCs provide dignified living with all civic amenities to the eligible beneficiaries at an affordable rate. A total of ₹173.89 crore of Technology Innovation Grant (TIG) has been sanctioned, of which ₹83.26 crore has been released under ARHCs.

As per scheme guidelines, the initial affordable rent of ARHCs is fixed by the local authority based on a local survey. Subsequently, rent is enhanced biennially by 8%, subject to a maximum increase of 20% in aggregate, over a period of 5 years, effective from the date of signing the contract. The same mechanism is followed over the entire concession period i.e. 25 years.

As per the operational guidelines of ARHCs, various benefits/incentives were proposed by the Government to encourage proactive participation of Public/Private Entities in the construction and management of ARHCs. The operation guidelines are available at <https://arhc.mohua.gov.in/filesUpload/Operational-Guidelines-of-ARHCs.pdf>.

So far, the Ministry has not conducted any assessment of ARHCs. However, based on the learning from the experiences of 9 years implementation of PMAY-U, MoHUA has revamped the scheme and launched PMAY-U 2.0 'Housing for All' Mission with effect from 01.09.2024 for implementation in urban areas across the country to construct, purchase and rent a house by 1 crore additional eligible beneficiaries at affordable cost through four verticals i.e., Beneficiary Led Construction (BLC), Affordable Housing in Partnership (AHP), Affordable Rental Housing (ARH) and Interest Subsidy Scheme (ISS). ARH vertical of PMAY-U 2.0 aims to construct rental housing projects for EWS/LIG beneficiaries including migrant workers and other poor who do not want to own a house but require housing for short term basis. The scheme guidelines of PMAY-U 2.0 are available at <https://pmay-urban.gov.in/uploads/guidelines/Operational-Guidelines-of-PMAY-U-2.pdf>.
