

GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 1654
ANSWERED ON 15/12/2025

EXPONENTIAL RISE IN RENTS

1654. SHRI ABDUL WAHAB:

Will the Minister of *Housing and Urban Affairs* be pleased to state:

- (a) whether Government is aware of the exponential rise in residential and commercial rents across metropolitan, urban and semi-urban cities;
- (b) if so, the key factors identified by Government for such a steep rise;
- (c) whether any studies or surveys have been commissioned by Government to assess the rent burden on middle-income, lower-income households, working professional and students; and
- (d) the steps being taken to ensure affordability for tenants in major cities?

ANSWER

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

(a) to (d): 'Land' and 'Colonization' are State subjects. Tenancies in States and Union Territories (UTs) are governed by their respective rental laws. The data related to variation of rents across metropolitan, urban and semi-urban cities is not maintained by this Ministry. However, Ministry has prepared the Model Tenancy Act (MTA) to protect the rights of landlords and tenants and after the approval of Union Cabinet, the same was circulated to all States /UTs for adoption.

Further, the 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) in July 2020 to provide affordable rental housing near the workplace of migrant workers, urban poor, informal sector labourers, working professional, students and others. This scheme has been implemented through two models:

- i. Model-1: Converting existing Government funded vacant houses into ARHC through PPP mode or by Public Agencies,
- ii. Model-2: Construct, Operate and Maintain rental housing by Private/Public Entities for urban poor, working women, employees of Industries, Industrial Estates, Institutions and other eligible Economically Weaker Section (EWS)/Low Income Group (LIG) families.

Based on the initiatives taken by various States/UTs and Public/private agencies, a total of 5,783 Government funded vacant houses have been converted into ARHCs, so far under Model-1. Additionally, proposals for converting 7,413 existing Government funded vacant houses into ARHC units have been processed in various States. Further, based on the proposals submitted by States/UTs, MoHUA has approved proposals for construction of 83,298 new ARHC units in several States with Technology Innovation Grant (TIG) of ₹175.95 crore under Model-2. Out of this, 36,450 ARHC units have been completed on ground.

Based on the learnings of ARHCs, a dedicated vertical of Affordable Rental Housing (ARH) has been provisioned under PMAY-U 2.0 to promote construction of affordable rental housing for eligible beneficiaries including urban migrants/industrial workers/working women/students/urban poor etc. across the country. 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>.

As per the guidelines of ARHC and ARH, the initial affordable rent of projects will be fixed by the local authority, based on a local survey. Subsequently, rent will be enhanced biennially by 8%, subject to maximum increase of 20% in aggregate, over a period of 5 years.

Through these schemes, enabling eco-system is created by incentivizing Public/Private Entities to leverage investment for creating affordable rental housing stock. These include fast-tracked, single-window approvals through a green-channel process; 50% additional FAR with free TDR; exemptions from land conversion and statutory charges; and parity of municipal service charges with residential projects to further encourage participation and reduce construction costs. Further, a TIG of ₹5,000 per sqm of carpet area has been provisioned to incentivize public and private entities to build new ARH units.
