

GOVERNMENT OF INDIA

MINISTRY OF HOUSING AND URBAN AFFAIRS

LOK SABHA

UNSTARRED QUESTION NO. 2961

TO BE ANSWERED ON MARCH 13, 2018

SALE OF HOUSING UNITS

No. 2961 SHRI P. V. MIDHUN REDDY:

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

- (a) whether it is fact that housing sales have dipped during the financial year 2017-18;
- (b) if so, the reasons therefor; and
- (c) the steps taken by the Government to boost the housing sector?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE
MINISTRY OF HOUSING AND URBAN AFFAIRS

(SHRI HARDEEP SINGH PURI)

- (a) & (b): Housing sales are market driven and also depend upon cyclical demand and supply factors. However, National Housing Bank (NHB) has informed that there is a correlation between housing sales and housing loans and based on information regarding loan disbursements made

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by Public Sector Banks (PSBs) and Housing Finance Companies (HFCs), during the financial year 2016-17, a total of 35,56,171 housing loan accounts were disbursed by PSBs and HFCs whereas during the financial year 2017-18 (till 31.12.2017), a total of 38,60,630 housing loan accounts have been disbursed. Hence, in this financial year, more housing loan disbursements have been made by PSBs and HFCs as compared to the previous financial year with a growth rate of 8.56%.

(c): The Central Government has launched the Pradhan Mantri Awas Yojana (PMAY) (Urban) on 25 June, 2015 to facilitate the efforts of States / Union Territories (UTs) to address the housing shortage among the urban poor. PMAY (U) has four verticals viz. In Situ Slum Redevelopment (ISSR), Affordable Housing in Partnership (AHP), Credit Linked Subsidy Scheme (CLSS) and Beneficiary-Led Individual House Construction (BLC). States/ UTs can approve project proposals under any of the available verticals of the Mission to address the housing shortage.

The PMAY (U) scheme has made progress since its inception. The Ministry has sanctioned 40.62 lakh houses till 28.02.2018 with an investment of Rs. 2,25,219 crore which includes central assistance of Rs. 62,464 crore.

The Government has taken the following initiatives to improve the performance under Pradhan Mantri Awas Yojana (PMAY) (Urban) so as to provide Housing for All by 2022:

- (i) The scope of the Credit Linked Subsidy Scheme (CLSS) has been expanded w.e.f. 01.01.2017, to include the Middle Income Group (MIG) covering two income categories of annual household income between Rs. 6 lakh and Rs 12 lakh as MIG-I and between Rs. 12 lakh and Rs. 18 lakh MIG-II. For MIG-I, an interest subsidy of 4% for loan amounts up to Rs 9 lakh and for MIG-II, an interest subsidy of 3% for loan amounts up to Rs. 12 lakh is available for eligible households.
- (ii) Carpet area of houses eligible for interest subsidy under CLSS for MIG has been increased from 90 square metre in respect of MIG- I to "up to 120 square metre" and, in respect of MIG- II from 110 square metre to "up to 150 square metre".
- (iii) Coverage under PMAY (Urban) has been increased to include areas falling within notified Planning/Development area under the jurisdiction of an Industrial Development Authority/Special Area Development Authority / Urban Development Authority or any such Authority under State legislation which is entrusted with the functions of urban planning and regulations.

- (iv) Various fiscal incentives have been provided under section 80-IBA of the Income Tax Act, which gives 100% deduction of profits and gains for Affordable Housing projects.
- (v) Affordable Housing has been accorded Infrastructure Status by including it in the Harmonised List of Infrastructure. This is to ensure low cost, long term and enhanced resource flow for affordable housing.
- (vi) GST Council has lowered the effective GST rate from 12% to 8% (after deducting one third of the amount charged for the house towards cost of land) for all the houses constructed under PMAY (U).
- (vii) Eight 'PPP Models for Affordable Housing' have been circulated to States/Union Territories (UTs) to facilitate private sector participation in order to meet the growing need for affordable housing.
- (viii) In Budget 2018-19, an announcement has been made to set up a separate dedicated Affordable Housing Fund (AHF) in National Housing Bank (NHB). This fund will facilitate refinancing for Private Lending Institutions (PLIs) under (i) beneficiary-led individual house construction or enhancement under PMAY (U) and (ii) construction of affordable housing projects.
- (ix) A National Urban Housing Fund for Rs. 60,000 crores has been set up in Ministry of Housing and Urban Affairs for raising Extra Budgetary Resources (EBR) in phases for the rapid implementation of (PMAY) (U).
