

GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO. 952
TO BE ANSWERED ON JULY 24, 2018

AFFORDABLE HOUSES

No. 952. SHRI ASHOK MAHADEORAO NETE:

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

- (a) whether the Government is aware that the price of houses have become out-of-reach of the common people; and
- (b) the steps taken by the Government to provide houses to the common man at affordable price?

ANSWER

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

(SHRI HARDEEP SINGH PURI)

(a) & (b): 'Land' and 'Colonization' are State subjects, therefore it is the responsibility of States to ensure housing to all citizens including low cost housing to target sections of the society like Economically Weaker Sections (EWS)/Low Income Group (LIG). The Ministry of Housing and Urban Affairs is supplementing the efforts of State Governments in creation of affordable housing stock through programme interventions.

Government of India has launched Pradhan Mantri Awas Yojana (Urban) mission on 25th June, 2015 and the Mission aims to assist the States / ULBs in providing housing to all eligible families / beneficiaries among the urban poor. The Mission comprises four components viz in-situ slum redevelopment; affordable housing through credit-linked subsidy; affordable housing in partnership; and subsidy for beneficiary-led individual house construction.

The Government has taken the following steps aimed to provide houses to the common man at affordable price:

(i) Various fiscal incentives have been provided under section 80- IBA of the Income Tax Act, which provides for 100% deduction of profits and gains for Affordable Housing projects.

(ii) 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.

(iii) GST Council has lowered the effective GST rate from 12% to 8% (after deducting one third of the amount charged for the house toward cost of land) for all the houses constructed under PMAY(U).

(iv) 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.
