GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 859

TO BE ANSWERED ON JULY 21, 2022

PROMOTION OF LOW COST HOUSING

NO. 859.   SHRI SHANMUGA SUNDARAM K.:

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

(a)   the steps taken by the Government to promote low cost housing in the country; and

(b)   whether the Government has announced any schemes or subsidies to private companies for the construction of low cost housing and if so, the details thereof?

ANSWER
THE MINISTER OF STATE IN THE
MINISTRY OF HOUSING AND URBAN AFFAIRS
(SHRI KAUSHAL KISHORE)

(a) & (b): Land and colonization are State subjects. Therefore, schemes related to low-cost housing are implemented by States/ Union Territories (UTs) through their implementing agencies. However, Ministry of Housing and Urban Affairs (MoHUA) is supplementing the efforts of States/ UTs by providing Central Assistance under Pradhan Mantri Awas Yojana – Urban (PMAY-U) to provide pucca house with basic amenities to the all eligible urban families. Eligible beneficiaries can avail the benefit of PMAY-U through any one of the available four verticals i.e. Beneficiary-led Construction (BLC), Affordable House in Partnership (AHP), In-Situ Slum Redevelopment (ISSR) and Credit Linked Subsidy Scheme (CLSS) based on their preference. Under AHP vertical, private companies/ developers are encouraged to build low-cost housing in Public Private Partnership mode on private land.

In addition, Government has taken various initiatives for promotion of low-cost housing projects through private companies such as reduction in Goods and Service Tax (GST) on under-construction affordable housing project from 8% to 1% without Input Tax Credit (ITC) and in case of other housing projects, 5% from 12% without ITC, increase in Priority Sector Lending for affordable housing project from Rs. 28 lakh to Rs. 35 lakh in metros and from Rs. 20 lakh to Rs. 25 lakh in non-metros; and setting up of Affordable Housing Fund in National Housing Bank.

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