

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 1577
TO BE ANSWERED ON FEBRUARY 13, 2025**

ROLE OF PUBLIC-PRIVATE PARTNERSHIP IN HOUSING SECTOR

NO. 1577. SHRI SACHITHANANTHAM R:

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

- (a) the reasons for low private investments under Public-Private Partnership (PPP) model in the housing sector;**
- (b) whether any remedial steps have been taken/ being taken by the Government in this regard as recommended by the standing committee; and**
- (c) if so, the details thereof and if not, the reasons therefor ?**

ANSWER

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

- (a) to (c): 'Land' and 'Colonization' are State subjects. Therefore, schemes and policies related to housing including promotion of private investments in the Housing Sector under Public-Partnership (PPP) model are implemented by States/Union Territories (UTs).**

However, in order to promote affordable housing, the Ministry of Housing and Urban Affairs (MoHUA) supplements the efforts of States/UTs by providing Central Assistance under Pradhan Mantri Awas Yojana - Urban (PMAY-U) with an aim to provide all weather pucca houses with basic civic amenities to eligible urban beneficiaries across the country.

In addition, Government has also taken various steps to encourage flow of private investment in affordable housing sector, such as – Reduction of Goods and Service Tax (GST) on under-construction affordable housing projects from 8% to 1% without Input Tax Credit (ITC), and in case of other housing projects from 12% to 5% without ITC; Establishment of Affordable Housing Fund in National Housing Bank; granting infrastructure status to affordable housing, etc.

Further, based on the learning from the experiences of 9 years of 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. The scheme guidelines are available at <https://pmay-urban.gov.in/uploads/guidelines/Operational-Guidelines-of-PMAY-U-2.pdf>.

As per the scheme guidelines of PMAY-U 2.0, Public/Private sector agencies are encouraged to construct houses for Economically Weaker Section (EWS) beneficiaries under the Affordable Housing in Partnership (AHP) vertical. States/UTs are required to formulate "Affordable Housing Policy" to carry out various reforms on time bound basis and provide incentives to Public/Private agencies for increasing investment in affordable housing.
