

**GOVERNMENT OF INDIA  
MINISTRY OF HOUSING AND URBAN AFFAIRS  
LOK SABHA  
UNSTARRED QUESTION NO. 3347  
TO BE ANSWERED ON MARCH 20, 2025**

**PRICE RISE OF HOUSES**

**NO. 3347. SHRI SRIBHARAT MATHUKUMILLI:**

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

- (a) the key drivers behind the trend of steady rise in house prices across major cities along with the manner in which the Government is planning to address affordability concerns for middle-income and first-time buyers;**
- (b) whether the Government has any data on new housing development projects and if so, the details thereof;**
- (c) whether it is true that developers are focusing more on premium and high-end segments rather than middle-income and affordable housing segments and if so, the details thereof along with the reasons therefor;**
- (d) whether the rent prices are rising faster than house prices and if so, the details thereof along with the measures taken/being taken by the Government to protect the tenants from excessive rent increases;**
- (e) whether it is true that the house prices in some Indian cities are on par with those in developed countries like the U.S. and parts of Europe and if so, the details thereof along with the underlying factors contributing to such price rise; and**
- (f) the details of specific financial or policy interventions being explored to improve housing affordability and encourage the construction of budget-friendly houses?**

**ANSWER**

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

- (a) to (f): 'Land' and 'Colonization' are State subjects. The prices of housing units and rent are determined by market forces like demand, supply, input prices and various other factors. The data on prices of housing units and rent is not centrally maintained by the Ministry.**

To support the affordable housing sector, Central Government has taken various steps such as- reduction in Goods and Services Tax (GST) on under-construction Affordable Housing project from 8% to 1% without Input Tax Credit (ITC) and Infrastructure status to Affordable Housing by including it in Harmonised List of Infrastructure.

Further, the Central Government has launched Pradhan Mantri Awas Yojana- Urban (PMAY-U) since 25.06.2015 to provide affordable pucca houses with basic amenities to all eligible urban beneficiaries of Economically Weaker Section (EWS), Low Income Group (LIG) and Middle Income Group (MIG) categories by providing central assistance for construction, purchase and renting of houses at affordable cost.

Additionally, based on 9 years of experience and learning from implementing PMAY-U, MoHUA has revamped the scheme and launched PMAY-U 2.0 'Housing for All' Mission with effect from 01.09.2024 to assist 1 crore additional eligible urban beneficiaries. PMAY-U 2.0 guidelines require States/UTs to formulate 'Affordable Housing Policy' along with key reforms to attract private investment and create an enabling eco-system for augmenting the affordable housing stock in the country including the metro cities. List of major reforms are as under:

- i. **Nominal (less than 1%) Stamp duty/Registration Charges for houses (up to 60 sqm) registered under PMAY-U 2.0.**
- ii. **50% additional FAR with TDR facility free of cost and built-up area used for EWS/LIG, not to be counted in overall FAR of the project.**
- iii. **Reservation of Land/Area for Affordable Housing in relevant Scheme/Policy/ Building Byelaws.**
- iv. **Inclusion of Affordable Housing Zones in the Master Plans/Town Planning Schemes.**
- v. **Exemption of charges in Land Conversion/Land Use changes for affordable housing projects.**
- vi. **Mandatory reservation of 5% of built-up area for EWS/LIG housing in all housing projects beyond 10,000 sqm built-up area or 5,000 sqm plot area.**
- vii. **Creation of land bank(s) for construction of houses under AHP by mapping the land available in their jurisdiction along with the ownership details.**

Moreover, to balance the rights and interests of both landlord and tenant, Model Tenancy Act (MTA) was formulated by the Central Government, which has been circulated to all the States/UTs for adoption by way of either enacting a fresh legislation or amending existing rental laws suitably.