THE CHALLENGE

At only 1.1% of GDP, municipal expenditures in India compare unfavourably with all BRICS countries except China.

Indian cities will add another 300 million urban residents by 2050

Approximately 17% of urban households are in slums

THE OPPORTUNITY

India’s housing industry is one of its fastest growing sectors. Construction, of which housing is a major component, accounts for 8.2% of GDP

The government’s new housing mission aims to build 50 million homes to address the urban and rural housing shortage

The government has allocated US$7.5 billion to develop 100 ‘Smart Cities’ by 2020

The government has made subsidies and concessions available for alternate building technologies and materials

Housing enhances capital formation, income, employment generation and savings

Government Initiatives

The Prime Minister’s Pradhan Mantri Awas Yojana (PMAY) aims to achieve housing for all by 2022.

Under the urban component of PMAY, a technology sub-mission under the mission will be set up to facilitate adoption of innovative and green technologies and building material for faster and quality construction of houses. Similarly, guidelines for the rural component incorporate the use of building materials and technologies that can increase strength and durability, reduce costs, and bring down construction time.
POTENTIAL AREAS OF FOCUS

• With the launch of the Pradhan Mantri Awas Yojana (PMAY), the world’s largest housing programme for the poor, there is a significant opportunity for the private sector to improve construction quality, provide functional houses for poor households and innovate in building technologies and materials
• New prefabricated housing models will be required, which are climate resistant and use renewable energy and sustainable materials
• Adopting cost-effective and environment-friendly building technologies for rural homes through PMAY can enhance the pace of construction by 20%, result in water savings of 1.6 billion litres annually, and reduce CO2 emissions by 27 million tons by 2022
• Promotion of improved construction practices in rural housing will help strengthen rural economies through upgradation of more than 400,000 rural masons, and establishment of more than 20,000 small enterprises around the production and distribution of materials and components

TURKEY’S PPP MODEL

In Turkey, the public housing agency works with private developers who build high-value housing units and split the revenue. The housing agency then uses its share for further land acquisition for affordable housing priced at about 30% below market rates.

¡ÉCHALE! A TU CASA

¡Échale! a tu Casa in Mexico committed to provide US$3 million in microfinance lending to help 25,000 low income families, as well as training to build their own homes. By harnessing innovations in construction technology, the company has streamlined the process and 30,000 houses have been built. The technology has been exported to Belize, Egypt, Haiti, Nicaragua and the UAE. Houses built through ¡Échale! can harvest rainwater, and have reduced the use of municipal water by 20%. 200,000 people have gained temporary employment from the process.