

Housing

10.49 Taking off from the goals set in the National Housing and Habitat Policy 1998 and recognising housing as a basic necessity, government has redefined its role from being a provider to that of facilitator. The National Agenda for Governance (NAG) has identified housing for all as a priority area with particular emphasis on the needs of the vulnerable groups. It is proposed to facilitate construction of 20 lakh additional dwelling units (7 lakh in urban areas and 13 lakh in rural areas) every year with emphasis on EWS and LIG sections of the population as also the needs of Scheduled Castes/Scheduled Tribes and other vulnerable groups. An action plan for implementation of the new policy for achievement of targets has been drawn up. Housing activity under Indira Awas Yojana (IAY) proved to be very popular with the beneficiaries. A Credit-cum-Subsidy Scheme for rural housing has been launched from April, 1999 which will target a rural family having annual income up to Rs. 32,000. The subsidy portion will be restricted to Rs. 10,000 and loan amount to Rs. 40,000.

10.50 In order to promote housing, the following tax initiatives were announced in 1999-2000 Budget.

- Raising tax deduction on interest on house loans for self-occupied houses from Rs.30,000 to Rs.75,000.
- Increased depreciation rate from 20 to 40 per cent allowed for new dwelling units purchased by the business sector for its employees.
- The National Housing Bank scheme for interest concessions for small borrowers.

- Strengthen Housing Finance Companies through liberal tax treatment of income on non-performing assets.
- Commercial banks to lend up to 3 per cent of incremental deposit for housing.
- Golden Jubilee Rural Housing Finance Scheme of National Housing Bank to target 1.25 lakh dwelling units.
- Changes in fore-closer laws etc. to promote housing mortgages.
- Tax-free status to a limited amount of municipal bonds issued each year.

10.51 Shelter is the basic human requirement that needs to be met on priority basis. The National Building Organisation has estimated urban housing shortage at 7.57 million in 1997 and expect that the absolute shortage will decline to 6.64 million in 2001. Habitat-II has, however, estimated the shortage to increase to 9.4 million units in 2001. In the Ninth Plan special attentions is being focussed on household at the lower end of the housing market. The scheme of night shelter and sanitation facilities for the urban footpath dwellers in the metropolitan and other major urban centers is being implemented through HUDCO and has now been extended to cover all urban areas wherever the problem of footpath dwellers exists.

10.52 Urban land Ceiling and Regulation Act (ULCRA), 1976 has been repealed by the government to facilitate more availability of land for housing activity. Government has also suggested rationalisation of stamp duty and registration charges.