Chapter-I

INTRODUCTION
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Importance of Housing Sector:

Today every country is trying to develop. Human resource is one of the most important factors that affect the development. Only healthy mind and well educated persons can give better contribution in the development of a country. It is also said that a good mind lives in a fit and healthy body. To prepare a “fit personality” surroundings play a significant role. But, unfortunately standard of living in India is very low that’s why the labour efficiency is lower than other countries. “Human Development Report 2004” indicates that India has 127th rank out of 177 countries while a small Asian country Sri Lanka has a better position than India\(^1\). For rapid development of India and to stand it in the series of developed countries it is necessary to pay attention towards one of the most crucial factors “Human Resource” development. For human beings development, it is essential that they should get proper food, clothing and residence. Thus, residence is one of the most essential needs.

Shelter or housing is one of the three basic necessities of a person, the other two are food and clothing. The word “Home” arises feeling of affection and warmth in a human being’s mind. Housing is a primary need of a human family in civilized life. A house plays the most crucial
part of the physical environment, which continuously affects the health, and well being of a person. The appropriate meaning of housing is a comfortable shelter and such surroundings and services which would keep the people fit and cheerful. A good house is not only a centre of living but also a place where a person can best realize a sense of dignity and happiness. It has also been said -“Good house means the possibility of home life, happiness and health; bad houses spell squalor, drink, diseases, immortality, crimes and in the end demand hospitals, prisons and asylums in which we seek to hide away the human derelicts of society that are largely the results of society’s own neglect.” At present physical efficiency as well as health of the people is not satisfactory in India. The intolerable housing conditions are responsible for it. Housing and health are interconnected and they both affect efficiency. Thus the importance of adequate and proper housing accommodation is very essential. So every person makes sweet dreams of a Home. Rapidly increasing population, breaking up of joint families and rising prices of land and building materials, all have made very difficult to afford a house.

For economic progress and social justice proper residence is necessary for all people. “Proper residence means a house that provides for certain minimum features of every day life for example-cross ventilation, sunlight, privacy and a pleasant outlook from every window
isolation in time like sickness and maternity, sanitary facilities and place for children play etc. Unfortunately in India, in labour slums, the condition of residences is very horrible. 1/3 of total houses are made of mud, bamboo, garbage, grass etc. The durability of these 'Kutchha houses' is very little. In the metropolitan big cities the houses are built close together, as a result streets and roads are narrow. Lack of proper sanitation is often evidenced by heaps of rolling garbage and pools of sewage that ultimately cause air pollution. Houses without plinths, windows and ventilation usually consist of a single small room. In order to secure some privacy, old kerosene tins and gunny bags are used which further restrict the entrance of light and air. In such houses, poor human beings are born, sleep and eat, live and die.

It is important to note that such deplorable conditions of housing exert bad effects on the health, efficiency and well being of working population. Bad housing condition is one of the crucial causes of migratory character of Indian labour. There is urgent need to give them a good environment at a reasonable price for improving their working efficiency. House is not only a shelter and a place for preparing food and sleeping. It is also a centre of complicated social rituals. So a "Modern house" should be available at the reasonable price that so the people of average income and low income can afford. Shortage of finance is the most crucial problem in building a house. According to "Building
Construction Organization” there was lack of about 31 million houses in 1991, in which the lack of 20.6 million houses were in rural areas and 10.4 million houses were in urban areas. In 2001, residential shortage was about 41 million, in which the shortage of 25.5 million houses were in rural areas and 15.5 million houses were in urban area.°

Table-1.1

A Condition of Families and Residences (in crores)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>1991</th>
<th></th>
<th>2001</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
<td>Total</td>
<td>Rural</td>
</tr>
<tr>
<td>Families</td>
<td>11.35</td>
<td>4.71</td>
<td>16.06</td>
<td>13.70</td>
</tr>
<tr>
<td>Useful Residence</td>
<td>9.29</td>
<td>3.67</td>
<td>12.96</td>
<td>11.15</td>
</tr>
<tr>
<td>Residential shortage</td>
<td>2.06</td>
<td>1.04</td>
<td>3.10</td>
<td>2.55</td>
</tr>
</tbody>
</table>

Table 1.1 throws light upon the deplorable condition of housing in India. A major portion of the population is homeless. However for Economic progress and Social justice, proper residence is necessary. Proper residence means a residence that satisfies both outlook, quantitative as well as qualitative- a residence where per person one square feet covered area will be available. There should be proper sunlight in the rooms, clean water and clean toilet where a person could pass his life happily.

Housing is a basic element in the structure of the society. A house greatly affects the growing child. A good impact of a good Home is more
emphatic than that of either school or any institution. A Home provides privacy as well as close familiarity. A Home encourages exploration, self determination, creativity and develops sweet emotions and love of beauty. A well designed house can never be a substitute for vitally concerned parents, but it can avail the suitable space for the right things to happen. The single family house is an ideal place to raise a family. It is better for children and all family members to live in a humble dwelling in a vital community. A child grows up in family and becomes a participant in the society.

For a civilized society it is necessary that a good and healthy environment is to be provided to the children. So that they become adults who could understand democratic process and feel a distinct personal commitment to the society at large. Thus, healthy housing is a primary objective of environmental health activities.

In the nineteenth century public health reformers identified that poor living standard is the main cause of ill health. In 1991, Bynum suggested that there is a high association between poor housing and ill health. Factors such as poverty, socio-economic status, life style and genetic trends affect health, housing and environment of the people.

Unfortunately in underdeveloped countries specially in labour slums, the condition of residences is very horrible. These houses, built in
slums have a very little life. These houses decay in rainy season or remain incapable to prevent the rainwater. Because of this poor condition of houses, labourers have to face many problems. They are compelled to live in small, dirty and lifeless houses. The environment of these slums is so polluted that one can breath hardly. Diseases caused by poor housing conditions and a lack of safe sanitation also get expenditure. By not dealing with these conditions, Governments are finally loaded with absolutely high health expenditures for their populations. For example:

The plague outbreak of 1994 in Surat, was ascribed mainly to proper sanitary. Health Officers remarked that due to the outbreak 54 people were killed and nearly 5000 were affected. It also caused more the $1.5 billion in economic damage.

The cholera epidemic in Peru not only affected 3,20,00 people but also killed 2,600. It also caused $1 billion in economic damage. That is much more costly than providing facilities.8

Poorly managed cities are responsible for the deterioration of urban living condition. Many countries National and Local Government remained failure to provide required infrastructure, services and jobs in the proportion of increasing population, the final result of all this, comes in the form of urban poverty. There is need of a good Government for sustainable urban development. It requires stronger roles for Citizen
Groups & Community Organizations and Non Government Organization. The Habitat report says "the shift from agriculture to industrial and service-based economies has caused an irreversible movement to cities and the urbanization of rural areas."\textsuperscript{9}

Mathias Hundsalz Ph.D says that bulky urbanization is the only key through which world can serve the rising large population. Urbanization will be helpful in reducing population growth. The high densities mean lower costs per family for the provision of water, waste disposal and health care. Emergency services can also be provided much more quickly in cities than rural settlements.

Census 2001 gives a break up of census-Houses occupied by type and the corresponding number of households. Out of a total of 192 million households 138.3 million are in rural areas and 53.7 million in urban areas. This signifies that 72\% of all houses are in rural and 28\% in urban areas. But the break up of houses on the basis of quality of type displays that out of a total of 99.43 million permanent houses, 56.83 million (57.2\%) are in rural areas and 42.60 million (42.8\%) in urban areas. But in case of semi permanent houses (57.66 million), 49.40 million (85.7\%) are in rural areas and only 8.26 million (14.3\%) are in urban areas. The situation of temporary houses shows that out of 34.82 million, nearly 32 million (92\%) are in rural areas and only 2.8 million (8\%) are in urban areas.\textsuperscript{10}
Table 1.2

Distribution of Households by Type Of Census Houses Occupied

(2001 in million)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Total</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Permanent</td>
<td>99.43 (100.00)</td>
<td>56.83 (57.2)</td>
<td>42.60 (42.8)</td>
</tr>
<tr>
<td>2. Semi Permanent</td>
<td>57.66 (100.00)</td>
<td>49.40 (85.7)</td>
<td>8.26 (14.3)</td>
</tr>
<tr>
<td>3. Temporary (A+B)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A) Serviceable temporary</td>
<td>34.82 (100.00)</td>
<td>32.01 (91.9)</td>
<td>2.81 (8.1)</td>
</tr>
<tr>
<td>(B) Non-serviceable Temporary</td>
<td>22.10 (100.00)</td>
<td>20.36 (92.1)</td>
<td>1.74 (7.9)</td>
</tr>
<tr>
<td>4. Unclassified</td>
<td>12.72 (100.00)</td>
<td>11.65 (91.6)</td>
<td>1.07 (8.4)</td>
</tr>
<tr>
<td></td>
<td>0.05</td>
<td>0.03</td>
<td>0.02</td>
</tr>
<tr>
<td>Total</td>
<td>191.96 (100)</td>
<td>138.27 (72.0)</td>
<td>53.69 (28.0)</td>
</tr>
</tbody>
</table>

Source: Compiled and computed from census of India (2001), Series 1.

From a state-wise picture of housing it may also be noted that there is a very high proportion of temporary houses in Assam and Orissa. The housing condition in Assam is deplorable where 46.2 percent houses are classified as non-serviceable temporary. The other states with a very high proportion of temporary houses are Andhra Pradesh (23.9%), West Bengal (22.3%), and Bihar (33.7%). The final result of the analysis is that
the census data has drawn attention to the total ignorance of the housing problem in quite a large number of states. On the Antodaya principle, preference should be given to amendment of temporary housing, particularly non-serviceable houses being changed into permanent houses. It is easy to announce a slogan “shelter for all” but it is very tough to develop a good road map and go march on this road map to reach the goal.

Therefore it is essential that government should not understand its responsibility to determine the goals in housing plans and scheme but also bear responsibility to implement the plans and schemes perfectly so that those objectives could be achieved which are set up in the plan. The present study entitled “A study of credit gap in Housing Finance with reference to the income levels, a case study of Hapur Town” embark the problem of housing specially in the reference of finance.

Hapur, a Town which is situated on Delhi Lucknow Highway between Delhi and Garh Mukteshwar. The total population of town is 2,12 thousands according to 2001 census. Major portion of working population is engaged in unorganized, informal and self-employed occupations. Literacy rate of the town is 58% according to 2001 census. This town is a live example of contrast inequality of wealth and income. One side some people are living in extraordinary beautiful and expensive houses. On the other hand a large section of society is compelled to live
in open and dirty slums. In ‘Hapur Town’ housing shortage is one of the crucial problems. In this town total number of houses are only 36 thousand while the total population is 2.12 lakh according to the census 2001.

Housing, or provision of a shelter must be regarded as one of the most important public utility and social services. The problem of housing has attracted the attention of the government. Consequently, many schemes are being implemented for improving the housing conditions.

**Housing in Five Year:**

Housing is one of the basic necessities of life, which has been considered as an integral and essential part of the National Plan. The first five year plan made certain special recommendations on the housing problem covering housing policy, housing standards, estimate of cost, slum clearance, town and country planning. A total provision of Rs. 49.69 crores was made by the Planning Commission for housing. The plan also recommended the establishment of the National Building Organization and constitution of a Central Housing Board and Regional Housing Boards.

In the **Second Five Year Plan**, a provision of Rs. 120 crore was made for housing, which was disbursed as follows:

- Subsidized Industrial Housing -Rs. 45 crore
- Low-Income Group Housing -Rs. 40 crore
- Rural housing - Rs 10 crores
- Slum Clearance
and Sweepers housing – Rs. 20 Crores; Middle Income Group Housing – Rs. 3 crore and Plantation housing Rs. 2 crore. During the Second Plan period, Life Insurance Corporation also started to provide funds for house building to Middle Income Groups.

During the **Third plan** an assistance of Rs. 122 crore was made from the plan funds for the schemes under the Ministry of Housing and another Rs. 20 crores were provided for town Planning. Programmes, which were started in the first two Plans to be continued and expanded in the Third Plan.

During the **Fourth Five Year Plan**, the amount provided for housing schemes was Rs. 124.40 crores, which was added by Rs. 30 crores given by Housing Urban Development Cooperation, Rs. 10.05 crore by Life Insurance Corporation (LIC) and Rs. 33 crore from market borrowing. The expenditure in the Central Sector was 47.80 crores. The likely amount paid out on housing was Rs. 140.80 crore in the State Sector and Rs. 48.68 crores in the Central Sector.

In the **Fifth Five Year Plan** (1974 -79) a provision of Rs. 600.92 crores was made for housing. Rs. 450.56 crores out of 600.92 crores was for Social Housing Schemes, Rs. 55.00 crores for Rural Housing and Rs. 95.36 crores for other housing schemes in the Central Sector. However the Draft Five Year Plan (1978-83), which was also prepared at the time, provided an outlay of Rs. 1538 crores for housing.
In the **Sixth Five Year Plan** (1980 - 85) the amount provided for housing was Rs. 1490.87 crores including Rs. 837.37 crores on Social Housing Schemes, Rs 353.50 crores on Rural Housing and Rs. 300 crores on Housing the Central Sector. In the plan, the objectives regarding housing was to make smaller the number of absolutely homeless people as well as to provide the facilities so that their hensing environment could be improved.

In the **Seventh Five Year Plan** (1985 - 90), the outlay on housing was Rs. 2468.21 crores out of which Rs. 2178.34 crores was for the State and Union Territories and Rs. 289.87 crores for the Central Sector. The Plan describes the housing activity services to fulfill many of the primary objectives of the plan. These fundamental objectives are providing shelter and lift the quality of life, particularly of Economically Weaker Section and poorer section.

In the **Eight Five Year Plan** (1992 - 97) the outlay on housing was Rs. 6377.02 crores out of which Rs. 3581.87 crores was for states. Emphasis of housing during the Eighth plan was encouraged and provided housing through Institutional Finance and other instruments.\(^{11}\)

During the **Ninth Plan**, (1997 - 2002), the estimated total flow of funds from formal sector was Rs. 52000 crores. Of the total flow of funds from the Organized Institutions and the Employers House Building
Contribution, 70% was expected to flow in urban areas. In the same way, out of the total Plan and Non-plan Expenditure of Central and State Governments, 50% was expected for urban housing.

**Table 1.3**

Projected Flow of Funds from Formal Sector, during the 9th plan

<table>
<thead>
<tr>
<th>Period (1997-2002) for housing.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Institutions</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>(I) (a) Plan and non plan outlays of central Govt.</td>
</tr>
<tr>
<td>(b) Plan and non plan outlays of the State Govt.</td>
</tr>
<tr>
<td>II. Employers House Building contribution</td>
</tr>
<tr>
<td>III. Formal sector Institutions</td>
</tr>
<tr>
<td>(a) Life Insurance Corporation (LIC)</td>
</tr>
<tr>
<td>(b) General Insurance Corporation (GIC)</td>
</tr>
<tr>
<td>(c) Scheduled Commercial Bank (SCBS)</td>
</tr>
<tr>
<td>(d) Employees Provident Fund (EPF)</td>
</tr>
<tr>
<td>(e) Housing Finance Companies (HFCS)</td>
</tr>
<tr>
<td>(f) (HUDCO) Housing and Urban Development Corporation</td>
</tr>
<tr>
<td>(g) National Housing Bank (NHB)</td>
</tr>
<tr>
<td>(h) Assets Securitisation</td>
</tr>
<tr>
<td>(i) Co-operatives</td>
</tr>
<tr>
<td>(j) Others (Unit Trust of India etc.)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>(a) Urban housing</td>
</tr>
<tr>
<td>(b) Rural Housing</td>
</tr>
</tbody>
</table>
Share of Economically Weaker Section (EWS), Low Income Group (LIG), Middle Income Group (MIG)/ High Income Group (HIG) Categories is in the proportion of 2 : 3 : 5 respectively for housing in ninth plan period flow of Table 1.4 displays the probably funds from formal sector to above said categories.

Table- 1.4

Share of Projected Flow

(Amount In Rs. Crore)

<table>
<thead>
<tr>
<th>Categories</th>
<th>Urban Areas</th>
<th>Rural Areas</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>EWS</td>
<td>6800</td>
<td>3600</td>
<td>10400</td>
</tr>
<tr>
<td>LIG</td>
<td>10200</td>
<td>5400</td>
<td>15600</td>
</tr>
<tr>
<td>MIG/HIG</td>
<td>17000</td>
<td>9000</td>
<td>26000</td>
</tr>
<tr>
<td>Total</td>
<td>34000</td>
<td>18000</td>
<td>52000</td>
</tr>
</tbody>
</table>

"As per the tenth plan (2002 - 2007), the total number of houses required cumulatively during the plan period is estimated at 22.44 million. It is estimated that the investment required from public sector institutions would be of the order of Rs. 41,5000 crore. This will have to supplement the contribution from private players to tackle the growing demand for housing finance during the plan period."

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Table-1.5

Housing Finance Disbursement (Rs. in Crore)

<table>
<thead>
<tr>
<th>Institution Category</th>
<th>Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000-01</td>
</tr>
<tr>
<td>Housing Finance Companies (HFCS)</td>
<td>12637.85</td>
</tr>
<tr>
<td></td>
<td>(15.64)</td>
</tr>
<tr>
<td>Commercial Banks</td>
<td>5553.11</td>
</tr>
<tr>
<td></td>
<td>(54.26)</td>
</tr>
<tr>
<td>Co-operative Sector Institions</td>
<td>367.72</td>
</tr>
<tr>
<td></td>
<td>(-21.91)</td>
</tr>
<tr>
<td>Total</td>
<td>19058.68</td>
</tr>
<tr>
<td></td>
<td>(25.18)</td>
</tr>
</tbody>
</table>

Note: - Figures in parentheses indicate percentage growth over the previous year.

Table 1.5 shows that the housing finance disbursements have increased during the year 2003-04, the commercial banks have a good record of impressive growth of 39.33 percent. The total disbursements of housing finance stood at Rs. 54301.70 crore is also good that is registered an over all growth of Rs. 29.21 percent.

Present Housing Condition: - Though Housing has been regarded as an integral and essential part of the National plan yet present condition of housing cannot be assumed satisfactory condition of 52 years of
independence, the country is still grappling with the growing shelter problem. Efforts made to solve this problem were proved insufficient. The condition has become very serious due to large increase of population since 1921. The percentage increase of population in the last three censuses has been 11%, 14.3% and 13.4% respectively. During the same period, the growth of population in urban areas is estimated at 21%, 32% and 54% respectively.  

On the other hand, the supply of house did not increase as the pace of housing demand increased. Most of the towns in India have grown up haphazardly. These towns have a large proportion of sub-standard houses and slums where is not available essential amenities such as water and light. This poor condition of shelter can be seen in large industrial cities easily. "The disgraceful sights presented by the 'Ahatas' of Kanpur and the Bustee's of Calcutta are conspicuous examples of this state of affairs." This type of condition develop because of inadequate control over building activity by the state of municipal authorities.

National Building Organisation (NBO) is basically engaged in collection, collection, analysis and dissemination of housing and construction statistics with a view to have producing results countrywide system.

The data collected by NBO is not only useful for policy formulation but also beneficial in the field of housing.
"It has been estimated by the NBO that the housing backlog (consisting of the excess of households over housing stock, the houseless population, and Kutchta Unserviceable stock as well as the congestion and overcrowding of families) was about 75.7 lacs units in 1997 specially affecting the lower Income Groups. The new housing requirement during 1997-2002 had been estimated as 88 lakh units.\textsuperscript{17}

The objective of Common Minimum Programme is to provide housing for all in the next ten years. The whole backlog will be covered during the next plan period except the new demand, and the demand of upgrading 3.2 lakh units. There are serious problems in estimating the actual output of houses and serviced sites. The achievements have not been monitored nearly with reference to the plan expenditure of new housing stock and upgraded units. A number of families are compelled to live in hygienic conditions. They have to live in open area or platforms.

**Housing Finance:** Finance is the crux of the housing problem in a developing economy like that of India, there is not only a chronic shortage of investable resources but also investment in housing has to compete with other fields which apparently are more remunerative and hence attractive in monetary terms. In this competition housing and urban development get degraded to a very low preference. So, it is evident, that the solution to the problem of housing finance depends on mobilizing to
the maximum extent possible the resources of the masses, so that the savings or investible surplus may be channelised into housing.

**Housing Policy and Programmes** :- To improve the conditions of housing and housing finance, there have been introduced several housing schemes and programme by Government. Besides this, commercial banks have also started some schemes so that the people might take loan on soft and suitable rate of interest for housing. Although housing is regarded as one of the basic needs, it has generally received a very low priority in terms of public policy and investments. Scanty resources have not succeed to make a significant impact on the housing situation of a large segment of the population. The benefits of public housing programme have increased disproportionately to the better off sections of society.

**The National Housing Policy**, formulated in May 1992, recognised that despite considerable public investment and efforts, the housing problem has remained unresolved. The resource requirement for meeting the goal of ‘shelter for all’ by the year 2000 A.D. as considered in the Global shelter strategy of the United Nation, is out of reach the means of public sector. The Housing policy accepts this and suggests that the important role of government at various levels is not only to endeavour to build houses itself. The main effort of Government should be to prepare appropriate investment and bring into conditions where all people specially the poor can get sufficient housing.
Government has started **Indira Awas Yojna** (May 1985) and **Valmiki Ambedkar Awas Yojna** (2 Dec. 2001) for the rural people who are living below the poverty line and belong to Schedule Caste/ Schedule Tribes, freed bonded labourers and EWS.

**Samagra Awas Yojna** (1999-2000) has been started with particularly aims at providing convergence to various rural development activities such as construction of houses, sanitation facilities and drinking water.

**Credit Cum Subsidy Scheme** (April 1999) provides subsidy upto Rs. 10,000 and a maximum loan of Rs. 40,000 to the people whose annual income is up to Rs. 32000.

**Two Million Housing Programme** :- The two million housing programme was launched by the government in the year 1998-1999. The main aim of this programme is to provide ‘housing for all’ with emphasis on Weaker Sections and the Low Income Groups.

**National Slum Development Programme** :- This programme was launched in August 1996. The object of this programme is upgradation of urban slums.

Besides these familiar schemes and programmes, lot of schemes and programmes such as ‘A subsidized Industrial Housing Scheme (1952), Low Income Group Housing Schemes (1954), Village Housing Projects Scheme (1957), Middle Income Group Housing Scheme (1959)
were House Building Advances to Central Government Employees (1956), Rental Housing Scheme for State Government Employers (1959), Land Acquisition and Development Scheme (1959) also implemented.¹⁹

National Housing Bank (NHB) also started ‘Project Finance Loan Policy’ in September 2003. The main object of this policy is to broaden the project finance portfolio.

Central government started housing schemes for identified target groups, through the welfare schemes for beedi workers, handloom weavers, fishermen, miners etc. These schemes were operated through Housing and Urban Development Corporation (HUDCO).

The cooperative sector also plays a significant role through schemes implemented by the vertex and basic cooperatives in different urban areas, with finance. This finance is available from the members and financial institutions for the construction of houses.

Thus Government has implemented several scheme and programmes to overcome the problem of housing. But today also, the country is facing this problem on a large scale. Due to increasing urban population and rising price of land, the problem of shelter may be seen on large scale. A major portion of LIG and EWS may be seen living in ‘Jhuggies’ which are built on both sides of the road and were the railway stations.
Till today, LIG people depend on unorganized sector like landlord/mahajan, relatives/friends to arrange the finance for the construction of house. Not only LIG but MIG people also are able to afford a Home in the condition of rapidly urbanization and sky touch price of urban land. They are living on rent as a tenant. The result is that the housing rent is also so high that a tenant has to pay a major portion of his salary as house rent. There are also some such people who are misusing the government housing plans. They purchase houses through Government housing plan such as Hapur Pilukhua Development Authority, (HPDA), Ghaziabad Development Authority (GDA), Awas Vikas, on lower price but they resale the houses on high price. This type of people increase the housing shortage more. For due to increasing price to afford a 'Home' is not the reach of a common person.

**Housing Stock and Economic Growth :-** Housing is frequently used as an indicator of economic development Housing activities are linked to economic growth. The improvement in housing situation is reflected along with economic growth.

Thus the question of housing affordability has an important bearing on the land availability and its price. The housing cost is affected by land price. So the main is objective of the policy should be to control unexpected increasing prices and provide land on reasonable price for urban poor housing.\(^{20}\)
Policy objectives :- The agenda for policy reforms in the housing sector is definitely large. There have been identified the key objectives of such reforms in brief, which are:-

(a) Raise the efficiency of the housing market through enabling laws, regulation and procedures.

(b) Raise participation of private, cooperative sector and house holds in land development, infrastructure provision and maintenance.

(c) Encourage equity and access of basic urban services to the urban poor.

(d) Widen the capacity of local governments to manage the cities, use developed techniques and instruments and tools to mobilize resources for housing.

(e) Assisting all people to secure affordable shelter.

(f) Facilitate the flow of finance in the housing sector.

(g) Raise infrastructure facilities for better environment of human settlements.

Policy Frame Work :- The housing policy and programme should be based on the main principles that:

1. In the field of housing the government can not enclose its role to planning and regulation only.

2. Private builders or enterprises will not be capable to provide sufficient housing for low income groups.
3. The State Government will be conscious very much to solve the problem of homelessness, so the state will have to fill the gap and promote the construction of suitable houses for the Low Income Group and Middle Income Group.

4. This would involve a large measure of assistance in the form of grants and subsidies on a liberal scale and loans at low rate of interest as well as long period of amortization.\(^{21}\)

The Ministry of Housing has to admit in a large measure responsibility for financing housing schemes in industrial centers and rapidly growing towns, where the lack of accommodation is acute and congestion stringent. However the State Government will have to concentrate on improving condition of housing in middle-size towns and rural areas.

However in recent years, the housing sector has attracted the financing institutions due to low level of NPAs in this sector. Today housing finance is being seen as good business for its low level of non performing assets (NPAs) as also good returns together with supportive regulatory and fiscal policies.\(^{22}\) But a major portion of low Income Group and Middle Income Group (except salaried class) depends on market borrowings or relative/friends till now.

So create a suitable ‘environment’ for investment in housing there would have been established a network of housing finance institutions such as Housing Finance Corporations, Housing Co-Operative Societies,
Mortgage Companies, Loan Associations, Home Ownership Societies and industrial Labour Housing Savings Banks, etc.

The existing Housing Corporations are expect money lenders, Semi-Governmental Organizations are extremely limited in the scope of their housing activities. They do not continuously generate capital. Their structure and organization is such that they can not increase funds, acquire land, design and layout residential estates, grant loans and subsidies, build houses on a large scale, sell or allot them to selected customers or clients and manage the estate efficiently and economically. So Housing Corporations must be reorganized, and they would have to seriously effective if they have to play an effective and crucial role in the national housing endeavor. More over all Housing Companies, Banks and Institution should provide their best efforts so that the objective ‘Houses for All’ could be fulfilled.

Chapterization :-

The present study has been divided into six chapters for systematic and scientific analysis of the problems.

First Chapter Introduction describes the importance of Housing Sector, Present Housing Condition and Policy Frame work.

Second Chapter Research Design deals with Universe, Objective of Study, Selection & Significance of the Problem, Review of Literature and Hypothesis.
Third Chapter discusses Socio-Economic Profile of Householders and takes into account variables such as Caste, Educational Qualification, Occupation, Age, Annual Income etc.

Fourth Chapter analyses the Problem of housing and various schemes implemented by Government Finances Institutions and Development Authorities.

Fifth Chapter focuses upon availability and accessibility of Home finance for different income levels.

Sixth chapter is devoted to the findings and suggestions.
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