Kerala stands unique in the realm of growth and development. The relatively high standard of living supported by a high consumption economy and its sustainability without a growing and dynamic production base are to be studied. This pattern of development is also reflected in the housing sector as the supply is mostly effected through materials imported from outside the state.

Finance is the most important factor in the house construction activity. The major problem in housing from the point of view of the individual is the large outlay that the acquisition of the house entails. The high price has kept it at bay for many families. It is therefore imperative to create and strengthen institutions which accelerate the pace of building activity by providing funds to individuals. Hence the role of financing institutions assume vital importance. The researcher therefore found it befitting to study the functioning of the financing institutions for housing that are operating in Kerala. The investigator also found it necessary to make a detailed study of the functioning of the financing institutions for housing such as Kerala State Housing Board in the public sector and Housing Development finance corporation in the private sector.

The specific objectives of the study were to gather information on the background and functioning of the major house financing institutions in Kerala.

Eight major house financing institutions operating in the state were taken for study. Of them HUDCO, LICHFL, GICHFL, Dewan Housing, Co-operative banks, and Nirmiti Kendra were taken only as a back ground study of over all house
financing performance in the state. Two major housing agencies ie. KSHB in the public sector and HDFC in the private sector were taken for a detailed and analytical study. To substantiate the overall performance of these financing agencies in Kerala, the experiences of 450 selected beneficiaries from Thiruvanathapuram, Kochi and Kozhikode were taken. This was to assess the mobilisation of finance for construction of houses from KSHB and HDFC using an interview schedule.

The study was undertaken with the following general objectives.

- to study the background information and functioning of the major house financing institutions - HDFC and KSHB.
- to assess the socio-economic characteristics of beneficiaries in the two financing institutions.
- to analyse the degree of satisfaction of the beneficiaries in availing loans from HDFC and KSHB.
- to study how far the economically weaker sections of the society in the three metro cities ie. Kochi, Thiruvanathapuram and Kozhikode, have benefitted by the loan facilities of KSHB and HDFC.
- to assess the awareness of the low cost housing technology to reduce financial constraints in house construction activity.
- to propose suggestions for the improvement of the various schemes under KSHB and HDFC.

7.1 YEAR OF ESTABLISHMENT:

Of the major house financing institutions operating in Kerala, HOUSEFED, GCDA and KSHB, were established in 1970. Though LIC
was established in 1956, house financing was started only in 1989. GIC housing finance also started functioning in 1990. The HDFC was established with a main objective to solve the housing problem in the Country in 1977. The banks came to the forefront of housing finance only in 1987.

7.2 **ELIGIBILITY OF AVAILING LOANS:**

HDFC advances loans directly to individuals while KSHB in most cases, instead of advancing loans, construct flats / houses / apartments for their beneficiaries.

Loans are sanctioned only to those individuals who donot own a house. Eligibility for availing loan is based on the repayment capacity of the individuals. The majority of the house financing institutions which advance loans insist on producing the title deed. KSHB and HDFC give loans upto eighty percent of the cost of construction. KSHB considers the annual income of the individual in deciding the loan amount to be sanctioned. KSHB directly disburses loans to the individuals, but generally, it undertakes the housing projects and constructs houses for the beneficiaries. Whereas HDFC sanctions loans to the individual, taking into account the repayment capacity of the borrower.

7.3 **RATE OF INTEREST :**

The rate of interest on housing finance increased with the increase in the amount sanctioned as loan. KSHB interest rate is relatively low if the loan amount is smaller. In the case of HDFC interest rate remains the same for Rs. 5 lakhs to 50 lakhs i.e. only 14.5%. But in KSHB, it is increased with the loan amount.
7.4 **MODE OF REPAYMENT:**

All the financing institutions accept the loan amount plus its interest in equated monthly instalments. In KSHB outright purchase of the house is possible. They encourage even down payment. This enables the borrower to repay the loan without interest. The duration of the repayment is generally 15-20 years. Only in GCDA and LICHF, the repayment period is extended upto 25 and 30 years respectively.

7.5 **SECURITY FOR LOAN:**

As security for loan HDFC, LIC, HOUSE FED and banks demand the deposit of the title deed of the plot while KSHB gives the title deed of the plot to the beneficiary only after the complete repayment of loan. Till then it forms the security of the loan for the institution. But here in the empirical study, it was seen that even after the completion of the repayment of loan, KSHB was reluctant to return the title deed.

7.6 **SCHEMES OF HDFC AND KSHB:**

HDFC was established with a view to build up a specialised institution to channel household savings directly or indirectly through intermediaries such as banks, insurance companies mutual funds and through bond issues. HDFC has introduced Telescopic Loan Plan (1988), Short Term Building Loan Facility, the Step Up Repayment Facility (1987) etc. The Home Improvement Loans and Home Extension Loans (1989) are of great help for high income group borrowers. Loans to NRIs are subject to the terms and conditions stipulated by Reserve Bank of India. HDFC opened its first international branch at Dubai in 1996-97. At the request of the customers the HDFC offers
Adjustable Rate Home Loans (ARHL). The rates of ARHL is linked to HDFC’s Retail Prime Lending Rate (RPLR). A new facility from HDFC called Non-Residential Premises Loans was introduced in 1994.

The study reveals that most of the schemes introduced by HDFC are demand oriented than need based. The operational highlights clearly show that the achievements of HDFC is measured on the total amount disbursed as loan to the individuals. Profit is the motive force for the performance of HDFC. Whereas KSHB has introduced forty one housing schemes with an objective to alleviate housing problem fully from the state of Kerala.

For all the new schemes introduced by KSHB, the target groups are the economically weaker sections and the lower income groups of the society. During the years 1995-2000 the number of housing schemes was 41 and the number of houses constructed by this agency was around five lakhs. On the other hand a declining trend is noticed in the disbursement of housing loans by HDFC during 1995-2000. Though the review of lending operations of HDFC gives a rising trend in the cumulative investment made possible in the housing sector, compared with the sudden spurt in the investment for housing by the Government of Kerala, it is still lower.

7.7 LOAN DISBURSEMENT:

The study reveals that the income wise disbursement of loan provides a clear picture of the focus of attention of KSHB on various income groups. The table 5.10.1 explains the paradigm shift in housing loan disbursements. During the year 1999-2000 the disbursement of loan for EWS and LIG together constitute Rs. 15,631 lakhs, whereas for MIG and
HIG together constitute only Rs. 3,256 lakhs. As far as HDFC is concerned their target group is not economically weaker sections of the society, but the housing demand of the individuals. HDFC first ensures the repayment capacity of the borrower and then determines the loan amount.

Chapter VI gives the analytical study of the experience of beneficiaries of KSHB and HDFC in mobilising the finance for construction of the house. The details of the analysis is arranged in the following manner.

7.8 SOCIO-ECONOMIC AND OCCUPATIONAL STATUS OF THE HOUSE OWNER:

The study of the experiences of the beneficiaries of the two house financing institutions KSHB and HDFC revealed that people in various professions like engineers, doctors, teachers, advocates, business men and part time workers have availed loans for house construction. In both KSHB and HDFC the self employed persons rank high in the LIG category i.e. 62.8% from KSHB and 57.3% from HDFC. Another observation made is that there are no retired persons who have availed loans from HDFC. The number of persons engaged in service sector, professionals, and business is zero among the LIGs. Among the HIG and MIG category the percentage of private employees is high i.e. 37.8% and 27.2% respectively.

The beneficiaries' percentage in public sector employment is found to be lower in both KSHB and HDFC. KSHB has only 12.4% of the beneficiaries engaged in the public sector and 57.7% engaged in private sector. Similarly in HDFC only 21.3% are engaged in public sector and 63.4% are employed in private sector. It is observed that even if there is no steady income, people are willing to take risks, to accept loans from the financing agencies following the terms and conditions of the agency.
The majority of the beneficiaries have a family size between 3-4 members and some with 5-6 members. In KSHB the percentage of these two classes is 56.9% and 23.2% respectively. Whereas in HDFC the percentage of 3-4 class and 5-6 class is 64.5% and 29.5% respectively. The size of the family is found to be an important factor to determine the size of the house and the house design. The study reveals that the larger the number of family members, the smaller the type of the house. This indicates clearly that the poorer sections of the society do not have adequate shelter.

In the analysis chi-square test is applied as a statistical tool to establish the association between the floor area and the size of the family. It is found from the study that there is an inverse relationship existing between the two variables.

The house owner designs his house taking into account the various sources of his income. The highest percentage of his income is found to be received from part time job and only 40% from salary. The HIG and MIG class mostly are salaried persons in both KSHB and HDFC. The MIG and HIGs income from salary of the KSHB respondents is 65.4% and 86% respectively whereas the MIG and HIG income from salary of HDFC is 84.2% and 91.8% respectively. Seventy percent of the LIG from KSHB and 71% of the LIG from HDFC are part time workers. It is observed that the voluntary agencies involve directly in the loan transactions of the lower income group and the repayment capacity is ensured.

The study reveals that among the LIG category 73.13% has no saving habits at all. Whereas in MIG and HIG class the beneficiaries with saving habits are 66.67% and 88.1% respectively. But it is to be mentioned
that even among the EWS, there is a tendency to save, through the Maithri saving schemes. The identification of the beneficiary from the LIG class is done by the voluntary agency only if the borrower is the member of the Maithri saving scheme. The percentage of beneficiaries having saving capacity is more in the case of HDFC i.e. 53.6%. Whereas in KSHB, it is only 43%. Saving from the limited income by the poor for the housing loan gives them a sense of worth and fulfilment of having a house done by themselves.

7.9 **PRELIMINARY DETAILS OF HOUSE CONSTRUCTION:**

The highest percentage of the HIG and MIG houses were located in urban centres. Eighty two percent of HIG of HDFC and 62.8% of the HIG beneficiaries of KSHB are located in corporation premises. It is concluded that HDFC loans are mainly used in solving the problems of urban housing. Most of the salaried persons are located in the cities. But majority of the LIG beneficiaries are located in rural areas. Ninety percent of the LIG of HDFC and 72% of the LIG of KSHB are concentrated in rural panchayats. The voluntary agencies play a vital role to extend the loan facilities to the economically weaker sections of the society in rural areas.

KSHB has three regional offices in Kerala i.e. Thiruvananthapuram, Kochi and Kozhikode. Among the three, Thiruvananthapuram Corporation has become a model for housing the shelterless poor by introducing a new scheme called “THANAL” with an objective to build five lakh houses by 2002 and thus make Thiruvananthapuram Corporation a “Sampoorna Parpida Nagaram” - A TOTAL SHELTER CITY.
The yearwise distribution of loans by KSHB and HDFC indicates that there is an upward rising trend in 1990s. The sample study proves that 4.7% of the respondents constructed houses during the years 1980 or before. Eight percent of the beneficiaries constructed their houses during 1981-85, 22% of the respondents mentioned that the construction was done in 1986-90, twenty five percent of the respondents built their houses during 1991-95 and 41% of the total respondents constructed their houses after 1995. It is observed that there is an increasing number of houses constructed during the years 1991-95 by HDFC ie. 44.3% as against 11.6% by KSHB. But after 1995, the total number of houses constructed by KSHB outnumber the overall performance of HDFC between 1995-1998. The study also shows that there is a shift of emphasis in both KSHB and HDFC regarding the allotment of loans to economically weaker sections of the society and lower income groups.

The majority of the beneficiaries of KSHB are of the opinion that the Board decides and designs the type of house and allots the constructed house/flats/apartments to the customers of all income levels. There is no personal choice by the beneficiary regarding the supervision and construction work of the house. In the case of EWS and LIG the task is entrusted mostly with non-governmental organisations (NGOs). Though the Board enjoys the advantages of large scale production, the constructional defects and improper maintenance of the houses are not rectified by the housing agency. On the other hand, HDFC loan disbursements are given directly to the individuals and individual houses are preferred generally. The supervision of the construction work is mainly done either by the house owner himself or by a contractor or by relatives
and friends. Better quality construction is found in the case of houses of the beneficiaries of HDFC.

Though 75% of the sample selected come under the class of individual houses, most of the KSHB beneficiaries of MIG and HIG own flats or apartments. From the samples taken from the MIG category of HDFC, cent percent of the beneficiaries have utilised their loans for individual houses. Since the growth rate of population is increasing at an increasing rate and the land supply remains fixed, the existing housing gap has become a vital issue for the policy makers. The Housing Board's area of concern is House for All by 2002 A.D. And therefore the Board focuses its attention on providing shelter for all income groups either in the form of individual houses or flats. The study reveals that among the total samples selected from KSHB 60% own individual houses and 40% owning flats/apartments as against 98% of the beneficiaries who own individual houses in HDFC.

Due to industrialisation and seeking employment or to enjoy better standard of life the majority of the population in the state are moving towards towns and cities. The construction of individual houses in the cities is becoming a difficult task. The flats constructed by the KSHB for all income levels have helped to solve the housing problem to a great extent.

7.10 SOURCES OF FINANCE:

The highest percentage of the beneficiaries opined that they become aware of the existence of the house financing institutions such as KSHB and HDFC through relatives and friends. The experience of the
beneficiaries speaks louder than advertisement and publicity. But 42% of the MIG beneficiaries and 41% of the HIG beneficiaries of HDFC have become aware of the housing schemes through personal enquiry. With regard to the lower income group no comparison is made among the cost advantage of the housing agencies functioning in the state.

The loan assistance received from the house financing agency by various income groups are studied by employing chi-square test. It is found from the analysis that in KSHB there is some association between the income level and the amount received from the housing agency, whereas in HDFC, no such association is found. When the total analysis is made it is proved that there is no relation between the amount received as loan and the class of income.

It is clear from the study that though the HIG class approaches the financing agency for housing loan, it is mainly for house improvement and house extension. HIGs do not solely depend upon the housing loan. They resort to other sources of income for house construction specially the HDFC beneficiaries.

From the chi-square test applied to find out the association between the loan assistance received and the region, it is proved that there exists significant difference between the loan assistance and the location of the house. In the case of HDFC, it is found that these two variables are independent. The reason here is that since there is no regional office of HDFC in Kozhikode, KSHB contribution alone is taken. Twenty eight percent of the total beneficiaries have taken loans above 75% of the total construction cost. Assistance received above 75% of the total cost of construction is 74% in Kozhikode. In Kozhikode KSHB is more popular.
and it contributes 80-85% of the total cost of construction as loan. The LIG class takes the full loan assistance and contribute their own share to complete the house construction.

7.11 PRELIMINARY DETAILS OF LOAN PROCUREMENT:

Sixty percent of the respondents raised loan in the range below Rs. 50,000. It was observed that the majority of the beneficiaries belong to the EWS and LIG. When the two agencies are taken separately too the same trend follows. It is to be mentioned that 1.1% have taken loans above Rs.5 lakhs from KSHB and 1.6% have availed loans above five lakhs from HDFC. Though the maximum loan amount is raised from Rs.50 lakhs to one crore in HDFC, the beneficiaries are of the opinion that they do not go in for larger funds for housing. There exists no association between the level of income and the money raised through loan. In the case of EWS and LIG, the amount raised as loan ranges between Rs. 28,000 - 35,000 since they build standardised houses approved by the housing agency.

The majority of the respondents found it wise to avail loans for house construction as it absorbs the impact of inflation. The availed loan can be repaid in a protracted period of time, when the value of money would be diminishing. The rate of interest determines the volume of housing loan and the development of housing sector. Various housing agencies are evaluating their overall performance from time to time and make adjustment with regard to the rate of interest charged and the volume of loan amount sanctioned. Ninety three percent of the beneficiaries are of the opinion that they will not accept housing loan if the rate of interest is higher than the prevailing rate. Fifteen percent of the beneficiaries of
HDFC are of the opinion that, they will go in for housing loans even if the rate of interest is high.

The beneficiaries of HDFC and KSHB received loans in instalments. The lumpsum disbursement was not very common among the financing institutions. Sixty percent of the respondents were of the opinion that the amount paid in each instalment is reasonable. Repayment of loan in HDFC and KSHB is done through banks by crossed cheques, or at the agency office in the case of EWS and LIG or through salary deduction in the case of MIG and HIG.

Eighty four percent of the total respondents expressed their opinion that there is difference between the actual cost and estimated cost of construction. The study revealed that 83% of the MIG of KSHB and 85% of the MIG of HDFC are of the opinion that there is substantial difference between the actual cost and estimated cost since the housing finance has a long term character.

7.12 DEGREE OF SATISFACTION:

The level of satisfaction of the beneficiaries at various income levels is studied by applying 't' test. The five statements to measure the level of satisfaction in availing loans from KSHB and HDFC were as follows:

- Time taken between the processing of application and the sanctioning of loan.

- The receipt of instalment on time.

- The time given for repayment.
- the mode of repayment

- Return of the title deed and other documents after the repayment of loan.

Each statement (factor) was taken separately for LIG, MIG and HIG and analysed. It is found from the analysis that there exists significant difference between HDFC and KSHB with regard to the satisfaction level on all factors. The degree of satisfaction is much lower in the case of KSHB when compared with HDFC. The analysis clearly proves that the beneficiaries are not satisfied with the overall functioning of KSHB as it is now.

The level of satisfaction is further analysed by using the analysis of variance (ONEWAY ANOVA) and was found that there is significant difference in the levels of satisfaction between different regions such as Kochi, Thiruvananthapuram and Kozhikode. To identify the centres (Regions) which are significantly different in satisfaction level, the Least Significant Difference Method (LSD) also is used. The multiple range test shows that the pairs of groups are significantly different. Therefore there is a significant difference between the factors that determine the level of satisfaction by the beneficiaries of HDFC and KSHB in Kochi, Thiruvananthapuram and Kozhikode.

Ninety seven percent of the beneficiaries are of the opinion that housing loan was really a help to them. Some of the HIG and LIG beneficiaries of KSHB opined that it was more a hurdle than a help to ease their financial burden for housing. Some of the slum clearance schemes and rehabilitation schemes like Rajiv One Million Housing
Schemes (ROMHS) could not produce the desired effect in its initial stages. Similarly some of the housing complexes of HIG by KSHB also ended up in a failure. Therefore 3.3% from HDFC and 2.2% from KSHB feel that availing loan from KSHB and HDFC is a burden.

Eighty four percent of the beneficiaries are of the opinion that they were aware of the other house financing institutions functioning in the state. Still they preferred to choose a particular agency either HDFC or KSHB due to certain benefits attached to it.

The study revealed that the beneficiaries are not eager to build luxurious houses with the housing loan. This shows that the mushrooming growth of housing agencies in Kerala has not caused housing boom. Funds from housing agencies are not a causal factor that prompts people to build luxurious houses as a status symbol in the society. The study proves that 90% of the beneficiaries are of the opinion that the funds are not used to build fabulous mansions. Only 20% of the beneficiaries expressed their view that the softening of loan procedures such as extending the loan limit, reduction of interest rate, and loan slabs etc. lead the beneficiaries to build luxurious houses.

7.13 IMPACT OF GULF REMITTANCES ON HOUSING IN KERALA:

It is found from the study that 87% of the families did not have any single member working in gulf countries. In all the income groups taken for study only a small percentage is working in Gulf countries. This clearly shows NRIs specially from Gulf countries do not go in for housing loans. In KSHB and HDFC, new schemes were introduced to cater to the housing demand of the NRIs.
Though the building construction in Kerala passed through remarkable growth during the last two decades, the influx of foreign remittances played a vital role in the housing industry. This has enhanced price hike in building materials, land and labour management. This has made housing as a most expensive and most wanted commodity in the state. From the LIG class of KSHB, 92.4% are of the opinion that gulf remittances have influenced the construction boom in Kerala, and 83.3% of the LIG class from HDFC also expressed that it has a positive impact on the housing industry.

The study revealed that 94% of the beneficiaries are of the opinion that the housing project of the neighbour does not influence their housing structure. Though people are attracted by big and beautiful houses, the housing loans are not used to build such houses.

**7.14 COMPARATIVE STUDY ON COST EFFECTIVE HOUSING AND CONVENTIONAL HOUSING:**

Though majority of the beneficiaries had the preference for conventional buildings to low cost buildings, the advantages of cost effective technology were expressed by many. The reasons for their preference for the new housing technology were, less financial constraints, more eco-friendly, gives thermal comfort, locally available materials are used, and above all there is architectural beauty. Among the LIG class 24.44% were not aware of this scheme. The majority of the MIG and HIG in Kochi, did not have sufficient information regarding the cost benefit structure of the cost effective housing technology.

Seventy percent of the total responses given by the various income groups point out to the fact that they had no information regarding the low
cost housing. Fourteen percent of the beneficiaries were of the view that there are constructional defects. The majority of the respondents go by the construction techniques used by others. The loans taken from KSHB and HDFC by any income category were used for the construction of conventional buildings. Lack of adequate awareness on the part of the beneficiary to utilise the loan for cost effective housing techniques has been a major hurdle in urban housing specially in Kochi.

7.15 ROLE OF NON-GOVERNMENTAL ORGANISATIONS:

Non-governmental Organisations (NGOs) play a vital role in mitigating the housing problem in the state of Kerala. The poor are always pushed to the periphery due to industrialisation and urbanisation. Number of voluntary agencies have taken the initiative to reach out to the poor and the marginalised of the society. There exists religious and non-religious institutions such as charitable organisations, church related social service societies etc. Housing for the poor has been a priority programme for NGOs functioning in the state. But for the involvement of NGOs, the existing major housing agencies and housing sector as a whole would not have achieved its desired objective. The observations and findings of NGOs in the three regions under study are given below.

7.15.1 Kochi:

The Cochin Social Service Society, Fort Cochin, Ernakulam social service society, Ernakulam, save a Family Plan India (SAFP) Aishwarya Gram, Kanjoor, were the voluntary organisations visited for the present study. It is found that these NGOs accept loans either from HDFC or KSHB and disburse the stipulated amount prescribed by the
parent housing agency. In Kochi, through Cochin Social Service Society (CSSS) KSHB extends its financial help to the deserving needy persons specially in coastal areas like Chellanam, Kannamaly, Cherriakadavu etc. HDFC through the Ernakulam social service society extends its financial aid for housing in Vypin islands. Save a family plan is an international housing scheme sponsored by a Canadian Trust. It is gigantic project all over India specially in Kerala helping the poor to build a house in rural and urban areas. The details of its operations are explained in Chapter IV.

It was observed that in Kochi the beneficiaries were fully satisfied with the housing projects and the way it was done. Timely inspections were done by the NGOs at different stages of house construction. Only in Chellanam and Kannamaly beneficiaries opined that there was delay in sanctioning the loan in instalments. The beneficiaries from Puthuvype, Edavankadu, Ochenthurth and Karthedom, did not have any complaints with regard to the overall performance of the housing agency. It is to be mentioned that the beneficiaries of LIG and EWS who were helped by the NGOs were not aware of the source of funds or the parent housing agency.

The voluntary agencies in Kochi had village animators, or Sanghom leaders or Village Development Council Members (VDCs) to further the lending operations by the societies. The identification of the deserving homeless is done by the local committee leaders. Since the local committee members know the actual situation of the beneficiaries, the repayment of loan will not be a problem. It is worked out systematically in Kochi. The houses in EWS and LIG in Kochi are constructed well and maintained well by the beneficiaries. When compared with other two regions taken for study, it is found that Kochiites have made use of the loans in the best
possible manner. It shows that the value attached to housing by the people of Kochi is remarkable.

7.15.2 Thiruvananthapuram:

The information regarding house financing operations among the LIG and EWS were obtained from Malankara Social Service Society (MSSS) Pattom, and Thiruvananthapuram Social Service Society (TSSS) Vellayambalam. Both these societies had received loan assistance for housing the EWS from KSHB and HDFC. Both prefer HDFC to KSHB due to cumbersome procedure and unnecessary delay in getting the loan sanctioned. Just as the NGOs performance in Kochi, there were field animators in all local units to instruct the people regarding the availability of subsidised housing loans and the need and necessity to own a house. In this region most of the beneficiaries were not aware of the financing agencies since they had to contact only the NGOs.

It was observed that in this region the EWS and LIGs who received assistance from both HDFC and KSHB were not satisfied with the houses. Vizhinjam, Poonthura, Vellarada etc. were some of the rural areas where the NGOs helped in financing the housing project. Most of the newly built houses were unfinished. The flooring and plastering in most of the houses could not be done with the assistance received from the housing agency. It also lacked basic amenities of life. In Vizhinjam though the houses were not in a deplorable condition, the number of family members were so large that a small house with floor area 250 sq.ft. was inadequate. The EWS and LIG of Thiruvananthapuram were content with a mere shelter and not eager to possess an adequate shelter like Kochiites.
7.15.3 **Kozhikode:**

In this region, KSHB had direct involvement in the housing activities for LIG and EWS. Rajiv One Million Housing Scheme and Maithri Bhavan Nirman Schemes were launched for the EWS and LIG. The Calicut Diocese Social Service Society (CDSSS) at West Hill was the agency which had taken the initiative to extend the loan facilities for the shelterless poor in the rural areas. Here, the CDSSS contributes Rs. 6000/- and the rest is beneficiary's contribution. It is found in this region that the houses constructed by the beneficiary under the guidance and supervision of NGOs have better quality construction. Whereas the houses done by the agency through direct involvement of KSHB were proved to be a failure. Mukkom and Beypore (Maradu beach) housing schemes are typical examples for this. The beneficiaries expressed that there existed red-tapism, corruption and bureaucracy, in the government sector for house financing. The housing agencies have worked more effectively among the LIG and EWS only through local organisations and NGOs.

The present study points to the fact that in the three regions of Kerala the EWS and LIG are specially catered to by the NGOs. Some of the NGOs deposit Rs. 12,500/- under Maithri Bhavan Nirman Padhathi (Maithri Housing Schemes) as their contribution so that the beneficiary will be exempted from repayment. In Cochin Social Service Society, Malankara Social Service Society, Trivandrum Social Service Society, Calicut Diocese Social Service Society and save a Family Plan India, this system is followed. Since housing is the basic human right, most of the church related charitable institutions in Kerala, have given priority to housing projects in their social service agenda.
RECOMMENDATIONS AND CONCLUSIONS:

From the findings of the study, the investigator recommends the following, for the improvement of the future housing schemes of KSHB and HDFC and housing in general. The present study indicates that there is a spurt in house construction activity since 1970 in Kerala. For an average Keralite his social, cultural and psychological growth depends to a certain extent on the ownership of a decent house. He on his part is willing to sacrifice anything to attain this goal.

7.16 GOVERNMENT AND FINANCIAL AGENCIES:

The funds for housing are distributed through different agencies in the state. The norms adopted in selecting beneficiaries, criteria for distribution of funds etc. vary widely. There seems to be a political touch when making the selections for houses from the EWS and LIG. Full details on the flow of funds should be monitored by a co-ordinating agency in the state.

7.16.1 The central co-ordinating agency should follow a uniform pattern in all matters related to funding, processing of application, sanctioning of funds, providing guarantees etc. to avoid delay in all financial institutions for housing and should have control over technical and financial services related to all sectors of housing in the state.

7.16.2 Funds required annually by each housing agency should be assessed at the state level in advance so as to plan the flow of funds and issue of government guarantee for each housing agency.

7.16.3 Finance should be made easily available from more commercial banks and co-operative banks. Though the banks started disbursing housing
loans from 1987, they do not consider it as an important project in their banking operations. The maximum loan amount ceiling of the banks should be raised in resonance with the modification made by HDFC and such other house financing institutions.

7.16.4 The KSHB should be recognized to function as a facilitator for general housing schemes and as a provider only in the case of EWS and LIG. Undertaking construction of houses for those who are able to fund for themselves (eg: HIG and NRI) seems to be unnecessary.

7.16.5 The KSHB should be made autonomous. It can be reconstituted under the Company's Act as fully owned government company. The government should have the power to give direction on policy matters and order checks by the Company Law Board and by the Committee of Public Undertakings of the state legislature.

7.16.6 The State Housing Board should also have the power to mobilize resources not only from the Government and HUDCO but from other financial institutions like LIC, GIC, Commercial Banks, capital markets and public deposits.

7.16.7 Though HDFC and NHB (National Housing Bank) have been able to attract sizable amount of individual resources to this sector, their contribution to the total housing finance is only ten percent. The quantum of housing finance in these financing institutions must be proportionate to the housing needs of the country. Otherwise people will go in for informal sources to meet their housing finance needs.

7.16.8 Many governmental programmes exist to assist the poor people. But the rules governing such programmes are complicated and not pro-poor. For example, the return of the title deed after the repayment of the
loan amount is unnecessarily delayed in KSHB. The beneficiaries from LIG/EWS could use it for some other purpose since it is the only source of finance for them. Hence it is important to identify the rules which stand in the way of the poor and change them accordingly or make them flexible so as to give the poor the benefit of the programmes meant for them.

7.17 FACTS TO BE CONSIDERED IN HOUSE CONSTRUCTION:

Any scheme for providing shelter to all will succeed, if there is a drastic change in the outlook towards the house. A new housing culture has to emerge based on the following broad points.

7.17.1 A house is a shelter; it is also a refuge from the problems of life and a factor for social security. A house is the major factor in shaping the family life and thereby the social life. The staff of KSHB and HDFC must be trained to give proposals and guide lines to the beneficiaries regarding the type of house required at various income levels.

7.17.2 Function, security and aesthetics should synthesise in a house. But in Kerala, a house is considered as a symbol of prestige and a means of exhibiting ones wealth and status. Surveys have shown that while Keralites form only 3.25% of the population in India, more than 12% of the furnishings and decorative material used in India for building is consumed in Kerala. This leads to a large amount of avoidable waste. This also creates a dangerous trend in housing culture. A proper awareness of the need and urgency of a shelter rather than the pomp and splendour of the buildings should be created among the beneficiaries who approach HDFC and KSHB for housing loan by forming an “Awareness Cell” in these housing agencies. Thus extravaganza in the housing sector could be checked and funds could be used for some productive purpose.
7.17.3 A small house of one's own to lead a peaceful family life is the dream of every common man or woman in Kerala. The main hurdle in the fulfilment of this dream is the mad craze of wasteful fashions and unhealthy trends. The building lobby contributes a lot to these trends. The common householder is unaware of these methods for reducing wastes and avoiding opulence. The result is that the houses with insufficient utilisation of space are built with unnecessary decorations and furnishings. The building lobby must be strictly controlled by the state government or local governments in order to channelise the loans sanctioned to the beneficiaries in a more effective and lucrative way.

7.17.4 Any scheme for providing adequate house for all should be able to negate the unhealthy trends in construction industry. Awareness on economic and efficient houses should be propagated through write-ups in journals, leaflets, booklets and demonstration models.

7.18 CREATING AWARENESS AND HEALTHY ATTITUDES:

7.18.1 Since the awareness of the existence of the various house financing institution existing in the state is lacking among the homeless, adequate publicity should be given at the local level, district level and state level.

7.18.2 Unfortunately, the concept of low cost housing in rural areas has become synonymous with lower quality housing and it has been interpreted to mean housing for the poor. This negative attitude must be changed and the government/housing department headed by the housing commissioner, should take the initiative to popularise, the concept of low-cost housing. Housing agencies like HDFC and KSHB and Nirmiti Kendras also should come forward through the "Awareness Cell" suggested earlier and make
the public know the advantages of cost effective housing. They should also encourage the use of substitutes and cheaper building materials which could significantly reduce the cost of construction.

7.19 NEED-BASED DISBURSEMENTS AND SIMPLIFICATION OF PROCEDURES:

7.19.1 The procedures for granting loans should be simplified. There is much delay and the cumbersome procedure discourages common man to approach the housing agencies. The world is moving fast and man faster. Therefore in the modern age time cost counts much. The system practised now both in KSHB and HDFC is the disbursement of loans in instalments at different stages of construction after a thorough inspection by the housing agency. It causes the beneficiaries inconvenience, more expense, and loss of time. Based on the repayment capacity of the individual the agency should sanction the loan amount required for the house construction and a final inspection by the agency are advisable.

7.19.2 The norms followed in KSHB and HDFC at present are to sanction the housing loan after the foundation has been built. For HIG and MIG, it may work well since they have other sources of income such as savings, inherited wealth, sale of property etc. As far as a poor man is concerned, he will need cash in hand before the construction. Therefore HDFC and KSHB should disburse the loan amount prior to construction. This will avoid unnecessary interference of moneylenders by offering money to start construction.

7.19.3 The rate of interest in many of the house financing institutions is high. Housing is a need and right of every individual in the society. At
least government housing agencies like KSHB should realise this and provide opportunities for all classes of people to accept the loan facilities by reducing the rate of interest for housing loan. The prevailing rate of interest for housing loan to the weaker sections of the society by the HDFC is 9%. This should be reduced to 5%.

7.19.4 The price of building materials land and labour cost are increasing day by day. The maximum loan amount sanctioned, except in HDFC is not sufficient even to complete the basic structure. Therefore the ceiling of loan amount sanctioned should be revised proportionately with the rise in the cost of building materials especially in the case of KSHB for EWS and LIG. At present KSHB’s contribution to LIG/EWS is Rs. 35,000/-. This should be raised to Rs. 50,000/- or Rs. 75,000/-. In the 1999-2000 Union Budget, tax exemption on interest payment on housing loans upto Rs. 75,000/- is also made in order to facilitate housing finance.

7.19.5 The duration allowed for repayment is 20 years except for GCDA and LICHF which extend the time of repayment to 25 to 30 years respectively. Those who avail large loan amount for housing, their period of repayment should be extended to 30 years or more so that the amount of equated monthly instalments will be reduced to a smaller amount.

7.19.6 The terms and conditions for the eligibility for availing loans, loan disbursement and loan procurement should be made simple for the common man to have easy accessibility. For eg: in the Millennium Housing Schemes of HDFC for EWS, it is specified that the family income of the beneficiary should not exceed between Rs. 1,500 - 2,200 and they should be ready and capable of repayment of loan at a monthly instalment rate of Rs. 170. This condition can be restructured. The beneficiary’s family
income can range between Rs. 1000 - Rs. 3500 and the monthly instalment rate could be reduced to Rs. 100/- . The duration of the repayment also could be extended to 25 years. This will enable many shelterless poor to avail of the loan facilities provided through the millennium schemes.

7.19.7 Unnecessary delay in paper work by KSHB must be strictly controlled. Avoid red tapism so that the poorer sections in the society can make better use of the loan facilities and complete the construction of the house at the stipulated time frame. The majority of the KSHB beneficiaries are not satisfied with the activities and services. Quick processing of application and sanctioning of loans will attract many to undertake house construction activities by availing loans from KSHB. Housing Board should have a “Regulatory Authority” in each region ie. in Thiruvananthapuram, Kochi and Kozhikode to co-ordinate and check the functions and the loan procedure delays.

7.19.8 Though the Housing Commissioner has issued the order to return the title deed of the KSHB beneficiaries after the completion of the repayment of the loan, still it has not reached the beneficiaries. This creates dissatisfaction and antagonism among the people who have availed loans from KSHB. The “Regulatory Authority” should look into the matter and take measures to execute the order.

7.19.9 Since 64% of the beneficiaries from LIG class of KSHB feel the burden of repayment, soft repayment should be encouraged. Soft repayment is a facility provided by the house financing agency to extend the period of repayment with reduced equated monthly instalments. Those who do not have a regular or steady income may become defaulters of the repayment of loan as equated monthly instalments. No stringent
action should be taken but to give them sufficient time by extending the repayment period.

7.20 LAND - THE PRIME FACTOR:

7.20.1 All resources of housing other than land can be produced. But land is a fixed factor of production. Land should be treated as essential and rare commodity. The land should be made available through the Revenue Department. The Land Board should identify lands suitable for housing development and acquire them for transfer to the housing agencies through the Revenue Department. This will avoid prolonged litigations and delay in fixing the price and transfer of title deed to the beneficiaries.

7.20.2 Legislation is necessary to acquire land which is suitable for housing and which is kept vacant for more than 4 to 5 years. Alternatively heavy taxation on such vacant land should be introduced especially in urban areas. The Union Government’s new initiatives in the housing sector is spelt out in the Finance Act 1999-2000. The repeal of Urban Land Ceiling Regulation Act is likely to release surplus land in urban areas and create better market conditions for house construction activity. This induces many land developers to acquire more land in urban areas. Since there is an urbanward shift of population in recent years for education, employment, better standard of living etc. vacant land in these centres should be properly utilised for constructing flats and apartments, housing complexes, individual houses etc. for all income groups and distribute at less than the prevailing rate. It is recommended that the urban Land Ceiling Act should be strictly enforced.

7.20.3 The pressure on urban land forces the housing agencies to build flats or apartments. At the same time the flat culture is slowly losing its hold
on the people of Kerala. The Keralites prefer individual houses to twin houses or apartments. The total demand for construction of houses during the period 1999-2000 is approximately sixteen lakhs. So the pressure on land will be rather heavy in the next decade. Therefore, the available urban land should be brought to maximum utilisation in the field of housing. In Kerala specially in Kochi, individual houses are preferred. KSHB should give a serious thought to it and construct more housing colonies in this region than constructing flats / apartments.

7.20.4 Cities are growing fast with scant regard for order of any sort. The influx of labourers from rural areas to urban areas continues to increase. Eventually they happen to settle down in the cities and suburbs. In order to ease the overcrowding in the cities satellite townships are planned in the suburbs of Thiruvananthapuram, Kochi and Kozhikode by the Government of Kerala. The development of the growth variables in the surrounding areas of these townships will take the economy to a higher realm. The role of house financing agencies is very significant in this respect. HDFC should come forward and adopt policies of this kind to extend its loan facilities for the improvement and extension of cities and suburbs. KSHB should further initiate to ease the pressure on other cities by establishing Satellite Townships in districts like Trissur, Palakkad, Malappuram, Kottayam and Kollam where there is wide disparity in the distribution of rural-urban population.

7.20.5 The grants and loans for houses for the EWS are given only to those who possess land. Hence effective measures should be taken for the distribution of land to the landless among the EWS. It should be ensured that the part of the cost is met by the beneficiaries through labour service.
The government of Kerala has made a "Millennium Offer" for the shelterless poor. Millennium offer is a housing scheme proposed by the Government of Kerala with a view to solve the housing shortage of landless poor in the state. This enables the poorest of the poor in the society to have access to housing facilities through the house financing agencies of the state government. It is the first of its kind in India, introduced by the Government of Kerala to provide houses for the landless. The condition prevailing in KSHB and HDFC regarding the eligibility of loan is that the beneficiaries should own a minimum three cents of land. This clearly shows that the genuinely deserving poor are outside the various schemes of KSHB and HDFC. Since land is the prime factor for housing, these housing agencies should provide schemes for acquiring land and constructing houses with the loan amount. The Millennium Offer of the Government of Kerala should be executed through KSHB so that the poorest of the poor will be housed.

7.21 COST-EFFECTIVE, ECO-FRIENDLY HOUSING:

7.21.1 New strategies need to be adopted for making housing a viable proposition. Indigenous technology which is area friendly can make living of the poor comfortable, instead of concrete structures. To a large extent, the economy in building costs depends on materials used in construction. So the selection and use of building materials are very important. Some new innovative materials should be used in constructing houses such as brick, mortar, ferro cement, stone, soil stabilised blocks, hollow concrete blocks, fly ash, timber etc. If these locally available, inexpensive materials are used for construction the total cost of the house will be reduced to the minimum. The housing agencies like HDFC and KSHB must plan for the people who will occupy the house, their needs, their pattern of living,
their religious ideals etc. The structure proposed should be able to cope with all aspects of climate, whether of intense heat or cold, or of heavy rain or driving wind etc. The "Awareness Cell" can give proper instructions to the beneficiaries to prepare a housing structure suitable for their capacity to afford and the ecological conditions of the place.

7.21.2 Cost reduction through reducing wastes, adopting appropriate technology, evolving optimal designs, effective programming and efficient construction management should be adopted. Nirmiti Kendra can play a leading role in this respect. These Kendras should act as resource centres. KSHB and HDFC should establish some training centres and train personnel in cost reduction techniques in house construction. Other non-governmental organisations and voluntary agencies' involvement in this respect could also be sought. This will enable the various schemes under KSHB and HDFC to be more people-oriented.

7.22 DECENTRALISATION AND COMMUNITY PARTICIPATION:

7.22.1 With the introduction of the three tier Panchayat System, the panchayats, blocks and district should be given an important role in the housing sector. These should be made responsible for the assessment of the housing demand, estimating the resource requirements on the basis of the pattern of use of materials and availability of materials. They should be given a prominent role in the identification of beneficiaries and utilisation of funds. In the case of EWS and LIG, they should be entrusted with the task of disbursement and recovery of funds.

7.22.2 The local bodies can identify the homeless poor and make known to them the various schemes of HDFC and KSHB. These housing agencies
can introduce building centres in collaboration with the local bodies. These centres should store appropriate building materials particularly locally available ones for distribution at a reasonable cost.

7.22.3 The local bodies must be better equipped to cater to varied housing priorities of individuals by mobilising the enormous personal resources (skills, imagination, initiative, co-operation and determination) and material resources (income, savings, land, material and property), under the control of individuals and households. This will enable the local panchayats to utilise the excess manpower resources skilled or unskilled in this area. This can also reduce the transportation cost of building materials and construction workers.

7.22.4 It is a welcome step that the housing supply market has finally attracted the attention of state government. The goal can be achieved only through the local finance institutions for housing such as KSHB and HDFC. The funds from the state government in the housing sector should be distributed through the local bodies and steps must be taken by the local administration to check the misuse of funds. KSHB and HDFC should open branches in suburbs and villages to facilitate the housing policies undertaken by the state government.

7.22.5 The housing finance system of KSHB and HDFC should be widened more to cover the lowest end of the income ladder and deployment of loanable resources across a variety of activities relating to housing. This will bring about a balance between affordability and viability.

7.22.6 Community based and voluntary organisations must be strengthened and revitalised since they have a major role to play in the implementation
of housing scheme in HDFC and KSHB. These housing agencies reach out to the marginalised and underprivileged through the voluntary organisations. No active involvement is given to these organisations or associations in the design, construction, cost sharing and monitoring shelter schemes. They should be given adequate participation in planning, decision making and executing the schemes and in the process of delivering shelters. At present, the voluntary agencies working under HDFC and KSHB remain only as disbursing agencies.

7.22.7 The eligible or deserving homeless should be identified without bias. The majority of the beneficiaries of LIG/EWS who have availed loan from KSHB suffered from unnecessary involvement of political parties. People's planning in the housing sector must be encouraged. The schemes of KSHB has a tendency to be influenced by local political elite in alliance with the bureaucracy (eg. Rajiv One Million Housing Scheme). They should never intervene or interrupt KSHB'S institutional and financial operations. The Regulatory Authority should maintain the just functioning of the Kerala State Housing Board.

7.22.8 Action is to be initiated to institutionalise and promote interaction between NGOs and government at all levels for quickening the process of rural housing. Church related voluntary and charitable organisations are very supportive of this type of development. Now the Panchayati Raj Institutions (PRIs) are given the constitutional status. Their involvement will go a long way in solving the problem of rural housing. But it is noticed that sometimes the authorities in villages become more exploitative while dealing with public issues like water supply, electricity, housing etc. This situation could be made more transparent at the local administration level by submitting the monthly accounts and having evaluation programmes.
7.23 NEED FOR A DIFFERENTIAL APPROACH:

7.23.1 Basically when housing problem is analysed, we must recognise people in three distinct categories. People who are helpless, poor and therefore cannot venture for house construction, constitute the first category. People who are just able to meet their daily needs and also the rental cost of shelter on a month to month basis constitute the second category. The major chunk of the State's middle class fall under this category. If the housing cost is split to monthly or yearly instalments, all of them can bear their own burden of constructing houses. The third category is that small portion of the society which is self sufficient. They are the land developers, builders, professionals, businessmen, landlords, and tax payers. HDFC and KSHB should keep in mind the classification mentioned above while they formulate various housing schemes.

7.23.2 Housing need is the same for all people at all income levels. But the amount of loan required and the repayment capacity vary. Housing demand and income level of individual householder is very much related. The repayment capacity is solely depending upon the income of the person from various sources. At present all house financing institutions in Kerala including HDFC and KSHB are having fixed rate of interest for all income groups. KSHB and HDFC should adopt differential rate of interest for low, middle and high income groups in order to bring about a balance between the amount sanctioned and the interest rate charged. This can create a more egalitarian distribution of funds in the housing sector.

7.24 BUILDING NORMS AND TECHNOLOGICAL EXPERTISE:

7.24.1 Building rules should be strictly enforced and these rules should be made applicable in all panchayats. No exemption should be given in the
case of LIG. The exemption in ground coverage, floor area ratio etc. should not lead to the growth of slum type developments. The voluntary agencies working in collaboration with HDFC and KSHB should be instructed in this line.

7.24.2 The number of floors in the central areas of metro cities should be minimised to 4 to 5. This will avoid over crowding and environmental hazards. The housing schemes of KSHB like flats, apartments, housing complexes etc. that are constructed in the cities should follow these conditions.

7.24.3 There should be a ceiling on the maximum floor area for a residential house. Tax should be imposed on houses with floor area above 250 m² in a proportionate manner in urban areas.

7.24.4 To reduce ostentation, opulence and waste of building materials, the building tax should be properly restructured. For eg: tax rate should be increased for houses with floor area above 200 m² and costing above Rs. 10 lakhs.

7.24.5 Upgradation of existing housing units which can be done at much lower costs than providing new housing units has to be an important factor of the housing strategy. The KSHB and HDFC should encourage upgradation by providing technical advice, by arranging supply of appropriate materials and by acting as a nodal agency for financing, using assistance from HUDCO and linking up with other suitable house financing institutions.

7.24.6 One major problem in the field of housing is the lack of adequate number of artisans with proper training in different fields related to
construction. Since HDFC and KSHB engage themselves in construction work, it is commendable to introduce training centres at their initiative at village panchayat, block panchayat and district panchayat levels. This will reduce labour cost and increase the quality of work. The labour management problem of the construction workers also could be minimised.

7.24.7 The shortage of skilled workers is due to several reasons. One reason is the apathy of young to take up job requiring physical labour. Apart from this, the traditional method of training in which the senior artisans, impart knowledge and skill to their offsprings and their chosen pupils is seldom practised now. Moreover, advancement of technological applications require training of artisans in the new technology in order to enable proper transfer of technology. ‘Housing’ as a subject should be made part of curriculum right from higher secondary courses. Building techniques could be introduced as a course for study at the university and college levels. This will give the young the dignity of construction work and employment in any part of the country will be ensured.

7.24.8 Every panchayat, block and district should assess the manpower requirement in different areas of construction. They should also have employment centres for employment and deployment of trained artisans. Housing agencies like KSHB and HDFC can absorb the skilled and trained labourers in their construction activities. This will ensure quality and expertise.

7.24.9 Rigid planning of the houses by the housing agency should be avoided. The residents should be allowed to make necessary modifications to suit their needs. When the number of family members increases, the need for more rooms arises. Similarly when some family members get old
or fall ill, more facilities must be provided for and so the original plan can be remodified as and when the need arises.

7.24.10 Sponsoring agencies must be properly instructed to help the beneficiary to design the house and make alterations in the measurement of floor area to make the room more spacious. Voluntary agencies should not dictate terms and conditions to a certain extent in the house building activity of EWS/LIG. Some voluntary agencies like Save a Family Plan India (SAFP) and Millennium Housing projects by HDFC strictly observe the terms and conditions of the funding agency and stringent actions are taken when these rules are violated. HDFC should be more flexible in this regard as to give freedom to the beneficiary to make necessary modifications.

7.24.11 Allotment of the house should be strictly based on the urgency of the need and the level of income. KSHB should be very selective and prudent in this case. Under Rajiv One Million Scheme, houses allotted were given on rent by the beneficiaries and they move to the suburbs for better facilities and standard of living. Renting of the house system by the beneficiary should be strictly curbed. Only then the deserving ones will be benefitted by the housing loan facilities.

7.25 RURAL-URBAN CONTINUUM:

7.25.1 The rural sectors should not be treated in isolation. They should be incorporated in the total urbanisation policy. Though the rural and urban housing policy has different determinants, still they should be treated as part of rural urban continuum. A large part of the need for urban housing emanates from the migration of people from rural to urban areas in
search of employment, creating problems of slums in the urban sector. As such a certain amount of flexibility is required to provide shelter depending upon the size and speed of migration. This phenomenon in the metro cities is an important factor in the house construction industry. Major house financing institutions such as HDFC and KSHB should maintain a "Research Department" to assess the demand for housing and supply of housing in the rural and urban areas. This department also can evaluate the functions of the financing agencies and correct flaws in the loan procedure pattern and suggest ways and measures for the improvement of the various housing schemes. In order to benefit the poor in rural-urban areas, KSHB and HDFC should spread out its branches to the remotest areas so that the services of these institutions will be easily accessible to the poor.

7.26 **HOUSING CAN CONTROL POPULATION:**

We often forget that adequate housing with sanitation and other facilities make a positive impact on family planning. Three fourth of Indian housing facilities lack sanitation and water. Studies and experiences of developed countries suggest that strong family norms are intimately linked up with adequate and quality housing. In rural panchayats, houses are built with smaller floor area for a larger family. The accelerated demand for housing resulting from increase in population is only one factor. It should be appreciated that adequate housing itself is a factor in changing the demographic situation and demand for housing in the long run. The state government should give high priority for housing as a means to check population growth. It is observed in the study, that the people in coastal areas eg. Vizhinjam and Poonthura in Thiruvananthapuram, and Mukkom
and Maradu Beach in Kozhikode are suffering from lack of adequate housing. Though HDFC and KSHB have extended their housing services in these areas, beneficiaries are poorly housed. Without even having basic amenities of life larger families are accommodated in smaller houses with floor area as 250 sq.ft. HDFC and KSHB should give a serious thought to it and the floor area of the house for EWS/LIG should be increased to minimum 500 sq.ft.

7.27 NEED FOR A NEW STRATEGY:

7.27.1 There should be a well co-ordinated strategy for promoting development of rural areas with sufficient number of livable houses in them. Our villages should become small towns so that growing migration of rural population to urban centres be halted. Steps should be taken to earmark certain portion of land in villages for the homeless. Introduction of satellite townships is the first step in this direction Kerala State Housing Board should acquire vacant land in the villages that come under the vicinity of the satellite townships and construct housing complexes for various income groups. This will halt the pressure on land in urban areas.

7.27.2 The housing shortage has become as serious a problem like poverty and unemployment. There is need for changing the approach and strategy in finding a solution to the problem. The changes must reflect in the policies and plans particularly in favour of the needy sections of the rural areas. The nature and structure of houses in the rural areas depend on factors like size of the family, stock of animals, ability to purchase specific type of house with the help of own and outside resources, repayment capacity, expected saving level, availability of land etc. It is recommended that HDFC should give special attention to the needs of the poorest segments
of scheduled castes and scheduled tribes and other disadvantaged persons. Since number of above mentioned variables are to be considered to house the poor, HDFC should open a wing in its head office and regional offices to provide adequate shelter for scheduled castes and scheduled tribes through the involvement of NGOs. The NGOs working for the housing of the tribals should be encouraged and supported by the house financing agencies like KSHB and HDFC.

7.27.3 While implementing the rural housing schemes by KSHB and HDFC either for new construction or renovation, involvement of the beneficiary and their own other resources should necessarily be a pre-requisite. Besides, the scheme should have a built-in-element of cost-effectiveness and optimum use of locally available materials. However in no cases free housing be considered.

7.27.4 Maintenance and upkeep being of crucial significance in housing, the family members specially women and children should be trained by village school teachers, NGOs or Village Development Council (VDCs) that the houses and surroundings should be kept clean.

7.28 EXODUS TO CITIES AND SUBURBS:

7.28.1 The houses for the poor built by KSHB under Rajiv One Million Housing Scheme during the early 1990s did not produce the desired effect. The beneficiaries feel cheated by the Housing Board since they are placed in very deplorable housing conditions. A tendency is found among the ROMHS beneficiaries to leave their houses and move to the suburbs. It would be more feasible for KSHB, instead of undertaking the newer housing schemes for the poor, the existing non-livable houses built by the government agencies should be improved and renovated.
Kerala State Housing Board built housing colonies in the villages where land was in plenty. These houses were allotted to the beneficiaries of EWS at low rate of interest. For eg. Mukkom housing colony in Kozhikode. Most of these house owners leave the house or sell it or give it on rent and move to the cities for better standard of living. The identification of poor homeless people was not made honestly in these areas. The result is that the deserving ones go without getting the benefits of various schemes of KSHB and HDFC. The house financing authorities of these institutions should make frequent or occasional visits to the house sites of the target group and verify the use and misuse of funds sanctioned.

### CHANGE IN THE MIND-SET:

The National Housing Policy 1992 suggests the need for cost effective technology that uses largely locally available resources for construction in the rural as well as in urban areas. The application of these technologies depends mainly upon the acceptance of the people. Much of the proven technologies and materials remain unused due to lack of promoters for them. In Kerala specially in Kochi, low cost housing means low quality housing, meant for the poor alone. This calls for a change in the mindset. There is great urgency and need to popularise low cost housing. Development of planning and design norms to promote low cost, energy efficient technologies must be well thought out to reduce the cost of housing.

Change in the mind set can be brought about by proper instruction and information regarding the construction techniques in housing. Children in the early age should be trained and taught to plan and design their houses for the future, feasible to them and to the economy. School level
competitions for house design and awareness programmes should be arranged to appreciate the cost effective and eco-friendly housing system.

7.30 **INTEGRATED APPROACH:**

7.30.1 Housing should be integrated with over all economic development programmes of the rural and urban areas. Shelter is now identified as much more than just the provision of infrastructure. Housing strategies should now involve the entire environment in which projects are undertaken. This requires not only an integrated approach to housing in the implementation stage, but also an increasing focus on post-project maintenance. Thus any investment in shelter be it rural or urban must involve an appropriate mix of technological and social factors. National Housing Policy now emphasises that the government housing agencies should play the role of a facilitator and not as a provider. This brings into focus the role of NGOs and calls for a new approach and development of management skills flexible enough to suit the local needs. Though KSHB adopts an integrated approach, HDFC is still slow in adapting the housing schemes to suit the local needs. HDFC and KSHB should focus their attention on post project maintenance. Now the system practised is that once the construction of the project is over and the key handed over to the house owner, the financing institution disappears from the same. Since there occurs constructional defects such as leakages, waste disposal problems etc. KSHB and HDFC should continue some follow up programmes for their housing projects.

7.31 **VILLAGE HOUSING SURVEY - A MUST:**

7.31.1 The country is in the first phase of the twenty first century. The ninth five year plan has reached half way implementing and executing the plan
objectives. The census survey also is in the process of being initiated. In view of this, it is most essential and desirable that a detailed and village wise survey is conducted in respect of existing status of rural housing. The need for providing additional houses and the possibility of renovating existing dilapidated houses to suit the future needs should be the primary objective of the survey. In addition to that the type and quantity of the building materials required and available, number of masons, carpenters, engineers, architects et al. available and required, requirement of finance and the sources to meet the required finance etc. should be elicited by using appropriate tools. The survey should focus on a perspective plan for 2010 A.D.

7.31.2 An expert team for this purpose, must be appointed representing the districts, blocks and panchayats. The perspective plan may have to be implemented by the Panchayati Raj Institutions (PRIs) at village and block levels, under the guidance of the PRIs at the district and state levels.

7.32 REDRESS THE GRIEVANCES OF FLAT/APARTMENT DWELLERS:

7.32.1 The local administration in the coming years should consider “House for all” as their prime concern. The existing housing colonies should be properly maintained so as to ensure cleanliness and hygiene. Colony wise road construction, water supply, storage and garbage disposal facilities should be provided. KSHB should take keen interest in providing these facilities immediately after the construction of housing complexes.

7.32.2 There should be a forum of grievance redressal for the people who have already occupied the flats, apartments and housing complexes regarding the constructional defects of the building structure, lack of
infrastructural facilities such as electricity, phone, communication media etc. Attention should be given to women and children in the colonies regarding their security and morality. It is advisable to have "Apartment Owners' Association" (AOA) to voice out their dissatisfaction collectively and to raise their demands. They can have frequent evaluation programmes and propose suggestions for the improvement of the various housing schemes in KSHB and HDFC.

7.32.3 The house being the most important factor in the study, the respondents' satisfaction with the house must be taken care of. The flats/apartments/housing colonies etc. built by KSHB for HIG and MIG beneficiaries should have conducive surroundings to make the life of the people easier and more pleasant. Spaciousness and conveniences of the kitchen, bathrooms and other sanitation facilities should be provided. In addition to this, better outdoor and recreational facilities like park and play ground should be maintained. There are no marketing facilities in the housing colonies. The facilities for shopping should be considered. KSHB should take keen interest in providing for the beneficiaries some practical conveniences like the bus stand, railway station, interior roads, bank, hospital, schools, religious and cultural centres etc. This leads to the development of the area from various angles.

7.32.4 When KSHB constructs flats or housing complexes for MIG and HIG, space for car parking must be provided. There are always petty quarrels regarding this inconvenience since almost everyone in HIG flats owns a car and only the ground floor flat owners are provided with car porch. Parking place is a crucial problem for the apartment owners.
7.32.5 The authorities of KSHB and HDFC should see that the interpersonal relationship of the colony members are strengthened by frequent get-togethers, annual days etc. Since a housing colony is considered to be a small village, units like childrens' club, women associations, youth wing, family unit programme etc. could be introduced and functioned for the integrated growth of the family members.

7.32.6 Each plot area should have at least 4 cents of land in order to avoid congestion and unhealthy surroundings. The construction agency (KSHB) should focus its attention on health care while constructing flats and apartments in the cities. Flats should be constructed away from factories and huge industrial sectors. The atmospheric pollution due to industrial waste and poisonous smoke will affect the dwellers of the surrounding area specially women and children.

7.32.7 The houses should be spaced at reasonable distances so that a little place for planting trees and vegetables would be appreciated especially as it would also provide some relief against heat and other environmental hazards. KSHB should encourage and initiate to maintain a flower garden and vegetable garden within the limited space available to them either as an interior decoration or to keep the air fresh to breathe.

7.33 WOMEN AND HOUSING:

7.33.1 In rural areas women play a dominant role in the upkeep of the house since they spend more hours of the day in and around the house to fulfil economic, productive, protective, social, cultural and religious needs of the family. In fact, some of the voluntary agencies prefer to give loans in female house owners' name to ensure repayment. This shows that a
woman's effectiveness and efficiency are linked up with the quality of the housing. Women must have a major role in deciding the house design, its expected cost, supervision of the construction work etc. as an owner partner. It is also necessary to lighten their burden of household chores by giving priority to schemes such as built-in-sanitary latrines, smokeless chullahs, and a clean environment so that poor rural-women also can have time and energy to participate in programmes which lead to their personal development.

7.33.2 In the millennium housing schemes of HDFC, 30% of the selected beneficiaries from Kozhikode are women. Preference is also given to widows and destitute women. KSHB should also introduce similar schemes to have more access to women house owners since their need for proper housing is more urgent than to men. Generally women are reluctant to approach the housing agencies for loans. A housing scheme for women specially for scheduled castes and scheduled tribes by KSHB and HDFC will induce them to approach the housing agencies to avail loans. There should be some reduction in the prevailing rate of interest in the case of women beneficiaries.

7.33.3 Women should organise themselves under an institutional framework like Working Women's Forum (India) (WWF), in order to address their housing conditions. Through the efforts of unionisation of rural women, credit co-operative networks for housing should be effectively implemented. Awareness of the issues of land rights, right to equal or minimum wages etc. could be created in order to fight for their rights in an organised manner. The Sanghom leaders, field animators of NGOs can take initiative with the support and co-operation of HDFC and KSHB.
7.33.4 Women comprise a major chunk of the labourers in the construction sector. They are discriminated against their male counterparts having to work for long hours of hard toil with lesser wages. The patient endurance of job such as the transfer of heavy building materials by headload, mixing, handling and conveyance of concrete in addition to construction chemicals and the clearing of construction sites amidst dust and smoke without any protective gear, have serious implications on the health and longevity of women construction workers. Housing agencies like KSHB and HDFC who undertake construction of houses and flats should recognise and consider these problems of women by paying them just wages and protect them from dangerous situations to ensure their health and human dignity.

7.33.5 Women's role in the shelter design process is very important since the proportionate share of time spent at home by women is more than men. The basic needs of women tend to be ignored in the planning and design of houses by KSHB and HDFC. Women need to be involved in the pre and post implementation stages of design and upkeep of shelter through a participatory process of consultation and contribution. It is found necessary to have a "Women Architect Forum" (WAF) by HDFC and KSHB to design appropriate houses for the beneficiaries, keeping in view of the needs of women and children.

7.33.6 Local Governments should strengthen and revitalise the role of women field animators and Village Development Council Members (VDCs) in initiating micro credit Co-operatives like Maithri saving scheme as a pre requisite for the application of housing loans for LIG/EWS. This is done in collaboration with HDFC and KSHB. They should launch special housing projects that encourage joint ownership of women, involving the savings - cum - thrift concept.
7.34 NEW CONSTRUCTION STRUCTURE:

7.34.1 At present the land is transacted as a two dimensional commodity. But it is used for three dimensional development. The owner of the land has the right to build up to any height above land and any depth below the ground. This right should be restricted to 9 or 10 M above the ground and 3 or 4 M below the ground. For any building beyond these limits, the owner should be made to pay for the excess space he utilises. The proceeds of the “Excess Space Tax” should go to the housing fund of the state Government.

7.34.2 A Housing Tax should be imposed on all houses with floor area 100 M². This can be collected along with the property tax by the Panchayats and Municipalities and remitted periodically to the housing fund.

7.34.3 All the housing finance institutions especially HDFC besides giving loans can also take up construction of the houses which in turn can be purchased by the beneficiaries and the loan amount can be repaid in instalments. The people of MIG and HIG category are completely engaged in their income earning activity and lack time to supervise or to construct or to design the houses. Secondly large scale construction activity will reduce the cost of construction.

7.34.4 The constructional defects must be remedied by the financing institution itself. KSHB beneficiaries have complaints regarding the construction and supervision of housing projects. The building must be constructed with planning and vision for a longer period of time. Housing has a long term character. It is a commodity to be utilised by generations after generations. Proper maintenance must be done with regard to flats
and apartments constructed by Kerala State Housing Board. A "Post-Maintenance Wing" can be opened in the Housing Board to check the housing projects for a few years after the completion of the construction work.

7.35 CONCLUSION:

Kerala stands as a unique model for democratic decentralisation and its consequent benefits. Things will perhaps improve considerably when the Panchayats begin to play their dominant role in the housing sector. The housing sector needs to be handled with great care and urgency. Indeed in view of the magnitude of the problem, there should be a zest for greater involvement of various housing agencies including the Government, Cooperatives, the Community and also the private sector. It may be mentioned here that the "Global Strategy for Shelter" calls for action on several fronts - political, social, participative, fiscal and financial, physical and spatial.

There should be a linkage between shelter and rural development. A rethinking must be made in preserving the land rights of the poor, regularising land tenure, and encouraging the use of more locally available building materials. Mobilising adequate finance for rural housing must be the primary concern in the Government agenda.

In respect of Physical Quality Life Index (PQLI), Kerala ranks among the developed nations of the world. With the spurt of activities in the housing sector and the determined efforts made by the public and the Government through democratic decentralisation to turn Kerala into a "Total Shelter State", Kerala appears to be progressing towards one more record in one of the vital social services sector.