Chapter-II

RESEARCH DESIGN
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Research Design

I Universe:

Hapur is an important commercial town. It is a part of Ghaziabad district of Uttar Pradesh. Ghaziabad is one of the five districts of the Meerut Division. The district has been divided into four Sub-Divisions for the purpose of Revenue and General Administration Tehsil of Ghaziabad has three parganas i.e. Loni, Dasna and Jalalabad. The 'Hapur Tehsil' lies in the east of the district and has three parganas – Hapur, Babugarh and Dhaulana. The Modi Nagar Tehsil which has only one pargana named Jalalabad is in the northern part. The north east Tehsil Garh Mukteshwar has two parganas Garh and Puth.

Hapur is situated 65 kilometers east of the capital of India, on Delhi Lucknow highway between Delhi and Garh Mukteshwar. According to census 2001, population of the town is 2.12 lakh. Two Northern Railway lines run through Hapur, one from Meerut 35 kilometers to the north; and another from New Delhi, 65 kilometers to the west. Hapur has a latitude of 28.45°N and longitude of 77.45° E. The area
of the town is 14.5 square meter. After upgradation to 4 lane system of National Highway No. 24 which connects Delhi to Hapur the Highway is being upgraded from Hapur to Moradabad. It is also proposed to upgrade this highway upto Lucknow. Along with roadways Hapur is also connected in all 4 directions through railways, e.g. Delhi, Moradabad railway line, Meerut and Aligarh railway line. In the light of this fact there is a strong possibility of Hapur development in the NCR (National Capital Region). About the history of the town it is said that Hapur was founded in the 10th Century. It was granted by king Sindsa to his French General Perron at the end of the 18th century. The city was originally named Haripur', which means "place of God". In the movement of freedom struggle a large number of common people were involved from every part of society, Vaishy (baniya) community provided their money and blood as well.

**Administration**: The district officer who holds a key post and is the pivot to the district administrative machinery. As District Magistrate his main duty is to maintain law and order with the help of the magistracy and the police. In his capacity as District Magistrate he has under him five Addl. Distt. Magistrate, four S.D.M's, two addl. City magistrates and a city magistrate with whose help he runs the strict administration. Each Tehsil has resident Tehsildar who is assisted by a number of Naib-
Tehsildars. Hapur town has also a Tehsildar. In Hapur the place where residences of Tehsildar and Naib – Tehsildars are located known by the name of 'Magistrate Colony'.

For the purpose of law and order in the Tehsil (Hapur) there is a 'Civil court' which is ruled by a 'Civil Judge'. There are two police stations and 14 police chaukies. each police station has a Station officer. Under the station officer there are sub inspectors, head constables and several constables.

There are 18,06,644 numbers of voters and 1,562 Polling stations. Sh. Dharampal Singh is BSP MLA from Hapur. There is one chairman. The whole town is divided into 27 wards. Each ward has its own Sabhasad. Sabhasads are elected by the public through 'Municipality Elections'.

**Business and Commerce**: Hapur is famous in the whole world for its Bulk food Storage 'SILO'. A plot of land approximately 31.9 acres was acquired in 1956 for the objective of construction of the grain godowns in Hapur. The main purpose of establishing these grain godowns at Hapur was that it is an important grain marketing centre of Northern India. Hapur is an ancient town which has been popular for its agricultural stocks. It is a major Mandi town in NCR. There is the biggest – 'Anaaj Mandi' of Northern India. Moreover, there is also big mandies of 'Gur'
and 'Subzi'. This town is also famous for 'Cold Storage'. There are a number of cold storages. These 'cold stores' are especially used for storing 'Potatos'. The town is famous for its 'papar'. The town is also noted as an exporter of paper cones and tubes. Though some other industries have also come up like – Savio Texcone Private Ltd. It was established in 1995-96. It manufactures different types of printed and plain paper cones.

**Sunny Cones** established in 1984-85, It exceed in the manufacture of premium quality paper cones. **Merino group of Industries** It was started in 1968 its first operation was in cold storages. It further diversified into play woods in 1974 and then into High Pressure Laminates in the year 1981. It is the largest exporter of high pressure laminatos in India. **Century Laminating Co. Ltd:-** This company was established under Merino Group of Industries. It is a manufacturer and exporter of interior solutions for homes and offices that include decorative laminates pre laminated boards, post formed panels and ply wood.

Hapur is a commercial town to provide finance assistance there are many branches of different commercial banks. There are approximately 20 branches of commercial banks. Punjab National Bank, Garh Road Hapur also provides "ATM Facility". There is about to open Housing Development Finance corporation Ltd. – (HDFC). There is also "Land
Development Bank. These banks provide long term loan facility to the farmers.

There is some markets like Gol market, Sarrafa bazaar, Khidhi bazaar, purana bazaar Chandi Road market. The famous market of Hapur is Gol Market. Now there have built some plazas, like City Plaza Ganpati Palza. There are three Cinema Halls OPC, Jaina Takeez, Meenakshi. Town also provides medical facilities. There is two Government Hospital and several private Nursing Homes and Hospitals.

**Education:** Hapur is center of primary as well as higher education. There are three Degree Colleges- S.S.K.G College, Garh Delhi Road, A.K.P.G College Swarg Ashram Road Hapur and Tara Chand Degree College. These colleges traditional Degrees. Recently, there is also spread Technical Education Institutions – Shri Madhav College of Education and Technology, Modi Nagar Road, Hapur. Institute of Management and Information Technology Bulandh Shahar Road, Hapur. There is also a District Institute of Education Training (DIET), which trains Primary Teachers. There are many Inter College Public Schools, Junior High School, Primary School which provide primary education and secondary education.

Hapur is a small town with population size of 2.12 lakh (according to the census 2001). But the population is increasing rapidly in 1991-2001
the population growth rate of the town is 45.21% This is much higher in comparison of national growth rate which was 21.34% Total no of males in the town is 1,13000 i.e. 53% While no. of female is 99000. Thus sex ratio in the town is only 875 i.e. ratio of females per 1000 males Literacy rate of the town is 58% which is lower than the national average of 65.38%.73,500 males and 49,500 females are literate out of total 1,23,000 literate persons. In the town 16% of the population is under 6 years of age. A major portion of the town is engaged in unorganized sector such as small shops, general stores. In the record there are only 5400 persons have employment while 158000 are unemployed, Although out of 158000, people have employment, they have not been recorded due to Their seasonal occupation or being marginal labourer. The situation of employment and unemployment can be clarified by the following for the purpose of planned and controllable growth in city and its adjoining areas there has been set-up Hapur Pilakhua Development Authority in 1996-97.

A long with planned and controllable growth in the town, the authority has following objectives also-

(1) To provide assistance for well planned growth.

(2) To accumulate Targeted population density in town areas.

(3) To provide useful community amenities for balanced growth of the city.
(4) To provide a well planned usage of city area.

(5) To check the misuse of fertile agricultural land for any other reason.

From the point of view of NCR and the importance of Hapur and its need, HPDA is soon starting soon plans in commercial/Industrial field. It is providing land for implementing the following schemes:

Leather City 625 Acre
Transport Nagar 55 Acre

According to census 2001, total number of house is 36,000 the condition of housing is not satisfactory. Due to the lack of finance the people do not have a proper shelter. They have to deprive from all those facilities, which are necessary for a proper residence.
### Hapur: At a Glance (2001)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area</td>
<td>14.5 square kilometer</td>
</tr>
<tr>
<td>Total Population</td>
<td>2,12,000</td>
</tr>
<tr>
<td>Sex ratio (females per 100 males)</td>
<td>876</td>
</tr>
<tr>
<td>Literacy Rate</td>
<td>58%</td>
</tr>
<tr>
<td>Male</td>
<td>65.04%</td>
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<tr>
<td>Female</td>
<td>50%</td>
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<tr>
<td>Employment</td>
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<tr>
<td>Male</td>
<td>44.78%</td>
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<tr>
<td>Female</td>
<td>3.43%</td>
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<td>Primary School</td>
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<tr>
<td>Junior High School</td>
<td>3</td>
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<td>Inter College</td>
<td>7</td>
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<tr>
<td>Degree College</td>
<td>3</td>
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<tr>
<td>B. Ed. College (In self finance)</td>
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<td>Management and Technology Institute</td>
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<tr>
<td>Indian Grain Storage Institute</td>
<td>1</td>
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<tr>
<td>Branches of Commercial Banks and Land Development Banks</td>
<td>20</td>
</tr>
<tr>
<td>Government Hospital</td>
<td>2</td>
</tr>
</tbody>
</table>

**Sources**: Information from Town Hall, Hapur & Census, 2001.

**Note**: Town Hall is an office of municipality where all records about town are kept.
II Objective of Study

Objective of study:- The study aims mainly to inquire the 'Finance Problem' in building houses with reference to the income levels. To be specific, the objective of the present study is addressed by way of the following questions:-

(1) How have the householders of various income groups arranged finance for building houses?

(2) Do all of them know about Government housing schemes and have taken benefit from these schemes and what percentage of aspirants really avail these facilities?

(3) How banks are helpful in providing housing loans to public?

(4) What is the cost of borrowing?

(5) What are the conditions & terms of sanctioning/repaying loan?

(6) Objective of study is also to know the opinion of borrowers about banks and financial institution and also opinion of bank officers.

III Selection and Significance of problem

Hapur is an important commercial town. It is also known as 'Leather City'. Total turn over of the city is very large. Since major portion of working population is engaged in unorganized / informal sector or self-employed occupations. So there is not a authentic record of
number of employment and unemployment. Due to occupied in informal sector, the people fulfil their financial needs from unorganised money market.

Researcher is interested in knowing the problem of housing in the reference of finance. Significance of the present study "Credit Gap in Housing finance with reference to the Income Levels, A case study of Hapur Town" lies in throwing light on the problem of housing among different sections of society. Study also aims to focus upon different schemes of housing finance launched by Government and Commercial banks. The present research plan becomes significant and relevant in this sense that it tries to find a relation between "Income levels and Availability of Loan" It also attempts to analyse the problems and different issues faced by people in availing the housing finance facility from different authorities.

Significance of research plan also lies in throwing light upon the increasing interest among salaried class towards house construction phenomenon due to several tax exemption schemes.

Thus researcher tries to contribute a little bit to the literature available in the field of empirical research.
IV Research Methodology –

The present research plan "Credit Gap in Housing Finance with reference to Income levels, a case study of Hapur Town" is empirical and descriptive in nature. The present work is based on primary data which is collected through questionnaire. There have been taken 32 variables in the questionnaire, which have a great impact on housing. Multi choice questions have been arranged in systematic manner in questionnaire. The questions are likely to be asked from respondents such as householders and bank officials. Alongwith informal interaction and non participation observation will also be used so as to assess the real picture of problem Generally, people do not tell sincerely about their income and finance arrangement.

Hapur is a small town with a population size of 2.12 lakh according to the census 2001. The researcher uses stratified sampling method to make the sample representative. For this purpose the universe (Hapur Town) is divided into different income classes. Sample size has been calculated by the following method.

\[
\text{Total Population} = \frac{\text{Sample size}}{\text{Average Members of a family}} \times 1\% \\
= \frac{2,12,000}{6} \times 1\% = 353
\]
The figure 353 will be converted into round figure as 400. The researcher takes "a family as one Unit" On an average there are six members in a family. The researcher uses individual as well as group method of investigation in which the view of family and officers will be included.

The researcher takes the ratio for Higher, Middle and lower Income Groups respectively 1:3:4.

In other words sample of 400 families is classified as-

50 families from Upper Income Class

150 families from Middle Income Class

200 families from lower Income Class

Middle Income class is further divided into two categories- a Lower Middle Class and (b) Upper Middle Class

The researcher takes following criteria of annual income

1. Rs. 100- Rs. 50,000 (p.a.) for Low Class

2. Rs. 50,000-1,00,000 (p.a.) for Lower Middle Class,

3. Rs. 1,00,000 Rs. 2,00,000 (p.a.) for Upper Middle Class

4. Above Rs. 2,00,000 (p.a.) for High Class.
To solve the problem in a scientific and technical way, the researcher uses tabulation, classification and coding of collected data. To test the hypothesis, tests of significance i.e. chi-square, t-test and z-test will also used as needed. Different tools of statistical technique i.e. correlation and regression analysis will be used. As per requirement, tables, graphs and diagrams will be used to support the authenticity of primary data.

More over, to know about the problem of housing Finance in Hapur and rest of the country, the study material from related surveys, census, India 2004, 2005 and 2006, Government reports, Global reports on settlement and Journals will be studied in libraries of D.N. College, Meerut, Ch. Charan Singh University, Meerut, NCAER Delhi, IIPA Delhi, and Delhi University. Since computer and internet are becoming an essential part of information collection so some websites has also been used as per requirement.

V REVIEW OF LITERATURE

To analyze the problem of housing several researchers, authors and scholars have worked on this topic. Many reports have been published in the journals and magazines. R.C. Sexana is his book "Labor Problems and Social Welfare" points out about the necessity of residence
Housing comes only next to food and clothing. Shortage of proper residence creates diseases and bad habits in the society.

'An official Hand Book' points out that housing is the next need after food and clothing and to improve the housing conditions, special efforts should be made. In his book 'Indian working class' Radha Kamal Mukerjee admits the importance of good houses. On describing the bad housing conditions, he says that in industrial area mainly in bad slums, manhood is doubted, woman hood is disgraced and childhood is corrupted. In 'Economics of Labour and Industrial Relations' Dr. T.N. Bhagoliwal points out the significance and aspects of housing. Housing is the basic need of a human being in civilized life. Further says that housing and health are interconnected, both are highly correlated and they both affect the work efficiency.

In 'Housing the Essential Foundations' Paul Balchin and Maureen Rhoden describe that healthy shelter is a basic necessity of environmental friendly health activities. In one of has books 'Industrial Housing in India' S.C. Agarwal explains that 'A residential area occupied mainly by poor people is called slum.'

On defining the slums in Economic and political weekly Usha Ramanathan writes in her article 'Demolition Drive' that slums are those common places where the urban poor live and at least 30 percent of
almost any city's population lives in slums. Slum is simply Home for them. 

On defining the problem of shelterlessness and inadequate housing, Global Report on Human Settlements March 1996, reveals that homelessness is a major problem of developed and developing countries. "Poor urban housing conditions are a global problem, but conditions are worst in developing countries. Habitat report says that 600 million people live in life and health threatening homes in Asia, Africa and Latin America. Approximately 500 million urban dwellers do not have home or live in sufficient housing." In "Housing the Urban Poor" Policy and Practice in Developing counties, Brian C. Aldrich Ravinder S. Sandhu analyses that "The visual imagery of housing poverty in urban areas in developing counties is clear and well known. Living condition are frequently unhealthy" The author further points out that the relation between housing poverty and income poverty is not direct but rather it is complicated and different according to the circumstances of time and place. Housing and Poverty can be approached and analyzed in a number of ways.

The Indian Economic Journal 2004 describes the characteristics of permanent, temporary, Serviceable temporary and non-serviceable temporary houses.
Permanent material like burnt bricks, stone or concrete, metal and tiles are used to build "Permanent House The houses made of permanent material and grass, thatch bamboo, wood, mud, plastic or polythene are called 'Semi Permanent Houses. The houses with wall and roof made of temporary are called temporary Houses. The houses whose walls are made of grass, thatch, bamboo, plastic or polythene are called Non-Serviceable Temporary Houses.\textsuperscript{10}

D.D. Naik in his book "Practices of House Co-operative" swrites that housing conditions in India are absolutely not satisfactory. Although Government has tried to solve the housing shortage, its efforts are not adequate to solve this crucial problem. The writer further mentions the importance of 'Co-operative activities in this field. He points out the advantages of co-operative housing." R.C. Saxena in his book 'Labour problem & Social welfare writes that obviously Government has implemented various Housing Schemes in recent years, yet present condition is not satisfactory.\textsuperscript{12}

In 'Housing and urbanization, a study of India' the writer, Cedric Pugh writes' Housing Policy in India is in a state of ferment and change. The conditions under which urban housing and infrastructure are provided at once influence the process of economic growth and urbanization.\textsuperscript{13}
In a Sector Policy Paper, 'Housing,' World Bank describes that housing is a very crucial factor to develop the nation in both economic as well as welfare terms. Thus a positive housing policy can make a great contribution to economic development and social welfare. Income is the most crucial determinant of housing which resolves the housing that can be afforded by a family.\textsuperscript{14}

In "Readings in Co-operative Housing, International Co-operative Alliance, regional office and education centre for South-East Asia, New Delhi, the writer points out that land's cost sets up a very important unit in the total cost of a house. As soon as the population has increased the urbanization has also raised and the result is that the prices of land have heavily Liked in urban areas, especially in metropolitan cities.\textsuperscript{15}

Glenn H. Beyer and J. Hugh Rose in his book "Farm Housing", mention the impact of different variables on "Housing". They write "Rural housing standards are not wholly governed by income. Tradition is a contributing factor." Density of population also affects the housing. Further, size of a dwelling unit is directly associated with house owner's economic class. The condition of a dwelling unit is also related to the landlord income.\textsuperscript{16}

In "Residential Location and Urban Housing markets "Studies in income and wealth, Gregory K. Ingram' writes that lack of suitable data
for housing market studies prolongs to handicap some empirical work, lot of specialized data sources are available for housing market research "when suitable statistics are available, two major choices must be made in order to measure housing; measures can be made of either stocks of housing capital or flow of housing services, and the stocks or flows can be assumed to be either homogeneous or heterogeneous."\(^{17}\)

In "Production of New Housing", A Research Monograph on Efficiency in Production, Leo Grebler, has pointed out the problem of housing shortage. As soon as the population has raised, the demand for new dwelling units have increased while the total supply in the short run remains nearly constant.\(^ {18}\)

In his book "The Transformation of Urban Housing" W. Paul Strass explains that housing needs in a physical sense are derived from the number of families and their distribution by size. He further points out that the distribution of housing also depends on householders capability and willing to pay for improved housing.\(^ {19}\)

In "Housing Policy in the 1990s "European Experiences and Alternatives for Korea, Werner Puschra and Kwan-Young Kim, point out "The housing is directly related to fulfilling the needs of the people considerable public attention has been paid to the housing issue because the price changes in real estate, including housing units, have seriously
deteriorated the wealth distribution while creating a sense of relative property among the ordinary people." Role division between the private sector and public sector should be clear and complementary to each other for vigorous implementation of policy goal.  

In "The Housing of Nations" Analysis and Policy in a comparative Frame work, Leland S. Burns and Leo Grebler, points out that poor housing does not indicate only to serious deficiencies of housing but also refers to lack of sanitary facilities or insufficient space and light." More concretely, poor housing has been said to be associated with a high incidence of broken families, illegitimacy. Alcoholism, and drug abuse."  

In his one of the most popular book "Labour Problems and social welfare". R.C. Saxena displays the miserable condition of housing in Kanpur, Mumbai, Ahmadabad, Chennai, Kolkata, Delhi, Jamshedpur. He says that the slums are known by different names in different cities for example slums are called Basties or Ahatas in Kanpur, Chawls in Mumbai and Ahmedabad, Cheries in Chennai and Basties in Kolkata.  

In India's Urbanization 1901-2001, second edition, on P. 284, Ashish Bose has mentioned aspects of Urban housing, Urban development and housing policy. He points out that the housing condition
in India is very miserable. There is no fresh thinking about housing policies so the future of housing is really cold and cheerless.23

In "Housing Policy 1937 to 1967" Charles Abrams writes that the federal officials who are making policy at Housing and Urban Development should be conscious for re-examining the housing condition24.

United Nations International Social Development Review describes that the loss of control over Urban settlement as different from the lack of modern standard housing units is a result of bad management of the Institutions.25


Report on Trend and progress of housing in India, June 2004 in chapter-1 "Economic Development and Housing Finance" points out that investment in housing is a crucial determinant of economic development. Socio-economic status is also measured by housing. The reach of the housing finance for the people at large has improved over the years.27
To point out the housing investment. Dr. Hundsalz also writes"Housing construction is a particularly sound investment in developing countries because low-cost homes are the most economically stimulating to these economies."

The Research Affiliate of the National Housing conference' shows housing problems of the working poor. It writes that one out of two Low income Group (LIG) workers' have critical housing needs.29

In "Labour Problems and social welfare " R.C. Sexena remarks that in India, there has not been paid as much attention on housing problem as much in America, Europe and other developed countries. On expressing the worry about housing problem he writes that this problem is becoming very large day by day. The growth rate of population is very high in the comparison of housing growth.30

In "India's Urbanization 1901-2001, Ashish Bose has displayed the importance of the housing demand for different sectors of the population according to their Income Level.31

Report on trend and Progress of Housing in India, Asset Quality in Housing Finance' depicts that housing finance is a good business because of 'Low level of Non Performing Assets' therefore many financing institutions are attracting in this field32.
Economic and political weekly (EPW) writes that on looking the importance of housing and to improve the lending system in housing finance "National Housing Bank" is a vertex institution. It also invites proposals from qualified professionals, research scholars, professional consultancy firms and other similar bodies so that the restraints which prevent the housing development, could be removed.\textsuperscript{33}

Describing the poor living conditions EPW points out that the people are compelled to live in those places. There is no facility like drainage, sanitary, road and electricity. These amenities also thrust an over all positive effect on household health, character and standard of living.\textsuperscript{34}

In EPW, Gurpreet Bal describes his article 'Violence, Migration and Entrepreneurship' that in India, housing condition is affected by caste. Caste plays an important role in the choice of occupation, spouse and other interpersonal relations.\textsuperscript{35}

On pointing out the important role of good surrounding and environment Ronald L. Molen writes in his book "House Plus Environment" "A neighbourhood is a grouping of people who share an orbit. A person is first a citizen of his neighbourhood, and through his orbit he relates to the city at large\textsuperscript{36}".
In Rural Development programmes and Externalities, the report of the project funded by planning commission, Government of India New Delhi, E. Selvaranjan and R. Elango say that analysis of the various social, demographic and household environment help to examine the impact of housing.\textsuperscript{37}

In Shelter Settlement and Development LLOYD Rodwin, points out the role of the public sector shelter finance, and writes that since the early 1960, public sector is playing a major role in providing housing and infrastructure services. "All countries have a 'National shelter Policy' which may be explicit as a written document or implicit in the sense that it is summation of personal laws, regulations and budget allocations which affect the housing sector."\textsuperscript{38}

In "People and Housing in Third World Cities" Perspectives on the problem of spontaneous settlements, D.J. Dwyer, Professor of Geography of points out the condition of housing in India. He points out that India is quantitatively more important case in point (Tangri 1968) in the four biggest cities of India, Mumbai, Delhi, Chennai and Kolkatta-near about 55 percent families have to live in one room or less and the average number of persons per room for each city varies from 2.9 to 3.7. The writer further says that, generally in the biggest cities of India, there is found lowest vacancy rates for housing.\textsuperscript{39}
In "the transformation of Urban Housing", W. Paul Strassmann reveals that income and the size and age structure of a house hold are not sufficient to analyse effective demand for housing. Approach of land and finance are important contributing determinants. Although house are expensive, they are durable one can build a house by using long term finance.40

In "Levels of living in India on interstate profile written by B.B. Ganguli and Devendra B. Gupta analyse the relationship between the level of living and the proportion of the population engaged in primary and other activities. They find a strong negative correction between the composite index of the level of living and the population in the primary sector. This suggests that the states have low levels of living."41

In "Housing, taxation and subsides" A study of housing in the United Kingdom, written by Adela Adam Nevitt, the writer points out that the most important factor in housing economics is the capital price of a dwelling. The amount of capital needed can be estimated in terms of the average annual income of the head of the family.42

In "The Housing of Nations' Analysis and Policy in a comparative Frame work" written by Leland S. Burns and Leo Grabler, describe That" The visibility of housing is one of the unique characteristics of the product. This attribute means that the external appearance of dwellings
and the over all physical character of a neighbourhood influences, for better or worse, not only the residents but a large segment of the community, endowing housing with some elements of a public good.\textsuperscript{43}

In "Production of New Housing," A Research monograph on Efficiency in Productions Leo Grebler, writes that like other items, there also works the law of Demand. The elasticity of demand for housing effects the housing price. It has been observed that when demand for housing raises housing or land prices also rise.\textsuperscript{44}

In "Co-operative Housing in India D.D. Naik, points out that Housing Co-operatives should be handed preference in the allotment of land owned or acquired by State Government under Land Acquisition and Development scheme or under any other housing scheme.\textsuperscript{45}

Lionel Needleman, lecturer in economics in 'The London School of economics' points out in The Economics of Housing" the characteristics of a house. "The essential characteristic of a durable good, like a house is that it provides a flow of services beyond the period in which the good was purchased. "Lionel also writes that for estimating housing needs, it is essential to know the size of the house holds.\textsuperscript{46}

In "Housing A Factual Analysis" Glenn H. Beyer, points out that family composition is one of the important factors which is important to housing design. He further writes that a final basic factor which
differentiates the families is the 'human values' Human Values can be defined such as individual's ideals, motives, attitudes, views and tastes.\textsuperscript{47}

In "Housing the Urban Poor" Policy and Practice in Developing countries, edited by Brian C. Aldrich and Ravinder S. Sandhu, the authors write that the apex judiciary body of India, the Supreme Court should fix the responsibility of providing the housing on the government repeated again and again that "if the government cannot provide pucca houses to the people they have the liberty to live where ever they can and in what ever way they can."\textsuperscript{48}

In "Housing World Bank Sector Policy paper May 1975, shows that continuing spiral of increasing land prices speculation, lack of developed land, rising pace of unregulated harmful activities are damaging land development. But the wealthy influential people may afford a shelter.\textsuperscript{49} In Urban India in crisis, Kulwant Singh and florian steinberghas has been pointed out that to solve the problem of shelterlessness, providing larger supply of developed land and finance, helping in the innovation of the unserviceable dwellings in rural and urban areas and creating a suitable environment for housing activities, the National Housing Policy was adopted in 1994.\textsuperscript{50}

On pointing out the problem which has to be faced in the estimation of housing need, Professor L.R. Vagale, U.N. Advisor for the
ministry writes in "Western State of Nigeria, Ministry of Lands and Housing, Town planning division, Housing in Nigeria" "One of the urgent tasks in the urban as well as the rural sectors, for the present and the foreseeable future at the national, state and local levels is the collection, analysis and publication of housing statistics. The data on housing in Nigeria is scarce and unreliable. The census reports give precious little information regarding the number, type, structure, ownership and occupancy of the existing housing stock." 51

In "Housing and Financial Institutions in developing countries" An overview, Bertrand Renaud describes that home ownership is the highest priority for asset formation for most families in any nation and housing finance program should be promoted to trigger and mobilize household saving with the help of competent financial instruments. 52

In "Housing and Housing Finance Institutions in India," An overview, water supply and Urban development, operation policy staff, World Bank Washington D.C. author Ranjan Madhusudan writes that mobilizing financial resources for housing forms part of the overall efforts of increasing saving and improving their allotment through financial intermediation. 53

In "Shelter Settlement and Development LLoyd Rodwin describes a summary of public and private sectors role in a new directions housing
policy. Public sector can check direct house construction activities while private sector can provide all dwelling units through developers and individual households to reduce home less ness.\textsuperscript{54}

Indian Community Development Block Grant Program (ICDBG), defines 'Housing activists' that housing activists are people who are seeking progressive solutions to solve housing problems at the local, state and national level.\textsuperscript{55}

"Housing by people in Asia Newsletter of the Asian Coalition for Housing Rights (ACHR), points out that as the speed of urbanization rises, more people and more investments flow into cities, informal settlement which used to be tolerated under a mutually convenient co-existence are no longer acceptable, as the formal world increasingly appropriates the space they occupy for development.\textsuperscript{56}

The Habitat report points out that one of the basic roles in shelter settlement for government is to endeavour to ease the transition from public to private sector investment in housing.\textsuperscript{57}

"Report on trend and progress of Housing in India, June 2004" composes that housing is an industry with very huge potential for assisting towards economic development of any country. In a developing country like India its significance can not be realised in the following way:
(a) It is one of the top employment generators for the economy

(b) It has both forward as well as backward linkages with over 250 industries, including such as core industries like tiles, timber, steel, cement etc.

(c) A small initiative in housing can drive forward multiplier effects in the whole economy through the origination demand.\textsuperscript{58}

The "Times of India" writes about the rules and regulations of housing finance. It points out that Housing Development Finance Company (HDFC) pays around 80 to 90 percent of the stamp duty which is approximately 10 to 12 percent of the total cost of the home are also included in this amount.\textsuperscript{59}

"The Times of India, May 12, 2007 presents that "Housing Finance Companies (HFCs) and Commercial Bank may have to contribute one percent of their annual incremental home loans to this fund. This fund is aimed at providing affordable housing to the economically weaker section (EWS)".\textsuperscript{60}

The Times of India April 21, 2007 presents that Reserve Bank of India has decided to raise the rate of interest on housing loan. This would leave banks with no choice but to increase home loan rates by half a
percentage points to 11.5%. The newspaper also shows the different rate of interest in different periods.⁶¹

Table-2.1

<table>
<thead>
<tr>
<th>Date</th>
<th>Rate of Interest</th>
<th>EMI Per Rs. Lakh Loan (20 years) in Rs.</th>
<th>% change in EMI from Nov. 04</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2004</td>
<td>6.5</td>
<td>746</td>
<td>-</td>
</tr>
<tr>
<td>November 2005</td>
<td>8.0</td>
<td>836</td>
<td>12</td>
</tr>
<tr>
<td>November 2006</td>
<td>9.5</td>
<td>932</td>
<td>25</td>
</tr>
<tr>
<td>March 2007</td>
<td>11.0</td>
<td>1032</td>
<td>38</td>
</tr>
<tr>
<td>*April 2007</td>
<td>11.5</td>
<td>1066</td>
<td>43</td>
</tr>
</tbody>
</table>

VI Hypothesis:

1. All Organized Financial Institutions' (OFIs) "Housing Credit Schemes" cater to the need of people engaged in organized sector or High Income Group while people involved in unorganized sector specially Lower Income Group even depend upon market borrowings and borrowings from relatives or friends. This Hypothesis proves because only 7% householders of Low Income Group have availed finance from organized money market while 68% of Upper Middle Class and 89% of High Class house holders have availed finance from OFIs.

2. People of all income groups invest beyond their capacity in house construction and therefore fall into debt. Hypothesis does not prove
because only 12.25% of the total admits that they have invested beyond their capability due to have very low income. However they are living in very simple houses where all necessary parts of a house are not available. 87.75% households deny to invest beyond their capability.

3. Low income group families are not interested in taking loans from Banks or other organized financial institutions. Hypothesis proves. Low Income Group people know that they are unable to fulfil the terms and conditions of sanctioning loan from OFIs due to not having permanent sources of income so they are not interested in taking loans from OFIs.

4. Government Housing Schemes are beyond the reach of Below Poverty Line People (BPL) or Economically weaker section. Hypothesis does not prove. In town the low income group people and economically weaker section have taken benefit from Government Housing Schemes specially Indira Awas Yojna' Houses out of 178 (LIGs) have been constructed under Indira Awas Yojna.

5. Income Tax exemption provisions have promoted the housing loan tendency. This Hypothesis proves because 59% of Upper Middle Class families and 83% of High Income Group accept that they have taken finance for taking tax benefits.
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