

## Housing for All by 2022



The call to provide affordable, accessible and secure 'Housing for All by 2022' is laudable. Yet how should we proceed?

Recent policy efforts have sought to construct enough new affordable housing units to close the housing gap. This approach is unaffordable and unviable as shown amply by the result of the policies themselves. Mumbai's Slum Rehabilitation Scheme has been unable to reduce the city's slum population despite building over a 100,000 units at a time of slowing migration. The Jawaharlal Nehru Urban Renewal Mission (JNNURM) was unable to build the required number of new units in any of its mission cities. Those that it built saw occupancy rates of only 30-50 per cent.

The paradigm needs to change. 'Housing for All by 2022' can succeed only if the focus is on upgrading existing housing rather than constructing new units. In other words: a housing mission should be a nationally-scaled, in-situ, upgradation programme that provides communities security of tenure in the settlements they have already built.

### Who needs Housing in India?

India has a housing shortage of 18.78mn households. Nearly 95 per cent of this shortage is for households that are EWS or LIG, i.e. that make less than Rs 200,000 a year. Of this total shortage, a large majority, 14.99mn units, are living in inadequate housing. Put simply, most of our housing shortage is not homelessness but what the committee called 'housing poverty', i.e., affordable but inadequate housing. Should this housing be improved, housing shortage would reduce substantially *without* the construction of new housing units.

### Recognising Self-Built Housing

The housing gap cannot be filled by the state or the market alone or together. No state has been able to construct enough housing units and the market's ability to deliver without extensive subsidy begins above Rs 400,000, which already excludes most households with household incomes below Rs 200,000.

HOUSING DEFICIT	2001	2007	2012
Total Number of Households (HH)	55.83	66.30	81.35
Total Housing Stock (HS)	50.95	58.83	78.48
Housing Deficit (HH - HS)	4.88	7.47	2.87
HOUSEHOLDS REQUIRING NEW HOUSING			
Upgradation of Katcha Housing	1.70	<b>Not Included</b>	
1. Living in non - serviceable Katcha Housing	-	2.18	0.99
2. Living in obsolescent housing	2.01	2.39	2.27
3. Living in congested housing	1.97	12.67	14.99
4. Homeless	<b>Not Included</b>		0.53
<b>Sub Total (1+2+3+4)</b>	<b>5.68</b>	<b>17.24</b>	<b>18.78</b>
Housing Deficit (HH - HS)	4.88	7.47	<b>Not Included</b>
<b>Total Housing Shortage</b>	<b>10.56</b>	<b>24.71</b>	<b>18.78</b>

As a study by Monitor Inclusive Markets states: 'this segment is difficult, if not impossible, to serve without subsidy or government support'. The only actors that have built affordable housing at scale are what could be called the *non-corporate private market*: households, communities and local contractors.

Self-built housing has a second key advantage—it has already occupied land in a location where the key constraints of affordability, livelihood opportunities and mobility have been met. Income-poor urban residents make housing choices on the basis of work, not the quality of the housing unit. Self-built housing is a picture of the tradeoffs they are willing and able to make. The challenge often is that self-built housing occurs on land that is without legal security of tenure. The key challenge facing Housing for All by 2022 then is not to construct at scale but to find innovative ways to enable communities to gain security of tenure on already existing self-built housing. There are two ways to proceed: extend secure tenure, and implement in-situ upgradation at scale.

## Extend Secure Tenure

How do we extend security of tenure to self-built housing? Low-income settlements occupy very small percentages of the total land area of our cities. Whether on public or private land, a series of innovations can enable policy makers to extend secure tenure:

- **New Zoning Techniques:** Use innovative zoning techniques to mandate or reserve occupied land for low-income housing such as the Zone of Special Social Importance (ZEIS) in Brazilian cities like Sao Paulo.
- **Tenure Security:** Use a range of instruments from 'permission to use' and 'no-eviction guarantees', to community and individual titles that allow communities even limited periods of stay and use on occupied public or private land. This buys them 'development time' – a period for human and economic development indicators to improve so that households may enter the market gradually and with a stronger foundation, to educate a generation, increase wages, and gain from a period of secure tenure.
- **Freeing Public land:** Use Transfer Development Rights (TDRs) not just for private developers but for public institutions and urban local bodies to enable them to give up occupied land they own without losing revenue or opportunities for value capture. Almost 50 per cent of all slums nationally, according to the NSS 2009, are on public land.
- **Regulating Land Use:** Use mandatory reservation provisions in ward-level plans like those piloted in Odisha to reserve land for low-income housing for future migration and natural growth.

## Tenure or Titles?

Our focus on security of tenure is in contrast to Hernando de Soto's well-known argument to give the poor individual property titles. While titles are a legitimate and important form of tenure and ownership, they also expose income-poor households to a housing market whose risks many cannot bear. As a result, most sell newly legal housing units. Since they cannot re-enter a skewed housing market legally, they re-squat and return to 'slums'. For policy makers concerned with Housing for All, this is not an acceptable outcome. In cities where legal housing markets are more diverse and affordable – this could be the case in many small and medium-sized towns – titling may well be an appropriate solution, but otherwise a focus on extending tenure should remain.

## Community Titling

A useful middle ground or transitional stage is community titling. As used extensively in Thailand's upgrading programme, for example, community titling allows secure tenure but also prevents an immediate market-based displacement of income-poor households. It buys them 'development time'. We recommend therefore that in-situ upgradation be accompanied by community or cooperative titling that restricts market exchange for a period of time and instead focuses on the overall human and economic development of households rather than the increased value of their physical housing unit. Such titles can also be bankable through innovations like MHUPA's Credit Risk Guarantee Fund.

## Upgrade, Upgrade, Upgrade

With secure tenure in hand, housing shortage can be reduced by improving settlements. In-situ upgradation can take many forms, therefore it is

important to be specific. There are three key components:

- Public institutions must target the up-gradation of community and infrastructural services like drainage, roads and pathways, open space, and electricity.
- Households must invest in improving their own housing over time as long as infrastructural services are publicly provided.
- Upgraded communities must be given time for improvement and reaching suitable development control regulations and planning norms.

Successful slum upgrading programmes in India include Parivartan, the slum networking programme, used in Ahmedabad. Parivartan used a 10-year No Eviction Guarantee and community-leveraged public infrastructure service leading to significant improvements in both community-level housing as well as individual housing units (for more, see Das & Takahashi, 2009).

## Tenable vs Untenable Communities

Often, settlements are refused in-situ up-gradation because of being classified as 'untenable' because of the hazard of their location: by a railway track, or along a drain, for example. Yet such risk must be assessed correctly. Income-poor communities always occupy city spaces that have a certain element of risk precisely because this risk leaves these spaces vacant. Assessing risk, therefore, must also take seriously ways to alleviate it that can still allow in-situ upgradation. This risk must also be addressed with participation by the community so they can be stakeholders in assessing what risks are worth taking and which are, in actual fact, untenable.

## Case Study: Baan Mankong, Thailand

Thailand's national slum upgrading scheme – Baan Mankong ('secure house') – uses a range of interventions from community titles to 'permission to use' in order to upgrade self-built housing and reduce both housing poverty and shortage. Leases range from 10 years to 30, 50 and 99 years, but each represents a step forward in buying 'development time' and extending security of tenure without new housing construction.

Type of Upgrading	% of Total	Status of Land Tenure	% of Total
Upgrading	62.64%	Cooperative Titles	34.78%
Relocation <5 km	10.42%	Long-term Lease	43.58%
Relocation >5 km	26.43%	Short-term Lease (<5 yrs)	8.21%
Homeless Housing	0.51%	Permission to Use Land	13.43%

## Key Actions

As part of a focus on upgrading towards Housing for All by 2022, a set of policy actions is needed at different scales.

### Central Government must:

- Launch a national upgrading mission under 'Housing for All by 2022' based on incremental, in-situ upgrading to be led and implemented by urban local bodies with shared financing among the centre, state and city governments as well as community and household contributions or rental payments.
- Extend secure tenure through community and cooperative titling on occupied central government land.
- Enable the use of Transfer Development Rights (TDRs) on central government land.
- Finance occupier purchase or rental of occupied public or private land.
- Make various forms of tenure from title to short-term licences mortgageable through a central financial inclusion programme.

### State Governments and Para-statals must:

- Create a framework and enabling environment for urban local bodies to implement and monitor upgrading within the national mission.
- Extend secure tenure through community and co-operative titling on occupied state government land.
- Mandate ward-level reservations of land for low-income housing in all cities and towns.
- Enable the use of Transfer Development Rights (TDRs) on state-owned land.
- Finance occupier purchase or rental of occupied public or private land.

- Develop appropriate and flexible planning and development norms for upgrading settlements.

### Urban Local Bodies must:

- Plan, strategise, adapt and implement the upgrading mission.
- Extend secure tenure through community and co-operative titling on ULB-owned public lands.
- Convert slums occupying ULB-owned land into social rentals.
- Develop appropriate and flexible planning and development norms for upgrading settlements.

## References

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