

## Recent Developments in HFA Project

### What is the issue?

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To realise the target of creating Housing for all (HFA) by 2022, the union government needs to focus on promoting housing for the weaker sections in urban areas.

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### What is the Housing for all by 2022 project about?

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- The Housing for All project was launched with an aim to provide affordable housing to urban poor by 2022.

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- It is proposed to build around 2 crore houses for urban poor including Economically Weaker Sections and Low Income Groups, with central assistance in the range of Rs.1 lakh to Rs.2.30 lakh.

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- This Mission has four components namely:\n

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1. In-situ Slum Redevelopment with private sector participation using land as resource.

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2. Affordable Housing through Credit Linked Subsidy.

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3. Affordable Housing in Partnership with private and public sector.

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4. Beneficiary led house construction/enhancement.

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### What are the recent developments in this project?

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- Union government has decided to increase the carpet area under the project to cater the aspirations of the present generation for 3 bedroom apartments.

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- People earning up to Rs. 18 lakh per annum can now avail up to Rs.2.3 lakh as subsidy upfront which is a substantial benefit, especially for those in Tier 2 and Tier 3 towns.

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- The RBI recently revised the limit for a housing loan to be classified as priority sector from Rs.20 lakhs to Rs.25 lakhs in cities other than metros.

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- The objective behind these initiatives are two-fold - increase the housing coverage and in the process give a push to employment in the construction sector and create demand for cement and steel.

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- These developments with the initiatives by Pradhan Mantri Awaas Yojana (Urban) has seen an upward revision in size of dwelling units in the Middle Income Group segment.

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### **What are the concerns with the HFA project?**

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- There seem to be more attention on only certain like affordable housing through credit linked subsidy.

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- The focus is on the segment which has more demand as well as the ability to invest rather than the economically weaker sections who are in greater need of support.

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- There is also not much progress on slum redevelopment and in promoting large projects jointly with PSUs or private developers using government land, due to the lack of coordination between the Union, States and local bodies.

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**Source: Business Line**

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