



Housing Sector shortage close to 10 million units-to be addressed through PMAY: Puri Real Estate act- a pioneering legislation, to have a long term transformative effect.

Addreses RICS Real Estate Conference

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ShHardeep S Puri, the Minister of State (I/C) Housing and Urban Affairs has stated that the Real Estate Act is a pioneering legislation which will have a long term transformative effect. "We have put in place an eco-system to ensure that real estate sector is properly governed and buyers are empowered. I have absolutely no doubt that the history of Real Estate in India will be written in two segments, pre and post RERA. The pre-RERA phase was characterised by the dreams and ambitions to own a house of many being dashed for a considerable period of time by a few persons exploiting that dream. We are not out of that phase yet," he added. He was speaking at the RICS Real Estate Conference on "policy, reform and regulation: the backbone of Indian Real Estate" here today.

Addressing the participants, ShPuri observed that the lack of finances was only part of a problem for owning a house. There was very little transparency in the housing sector. Broken promises, incomplete housing projects tell a tragic tale of untold misery inflicted on hapless citizens who, in many instances, had pledged their life time savings and even the family silver just to own a house. We are still witnessing the final phase of a cleaning up process involving the misdemeanours of a few who tarnished the image of the many developers who were genuine in their dealings, he further said.

Referring to a technical study conducted in 2011 which placed the housing shortage at 18.76 million in urban areas, of which 96% is in the EWS segment and in LIG Housing, the Minister said that subsequent assessments led to a revision of this figure and in the final analysis, the shortage is likely to be around or in excess of 10 million units which is aimed to be addressed through the flagship programme 'PMAY' (Pradhan MantriAwasYojana) Urban, of the Government of India. Shri Puri stated that the thrust of the Mission has been to make available housing for the Economically Weaker Sections (EWS), Lower Income Groups (LIG) and also the MIG (Middle Income Group), by harnessing Government land. "We have also released various PPP Models to encourage housing through private partnership. Among the distinctive features of this scheme are that government will make available the land and in addition provide a subsidy to each allottee and assist in obtaining easy financing from banks for the remaining sum required. The house will be in the name of the lady individually or co-jointly with the male member of the family. This will help gender empowerment. It will have a kitchen and a toilet and serve to help foster security of the girl child.", he further added.

Stressing the importance of the Housing Sector, the Minister said that it plays a catalytic role in fulfilling the demand for housing and infrastructure in the country and is the second largest sector after agriculture providing employment to 6.86% of the workforce in the country. While the sector has grown significantly in recent years, it has largely been unregulated, with absence of professionalism and standardization, and lack of adequate consumer protection. It has also largely been opaque, with consumers often unable to procure complete information, or enforce accountability against builders and developers in the absence of effective regulation. The biggest fallout affecting the sector is delay in project completion; diversion of funds collected from buyers; one-sided contracts in the absence of adequate supply; reneging on contractual commitments by both the developers and the buyers; and constraints in financing and investment options available to the sector, thereby affecting its long-term growth.

Referring to RERA, he observed that the Act itself is a response to the dire need of Indian consumers and in discharge of the sovereign functions towards public interest. The Act upholds the spirit of federalism by allowing the States to set up the Regulatory Authority and the Appellate Tribunal, and the role of the Central Government is limited to Union Territories without legislature. The Act is aimed at consumer protection, by creating an online system for information sharing so that there is mutual trust between the developer and the buyers, and projects are implemented in time.

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