



**Affordable Housing Committee  
Presents**

A stylized, light blue and grey illustration of a city skyline with various skyscrapers of different heights and architectural styles, serving as a background for the text.

**Affordable Housing Sunday  
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## **AFFORDABLE HOUSING MYTHS AND REALITY**



The concept of affordable housing involves the provision of housing with adequate facilities and decent standard of living for the lower and middle income households of the society, at moderate prices.

There are so many myths prevailing in society about the affordable housing due to lack of proper knowledge and awareness. The need for affordable housing across the country is a undisputed fact, yet myths, fear, prejudice and misunderstanding often pervade the debate.

To give a little perspective to the debate, here are the ten myths and realities about affordable housing.

**MYTH #1: Affordable housing drives down property values.**

**REALITY:-** Often repeated research shows conclusively that affordable housing has no negative impact on home prices, or on the speed or frequency of sale of neighbouring homes. In fact, the presence of affordable housing in a neighbourhood actually has a positive impact on property values.

**MYTH #2: Affordable housing is all about crammed up spaces.**

**REALITY:-** An affordable house is created through adequate planning of space. This means that an affordable home could also bring you the same comfort. After all, meticulous architecture utilises every inch of the space creatively.

**MYTH #3: There is no economic case for affordable housing.**

**Reality:** Affordable housing can raise productivity. Affordable housing in the right locations boosts the productivity by integrating lower-income populations into the economy and reducing costs to provide shelter and services. It enables labour mobility, opening a path to rising incomes, giving households more to spend on goods and services in their neighbourhood's and, over time, enabling them to move up the income pyramid and help drive GDP growth.

**Myth #4: There is no land for affordable housing.**

**Reality:** Cities have land at appropriate locations that could be unlocked. Land can be freed for development through idle-land regulations, land readjustment and pooling.

**MYTH #5: Affordable Housing' brings along a low self esteem** -The very thought of going for an affordable home makes people a little uncomfortable. They think that it's not all that prestigious.

**Reality:** On the other hand, a prudent investment has to be considered wise and therefore, prestigious!

**MYTH #6: Construction costs are too high to make housing more affordable.**

**Reality:** Proven technologies and approaches and regulatory support can enable large-scale, low-cost housing production. Industrial approaches (using components manufactured off-site), standardization, and improved purchasing and other processes can reduce cost by 30 percent.

## **MYTH #7: Affordable Housing means a less comfortable lifestyle**

**Reality:** A truly affordable home aims at cutting down all the unnecessary expenses. Consider that appendage of all those unnecessary additions. Such extra (read needless) amenities just increase the overall costing of your home. Did you think that they mean real value addition?

## **Myth #8: Affordable housing is too risky to finance.**

**Reality:** Financing for purchasers and builders can be made less risky and less expensive. With better data (valid property appraisals, credit ratings, use of non-traditional credit-rating data) and proper controls, lenders can reduce underwriting costs and safely lower rates for low-income borrowers.

**MYTH#9: Affordable housing is an unattractive investment.**

**Reality:** Well-located, properly maintained, affordable housing can be quite profitable. Housing built for lower income households runs a higher risk of dilapidation and value loss, but mostly due to weak asset management practices and poor choice of location. However, if housing is built where residents can connect to employment and vital services, and if management realizes scale efficiencies in operations and maintenance, properties can rise in value.

**MYTH#10: Affordable housing strains public services & infrastructure.**

**Reality:** Compact development offers greater efficiency in use of public services & Infrastructure

## CENTRAL GOVERNMENT–IMP NOTIFCIATIONS,CIRCULARS

SR.NO	DETAILS	DATE
1	Updated Operational Guidelines- Credit Linked Subsidy Scheme for EWS/LIG	27-3-2017
2	Operational guidelines for the new Scheme of CLSS for Middle Income Group (MIG) {CLSS for MIG}-January 2017	11-03-2017
3	Revised Pradhan Mantri Awas Yojana Guidelines	02-03-2016
4	Affordable Housing Infrastructure status circular (Ministry of Finance)	05-04-2017
5	S.80 IBA of Income Tax Act updated as per finance act 2017	01-04-2017
6	Amendments in guidelines of PMAY (URBAN)	12-01-2018
7	“Model Public Private Partnership Policy for Affordable Housing” in India published by MoHUPA.	14-06-2017
8	Ministry of Finance, Notification in relation to amendment in CGST for Affordable Housing.	25-01-2018
9	Amendments in guidelines of PMAY (URBAN) and their effective date of implementation	15-03-2018

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