Center approves 3.31 lakh more houses under PMAY(U)

Syllabus subtopic: Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

News: The 49th Meeting of the Central Sanctioning and Monitoring Committee (CSMC) under Pradhan Mantri Awas Yojana (Urban), approved 606 proposals from participating States for the construction of 3,31,075 houses with an overall investment of Rs 15,125 Cr involving central assistance of Rs 5,092 Cr. This includes six Light Houses Projects (LHPs) for construction of 6368 houses to be built across 6 States namely Gujarat (1,144), Jharkhand (1,008), Madhya Pradesh (1,024), Tamil Nadu (1,152), Tripura (1,000 ) and Uttar Pradesh (1040).

Prelims and Mains focus: About PMAY, its significance, challenges and Govt.’s efforts to address them

Context:

- The proposal received are under Beneficiary Led Construction or Enhancement (BLC) and Affordable Housing Project (AHP) verticals of the scheme. The houses proposed under Light Houses Projects (LHPs) will be constructed by using new and innovative technologies and will serve as live laboratories for research, testing, technology transfer, increasing mass awareness and for mainstreaming them in the country.

- As on date, PMAY(U) Mission has sanctioned more than 96.50 Lakh houses under PMAY(U) against the validated demand of 1.12 crore houses. A total of 56 Lakh houses are grounded for construction of which 28.4 Lakh have been completed.

About PMAY- Urban:

The Pradhan Mantri Awas Yojana (Urban) Programme launched by the Ministry of Housing and Urban Poverty Alleviation (MoHUPA), in Mission mode envisions provision of Housing for All by 2022, when the Nation completes 75 years of its Independence.
Significance of the scheme:

- PMAY-U does offer a huge opportunity for several sectors by setting off a virtuous cycle.
- One crore houses would mean an opportunity for over Rs 2 lakh crore of home loans, and incremental consumption of 80-100 million tonne of cement and 10-15 million tonne of steel.
- The construction opportunity is of about four billion square feet over the life of PMAY-U. And all that would translate into 9-10 crore incremental jobs over the execution period.

The Mission seeks to address the housing requirement of urban poor including slum dwellers through following programme verticals:

- Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource.
- Promotion of Affordable Housing for weaker section through credit linked subsidy.
- Affordable Housing in Partnership with Public & Private sectors.
- Subsidy for beneficiary-led individual house construction /enhancement.

Key facts:

- The beneficiaries are poor and people living under EWS and LIG categories in the country.

- The scheme is divided into three phases. In the first phase, a total of 100 cities will be covered from April 2015 to March 2017. In phase two, 200 cities will be covered from April 2017 to March 2019. In the third phase, the leftover cities will be covered from April 2019 to March 2022.

- The government is providing an interest subsidy of 6.5% on housing loans which can be availed by beneficiaries for 15 years from start of loan date.

- The government will grant Rs 1 lakh to all the beneficiaries of the scheme. In addition, Rs 1.5 lakh will be given to all eligible urban poor who want to construct their houses in urban areas or plan to go for renovation in their existing houses. One can also avail loans under this scheme to build toilets in existing houses.