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India needs to build 26,300 housing units a day:NHB

India needs to build a whopping 26,300 housing units per day all through the 11th Five-year plan period to meet the housing requirements of all segments of the population.

The National Housing Bank (NHB) has estimated an housing requirement of 45 million units for both rural and urban areas in the country during the 11th plan period, ending 2012.

This would require an investment to the tune of Rs 10 lakh crore, NHB said in a recently-published report on the basis of the performance of the banks of the previous five years starting from 1999-2000 financial year.

The report cuts a sorry figure of the coverage of the housing finance system of the country. Economically weaker sections, which require almost 80 per cent of the total demand, remain deprived.

Analysing the performance of banks in housing finance over a period of five years from 1999-00 to 2004-05, the report reveals that loan disbursements went up by 68 per cent during the period to Rs 86,034 crore from Rs 58,623 crore.

However, the share for rural areas in the total housing finance had remained constant at 10.3 per cent and share of semi-urban areas declined from 22.4 per cent to 15.4 per cent, whereas it went up to 47.3 per cent in 2005 in



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metropolitan areas from 37.2 per cent in 2000.

This shows, by and large the housing finance has been restricted to metropolitan and urban areas besides targeting middle and high income groups, thereby bypassing low income groups at large," the report said.

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Compounded Annual Growth Rate (CAGR) of 8.5 per cent only.

The southern region accounted for the maximum share of 37.3 per cent of the total outstanding housing loan of all Scheduled Commercial Banks (SCBs).

The share of western region, as on March 31, 2005 was 23.2 per cent, northern region 18.8 per cent, central region 10.35 per cent, eastern region 8.8 per cent and North-East

region 1.39 per cent.

"Despite significant growth in the housing finance market, there still remains a huge gap in the housing requirements in the low income categories," the report said, adding the challenge therefore was to arrange, facilitate, catalyse and manage the required finances for investment in housing focusing on low income segments and improving accessibility of finance to unserved segments.