

AHP – Models

Grp – 2

States participated

Gujarat, Odisha, Maharashtra, Assam, Uttarakhand,
Karnataka, Rajasthan, Telengana

Key Discussion Points

1. Cost of Units - Gap Funding Need to be Addressed –
2. Beneficiary contribution collection is not smooth need to provide some solution
3. Additional Financial Support For Infra may be considered
4. Despite Reforms – Some States are facing Land Availability issue hence depend on Pvt Development (whitelisting) but it may not take up as cash flow is getting impacted as payment is after completion.
5. Land / Patta may not be possible to issue in all states
6. GST is 20% of cost – which itself is very high in some states like Maharashtra to the tune of Rs 4-5 lakhs –hence the same may be waived off

Key Discussion Points

1. Land cost in some states especially the smaller towns are so low that in PPP model value offered to the pvt builder is not attractive
2. RERA registration should not be condition in the first instalment
3. Some states are facing Occupancy issue due to financial constraint of beneficiary
4. Some states are recommending State housing boards to be nominated as Implementing Agency especially in smaller towns
5. Some states are providing capital subsidy to developers
6. Some states are leveraging funds from other departments like SC, ST, Labour and social justice depts etc to support AHP projects
7. Central Subsidy should be increased at least to Rs 2.5-3 lakhs

Suggestions

Front line banks and not funding to EWS classes and smaller housing companies or NBFC/micro finance institutions are offering loan at a higher rate – At National level if RBI and NHB may intervene in providing finance at lower rate to small housing banks specially for EWS / PMAY beneficiaries, then interest rate may reduced. Also some of them may be asked for designing housing products especially for PMAY.

Central Govt may enable NHB and HUDCO to provide some gap funding directly to beneficiary and if possible CGTSME guarantee may also be explored.

AMRUT and Smart City schemes giving good grant for the infra, so states suggested that in PMAY some of those grants may be included for AHP projects.

Suggestions

In whitelisting projects, as the payment is going at the end of the project, it may be considered for part payment. Further, a mechanism must be developed to check the same beneficiary not to take benefit under ISS

National level lottery system for house allotment may be developed

RERA registration should not be condition in the first instalment – it may be asked to provide at 2nd instalment as it is impacting cash flow of the project at the beginning.

Occupancy issue – Apart from financial constrain of beneficiaries, states may do wide IEC activities for AHP projects, for which IEC fund may be increased and widened as advertisement is not being considered.

