Strengthening inclusive housing in Indian cities

Introduction

India's urban population — the world's second largest — is projected to grow to more than 800 million people by 2050 from the current 377 million. According to the World Resources Institute's research on "Housing for All," 96% of India's housing shortage is attributable to the economically weaker section (56%) and low-income groups (40%). Almost 19 million housing units are needed in urban areas nationwide. The figure is based on estimates by the urban housing shortage specialist group of India's Ministry of Housing and Urban Affairs. In response to these findings, the Indian government and several state governments have introduced or expanded affordable urban housing programs.

In India, slums are characterized by an extreme lack of basic services: 71% do have access to underground sewerage, 66% have open drainage or no drainage at all, and 41% have either dry-pit latrines or no latrine facilities at all, according to a 2021 paper by the Observer Research Foundation. Several secondary studies also estimate that close to 70% of urban residents rely on the informal rental market for their housing needs. It is important to develop comprehensive approaches that incentivize the urban poor to improve the quality of living in renting arrangements. In addition, there is a need to involve these communities in the creation of quasi-legal structures for easier and faster dispute resolution. This should preferably be outside the formal legal structure, as the cost of compliance with the Model Tenancy Act may end up exacerbating poverty among the renters.

The India Urban Dialogue was held in September 2023 in New Delhi. The theme was "Inclusive Policy Solutions for Resilient Urban Communities."

The conference was organized by Habitat for Humanity India in collaboration with UN-Habitat, Sphere India and International Finance Corporation. It aimed to foster collaboration among people, public and private stakeholders to identify key solutions and strengthen inclusive housing in Indian cities.

The Urban Dialogue in India was organized under the umbrella of the Asia-Pacific Urban Dialogues. The discussion will help shape the establishment of the urban housing practitioners hub in Asia-Pacific.

Recommended solutions

Establish comprehensive housing support system

The formulation of a comprehensive National Urban Housing Policy Framework for Indian cities is of paramount importance to address the multifaceted challenges of urban development. This all-encompassing framework must prioritize affordable housing solutions through public-private partnerships and developer incentives while also ensuring the rehabilitation and enhancement of slum areas with a focus on providing essential services.

Engage with stakeholders for more inclusive urban planning

Urban planning can be made more inclusive by reforming policies to include grassroot voices, decentralizing existing governance structures, and investing in local capacity building to ensure an inclusive and just system that can cater to low-income communities.

Enable accessible housing financing solutions

Specialized housing finance mechanisms should be included in housing systems to help low-income families access affordable financing options such as subsidies and low-interest loans.

Opportunities and challenges

1. Promoting mixed-use development, inclusive housing, and efficient land use planning will improve urban dwellers' quality of life and curb urban sprawl. Transit-oriented development, eco-friendly building practices, and heritage conservation will contribute to sustainable urban growth. Incorporating smart city technologies, fostering public participation, and streamlining regulations will enhance urban management. In addition, investments in infrastructure, disaster resilience, and capacity building are vital.

2. Historically, urban planning in India has been a top-down, centralized process with limited community involvement. To address the unique challenges and opportunities facing Indian cities today, a transition towards localized and participatory planning is imperative. Indian cities are incredibly diverse, each with its distinct challenges and cultural contexts. This calls for an approach that empowers local governments to tailor development strategies. It is also vital that the public can access key information to make informed decisions.

3. The non-banking financial sector is only minimally regulated in India. Affordable housing remains a substantial challenge, especially for the economically weaker section and the informal sector. The co-lending approach aims to provide borrowers with competitive interest rates and broader access to financial support.

Facilitate resilient and green housing technology

Implement policies and strategies to enhance community resilience in urban areas, especially hill cities. Disaster risk reduction, resilience against shocks, climate adaptation plans, and community-based disaster preparedness initiatives also need to be integrated. Provide incentives, regulatory support, and access to renewable energy integration, energy-efficient building designs, sustainable building materials, and green construction practices.

Improve housing data

Establish a robust data collection and monitoring system to assess the effectiveness of urban housing policies and resilience-building efforts. Regularly update and refine policies based on data-driven insight.

Develop land use plans

State governments need to lead the development of land use plans under the guidance of a national land use plan to ensure suitable land for housing mechanisms.

Opportunities and challenges

4. India ranked seventh out of 181 countries in the Global Climate Risk Index 2021. Recent floods occurring across the nation, including in Sikkim, highlighted the need to invest in resilient housing and infrastructure. The use of green and resilient housing technology will foster more sustainable housing practices. The way forward lies in adopting disaster-resilient housing designs and green technologies in urban infrastructure and housing projects. Unfortunately, the best practices of green and resilient housing technology are not always known or accessible to the public.

5. The lack of comprehensive data available for housing is a critical challenge that hinders effective urban planning and policymaking. Housing data often lacks granularity, with incomplete sets of data on informal settlements and households. This data gap covers various aspects of housing, making it difficult to fully understand and address the complex housing needs of the population.

6. Land use plans are essential to guide land reserved for classifications. However, a lack of updated and participatory land use plans limits the ability to capture ground realities including risk-sensitive areas. Thus, it is challenging to ascertain whether plots of land are appropriate for home construction.

Urban Solutions Coalition

To foster multistakeholder collaborations and partnerships, the Urban Solutions Coalition is set up to advance the cause of affordable housing and enhance informal settlements. These strategies align with India's decarbonization goals and promote equitable urban solutions. In addition, the coalition will actively engage in and bolster the efforts of global civil society networks advocating for a housing agenda that prioritizes both social and environmental justice. The coalition will localize the urban dialogue and take the conversation to Andhra Pradesh state in December 2023.