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## Chennai faces acute deficit of affordable housing

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*Government initiatives fall short of targets*

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Chennai: Government initiatives to bridge the affordable housing deficit in Chennai city have fallen short of the targets.

In order to increase the supply of affordable housing units, the building rules of the Second Master Plan, in 2008, made it compulsory on private builders to reserve apartments for lower income groups.

So far, it has generated only 2500 units, against the annual demand of 36,000 units.

Another new initiative introduced in 2010 that provides 50 per cent additional FSI for low income housing projects has no takers.

There is a need to generate about 4.2 lakh units for low income groups by 2016.

The CMDA has made it mandatory that apartments constructed on properties exceeding one hectare should reserve 10 per cent of the developed land for LIG and EWS dwelling units (measuring 450 sq.ft).

### Alternative location

In the event, if the land cannot be provided within the same site, it could be provided in an alternative property located within a radius of two km from the site developed.

“There are no large properties measuring one hectare within a 20 km radius of the Chennai city. Hence this rule will only have limited use. If one were to develop a low income housing project in the far suburb of Chennai, it requires good infrastructure support, which is absent. It also does not make good business proposition to combine low income housing with big budget housing projects,” explained M.K. Sundaram, past president of builders association Southern Centre and Member, shelter committee, CMDA.

Apart from poor response, the limited units that have been so far built are not affordable in terms of price.

### Criterion

A housing unit is considered affordable to Economically Weaker Section (EWS) and Low Income Group (LIG), according to the Ministry of Housing and Urban Poverty Alleviation, when its cost is about four times the gross annual income of the buyer.

Going by the annual income limit used for categorising EWS and LIG by Tamil Nadu Housing Board, which is Rs.60,000 and Rs.1.2 lakh respectively, a 450 sq.ft housing unit in Chennai has to be priced at Rs.2.5 lakh and Rs.4.8 lakh to qualify as affordable housing.

### Ground reality

The ground reality is that it is priced at Rs.8 to 9 lakh in the faraway suburb and within the city it would be priced between Rs.25 lakh and Rs.30 lakh.

“We need to give the policies some more time to take effect,” remarked Susan Mathew, Vice-Chairperson, CMDA.

### Reserve housing units

“Efforts are taken to ensure that the large housing projects reserve adequate number of affordable housing units. The final completion certificate is not issued unless the low income housing units are built. We will verify this through an onsite inspection,” she added.