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City could face shortage of 8 lakh dwelling units by 2026

Jayaraj Sivan, TNN 7 September 2009, 02:04am IST

CHENNAI: A year ago, in its second master plan, the Chennai Metropolitan Development Authority (CMDA) had envisaged making the Chennai Metropolitan Area (CMA) slum-free and housing for all by 2026.

The plan stipulated that in projects on more than one hectare (2.5 acres) 10% of the area, either in the same place or within a two km radius, be set apart for economically weaker section (EWS) and low [income](#) group (LIG) housing. It also gave 0.5 additional floor space index (FSI is the ratio of the land area to the built-up space) for EWS projects with a unit size of up to 45 sq metres (1 sq metre is 10.76 sq ft). The state government recently increased the FSI for EWS housing in the CMA by 50% and for middle income group housing by 30%. Few builders have promoted a EWS project.

CMDA member-secretary Vikram Kapur estimates that by 2026, Chennai could face a shortfall of eight lakh dwelling units. Most of the homeless would be the poor. The city now needs two lakh dwelling units to rehabilitate slum dwellers and it could cost a staggering Rs 100 billion, said Kapur. Obviously, the government does not have that kind of money.

And the poor don't have either. When agencies like the Tamil Nadu Housing Board and the Slum Clearance Board do not have the resources to provide such huge housing [stock](#), the private sector has to be roped in. But which builder will do it as a corporate social commitment?

Kapur suggested that builders promoting EWS housing be given transferable development rights that they can use while developing premium apartments in posh areas. He also suggested that the stamp duty for EWS housing be reduced to Rs 100.

"Let the government unlock its land stock, create enough support infrastructure and give it to builders free of cost for promoting housing stock. In turn, we can earmark 10% space for EWS apartments and hand them over to the government for slum rehabilitation," said P Suresh, MD, Arun Excello.

Confederation of Real Estate Developers' Association of India, Tamil Nadu chapter secretary, T Chitty Babu, said: "We can provide affordable housing at Rs 5 lakh a unit provided the government creates a conducive eco-system. A person who buys my Rs 5 lakh apartment 50 km from the city should also be able to find a job there. He will not [travel](#) all the way to the city for working on a daily basis."