

Standing Committee Report Summary

Evaluation of Implementation of PMAY (Urban)

- The Standing Committee on Housing and Urban Affairs (Chair: Mr. Rajiv Ranjan Singh) submitted its report on ‘Evaluation of Implementation of Pradhan Mantri Awas Yojana (Urban)’, on March 17, 2023. Launched in 2015, Pradhan Mantri Awas Yojna- Urban (PMAY-U) provides central assistance to states/UTs to construct pucca houses with basic amenities. Initially the duration of the scheme was up to 2021-22 but has been extended till December 31, 2024. Key observations and recommendations of the Committee include:
 - **Gap in housing demand assessment:** Under PMAY-U, initially the total housing shortage was estimated at two crore houses. However, the actual demand for housing under the scheme stands at 1.23 crore. The Ministry informed the Committee that the initial figure for housing shortage was based on estimates whereas the scheme was demand driven. The Committee observed that since it is a demand driven scheme, some homeless people might not have availed its benefits due to non-fulfilment of eligibility conditions or requirement of land. It recommended the Ministry to conduct an impact assessment and accordingly extend the scheme with necessary changes or formulate another scheme to provide housing for the urban poor.
 - **Lack of basic amenities:** As per PMAY-U guidelines, all houses under the affordable housing in partnership with private and public sectors and in-situ slum redevelopment (ISSR) verticals should have basic facilities like water, sanitation, and electricity. Further, urban local bodies (ULBs) should ensure that houses under credit linked subsidy scheme and beneficiary led construction (BLC) verticals have access to such basic services. The Committee noted that as of December 2022, 5.6 lakh houses were not delivered to beneficiaries due to lack of basic services.
 - **Timeline for grounding and completion:** Under PMAY-U, of the total 123 lakh sanctioned houses, 107 lakh houses (87%) have been grounded till December 2022 and 61 lakh houses have been delivered to beneficiaries. Further, as of October 2022, less than 50% of houses have been completed in north eastern states (except Tripura) due to geographical and economic reasons. The Committee recommended that in order to achieve the scheme’s target by December 31, 2024, the Ministry should ensure strict timelines for starting and completing the construction of houses.
 - **High-cost burden on beneficiary:** Under PMAY-U, houses for people from economically weaker sections (EWS) are constructed. Cost of a house for a person from EWS is about Rs 6.5 lakh on average, shared by the centre, state, ULB, and the beneficiary. The central share is fixed on per unit basis whereas the state and ULB are expected to contribute in such manner that makes the house affordable for the beneficiary. The Committee noted that some states such as Nagaland, Manipur, Meghalaya, and Rajasthan are not providing their share. As a result, the beneficiary contribution rises making the house non-affordable. The average beneficiary contribution comes about to 60%. The Committee observed that states have been assisting beneficiaries by facilitating housing loans from banks and housing finance companies. However, banks have been reluctant to approve loans to beneficiaries as they do not have sustained income or proof of income. The Committee recommended that if a second phase of PMAY-U is launched, uniform and fixed central assistance across states may be removed and should vary according to factors such as a state’s topography.
 - **Emphasis on BLC:** Under the BLC vertical of the scheme, assistance is provided to eligible families from EWS possessing land. Of the total 123 lakh houses sanctioned, around 60% have been sanctioned under BLC vertical. The Committee noted that a majority of the urban homeless are also landless and purchasing land in an urban area is more challenging than constructing a house on it. Therefore, the over emphasis on BLC vertical dilutes the objective of the scheme. Despite an over emphasis on BLC, 61% of all curtailed houses belong to this vertical.
 - **Low sanctioning of houses under ISSR vertical:** Under the ISSR vertical, slum dwellers are rehabilitated. The Committee noted that despite being an important vertical, as it provides housing to landless people, the number of houses sanctioned under it are low. Against a demand of 14.35 lakh houses, only 4.33 lakh were sanctioned. Further, as of December 2022, only 99,000 houses have been delivered and 1.08 lakh houses are non-starter (not grounded/ construction not started). Reasons for such poor performance under the ISSR vertical include availability of land, seeking statutory clearances, and clearing slums.

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