

Housing

Summary

India is facing an acute shortage of houses especially in the mid-income and low-income category. Housing supply has been mainly concentrated towards the premium category, resulting in a shortage of affordable houses. CRISIL Research expects urban housing shortage to increase further owing to continuous migration and rise in nuclear families, while rural housing shortage is to decline with urbanisation and conversion of *kutcha* houses to *pucca* houses.

Annual Review

July 2009



Contents

Part A: Demand to rebound in early 2010; urban housing shortage to increase	A-1
Further	A-1
Executive summary	A-1
Housing shortage in urban areas to grow	A-5
Housing stock growth to slow down	A-11
Demand outlook: Households to grow slower compared to stock growth	A-13
Methodology and definitions	A-19
Slum rehabilitation	A-25
Part B: State of the industry	
Institutional framework	B-2
Major acts and regulations	B-9
Policy framework	B-15
Player profiles	B-25
Part C: Industry statistics	C-1

Opinion

Sections

Executive summary	A-1
1.0 Housing shortage in urban areas to grow	A-5
- Introduction	A-5
- Demand-supply gap led to rise in capital values...	A-5
- ... resulting in substantial planned supply in the premium category	A-5
- However, the economic environment changed...	A-5
- ...and the unbalanced mapping led to shortage of affordable houses	A-5
- Housing shortage to increase in urban areas	A-7
- Housing shortage maximum in UP followed by Maharashtra	A-8
2.0 Housing stock growth to slow down	A-11
- Growth in urban stock to slow down due to substantial slowdown in demand	A-11
- Rural housing to drive growth in near future	A-11
- Proportion of <i>kutcha</i> houses will decrease	A-12
3.0 Demand outlook: Households to grow slower compared to stock growth	A-13
- Potential demand to be unconverted due to dented affordability	A-13
- Housing demand peaked in Phase II, to consolidate in Phase IV	A-13
- Demand drivers	A-14
- Demand outlook in major cities	A-15
4.0 Methodology and definitions	A-19
- Definitions	A-19
- Methodology to calculate housing shortage and housing stock	A-19
5.0 Slum rehabilitation	A-25
- History and definition	A-25
- Slum Rehabilitation Scheme (SRS) in Mumbai – A case study	A-29

Charts

<u>1.0 Housing shortage in urban areas to grow</u>	
01 Framework to estimate Housing Shortage	A-6
<u>4.0 Methodology and definitions</u>	
01 Methodology for estimating housing shortage	A-20
02 Estimation of housing stock	A-21
03 Methodology for calculating obsolescence factor	A-22
04 Estimation of statewide congestion factor at rural and urban level	A-23
<u>5.0 Slum rehabilitation</u>	
06 Slum Rehabilitation Process – Stages	A-31

Continued...

...continued

<u>5.0</u>	<u>Slum rehabilitation</u>	
01	Important policies towards slum development I	A-25
02	Major state level policies	A-27
03	Major policies in some cities	A-28
04	Mumbai slum development policies – Historical timeline	A-29
05	Difference between SRD and SRA	A-30

Figures

<u>1.0</u>	<u>Housing shortage in urban areas to grow</u>	
01	Housing growth trajectory	A-7
02	Urban housing shortage	A-8
03	Rural housing shortage	A-8
<u>2.0</u>	<u>Housing stock growth to slow down</u>	
01	Urban Housing Stock	A-11
02	Rural Housing Stock	A-12
03	Urban housing stock	A-12
04	Rural housing stock	A-12
<u>3.0</u>	<u>Demand outlook: Households to grow slower compared to stock growth</u>	
01	Estimated number of households in rural and urban India	A-13
02	Demand for financed houses (indexed)	A-14
03	Population growth	A-14
04	Population – Favourable Age demographics	A-14
05	Urbanisation	A-15
<u>5.0</u>	<u>Slum rehabilitation</u>	
01	Movement in Average TDR Prices vis-à-vis Average Capital Values	A-35

Tables

<u>1.0</u>	<u>Housing shortage in urban areas to grow</u>	
01	Housing shortage during four industry phases	9
<u>2.0</u>	<u>Housing stock growth to slow down</u>	
01:	Average annual additions to stock (million units)	11
02:	Average annual additions to stock (million units)	12
<u>4.0</u>	<u>Methodology and definitions</u>	
01:	Example of condition of house (urban) – 2002	22

continued...

...continued

5.0 Slum rehabilitation

01: Slum redevelopment projects under JNNURM and IHSDP	26
02: Additional FSI granted under PAP scheme	32
03: Slum Rehabilitation Projects under different sections	33
04: Calculation of Slum TDR – A hypothetical example	34
05: What is Potential TDR Market Size	36

State of the industry

Sections

1.0	Institutional framework	B-2
-	Role of Central Government	B-2
-	Role of State Governments	B-6
-	State and city level authorities	B-6
2.0	Major acts and regulations	B-9
-	National Level Acts and Regulations	B-9
-	State Level Acts & Regulations	B-13
3.0	Policy framework	B-15
-	Important Central Policies Related to Housing	B-15
-	Important State Policies related to Housing	B-20
4.0	Player profiles	B-25
-	Ackruti City Limited	B-25
-	Ansal Properties & Infrastructure Limited	B-26
-	DLF Limited	B-27
-	Housing Development & Infrastructure Ltd (HDIL)	B-28
-	I V R Prime Urban Developers Limited	B-29
-	Mahindra Lifespace Developers Limited	B-30
-	Omaxe Limited	B-31
-	Orbit Corporation Limited	B-32
-	Parsvnath Developers Limited	B-33
-	Puravankara Projects Limited	B-34
-	Sobha Developers Limited	B-36
-	Unitech Limited	B-38

Charts

<u>1.0</u>	<u>Institutional framework</u>	
01	Legal and Institutional framework of housing industry	B-1
<u>3.0</u>	<u>Policy framework</u>	
01	National Housing Policies- Key Characteristics	B-6

Continued...

Tables

<u>1.0 Institutional framework</u>		
01	Key Performance highlights of HUDCO as on April 2009	B-6
<u>3.0 Policy framework</u>		
01	Physical progress under the scheme ever since its inception	B-18
02	FDI Inflow in Housing and Real Estate	B-20
<u>4.0 Player profiles</u>		
01	Ackruti City Ltd - Financial performance	B-25
02	Ackruti City Ltd - Some residential projects	B-25
03	Ansal Properties & Infrastructure Ltd - Financial performance	B-26
04	Ansal Properties & Infrastructure Ltd - Some residential projects	B-26
05	DLF Ltd - Financial Performance	B-27
06	DLF Ltd - Land resource as on March 2009	B-27
07	DLF Ltd - Some Residential Projects	B-27
08	Housing Development & Infrastructure Ltd - Financial performance	B-28
09	Housing Development & Infrastructure Ltd – Land resource as on March 2009	B-28
10	Housing Development & Infrastructure Ltd - Some Residential Projects	B-29
11	I V R Prime Urban Developers Ltd - Financial performance	B-29
12	I V R Prime Urban Developers Ltd - Some residential projects	B-29
13	Mahindra Lifespace Developers Ltd - Financial Performance	B-30
14	Mahindra Lifespace Developers Ltd – Land resource as on September 2008	B-30
15	Mahindra Lifespace Developers Ltd - Some residential projects	B-30
16	Omaxe Ltd - Financial performance	B-31
17	Omaxe Ltd - Some residential projects	B-31
18	Orbit Corporation Ltd - Financial Performance	B-32
19	Orbit Corporation Ltd - Some Residential Projects	B-32
20	Parsvnath Developers Ltd - Financial performance	B-33
21	Parsvnath Developers Ltd - Some Residential Projects	B-33
22	Puravankara Projects Ltd - Financial Performance	B-34
23	Puravankara Projects Ltd - Land resource as on March 2009	B-34
24	Puravankara Projects Ltd - City-wise future saleable area	B-34
25	Puravankara Projects Ltd - Some Residential projects	B-35
26	Sobha developers Ltd - Financial performance	B-36
27	Sobha Developers Ltd – Land resource as on October 2008	B-36
28	Sobha Developers Ltd - Some residential projects	B-37
29	Unitech Ltd - Financial performance	B-38
30	Unitech Ltd - Land resource as on March 2008	B-38
31	Unitech Ltd - Some Residential Projects	B-39

Industry statistics

Tables

1.0 Industry statistics

01A	Households and housing stock in India	C-1
01B	State-wise population, households and housing stock	C-2
02	Total population, slum population and their percentage in Municipal Corporations with population above one million - 2001	C-4
03	State-wise percentage distribution of houses by occupancy status	C-5
04	State-wise housing stock by usage- 2001	C-7
05	Total projected population 2001-2026 ('000)	C-8
06	Urbanisation trends in India (1901-2001)	C-12
07	Projected values of net-migration rate (per 100) by sex for India and states (2001-2025)	C-12
08	Distribution of households by type of census houses occupied	C-13
09	State-wise cost of construction and other details	C-14
10	State-wise details of households	C-16
11	State-wise condition of households	C-20
12	DLF Ltd (Consolidated)	C-24
13	Puravankara Projects Ltd (Consolidated)	C-25
14	Orbit Corporation Ltd (Consolidated)	C-26
15	Mahindra Lifespace Developers Ltd (Consolidated)	C-27
16	Sobha Developers Ltd (Consolidated)	C-28
17	Housing Development & Infrastructure Ltd (Consolidated)	C-29
18	Unitech Ltd (Consolidated)	C-30
19	Parsvnath Developers Ltd (Consolidated)	C-31
20	Omaxe Ltd (Consolidated)	C-32
21	I V R Prime Urban Developers Ltd. (Consolidated)	C-33
22	Ackruti City Ltd (Consolidated)	C-34
23	Ansal Properties & Infrastructure Ltd (Consolidated)	C-35