

Rental Housing Scheme for Urban Migrants

July 9, 2020

The Union Cabinet gave its approval for development of Affordable Rental Housing Complexes (ARHCs) for urban migrants/ poor as a **sub-scheme under Pradhan Mantri AwasYojana–Urban (PMAYU)**.

Affordable Housing

COVID-19 pandemic has resulted in **massive reverse migration of workers/ urban poor in the country who come from rural areas or small towns** seeking better employment opportunities in urban areas. Usually, these migrants live in slums, informal/ unauthorized colonies or peri-urban areas to save rental charges. They spend a lot of time on roads by walking/ cycling to workplaces, risking their lives to cut on the expenses.

A large part of the workforce in manufacturing industries, service providers in hospitality, health, domestic/commercial establishments, and construction or other sectors, labourers, students etc. who come from rural areas or small towns will be the target beneficiary under ARHCs.

Plans Under the Scheme

- **existing vacant government funded housing complexes will be converted** in ARHCs through Concession Agreements for 25 years. **Concessionaires will make the complexes livable** by repair/retrofit and maintenance of rooms and filling up infrastructure gaps like water, sewer/ septage, sanitation, road etc. States/UTs will select concessionaires through transparent bidding. Complexes will **revert to ULB after 25 years** to restart the next cycle like earlier or run on their own.
- **special incentives** like use permission, 50% additional

FAR/FSI, concessional loan at priority sector lending rate, tax reliefs at par with affordable housing etc. will be **offered to private/ public entities to develop ARHCs on their own available vacant land for 25 years.**

An expenditure of Rs600 Crore is estimated in the form of **Technology Innovation Grant** which will be released for **projects using identified innovative technologies for construction.** Approximately, 3 lakh beneficiaries will be covered initially under ARHCs. ARHCs will create a new ecosystem in urban areas making housing available at affordable rent close to the place of work.

Investment under ARHCs is expected to create new job opportunities. ARHCs will cut down unnecessary travel, congestion and pollution. Government funded vacant housing stock will be converted into ARHCs for economically productive use. The scheme would create a conducive environment for entities to develop ARHCs on their own vacant land which would **enable new investment opportunities and promote entrepreneurship in the rental housing sector.**