



Cabinet

Cabinet approves developing of Affordable rental housing Complexes for urban migrants / poor

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The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi has given its approval for developing of Affordable Rental Housing Complexes (ARHCs) for urban migrants / poor as a sub-scheme under Pradhan Mantri Awas Yojana – Urban (PMAY – U) by:

- i. existing vacant government funded housing complexes will be converted in ARHCs through Concession Agreements for 25 years. Concessionaire 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 concessionaire through transparent bidding. Complexes will revert to ULB after 25 years to restart next cycle like earlier or run on their own.
- ii. 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.

A large part of 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 seeking better opportunities will be the target beneficiary under ARHCs.

An expenditure of Rs 600 Crore is estimated in the form of Technology Innovation Grant which will be released for projects using identified innovative technologies for construction. Approximately, three Lakh beneficiaries will be covered initially under ARHCs.

ARHCs will create 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 will enable new investment opportunities and promote entrepreneurship in rental housing sector.

Background:

Ministry of Housing & Urban Affairs (MoHUA) has initiated an Affordable Rental Housing Complexes (ARHCs) for urban migrants/poor as a sub-scheme under Pradhan Mantri Awas Yojana (Urban). The scheme was announced by the Hon'ble Finance Minister on 14 May, 2020. This scheme seeks to fulfill the vision of '**AtmaNirbhar Bharat**'.

COVID-19 pandemic has resulted in massive reverse migration of workers/ urban poor in the country who come from rural areas or small towns for 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 lot of time on roads by walking/ cycling to workplaces, risking their lives to cut on the expenses.

VRRK/SH

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