

POLICY LAB
SERIES

AFFORDABLE RENTAL HOUSING

SUMMARY OF DISCUSSIONS

SEPTEMBER – DECEMBER 2020

Organised By:





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AFFORDABLE
RENTAL HOUSING
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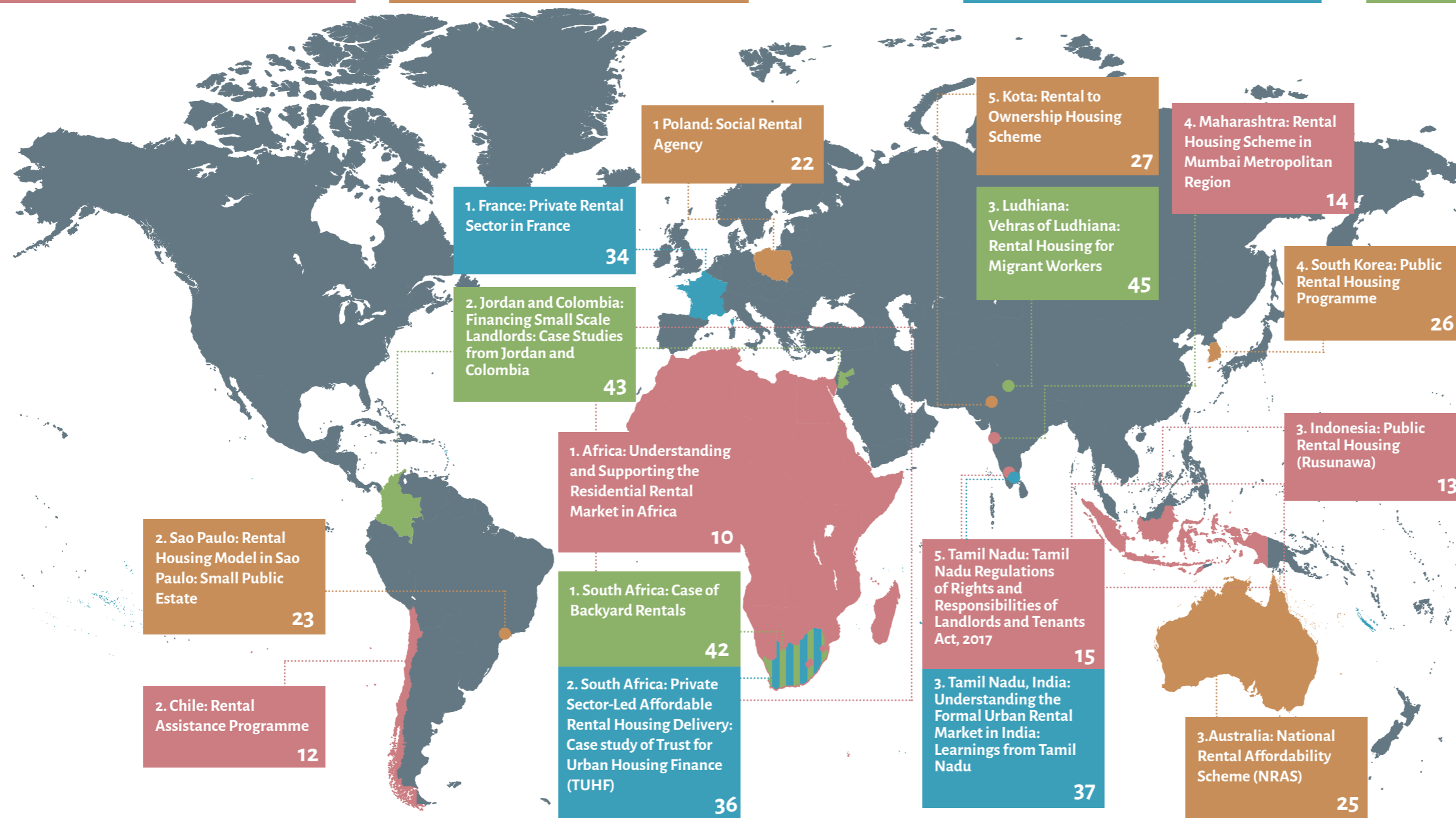
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ABOUT THE POLICY LAB SERIES ON AFFORDABLE RENTAL HOUSING

1500+

Total Registration

30K+

Total viewership
(Participation + Facebook
and YouTube views)

1200+

Total participation

20+

Organizing
Committee Meetings

80K+

Social Media Engagement
(views/impressions)

Amid the global COVID-19 crisis, an ominous crisis unfolded in India – the reverse migration of informal and daily wage workers to their native towns and villages, who are the worst-affected in the present scenario. Owing to their informal nature of livelihood, coupled with adoption of a nationwide lockdown as a containment strategy led to loss of income, thereby adversely affecting their shelter security.

During 2001-2011, about 14 million people moved to the cities, especially metropolitan cities, in search of work or better employment (Census 2011). Despite such large-scale migration, the Pradhan Mantri Awas Yojana (PMAY), established in 2015, focuses primarily on ownership housing within its four verticals and does not provide solutions to migrant workers' special housing needs. As residential vulnerability appears as a crucial component of the current migration crisis, the necessity to provide a variety of housing options for the incoming workforce, including rental housing, has grown.

While the public housing programmes have predominantly neglected rental housing, about one in every three persons in urban India resided in a rental accommodation as of 2011, albeit informally in 70% of the cases (NSS 76th round). Temporary migrants, who intend to return to their previous place of residence or another location, accounted for 17% of total migration to urban areas. These migrants frequently choose rental housing owing to the unaffordability of ownership-based housing and to avoid securing financial resources in real estate. COVID-19 has revealed the residential vulnerabilities of a previously unseen group of temporary migrant workers. The Working Group on Migration (2017) and the Economic Survey 2016-2017 both noted that India's increased urban mobility and migration to urban regions has further reinforced the need for a comprehensive policy and legal framework to create a thriving economy.

Against this backdrop, the government plans to encourage the development of Affordable Rental Housing Complexes (ARHCs) as a fifth vertical under PMAY. While the ARHC has the potential to be the cornerstone of a new social contract, it will require careful design and implementation, as well as a proper legislative and legal framework.

In this context, a set of organisations including Cities Alliance, GIZ India, Habitat for Humanity, World Bank, HUDCO's HSMI, Asian Development Bank and SCI FI: Land, Housing & Planning at the Centre for Policy Research organised a series of webinars to discuss the present state of rental housing in India, the potential of the newly launched ARHC scheme, and the framework that would be required to sustain this initiative in the long run. Researchers and practitioners from across the world convened for the policy lab series to address the following topics:

1

Policy & Legal Framework for Enabling Rental Housing:

This session highlighted experiences from Indonesia, South Africa, Chile, Tamil Nadu and Maharashtra in rental housing policies and legal frameworks. It also unfolds the adaption of various countries to the changing urban paradigm and their subsequent creation of inclusive approaches to rental housing.

ANCHORED BY



2

Government-Led Rental Housing Model: Options and Challenges:

This session discussed government-led innovative approaches from Australia, Poland, Sao Paulo, South Korea and Kota in the creation of affordable rental housing stock, including both greenfield projects and reuse of government-owned vacant housing stock.



3

Private Sector Investments in Rental Housing: Challenges and Opportunities:

This session examined the potential of rental housing models that focus on private sector participation and partnering governments, as well as the idea of repurposing abandoned government-funded housing with private sector engagement. The cases cover experiences from South Africa and Tamil Nadu that have addressed key issues in enabling private sector investment.



4

Redefining "Private" to Include Affordable Rental Housing Providers for the Poor: International and National Lessons:

This session attempted to delve deeper into methods to integrate small-scale private players into the affordable rental housing ecosystem for the urban poor. Experiences from South Africa, Jordan, Colombia, and Ludhiana are discussed to showcase examples of rental housing provided by small-scale private landlords.



7

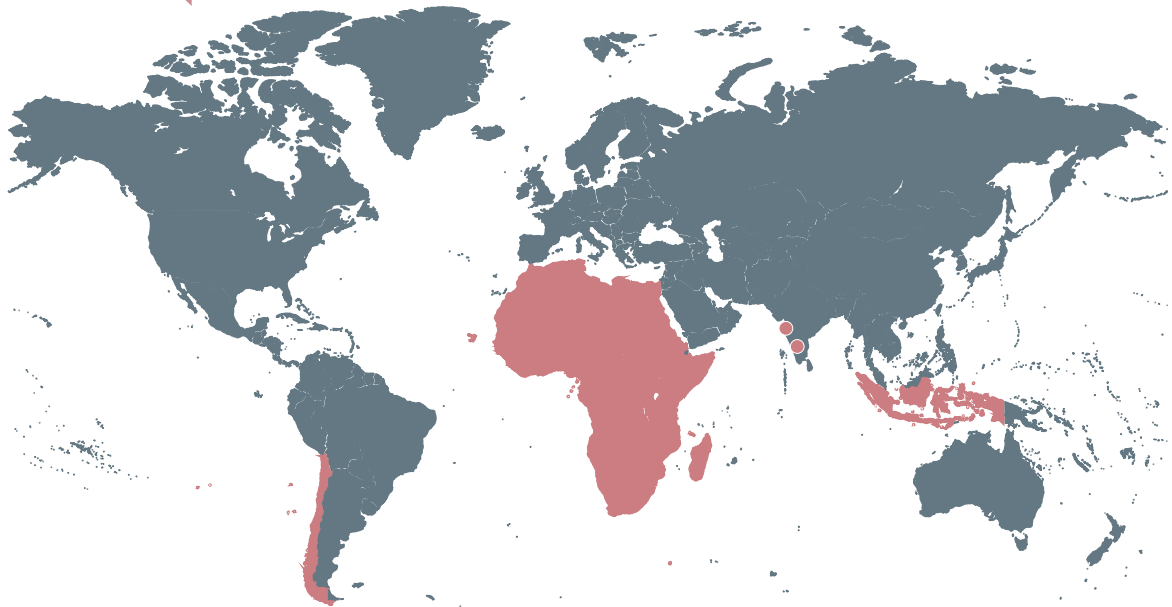
ACKNOWLEDGEMENTS

The organisers are grateful to all the speakers and panellists for sharing their insights and experiences in these Policy Labs. The organisers also extend their gratitude to the attendees of these Labs for contributing towards enriching discussions.

1 POLICY LAB 1

POLICY AND LEGAL FRAMEWORK FOR RENTAL HOUSING

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Understanding and
Supporting the Residential
Rental Market in Africa

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Programme

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Public Rental Housing
(Rusunawa)

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in Mumbai Metropolitan
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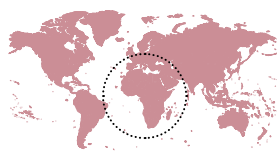
BACKGROUND AND CONTEXT

Despite one-third of the urban population residing in rental accommodation, and renting being the only option for low-income migrant workers and poorer populations in cities, rental housing remains under-addressed in the country's policy and legal paradigm. Affordable housing policies and programs in India have quintessentially remained ownership driven. However, recognising the destitution of the migrant workers within the cities, and their lack of housing security, the Government of India initiated the Affordable Rental Housing Complexes (ARHCs), a sub-scheme under Pradhan Mantri AWAS Yojana - Urban (PMAY-U), a stalwart initiative aiming to provide access to affordable rental housing to urban migrants/poor.

One of the first initiatives to bridge the gap between the supply and demand for affordable rental housing was the introduction of the Rent Control Acts (RCAs) to protect the urban poor from steep increments in rentals and forced evictions. The first RCAs were implemented in India during World War I, and persisted until the 1990s. However, by the turn of the century, it was acknowledged that the RCAs disincentivised house-owners from renting out their units, thereby limiting the supply of rental housing stock.

In an attempt to recalibrate the existing policy framework, the national government leveraged the Jawarharlal Nehru National Urban Renewal Mission (JNNURM) in 2005 and incentivised states to reform their RCAs. In 2015, the national government formed a Task Force under the Ministry of Housing and Urban Poverty Alleviation (now MoHUA) to design a policy framework exclusively targeting rental housing. The proposed NURHP also recommended the formulation of a Model Tenancy Act (MTA) to efficiently and transparently regulate the renting of premises and balance the interests of owners and tenants, which was approved for adoption by the states and union territories on June 2, 2021.

A robust understanding of the policy and legal framework surrounding the rental housing markets in India would emerge from understanding the position of the binding constraints for market-based rental housing supply across the entire rental housing value chain. The following case studies showcase the innovative national and international approaches in designing affordable rental housing policies and legislative frameworks.



i. AFRICA

Presented by:

Kecia Rust,
Executive Director & Founder,
Centre for Affordable Housing Finance, South Africa



Context:

Many countries in Africa are experiencing rapid urbanisation, and a concomitant increase in the need for rental housing, thereby increasingly capturing the attention of policymakers and investors. Côte d'Ivoire, a West African country has 49.7% of urban population according to the National Census of 2014 and 54% of the urban households rent. Tanzania, a country in East Africa has 34% of population living in urban areas amongst which 44% of the households rent. According to a survey by Social Rental Agency rental is a significant tenure form in many African countries, and in some cities, most residents are tenants. Rental is a prominent tenure form in several African countries. In some cities, most residents are tenants, according to studies conducted by different countries such as ENV in Cote d'Ivoire, Uganda's National Panel Survey, and Tanzania's Household Budget Survey. The survey also revealed the poor housing condition among tenants, as only 8% of the urban tenants in Uganda had access to flush toilets and 29% had access to piped water.

In South Africa, 24.3% of people live in rented accommodation. About 25% of all formal and 40% of informal dwellings are rented. The government of South Africa focuses upon "social housing" in their rental housing policy, a form of subsidised rental housing targeted at low-middle income earners. Currently, there are 39,407 social housing units in the social housing regulator (Social

Housing Regulatory Authority), and the delivery of additional 30,000 units between 2019-2024 is proposed, funded by a complex network of grants, equity and debt, all provided by public or publicly-supported institutions. The social housing policy of the country also focuses on fostering spatial integration, encouraging investment into well located areas and restructuring high value areas to have low-income people as well.

However, there exists an ecosystem of a small-scale rental market, creating entrepreneurial opportunities for otherwise unemployed households while delivering affordable accommodation at a greater scale than traditional mechanisms. It is estimated that 15% (595,000 units) of all rental units in South Africa are provided by individuals in the backyards of their homes. Despite its prominence, the small-scale delivery sector in South Africa is not supported by the country's social housing policy. Further, this market is beset by information asymmetry due to limited availability of data, prohibiting adequate policy formulation.



Intervention:

The Centre for Affordable Housing Finance (CAHF) in South Africa developed a framework to understand the rental market, that adopts a macro, meso and micro approach. The macro level pertains to the population statistics and the policies, regulations and legislations that affect the rental ecosystem. The meso level considers the support organisations, such as developers, financiers, credit bureaus and rental managers, that help facilitate the development and operations of the rental market. The micro level takes into account the landlords or the providers of the rental market, and current and potential tenants.

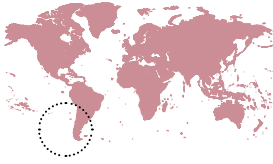
While the data on tenants and their housing conditions is relatively well documented in national household budget surveys, there was difficulty in gathering the supply side data. As an attempt to bridge this information disparity, CAHF undertook a primary survey of institutional landlords, employer landlords and government landlords in Tanzania to understand the dynamics of the rental market. The survey revealed significant variation in the types of landlords, the types of dwelling units offered, rents and target groups. In Tanzania, it was observed that the small-scale landlords, who have either converted the part of their dwelling into rental units or developed backyard units or extension on the same plot, dominated the rental housing market.



Learnings:

Infrastructure and construction are the key stumbling blocks along the whole housing delivery and management value chain. The other blocks include the land assembly, tenure, maintenance and management, and the socio-economic infrastructure for planning. Further, limited data availability restricts an informed policy formulation on landlords is available in the survey data for the micro level. Often, the available date is outdated as the market moves at a faster rate than the data collection mechanism.

However, there are various opportunities to stimulate the rental market like commercial property financing and equity support for landlords, limiting bank supervision on compliance with regulations. An enabling rental market framework would require mechanisms to achieve quality, explicit attention to small-scale landlords and urban infill and off-grid infrastructure to respond to increased densities and green requirements.



ii. CHILE

Presented by:

Guillermo Rolando,
Deputy Minister,
Ministry of Housing and Urbanism, Chile



Context:

Chile has a total population of 19 million and the share of urban population is 84.67% (World Bank, 2019), with about 16% [OECD Better Life Index] households living in rental housing. Rental housing in Chile is more prevalent among the higher income group, while the lower-income population rents relatively less. The incidence of informality also increases with the decrease in the level of income, as more than 50% of people in the lowest income group rent without a contract.

The duration of stay is a year or less for 33% of people in the age group of 18-29 years, whereas 77% of people who are over the age of 45 opt for a permanent residence. Evidently, the majority of the younger population considers that their current living space is temporary. Further, there is a positive relation between the age of the head of the household and the household size, as the average size of home in young families (18-24) has one person less than older families (35-39). More than one third of the people who benefitted from the Chile's housing subsidies, which supported the acquisition of home for the lowest income families, were aged less than 30 years.

Despite this, Chile's housing subsidies were poorly targeted, as the new for-sale homes were provided to families were likely to move in a few years. There was a need of a policy model with more flexibility in terms of the size of the household and spatial mobility at the same time.



Intervention:

The rental subsidy program in Chile provides a monthly flat subsidy of \$150 to the beneficiary, and the remaining rent amount is borne by the beneficiary, which depends on their financial capacity and the location and size of the house. This model is designed to support the families for eight years and is connected to the ownership model. It can be applied at any region of the country at any time, allowing for residential mobility and social integration.

The beneficiary pays their proportion of amount to the official bank account of the rental programme. Post this, the information of the payment is passed on to the Ministry of Housing and Urbanism of Chile (MINVU) and the payment is registered. The MINVU then pays the subsidy to the bank, which then pays directly to the landlord on a monthly basis.

Chile's rental subsidy model assists the families affected by catastrophes to access safe and affordable housing. The rental subsidy programme also addresses the problem of overcrowding, especially in times of COVID-19, by supporting families to move from overcrowded areas, thereby also reducing the risk of contagion.

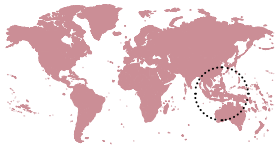


Learnings:

The rental model provides an alternative to ownership-led affordable housing models and is an effective tool to support specific conditions while allowing social and spatial mobility. Its prompt implementation makes it especially advantageous during economic shocks, catastrophes, and extreme problems like overcrowding.

The model depends on the demand side, the family characteristics, location,

amount of subsidy and co-payment, which creates a need to develop new rental programmes. Further, the law in Chile is more focused on a tenant, the balance between the duties and responsibilities of both landlord and tenant is missing. Since most of the owners are small-scale landlords, it is necessary to develop a new public programmes and policies that encourage the private sector to develop new units and leverage public land for new rental models.



iii. INDONESIA

Presented by:

Dao Harrison,
Senior Housing Specialist,
World Bank



Context:

Indonesia has a population of 270.6 million and the urban population constitutes of 55.9% of the total population. The country faces a substantial housing shortage, as 12.1 million households did not own a home in 2017. Housing affordability is also a key constraint, only 20% of the wealthiest households could afford housing in the commercial market whereas the middle 40% required government subsidy.

The Government of Indonesia supports affordable housing across the different income segments through various programmes and schemes. Owing to the government's focus on home ownership, the most extensive program in the country is a credit linked subsidy that supports the households between 60th to 30th income percentile. The credit linked subsidy has several large-scale liquidity programmes, interest rate and subsidy down payment assistance, and it is provided on an annual basis.



Intervention:

In addition to the ownership-led programmes, the Government of Indonesia also initiated a public rental housing programme – Rusunawa – to provide decent housing and living conditions to the vulnerable and poor households. However, the volume of rental housing built annually under this programme, relative to the ownership-led programmes is minute.

The construction cost of Rusunawa is high, funded heavily by the central government. The average capital investment required for the construction is USD 32,000 per unit, limiting the new rental construction and the targeted population remains unserved. Once the construction is complete the central government transfers it to the local government for management, and the latter provides funds for operation, repair and maintenance (ORM). The rental tariff set by the local government covers only 12% of the total annual cost required for this programme, exerting an annual fiscal burden on the local government for USD 2200 per unit per year. This high fiscal burden perpetuates the cycle of poor maintenance. Further, as the local government regulations prevent revenues from commercial sources, model fails to engage the private sector, thereby restricting its scalability.

There are two key tenant profiles, the relocated tenants and the voluntary tenants. These tenants are generally blended, resulting in a very high delinquency rate, which was 11.7% as of June 2020. Also, because of the very low rental tariff set by the government, the tenants are not incentivised to leave, resulting in a transition rate that is less than 1%. Moreover, there is also a lack of a cohesive rent setting strategy as there is no differentiation of rent tariff based on location, size, finish, or household's ability to pay.

Another significant concern for the relocated residents is that they have no longer the capacity access the livelihood opportunities in the city centre, as the Rusunawa units are located farther away, thereby increasing their cost of transportation. These units are also smaller in size, leading overcrowded and insanitary conditions.

As a first step towards course correction, the government has started exploring PPP models to build 1008 Rusunawa units at a lower cost. The existing investment by the central government is \$32 million while in the case of PPP model it will be reduced to \$28 million. Under the PPP model new innovations like mix-income/mixed use development and additional stocks will be brought in.

The government is also leveraging Floor Area Ratio (FAR) regulations to catalyse private sector investments. For instance, by successfully using FAR compensation to build seven towers (1902 units) in Jakarta, the government has saved USD 61 million of construction cost. In addition to that the private sector also brought in some new innovation called green building. Further, the government is transferring all the technical operating units into a single BLUD. BLUD is a non-profit government agency which will manage Rusunawa from end-to-end, thus enabling higher flexibility and better tenant management.

The government has also taken up a project in Jakarta for the voluntary residents. The rental charge is USD 100 per month, which is lower than the market rate and the rent revenue covers 98.5% of the ORM cost. Furthermore, under a policy to enforce transition out of Rusunawa when household income exceeds threshold, the government has set up saving-to-ownership programme in West Java for local workers, that enables the tenants to benefit from the ownership programme when they transition out of Rusunawa. This program partners with the government, banks and NGOs, that help the tenants through other empowerment programmes for income generating activities like urban farming, tailoring, craft & culinary training etc. This programme has resulted in a delinquency rate of 0% and a transition rate of 8%. Moreover, the rent and the ORM gap is also less than Rusunawa.



Learnings:

Government-owned and managed public housing programmes in Indonesia have resulted in suboptimal outcomes. The Government of Indonesia is exploring alternatives such as the PPP model, mixed-income/mixed-use model and FAR regulations to enable cross-subsidisation, enhance social engagement and reduce the fiscal burden.

It has also been recognised that there is a need to institute different solutions for relocated and voluntary rental households as they behave differently and need different housing arrangements. Institutional arrangements should be flexible institutional to improve implementational efficiency and foster innovation in housing solutions



iv. MUMBAI METROPOLITAN REGION, MAHARASHTRA

Presented by:

Sameer Unhale

State Joint Commissioner,

Municipal Administration, Government of Maharashtra



Context:

The Mumbai Metropolitan Region (MMR) is spread over 6,640 sq. km. and consists of 9 Municipal Corporations with a total population of about 23.5

million. The entire region is managed by the Mumbai Metropolitan Region Development Authority (MMRDA), which is responsible for the land use planning, regional planning and also the development of the infrastructure.

As one of the major urban centres of the country and state capital, Mumbai was facing a severe shortage of affordable housing, especially among the low-income workers. The formal rental housing in the city constituted only 5% and about 25% of people lived in informal rental housing whereas home ownership is dominant in about 62% of population. [(PDF) MMRDA Rental Housing Scheme: A Case of Affordable Urban Housing (researchgate.net)]



Intervention:

In line with the Maharashtra State Housing Policy, the MMRDA introduced the Rental Housing Scheme in 2009. The scheme was based on a public private partnership model and was considered as a “Vital Public Purpose Project” and as a “Slum Prevention Programme”.

The objective of the scheme was to provide a self-contained dwelling unit of 160 sq.ft. carpet area on lease and license basis in the MMR within the financial reach of Economically Weaker Section (EWS) and Low-Income Group (LIG). The eligibility criteria of the scheme stated that the allottee had to be employed/self-employed with minimum income of Rs. 5000/- per month, didn't own house and had a domicile of Maharashtra.

The scheme was a self-sustained project as no funding was taken from the government. Under this scheme, rental housing units were made available, for in-situ rehabilitation of the people; their housing demands were met and free buildable amenities were provided to meet the community requirements.

The rental housing scheme utilised planning tools under the Maharashtra Town Planning Act and the Maharashtra Municipal Corporation Act, that incentivised the developer/owner with additional Floor Space Index (FSI) or Transferable Development Rights (TDR). However, this scheme gravely suffered as the operation and maintenance charges drained the pockets of the developers. Resultantly, the scheme was discontinued in 2014 and was replaced by the larger Affordable Housing Scheme, which predominantly focused on ownership-led housing.



Learnings:

The operation and maintenance costs amount to a substantial part of any affordable rental housing scheme. The maintenance becomes an issue, especially in high-rise buildings, as the rent collected under the rental housing scheme is often inadequate, creating a financial strain on the government funds. The requirement of manpower for looking after the O&M of the housing stock is also a concern. Thus, O&M is a fundamental challenge that needs to be redressed in any affordable rental housing scheme.



v. TAMIL NADU

Presented by:

Rajesh Lakhoni

Principal Secretary,

Housing and Urban Development Department, Government of Tamil Nadu



Context:

The state of Tamil Nadu, one of the most urbanised states in India, has an urban

population of about 35 million, accounting for 48.44% of the total population (Census, 2011). The state's rapid pace of urbanisation is triggering a high demand of affordable housing in urban areas. As per 2011 census, 23.4% of the urban households were rentals.

Initially, the law related to tenancy in the state of Tamil Nadu was governed by The Tamil Nadu Buildings (Lease and Rent Control) Act, 1960 (TNLRC Act). Under this Act, the standard rent was fixed without the consideration of the present market value, and no remedy was provided to the landlords if the tenants did not vacate after the termination of tenancy period. The 1960 Act was tenant-oriented, as it did not favour the owners due to artificially low rents with no grievance redressal mechanism, thereby disincentivising owners to put their properties on rent despite a huge demand. A long litigation proceeding related to the eviction of tenants or recovery of rental premises by the landlord further discouraged the landlords from renting out of their premises. The issues led to the repeal of the Act, which was replaced by the Tamil Nadu Rights and Responsibilities of the Landlords and Tenants Act, 2017, implemented in 2019.



Intervention:

The Tamil Nadu Rights and Responsibilities of the Landlords and Tenants Act (TNRRLTA), 2019 provides compulsory registration of all rental agreements within 90 days of its execution, irrespective of the term and value of the currency. The registration of the tenancy agreement is through an online portal with no registration fees and since its open in public domain the enforcement becomes easy.

This act regulates the rent as per the terms and conditions of the agreements entered into between the owner and the tenant. The Act fosters a balance between the rights of the landlord and the tenant and the adjudication process for resolution of disputes is also swift. The enforcement of the contract is administered by the three authorities – the executive authority (primarily responsible for the enforcement of the contract), the rent court (deals with the issues of disputes over rental payment) and the rent tribunal (mostly deals with cases of vacation of property).

The Tamil Nadu Shelter Fund, another initiative by the government, is a regulated investment trust established to finance the affordable housing projects. The Tier-I Shelter Fund is constituted as a government related fund. The shelter charges levied on the construction projects are credited to the fund. The Tier-II Shelter Fund is a Category-I social alternative investment registered with the Security and Exchange Board of India and has been set up to attract domestic and global investors for social impact investments. The first share of capital was provided by the Tamil Nadu Housing Board, and the World Bank & ADB are also investing so that the funds can be leveraged for higher investments from the private sector.



Learnings:

The Act of 1960 was tenant oriented which did not favour the owners due to artificially low rents with no grievance redressal mechanism, thereby disincentivising owners to put their properties on rent despite a huge demand. On the contrary, the TNRRLTA, 2017 provides for a market-oriented approach by enabling the determination of the rent amount by the parties, who may fix or revise it considering the current market value of the premises. This market-oriented approach also creates possibilities of high rate of return to the investors in the rental housing market.

SPEAKER PROFILES FOR POLICY LAB 1



Kecia Rust,
Executive Director & Founder,
Centre for Affordable Housing Finance, South Africa

Kecia Rust is the Executive Director and founder of the Centre for Affordable Housing Finance in Africa (CAHF). She is a housing policy specialist and has worked with both public and private sector practitioners in promoting access to affordable housing and housing finance in Africa for the past 20 years. She was the Housing Finance Coordinator at the FinMark Trust from 2003-2014, from where CAHF was established. Over the span of her career, Kecia has consulted and undertaken research in affordable housing finance, residential property assets and property markets, rental and social housing, and the creation of sustainable human settlements, among other issues. Kecia participated in the Wharton School's International Housing Finance Programme, U.S.A. She holds a Bachelor's Degree with Distinction from the University of North Carolina at Chapel Hill, U.S.A., and a Masters of Management from the University of the Witwatersrand, South Africa.



Guillermo Rolando,
Deputy Minister,
Ministry of Housing and Urbanism, Chile

Civil Engineer from the Catholic University of Chile and Master in Public Policy from Harvard University. He has worked for more than 15 years in development projects and overcoming poverty, both in their designs and in the implementation phases.

He was advisor on Housing Policy issues to the Government of Argentina. At the Ministry of Housing in Chile, he was part of the team that designed the 2010 earthquake reconstruction plan, and was in charge of the design of the Middle Class Subsidy, as the first rental support program in the country. For four years, he was an advisor to the Government of Haiti, in the design of the country's new housing institutions, as well as an advisor to the Government of the city of Buenos Aires.

He has also worked as a consultant for the World Bank and the IDB in Peru and the Dominican Republic. From social entrepreneurship he was co-founder and Executive Director of América Solidaria, where he is currently a member of the Board of Directors.



Dao Harrison,
Senior Housing Specialist,
World Bank

Dao Harrison is the Senior Housing Specialist for the World Bank, serving markets in the Asia Pacific region from the Singapore Hub for Infrastructure and Urban Development. Her work focuses on deepening and strengthening housing markets, policies and programs, particularly in developing market economies. Specifically, she supports programs that, among others: improve housing and real estate market functions, deliver housing finance-linked subsidy programs, and expand access to housing finance to low- and informal-income sectors.

Prior to the World Bank, Mrs. Harrison was the International Risk Director for Genworth Financial, where she worked to develop and extend mortgage guarantee/insurance products and platforms in new markets. Her clients included governments and institutions in Indonesia, India, Vietnam, Thailand, S. Korea, Japan, Mexico, Fiji, and Saudi Arabia. She has a Master's in Business Administration from the University of Wisconsin – Madison, with executive management training from Stanford University.



Sameer Unhale
State Joint Commissioner,
Municipal Administration, Government of Maharashtra

Mr. Sameer Unhale has extensive experience of working with the state governments, the municipal bodies as well as smart cities.



Rajesh Lakhoni,
Principal Secretary,
Housing and Urban Development Department,
Government of Tamil Nadu

Rajesh B Lakhoni is the Principal Secretary, Housing and Urban Development Department, Government of Tamil Nadu. An IAS officer who formerly acted as the collector of Theni district and then he was changed to Kanyakumari district to seek good acts for the district after the Tsunami attack.



GOVERNMENT-LED RENTAL HOUSING MODEL: OPTIONS AND CHALLENGES

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1. Poland **22**
Social Rental Agency

2. Sao Paulo **23**
Rental Housing Model in
Sao Paulo: Small Public
Estate

3. Australia **25**
National Rental
Affordability Scheme
(NRAS)

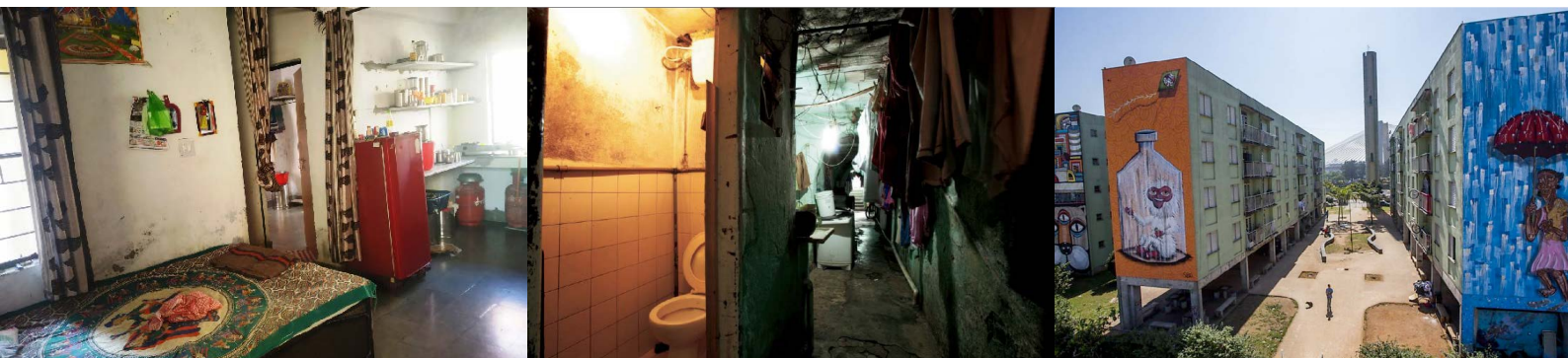
4. South Korea **26**
Public Rental Housing
Programme

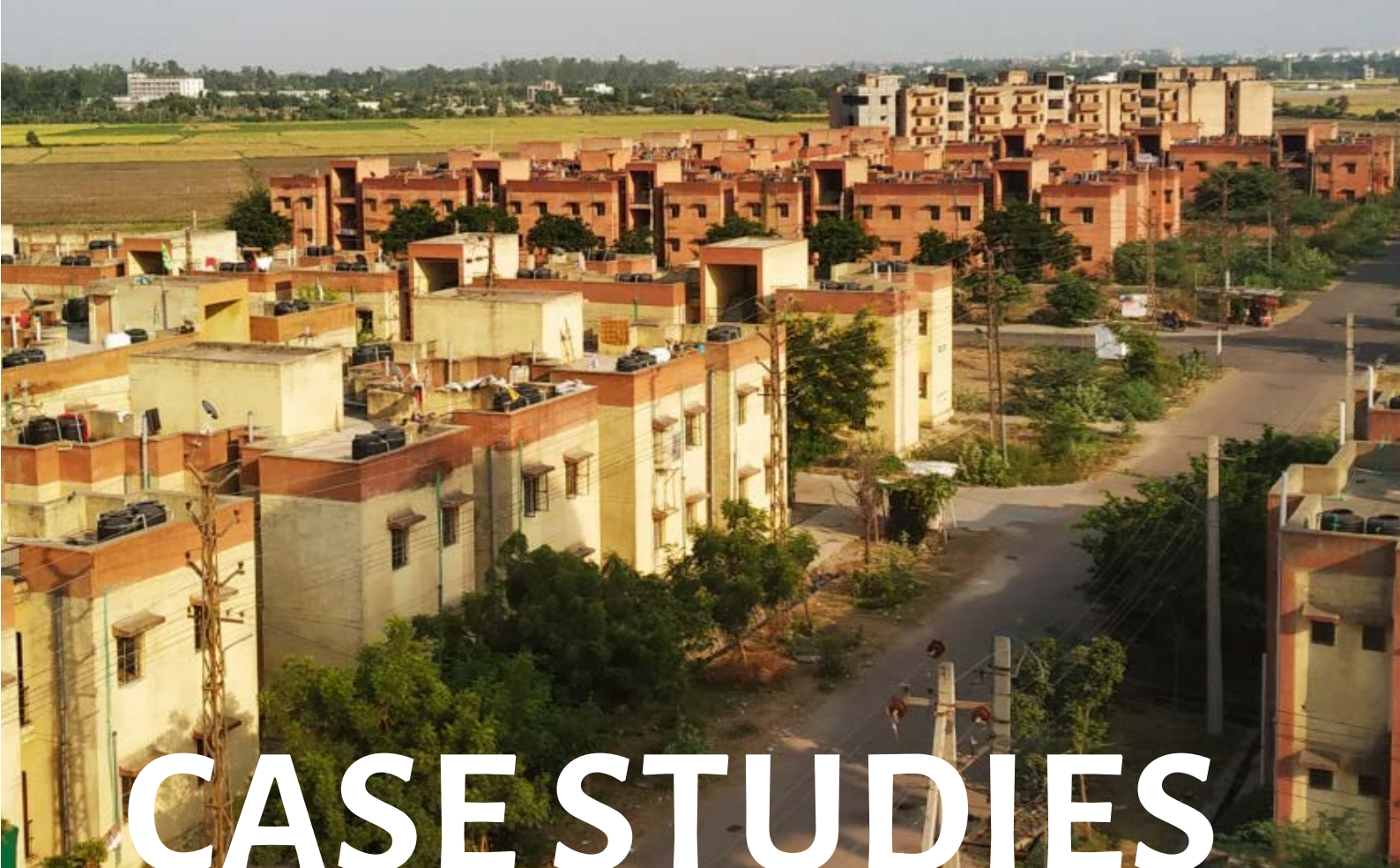
5. Kota **27**
Rental to Ownership
Housing Scheme

BACKGROUND AND CONTEXT

According to the Ministry of Housing and Urban Affairs, there are 0.22 million unoccupied housing units in India (Reported in Parliament on July 2016), that were constructed under the Jawarharlal Nehru National Urban Renewal Mission (JNNURM) and the national slum upgrading programme – Rajiv Awas Yojana, RAY. The vacancy of these housing units is often attributed to their position on the outskirts of cities, particularly in the larger ones, as higher inner-city land costs often peripheralise such affordable housing units. A lack of sustainable livelihood options in the outskirts of the cities and limited access to public transportation deterred the urban poor from opting for these housing units, who preferred to live closer to livelihood opportunities in the city-centres, albeit at the expense of decent quality and basic amenities. Further, factors such as low rental yield due to rent ceilings under Rent Control Acts (RCAs), poor apartment maintenance, and building dilapidation are all contributing to higher vacancy rates.

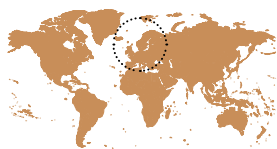
The second Policy Lab discussed of the series discussed government-led innovative approaches from Poland, Korea, Brazil, Australia and India in the creation of affordable rental housing stock, including both greenfield projects and reuse of government-owned vacant housing stock. These case studies also focus on the demand assessment mechanisms, financing models, estate management practises, land assembly challenges to develop affordable rental housing in migrants' preferred locations, mechanisms to promote linkages between migrants' rented homes and locations with income-earning opportunities, and design innovations to meet the housing and workplace needs of informal workers, among others.





CASE STUDIES

22



i. POLAND

Presented by:

Ms. Agnieszka Glusinska,
Manager,

Social Rental Agency Programme, HFH Poland and

Ms. Katarzyna Przybylska,
Advocacy Manager,
HFH Poland



Context:

Poland's housing crisis is predominantly driven by a lack of affordable housing as property rates are excessively expensive in comparison to the average income. Further, the country is also plagued by an underdeveloped rental sector, which accounts for only 16% of the total housing market, and half of it is reserved for the low income earners as social housing.¹ Evidently, housing in Poland is primarily ownership-led and owners occupy about 84.2% of all privately held houses.² Only 4% of dwellings are rented at market pricing, while 12% are rented at rents below market rates.³

The Social Rental Agency (SRA), a non-profit agency that negotiates between property owners and households in need of housing, is aiming to address the affordable housing needs of the country, by focusing on lower- and middle-income groups.

¹Introducing Social Rental Agencies in Poland | Habitat For Humanity

²Poland-2020-OECD-economic-survey-overview.pdf

³ The Polish rental market (rentalcal.eu)



Intervention:

The SRA ensures regular rent payments and proper usage of the housing unit for the owners in exchange for a reduced rental rate, around 20% lower than the market rate. It provides renters with long-term, inexpensive leases of up to 10 years, and units in decent condition. This model not only considers the private landlords, but adopts and sublets public empty spaces and municipal owned spaces to the beneficiaries. Post-negotiations, an agreement is signed with the landlord and the housing units are offered to the tenants who were previously residing in vulnerable housing conditions. The tenants are also provided with social and employment support which contributes to an overall improvement in their quality of life and well-being.

The SRA targets low- and medium-income households, people at risk of homelessness and exclusion, people living in substandard conditions and unmet housing needs. On the other side the model, the SRA also helps the landlords by providing support for the renovation of houses to be rented and a guaranteed income to owners who are averse to the risk of letting-out their property for rent and consequently leave it vacant.

While the SRA is not yet a government-led rental housing programme, it could potentially become one with national government involvement. Habitat for Humanity Poland (which runs an SRA in Warsaw) also contributes to government policy and is now working on a bill to regulate the SRAs in Poland. The legal regulation will act as an incentive for local authorities, will provide clear legal situation and will act as reference for potential beneficiaries/clients. A new legal framework is in process of approval and foresees a stronger role for municipalities. The municipalities will decide whether to establish SRAs, which will be run by NGOs or municipally controlled corporations, based on an agreement reached with the municipality; and a municipal legal act will specify the criteria for SRA clients. According to the bill, establishing and operating SRAs will require involvement of local authorities (municipalities) funding. The bill also provides for special housing allowances for the clients of SRAs and tax exemption for landlords renting their flats to SRAs.

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Learnings:

Search for alternative ways to provide rental flats for disadvantaged households is critical, and SRAs appear to be a suitable and effective method for doing so. They aid the better use of rental stock and the resolution of vulnerable tenants' housing access issues, and also contribute to improving the quality of life of the tenants. In addition, it also allows for certain incentives such as tax exemptions for landlords and special housing allowance for SRA clients.



ii. SAO PAULO

Presented by:

Ms Tereza Herling,
Urban and Housing Specialist, Academic
at Mackenzie University's Architecture and Urbanism School



Context:

Sao Paulo, a city in southeast region of Brazil, has 20 million people living in the metropolitan region and 12 million of them in the main city. Over the last 145 years, the city's metropolitan structure has grown to the point where the settlement line has moved almost continuously away from the city centre.⁴

⁴ Addressing-Housing-Deficit-Sao-Paulo_2016capstone.pdf (umich.edu)

Almost 3 million people live in slums in peripheral zones, with four hours daily trip from house to work. Nearly 160,000 people reside in tenement houses in the city downtown, with high rents and no formal contracts.

The local government in 2001 confronted a severe challenge in terms of low-income housing and urban conditions. The city had a significant and increasing housing shortage. The two previous administrations' housing policies failed to prioritise low-income housing. The municipal government formulated a new master plan that revised the urban development strategy in Sao Paulo and introduced legislation and incentives to promote social housing.



Intervention:

The Municipality of Sao Paulo approved a resolution to develop a social rental housing programme. The Social Rent Scheme provided subsidised rental housing for very low-income families with monthly earnings of up to three minimum salaries who have previously been unable to access either formal rented housing or housing finance. The rent charged is based on the size of the family and is fixed at 10–15% of the family's income, excluding maintenance and utilities costs. Resettled families, those living in squatter settlements and tenements, as well as the old and disabled, are given priority.

The Rent Voucher Scheme provides subsidised housing to low-income families with earnings of up to ten minimum salaries, with a preference for those with incomes of up to six who are already living in unsafe or unsanitary conditions. The subsidy is in the form of a monthly voucher worth up to \$100 for a period of up to 30 months. Beneficiaries must locate suitable housing with a rent value that is within the program's parameters. They obtain a certificate of eligibility, which aids in securing a formal lease because landlords are aware that the programme ensures part rental payments as well as a three-month security deposit.⁵

The Residential Leasing Programme is a national initiative run by the Federal Savings Bank that uses federal government funding and the Length of Service Guarantee Fund to fund low-income homes in larger Brazilian cities. This programme operates in two ways, new housing development and the conversion of existing structures to housing. The construction of new dwellings accounts for approximately 75% of all projects. The Federal Savings Bank finances the construction/conversion of dwelling units and rents them to families with monthly incomes of three to six minimum wages for up to 15 years for a set monthly rent of 0.7% of the property's value (excluding maintenance and utility services). The family has the option to purchase the property after 15 years, which will offset the rental payments already made.

The main challenge during the programme implementation was to find buildings and land to build ensembles at a price that was affordable for the poor people. The land identified for social housing was in areas with medium to high density transportation networks which was funded through Urban Development Fund collected by the Government in exchange for additional building coefficient.



Learnings:

The program's key accomplishment was the use of inclusionary zoning and financing mechanisms to fund the acquisition of land and/or vacant buildings for the purpose of promoting social rental housing.

In these vulnerable societies, active community participation in these housing

⁵ Ensuring the right to the city: pro-poor housing, urban development and tenure legalization in São Paulo, Brazil (sagepub.com)

ensembles aided in addressing the cropping law and order problem. Families with a more homogeneous social background and consistent economic incomes (retirees) had better outcomes: less delinquency of rental and condominium taxes, more social cohesiveness, and better common area maintenance. The firm must contain facilities to support job and rent promotion activities for the poorest families, and social work must relate to state programmes that generate employment and revenue.

The management of municipal rental buildings is challenging, there was a common problem of insufficient financing for capital investment and/or maintenance. Often housing finance tries to solve credit problem by involving a third party, such as non-governmental organizations (NGO), non-profit organizations (NPO) or private entity. The third party may provide loans to property owners and tenants to repair the house at low interest rates.



iii. AUSTRALIA

Presented by:

Prof. Piyush Tiwari,
Professor of Property,
University of Melbourne, Australia



Context:

There are 8.3 million households in Australia, with 67% households homeowners and 32% renters (2016 Census of Population and Housing). According to data from the Survey of Income and Housing, the proportion of households owning their property without a mortgage has decreased during the last 20 years, while the share of households with a mortgage and private rental agreements has increased.⁶ Since the early 1980s, housing affordability in Australia has been steadily declining, and to some extent, the Australian government has tried to solve the problem through a negative gearing programme which allowed private investors to invest in rental housing. While the programme supplied rental housing to a large extent, it was unable to bridge in the gap for the low- and medium-income households.



Intervention:

The National Rental Affordability Scheme (NRAS), which began in 2008, intends to improve the supply of new and affordable rental housing by offering a yearly financial incentive for up to 10 years. The programme aimed at delivering 50,000 affordable dwelling units. This incentive is given to housing providers that provide rental accommodation that is at least 20% less expensive than the market rate using a mixed market approach. The scheme also focused upon leveraging private investment in the provision of affordable housing. In every major city, NRAS units were primarily found in the Central Business District (CBD) area. The suppliers were found through private-sector submissions for a Financial Viability Plan and a Design and Development Plan for homes that matched certain criteria.

The NRAS facilitated supply side interventions, and offered two sets of subsidies – the federal government subsidy for a period of 10 years as either a tax offset or cash, and the additional state and territory government contributions, which could be offered to approved participants per dwelling per year, as a direct payment or as payment in kind. Most dwellings were being delivered in suburbs with midrange socio-economic characteristics, typified by median rents

⁶ Home ownership and housing tenure - Australian Institute of Health and Welfare (aihw.gov.au)

between 80 and 100 per cent of the average metropolitan rent, and median dwelling prices within 10 per cent of the metropolitan median purchase price.

The eligibility criteria for target beneficiaries were based on gross income by household composition for the preceding 12 months. If the household income of a tenant exceeded these limits by 25% for two consecutive years, they will no longer be deemed eligible. The prospective tenants apply for a lease by approaching an approved NRAS tenancy manager.

The scheme involved participation from the federal government and the state and territory governments. The federal government adopted an administrative role responsible for the parameters of the scheme, maintaining guidelines, developing links between the scheme and other affordable housing initiatives, and making decisions on the allocation of incentives. The state and territory governments ensured that the scheme was delivered effectively, identified land for affordable housing developments, provided cash or in-kind contributions, acted as brokers between other scheme participants, and supported not-for-profit organisations involved in the scheme.

The scheme discontinued in 2014, owing to poor scheme design, red-tapism, bad administration and lack of interest of institutional investors in the scheme. Other reasons for the discontinuation of scheme were the slow sign-up to the scheme by the institutional investors, multiple changes to agreed locations and leasing to international students, ambiguous legal requirements, and multiple flaws.



Learnings:

The scheme brought together subsidies from variety of sources, it also engaged community housing sector and private investors. Variety of dwelling types and sizes were delivered, and it also integrated affordable rental accommodation within wider market developments.

The major shortcomings of the programme were administration and lack of longevity, the planning mechanism was unable to deliver the land for affordable housing and measures to build the capacity of the community housing sector.



iv. SOUTH KOREA

Presented by:

Dr. Kiseong Jeong,
Associate Research Fellow,
Korea Land & Housing Corporation (LH) and

Dr. Mee Youn Jin,
Senior Research Fellow,
Korea Land & Housing Corporation (LH)



Context:

There was a severe shortage and prevalence of substandard living environment in South Korea, as most of the houses and buildings were destroyed after the Korean war in 1950. The government undertook the state-led, large-scale construction of affordable rental housing through public bodies under a '5-year plan for Economic Growth'. The government established the Korea Housing Corporation in 1962, Korea Land Corporation in 1981 and Korea Land and Housing Corporation (LH) in 2009. The large-scale high-rise apartments were supplied in urban areas through LH and the government secured the private land by using land expropriation right and also established the Public Rental Housing (PRH) production Base.



Intervention:

The Korean public rental housing model is a central government driven housing model. The government used the housing construction as its first strategy and LH played a significant role in supplying public rental housing which accounts for 75% of PRH units in Korea. The supply of public rental housing for diverse income groups has been gradually increasing, as it provided 1.3 million units in 2018 and is targeting 2.4 million housing units by 2025. The successful delivery system is influenced by three major factors – are legal and institutional base, organisational base and financing base.

The model has four different public rental housing types for different income groups providing varying benefits and government support which include: Young-Gu, Buy to Rent, Kuk-Min and Hang-Bok.

1. Young-Gu rental housing model: It focuses on extremely low-income group or the socially vulnerable class. It enabled the tenants to live over 50 years of permanent rent below 30% of market price. At the same time there are some drawbacks such as deteriorated apartment buildings and the negative stigma effect.
2. Buy to Rent: This model targets the low-income group including young adults and newlyweds. It utilises the existing houses, and the housing type shows dispersed pattern in inner city areas.
3. Kuk-Min: This model targets low-income groups and social-economically mixed communities and it is the most supplied rental housing type. In comparison to the other rental housing types the size of the housing unit is larger.
4. Hang-Bok: This model focuses on the younger class such as university students, newlywed, young workers, etc. The main feature of this model is the combination of the living space with the community space.

Different levels of government provide assistance to different types of PRH. The government intends to provide greater assistance to low-income families. The capital fund and the National Housing and Urban Fund (NHUF) are two sources of funding from the federal government. The (NHUF) offers a low-interest loan with a 30-year grace period and a 15-year repayment period.



Learnings:

Future challenges under consideration in Korea are proving a public housing model for all social groups living together and newer approach to affordable housing through mixed redevelopment of old public offices.



v. KOTA

Presented by:

Mr. Rajendra Rathore,
Superintending Engineer,
 Kota Smart City Limited



Context:

Kota city is third largest city of Rajasthan with a population of 1 million (Census 2011). Due to rapid urbanisation, the migrant population is increasing, creating a grave problem of slums in the city. About 19.40% of the total slum households in Kota reside in rental housing. There was an immediate need to take preventive or pre-emptive action to create rental housing and urban services in Kota city for

prevention of new slums and tackle the shortages of urban land and housing.

The Rajiv Awas Yojana (RAY) was launched for “Slum Free India” concept. The objectives of RAY included provision of basic amenities to the existing slum, redressing the failures of the formal system and tackling the shortages of urban land and housing that keeps shelter out of reach to the urban poor. The objectives of RAY required two simultaneous actions, the upgradation/relocation of slums to acceptable living conditions and creating Rental to Ownership housing and urban services over time. With the aim to prevent the creation of new slums, the Urban Improvement Trust of Kota undertook a Rent to Ownership Housing project, sanctioned under Rajiv Awas Yojana.



Intervention:

Under the Rent to Ownership Housing project 1528 housing units were sanctioned on rent to ownership basis for the urban poor and people below poverty line (BPL). Beneficiaries were first given the house on a monthly rent of Rs. 525 for a period of five years. Aside from the monthly rent, the allottee was also expected to pay Rs. 100 per month under the scheme as maintenance fees. Following the successful completion of the 5-year renting period, the allottee would be offered ownership of the house in exchange for a payment of 10% of the actual cost of construction. The allottees are not permitted to sublet, alter, or use the space for commercial purposes throughout the five-year period.

The financing mechanism of the plan entailed a 50% subsidy from the central government (INR 2345 lakhs), a 30% grant from the state government (INR 2049.5 lakhs) and a 20% grant from the local government (INR 1701.23 lakhs). While 1528 sanctioned, 1327 units were allotted and 1100 units were handed over.



Learnings:

The Kota city rent-to-own scheme was one of the first social rental housing schemes aiming for inclusive development. This model addressed slum populations and renters which would not normally get addressed in slum development programmes. While the pilot seemed to be fairly successful, the transition to ownership has remained untested. Further, the economic viability of this project for the public sector has not been considered, as it has been executed solely on welfare basis. Such models will need detailed management structures at institutional levels, fair processes of allocation, rent-setting and eviction, as well as a defined growth trajectory to cater to future demand.



SPEAKER PROFILES FOR POLICY LAB 2



Ms. Agnieszka Glusinska,
Manager,

Social Rental Agency Programme, HFH Poland

Agnieszka Glusinska is the Manager of the Social Rental Agency in Warsaw, a programme run by Habitat for Humanity Poland. She earned her M.A. in psychology at the University of Lodz, Poland. She then took a postgraduate course in psychotherapy at Milton H. Erickson Institute and studied in Poland, Germany and the USA. She has extensive experience in managing teams, services and projects that deal with issues such as social exclusion, mental health, housing poverty and homelessness. She has been working in the third sector both in Poland and abroad for charities such as Gajusz, Rethink Mental Illness and Hestia.



Ms. Katarzyna Przybylska,
Advocacy Manager,

HFH Poland

Advocacy manager with Habitat for Humanity Poland. Expert in the field of developing and promoting effective legal regulations improving housing quality and affordability. Studied law at the Warsaw University and became qualified lawyer gaining experience in legal offices. At Habitat for Humanity Poland advocates for decent places to live for individuals and entire social groups affected by housing problems. Informs public about results of housing analyses and researches and participates in public debate on housing. Encourages the decision-makers to take actions ensuring the widest possible access to decent housing. Member of the Committee of Experts on Homelessness established by the Polish Ombudsman and delegate to the Polish Federation for Solving Homelessness.



Ms Tereza Herling,

Urban and Housing Specialist, Academic at Mackenzie University's Architecture and Urbanism School

Tereza Herling is an Architect and Urban Planner, and possesses a PhD. from the School of Architecture and Urbanism of the University of Sao Paulo, where also teaches and practices as a researcher. Her professional trajectory is dedicated to public policy formulation and implementation, development of plans, policies for urban projects, including social housing. She was the Joint Secretary of Sao Paulo urban development Secretary and now works as a senior urban specialist consultant for several international organisations.



Dr. Piyush Tiwari,
Professor of Property
at University of Melbourne, Australia

Dr Piyush Tiwari is Professor of Property at University of Melbourne, Australia. Prior to his current position he was Director – Policy at Infrastructure Development Finance Company (IDFC), India, where he was responsible for formulating policies for private financing of urban infrastructure in close cooperation with national and state governments. He was also editor of India Infrastructure Report 2011 on Water. Earlier, he was Senior Lecturer (Property) and Program Leader, MSc (International Real Estate Markets) at the Business School, University of Aberdeen, UK. He has held positions at the largest mortgage company, HDFC, India and the University of Tsukuba, Japan.

He has published a book titled 'International Real Estate Economics'. He is a Member of the Royal Institution of Chartered Surveyors (RICS). His other professional activities include Director, Asian Real Estate Society and Associate Editor, International Real Estate Review.



Dr. Kiseong Jeong,
Associate Research Fellow,
Korea Land & Housing Corporation (LH)

Dr. Jeong is a Junior Researcher in LH and his recent research has been on the development of public rental housing policy, considering housing welfare and affordability.



Dr. Mee Youn Jin,
Senior Research Fellow,
Korea Land & Housing Corporation (LH)

Dr. Mee Youn Jin is a leading researcher and writer who brings a passion for housing welfare and public rental housing policy to all aspects of her professional work with over 20 years of experience in the field.



Mr. Rajendra Rathore,
Superintending Engineer,
Kota Smart City Limited

Mr. Rajendra Rathore has been working as a Superintending Engineer at Kota Smart City Limited since 2019. Prior to this, he worked as Executive Engineer at Urban Improvement Trust Kota and has also worked at Rajasthan Housing Board. He has taught at Kota Engineering college. He has extensive experience in housing projects execution and implementation and was involved in the Rent-to-Own housing project in Kota.



3 POLICY LAB 3

PRIVATE SECTOR INVESTMENT IN RENTAL HOUSING: CHALLENGES AND OPPORTUNITIES

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BACKGROUND

Urban India is witnessing a manifold increase in its housing shortage. The shortage, prominent within the EWS (economically weaker sections) and LIG (lower income groups), was estimated at 18.78 million households in 2012 and is projected to increase to 38 million by 2030. Recognizing the increasing housing shortage, the Government of India facilitated the participation of the private sector in creating urban housing stock. The National Housing Bank as a subsidiary of the Reserve Bank of India was created to allow for the necessary finances. Despite this, the urban poor do not have easy access to institutional housing finance. In fact, the housing loans to the weaker sections are decreasing every year.

Rental Housing can help solve the problem of overcrowded settlements by providing affordable housing solutions and also build a market for employment and income for landlords. With changing urban scenario and migration patterns, rental housing is in demand not only for families but also for singles (studying, working etc.) men and women.

The newly launched ARHC vertical under PMAY-U operates under two models – the use of vacant housing stock and the construction, operation and maintenance of ARHCs by public/private entities on their own vacant land. However, challenges such as low rental yield, high O&M costs, land outside city municipal limits have restricted private investment in the affordable rental housing sector thus far. To facilitate faster implementation of the ARHC projects while enabling synergies between the stakeholders, interventions such as zoning regulations for rental housing within city limits, facilitating low-cost funding for rental housing, granting 'Infrastructure status' to rental housing, among others, are crucial.

India requires an enabling environment that encourages both stock creation and private sector participation to address the current rental housing shortages. The following case studies showcase national and international examples of housing models that have leveraged private sector investments to expand their affordable rental stock.



CASE STUDIES



i. FRANCE

Presented by:

Claude Taffin,
Housing Economist,
France



Context:

France has a population of 67.1 million with 80% of its population residing in the urban areas. The country encourages home-ownership through milder taxation and subsidised loans, provides social rental for the poor, and considers private rental as the best choice for young and mobile populations. However, there is a limited stock of 36.5 million dwelling units in the country as compared to the demand for this segment.

Annual demand for private rental housing in France has substantially increased over the last 50 years. Ownership records suggest that only 17.7% of its housing stock is occupied by private owners and out of the remaining 82.3% (which is rental housing), 25% of the rental housing stock is under the private sector investment, while the rest is provided as owner-occupied rental housing (17%) and social rental housing (58%).

The tenants in France are usually young, have a small household size, belong to the low- and middle-income groups, incur a high rent and have high mobility. Among the landlords, 96.3% are individual landlords, out of which only 22% have a housing tax credit. One-third of the landlords are aged 65 or more and approximately 62% are in the upper quartile of income distribution. On the other hand, the remaining 3.7% of the landlords are companies and insurance companies fund their type of rentals.

The regulation of Tenant-Landlord relationships in the country have mostly been stable since 1989, on the basis of the rental agreements (in written form). To maintain the Tenant-Landlord relationship, the French government instated rules regarding the setting of the rental amount. Rent Setting in the country varies from province to province, based on median of local rent i.e. by district, period built, and number of rooms. Maximum rent in these areas has been set at 20% above the reference rate with possible exemptions.

However, the rental housing market of France was plagued by low return and high management costs that caused disinvestment among institutional investors (1970s). Further, unbalanced tenant-landlord relationship, rent controls and heavier taxes also incited private landlords to sell their properties, thereby creating a shortage of rental housing stock, which was losing 1% each year in the early 1980s.



Intervention:

Tax incentives targeting natural persons investing in newly-built rental units were launched (in 1984 and 1996) during periods when the housing market was at very low ebb. It had two different goals i.e. increasing total production of new housing to support building activity and increasing the supply of private rental housing

To further increase the supply of private rental housing stock, rental housing schemes in France introduced taxations of private landlords on unfurnished rentals. The rental income incurred by the landlords comes under the income tax bracket of 45%, implying that 45% of the total income incurred by the landlord through the rental housing needs to be paid as income tax to the local government. If the rental income is more than €15,000 per annum, there is an option for real expenses i.e. the main expenses are deductible, however, the depreciation is not deductible, losses other than due the ones due to loan interests offset the taxes on other income i.e. up to €10,700. Over this, 17.2% of the net taxable income of land lords come under the social taxes. The French government has put a maximum threshold of €1.3 million on the property wealth tax and the rate of interest is 1.5% only for the landlords who have an income of greater than €10 million. The overall tax that is to be paid by the land lords is approximately 52% of their gross income which may reach 90% including the impact of property wealth tax.



Learnings:

While the tax incentive model introduced in France proved to be an efficient way to increase the supply of rental housing stock, some investors resold their property when the tax benefit expired, in order to invest again with new tax credits. With these revised incentives, the private rental stock started to grow by 18% between 1988 and 2002. However, there is a significant impact on prices and quality as many programmes are targeted towards investors who are captivated by the tax benefits and do not pay enough attention to other important factors like location and value for money. This impacts the location of these rental units. The rent limit (i.e. a proportion of average market rent in a large zone) concentrates the supply on the cities or neighbourhoods where local market rents are low.



ii. SOUTH AFRICA

Presented by:

Paul Jackson,
CEO,
TUHF



Context:

TUHF is a development financier and a leading provider of residential commercial property finance in South Africa's inner-cities. In the organisation's 17 years of operation, it has financed 43,911 residential units and 679 buildings in 131 suburbs with about 400 borrowers. TUHF since its inception has financed R 6.2 billion with 58% of new loans to PDI's Urban Land Reforms scheme. TUHF uses affordable housing as a key for economic good as this sector acts as a driver for economic prosperity in South Africa and is considered as a part of the real economy which helps in promoting the local economic development in the country. One of the key beliefs of the organisation is that rental housing is the first step in the housing ladder. Towards enabling the provision of affordable rental housing, TUHF has impacted the inclusive growth and transformation of the rental housing market of South Africa by promoting investments that foster Entrepreneurial Growth, Local Economic Development, Job Creation and Skill Development, Urban Regeneration and Densification, Fiscal Impact for Local Government, and Urban Land Reforms.



Interventions:

Towards facilitating inclusive growth and transformation of the living conditions of the renters of affordable housing complexes, TUHF aims to convert the 'bad buildings' into liveable spaces in order to draw them into the formal economy.

Support to tenants: Their tenant support provides a wide variety of inner-city businesses through their consumer spending. This creates economic multipliers in the local economy that create virtuous economic growth and the fiscal contribution to municipal income through property taxes and payments for services and infrastructure used. For example, Intuthuko Equity Fund (finances starter and emerging PDI entrepreneurs in inner cities and near city neighbourhoods).

Support to developers: TUHF provides finances in the form of loans to the developers. Their loan cycle contains four phases i.e. organisation; appraisal; closing; servicing, with a timeline of 2 weeks, 3 weeks, 3 months and 15 years respectively. The first two phases fall under the operations segment where the background checks are done before granting the loans. Phase 3 i.e. Closing entails the Legal & Compliance responsibility of TUHF. Phase 4 i.e. Servicing entails the construction of the buildings and construction management. This also takes into consideration the cyclical processes like health and safety; fire certification; lift certification; financial statements; valuations and building inspections.

The 'Massive Small' approach: TUHF has come up with an intervention of 'Massive Small' to combat urban small. TUHF has developed more such units rather than focusing on development of social housing without R1 subsidy. The normal commercial finance has no concessions because capital markets and commercial banks want a risk-related on their money. The revised housing policy takes into account the construction and occupancy of approximately 4 million homes. This has a huge impact on the changing human settlements as they try to create micro economic centres for the locals to promote the local economy as well as the affordable rental housing policies. There is also certain

level of urban densification for the social and economic activities for these micro economies. This helps in containing the poverty on the periphery itself. However, there has been a negative fiscal impact due to the growing urban sprawl but a positive fiscal impact with urban densification of these areas. By the promotion of local economic development, inclusive growth of these micro economies and settlements have taken places. In order to enable access to finance, grow entrepreneurs and develop the economy by stimulating property markets in the areas that require regeneration.



Learnings:

Through the massive small intervention, TUHF has tried to achieve rising administrative costs, anti-investment taxation. However, this model lacks by-law enforcement and gives the urban areas an anarchy-like scenario.



iii. TAMIL NADU

Presented by:

Anindita Mukherjee,
Senior Researcher,
CPR



Context:

In the Indian scenario, there is a total urban housing stock of 78.8 million out of which, 54.5 million i.e. 69.15% are owned housing stock and 21.7 million i.e. 27.54% are rental housing stock. The proportion of renters is similar between slum and non-slum population at about 27%. The pandemic has exacerbated the housing vulnerabilities especially among the migrant workers. The country has seen a high migration rate in the last one year. There has been increased mobility i.e. 1.5x increase in the absolute number of people moving for better employment opportunities to the urban areas between 2001-2011. The high urbanized states like southern states, Maharashtra, Gujarat, Tamil Nadu account for high intra-state and inter-state urban migration. It is a given that when the migration rate increases, the demand for rental accommodations also increases, as rental housing enables mobility, flexibility and ability to save on expenses. Given the scale of rental housing, there is a need of an adequate regulatory framework for the rental ecosystem. The state of Tamil Nadu is the first state in India to adopt the draft Model Tenancy Act in the form of the Tamil Nadu Tenancy Law 2017.



Intervention:

The Tamil Nadu Tenancy Law treats the commercial and residential renters equally. The rent and tenancy period has to be mutually agreed by both the landlord as well as the tenant. Existing tenancies continue to be governed under the RCAs for 12 months before subsuming under this new law. This law mandates the registration of ongoing/new agreements with the rent authority, allows a maximum of 3 months of security deposit of rent equivalent, and in case of any dispute, allows for the rent to be deposited directly to the RA which then gets forfeited upon 5 years of non-withdrawal. However, Registration is problematic as there is no penalty for non-registration; dual registration continues, and registration is by-passed through entering into 11-month contracts. Unregistered agreements with the RA remain outside the purview and the RA does not have the authority to evict, and in case of dispute, repossession done by Rent Court; therefore, repossession is not expedited as new law does not seem to significantly reduce the 5-10 years it typically takes to repossess.

Further, letting out a unit for rent remains financially unviable as the net rate of return from renting a residential property lags far behind the net return from a savings account, that is inherently bereft of any risks and offers more liquidity. With returns in the range of 1.5% - 2%, the risk-adjusted rate of return for renting will often be negative (estimates based on scarce data).

High instances of exclusive renting to kith and kin or leaving unit vacant due to inability to evaluate risks accurately and frequent over-estimation. There is a majority of small/informal landlords due to this, 80% of rental contracts are non-written. Through this, they can cash the capital gain when in event of selling the house, whereas occupancy by a tenant jeopardizes the possibility of repossessing it in a timely manner.

Under the Tamil Nadu law, the landlord and the tenant jointly pay 1.5% of the lease value as stamp duty, 1% of the lease value as registration fee and INR 100 as registration fee. Further, the property tax amounts to 6-12% of the property value and is due by landlord, deductible from rental income. Further, for individual landlords, rental income is not tax exempt, and therefore disincentivizes the landlord from investing in maintenance expenses.



Learnings:

There is a need for better financing mechanisms that reduce the mortgage interest rates and increase the rate of return on rental property. Tax incentives should be provided to investors in newly-built or renovated units, eg. income tax exemption, and for vacant units, grants for renovation should be commissioned. Social renting for urban poor migrant workers must be facilitated.



SPEAKER PROFILES FOR POLICY LAB 3



Claude Taffin,
Housing Economist,
France

Mr. Claude Taffin is a consultant with over 35 years of experience in the housing sector and co-founder of the website “politiquedulogement.com”. He was in charge of housing at the French Institute of Statistics (Insee) and at the time worked for several entities involved in housing in France: Credit Foncier - a mortgage bank, l’Union Sociale pour l’Habitat, the association of social landlords, and the Notaries High Council, before joining the World Bank as Senior Housing Finance Specialist. Among many articles and publications on housing, he co-authored “Rental Housing – Lessons from International Experience and Policies for Emerging Markets” published by the World Bank.



Anindita Mukherjee,
Senior Researcher,
Centre for Policy Research

Anindita Mukherjee is a Senior Researcher at the Centre for Policy Research working in the project, Scaling City Institutions for India (SCI-FI): Sanitation. Spanning almost fifteen years of her career she has worked with different sector partners; civil society organisations and other bilateral/multilateral agencies such as FCDO. She has been part of the design, formulation and implementation of large-scale national housing programmes and various housing policies. Her research interests include Rental housing and its delivery in Indian context especially for the urban poor, among others.



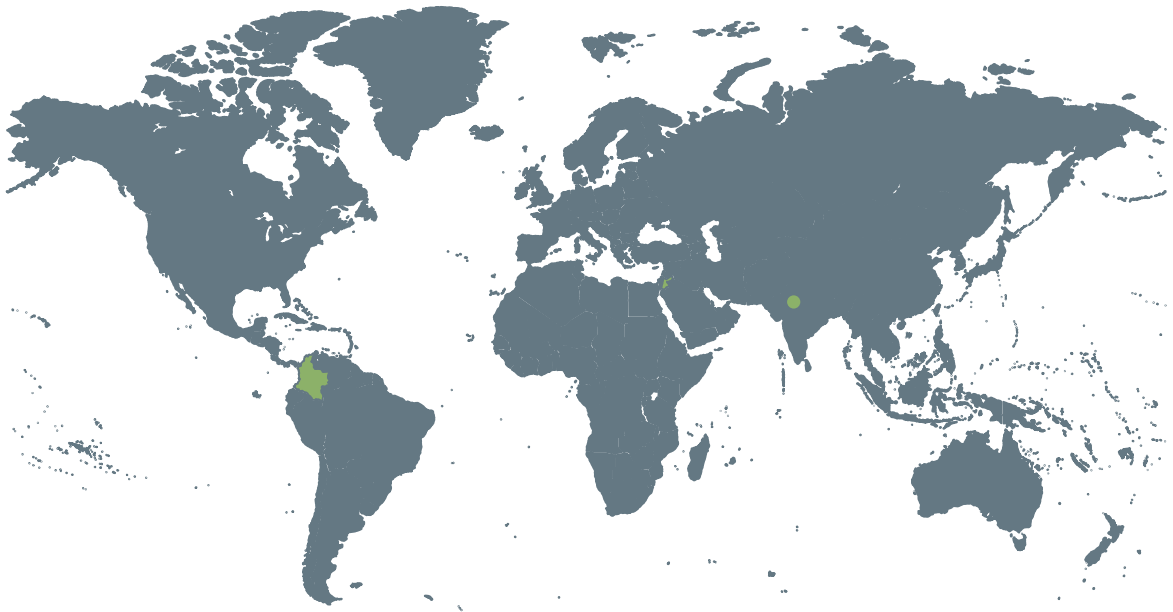
Paul Jackson,
CEO,
TUHF

Paul Jackson has been TUHF’s CEO since inception in 2003 and has been involved in development finance since 1987. Prior to his appointment as CEO at TUHF, Paul held positions as senior operations manager at the JHC, general manager for the Transitional National Development Trust (TNDT) and divisional manager for southern Africa at the Development Bank of Southern Africa. While he was at the TNDT, the company was awarded first prize by the JSE/Deloitte & Touche for corporate governance with a special acknowledgement for excellent achievement. Paul has held board directorships on the Mvula Trust, Alexander Social Housing Company, Brickfields Housing Company, Johannesburg Social Housing Company and Centre for Affordable Housing Finance. He has completed BSc in Agricultural Economics (University of Natal), BSc (Hons) in Agricultural Economics (University of Pretoria) and Property Development Programme (University of Cape Town).

4 POLICY LAB 4

REDEFINING “PRIVATE” TO INCLUDE AFFORDABLE RENTAL HOUSING PROVIDERS FOR THE POOR: INTERNATIONAL & NATIONAL LESSONS

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1. South Africa 42

Backyard Rental: A Case Study from South Africa

2. Jordan and Colombia 43

Financing Small Scale Landlords: Case Studies from Jordan and Colombia

3. Ludhiana, India 45

Vehras of Ludhiana: Rental Housing for Migrant Workers

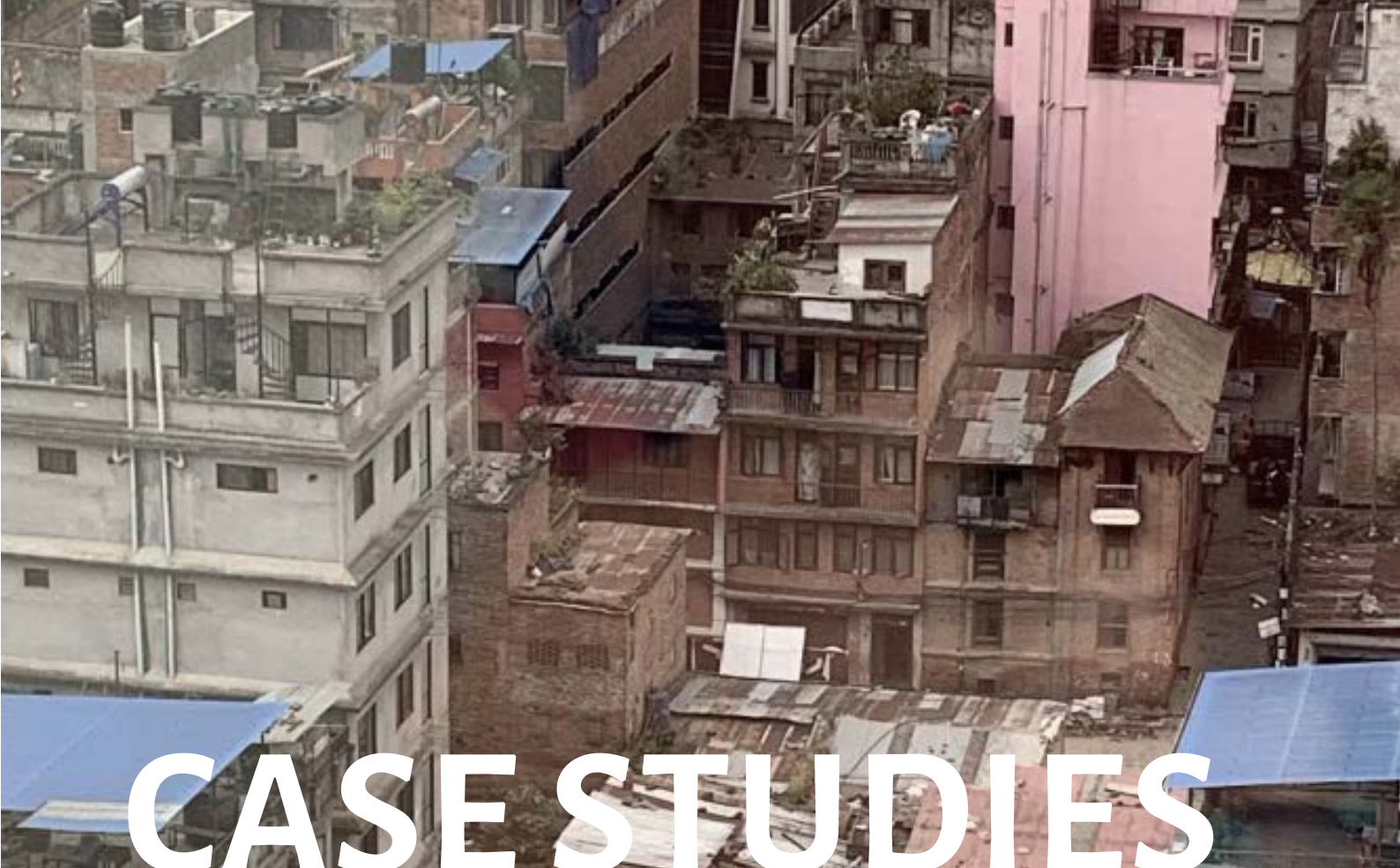
BACKGROUND AND CONTEXT

Owing to a lack of access to formal affordable housing options in India, most often the urban poor find shelter on rental basis through informal means in slums/unauthorised settlements. For a large population of migrants/urban poor, often the worksites double up as their habitation, such as in markets, roadside eateries, shops, construction etc. Some share extremely congested accommodations with other co-workers, some live in dormitories, while some live off roads and pavements.

In addition, as high as 70% housing in the rental housing ecosystem is without any written contractual agreements between the landlord and the tenant. Landlords create, operate, and maintain rental stock located in informal/quasi-legal urban settlements providing varying typologies of accommodation based on the tenants' affordability and choices.

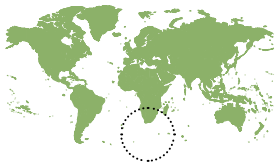
As the petty and the subsistence landlords supply the bulk of the rental housing stock for the urban poor, it would be important to explore the possibilities of mainstreaming such housing providers within the newly launched rental housing vertical under the PMAY. With the aim to add to the rental housing continuum, it will be important to expand the understanding of the term 'private' to include such petty and subsistence landlords. Based on this context the following case studies focus on rental housing provided to the migrant/urban poor population by the private entities operating informally. These may include petty landlords, subsistence landlords, or enterprise owners who lease out part of their premises as a rental option or accommodate their employees within the worksites. Global examples from South Africa, Jordan, Colombia, and India of informal rental housing as an alternative accommodation for the urban poor are discussed.





CASE STUDIES

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i. SOUTH AFRICA

Presented by:

Claire Du Trevou,
Architectural Project Manager,
Bitprop, South Africa



Context:

Post-apartheid democratic government in Africa has provided around 4 million houses to people earning below 3500R (₹175000) each of around 40 square metres. This has led to homeowners renting out informal structures in their backyard to generate additional income. Backyard houses are home to a significant portion of South Africa's population, particularly in urban areas. According to Statistics South Africa, the number of households living in backyard houses, whether formal or informal, has climbed from 1.14 million in 2011 (7.3% percent of the total population) to 1.8 million in 2016. (12.5% of the total). Backyarding is mostly a city phenomenon, with 84.2% of backyard housing households residing in metropolitan areas (as defined by Statistics South Africa as of 2011). Backyard dwellers accounted for 8.9% of urban households in 2011, growing to 13.4% by 2016.¹

The backyard apartments are built without adhering to municipal bylaws or building standards. The housing is developed beyond the capacity of municipal infrastructure. There is little or no protection for the rights of tenants. Further, the unscrupulous building contractors and money lenders took advantage of their financial illiteracy and poor knowledge of construction techniques to provide inferior services. These were the reasons that lead to the private sector intervention in providing better rental housing.

¹ World Bank Document



Intervention:

The Bitprop Micro Property Developers seeks to address backyard rental housing through an innovative funding model. It has a Micro Property Development Fund which is used to construct the rental units. Once the unit is completed, it is handed over to the homeowner. The homeowners are identified, after the identification there is a preliminary homeowner training process. Once the homeowner is approved, the regulatory approval process begins followed by the appointment of a contractor to build the units ensuring that the units are built considering the national building regulation standards. After the completion of units, the homeowners are assisted by the developers to get tenants. The homeowner manages the rent, which is directly paid to Bitprop, further some share is given back to the homeowner. The rental income is shared with the homeowners for a period of eight years until the initial capital investment is recovered along with profit and operational overheads.

There are no income criteria for selection of beneficiaries, they are identified based on the size of the plot and number of units to be built. All units are based on the minimum habitable space requirement as per by laws, every unit has a toilet and a kitchen sink. The rents are decided as per the market rate. The model aims to impact all the scales including the homeowner, construction business owner, tenants, and neighbourhoods.



Learnings:

Bitprop helps alleviate major barriers to backyard rentals by providing standard architectural plans, access to finance, ensuring building quality and ensuring availability of public amenities to the land. Private sector is able to provide affordable rental units, or the finance for self-development. The government needs to ensure that rental precincts bulk infrastructure, public services, and zoning supports rental development growth. The public/private relationship is critical to ensure that rental precincts are identified and supported.



ii. JORDAN & COLOMBIA

Presented by:

Vidhee Garg,
Housing and Urban Development Specialist,
The Netherlands



Context:

Jordan has a population of about 10 million and almost 10% of the population are refugees. Over the last decade, Jordan has seen rapid population growth, the bulk of which has been driven by a significant influx of refugees. In response to this influx, the private sector built over 1.1 million units between 2004 and 2015, nearly doubling the total housing stock (60% by owner builders). However, the housing built primarily targeted the middle and the higher income households, leaving the bottom 40% of households with a few affordable choices for housing. The housing shortage has driven up rental prices, pushing households to live in overcrowded or inadequate conditions.

The Syrian crisis has exacerbated the housing challenge in Jordan's urban areas, over 80% refugees live in urban areas which lead to a competition of resources among host communities and refugee communities and increased tension between Jordanian host and Syrian refugee communities. There was a need to address the housing crisis for Syrian refugees and facilitate social integration between the host communities and the refugees.

Similarly in Colombia, the national government currently focuses on solving the qualitative housing deficit after solving for the earlier focus on quantitative deficit. Colombia has a population of about 1.8 million and 23% (over 3 million) of Colombian HHs live in inadequate, substandard housing. The influx of Venezuelan migrants and Colombia's exposure to natural disasters have heightened the housing challenges, nearly 90 per cent of migrant HHs are renters, renting in the informal market at higher prices and with fewer protections.



Intervention:

In 2014, the Norwegian Refugee Council (NRC) designed and implemented the Urban Shelter Program. The programme was implemented in the Governorates of Irbid, Jerash and Ajloun, home to more than 25% of registered Syrians in Jordan in June 2015. The Norwegian Refugee Council (NRC) supported the Jordanian landlords through grants and technical assistance to extend their dwelling units allowing affordable housing for Syrian refugees, thus speeding up the supply of rental housing stock. The housing was built on a traditional Jordanian practice of building upper stories over time to accommodate growing family. The funding provided by the NRC depended on the condition of the property and duration of rent agreement. Support to refugees included information on how to access assistance from other organisations, implementation of agreements, negotiations to extend lease at the end of the period. The programme addressed the immediate housing needs of refugees while also supporting host communities. The selection of landlords and refugees were based on assessing the vulnerability of refugees (HH size & composition, health & economic status etc.) and the technical assessment of properties (current state, location & accessibility).

In Colombia, the World Bank is working with the Colombian government on an upcoming programme to address the qualitative deficit issue for both vulnerable Colombian and Venezuelan households with an added dimension of learnings from the pandemic. The programme includes the home improvement subsidies, financing for neighbourhood upgrading interventions and rental subsidies for Venezuelan migrants.



Learnings:

Projects in Jordan and Colombia are pilot initiatives developed in response to a local challenge and designed within existing policy and socio-cultural parameters. In addition to financing housing construction and subsidising rent for vulnerable groups, both projects focus on qualitative improvements to ensure long-term resilience and stability.

A similar approach can be adopted to address the rental housing shortage for the urban poor and migrants in India. India's existing policy framework and private sector stakeholders can support inclusion of small-scale landlords as affordable rental housing providers, but the inclusion of the various private stakeholders remains critical.



iii. LUDHIANA

Presented by:

Banashree Banerjee,
Planning and Housing Expert,
India



Context:

Ludhiana has experienced rapid population growth, in 1951 it had a population of about 150,000 people which has increased to approximately 1.6 million by 2011. There are 350,000 migrant workers, mostly employed as industrial and construction labour own account informal workers. It has been an industrial centre since the 1970s leading to 52% of the city planning as unplanned growth. There has been very little formal housing for low-income groups.



Intervention:

The informal rental housing locally known as Vehras are rows of rooms built on the long side with a narrow courtyard in between that do not conform to any building standards or codes with poor ventilation, overcrowding and bare minimum accessibility to drinking water and sanitation. Each room is about 15-20 sq. metres with tenants/families occupying these spaces on shifts. The owners are the landowners, and some own several Vehras as well. The smaller Vehras are managed by the owners whereas managers are employed for the larger Vehras. The occupants are mostly migrants from Bihar/ UP who are short term tenants and go back to their village in certain seasons.

The rentals are governed by the large-scale market. Though, the renters complain of poor services but are not ready to pay higher rents. The instance of eviction is low and during the COVID-19 pandemic the renters were provided with rent amnesty and transport fare to go home. Vehras are a part of the socio-cultural and economic subsystems of the migrant areas. The Municipal Corporation mostly intervenes during health outbreaks in these Vehras and maintains that there are no standards available for labour quarters to follow in context of these housing typologies.

Limited access to basic services among the renters is a great concern from public health perspective. MCL records show Vehras have the highest occurrence of water borne and respiratory diseases. The Vehras are constructed without approval but some regularised retrospectively by paying composition fee.



Learnings:

There is a need to accept the reality of large-scale supply and continuing demand and recognise it as a valid housing sub-system in policy. Understanding the urban-rural linkage in the context of livelihood and housing strategy for migrants supporting the actors involved through responsive policies is necessary. Defining the building byelaws and service standards appropriate for city/ state and encouraging owners to get building permission and ensure compliance will help in regulating the existing practices.

The informal rental housing market is prolific and its precise quantification is not possible but it is possible to understand trends and practices. The dynamics of supply and demand are specific to each city, influenced by its economy, growth rate and housing market, leading to diverse and distinct typologies which are specific to context. It is of vital importance to understand these contexts and differences to articulate responsive policies and practices towards rental housing for the urban poor.

SPEAKER PROFILES FOR POLICY LAB 4



Claire du Trevou,
Director, Bitprop,
South Africa

Claire du Trevou is a director at Bitprop, a social enterprise that seeks to address housing shortages by using a unique funding model to allow private investors to invest in backyard micro rental units, wherein property owners gradually use this upfront investment to earn a supplementary income. After completing her master's in architecture in 2014, Claire worked in the urban development sector where her work focused on informal settlement upgrading, community driven housing and infrastructural development projects. Her early career was largely spent at a Cape Town-based NGO, 'People's Environmental Planning', where the bulk of her work focused on research and project implementation in informal settlements upgrading.

Claire's passion for the backyard rental sector came from her exposure to the South African housing crisis during her work in informal settlement upgrading. This and a passion for innovation and entrepreneurship drove a feasibility study conducted in 2018, which in 2019 saw the conception of BitProp where she runs the architectural arm of the company.



Vidhee Garg,
Housing and Urban Development Specialist,
The Netherlands

Vidhee Garg is a housing and urban development expert with a 10+ year track record of leading housing and social enterprise projects globally, identifying new business opportunities, and delivering positive impact. Her work has focused on improving global housing finance and delivery chains, and she has worked extensively with entrepreneurs, impact investors, government stakeholders, and multilateral agencies to innovate product and service delivery. Vidhee has a master's degree in Regional Planning from Cornell University, and a bachelor's degree in Architecture from Mumbai University. She is currently based in Amsterdam, where she is working as an independent consultant.



Banashree Banerjee,
Planning and Housing Expert,
India

Banashree Banerjee is an urban planner, researcher and teacher. She works as an independent consultant and as an associate staff member of the Institute for Housing and Urban Development Studies, Rotterdam. In a career spanning more than four decades, she has focussed on inclusive approaches to urban planning and management, particularly related to the poor. In the last twenty five years, she has worked extensively on urban poverty reduction

projects supported by bilateral and international agencies, primarily in India but also in Egypt, Korea, Myanmar, Philippines and Bangladesh. In the past Banashree has worked with Human Settlement Management Institute (HSMI) Delhi, in the Department of Town Planning of Kerala State and taught at Delhi School of Planning and Architecture. She has been providing technical support on urban issues to NGOs.



CONCLUSION

The launch of the Affordable Rental Housing Complexes (ARHCs) and the Model Tenancy Act 2021 have attempted to pave the way for a streamlined rental housing ecosystem in India. However, some issues in the realm of affordable rental housing continue to persist, such as inadequate supply of land in city centres, lack of diversity of housing options in the rental housing market, poor basic infrastructure in the slums and informal settlements, lack of financial incentives to invest in the rental housing policies and low yield from the rentals.

The policy labs attempted to drive the discourse on the need for greater public and private investments in affordable rental housing, and the creation of an enabling environment for the same. These policy labs have advocated that public rental housing alone cannot cater to the demand for affordable rental housing and multiple stakeholders need to be incentivised in order to ensure adequate supply of rental housing for this category. The vibrancy of the rental market can be ensured by fostering the roles of different stakeholders, including private builders, real estate brokers and property managers for small households. It is also vital to recognise the role of the informal rental market and crafting policy and legal frameworks that respond to the on-ground realities in order to potentially address the housing needs of the urban poor as well as the migrants. Further, policy formulation should stem from an identification and understanding of the different segments of rental housing value chain – regulations and policies, tenants, landlords, financiers, and brokers.

Culminating the findings and learnings from the series of four policy labs, as discussed in the previous sections, the following recommendations are outlined across three domains, to regulate and streamline the rental housing market, while ensuring the inclusivity for the urban poor and migrant workers:

■ Recommendations for Policy and Regulation

- **Recognising informal rental market:** Modifying the Model Tenancy Act to recognise the informal rental market.
- **Creating a vibrant rental market:** Encouraging IT based solution to connect landlords and tenants more efficiently; recognising and regulating the role of property managers and real estate brokers.
- **Formulating a responsive policy framework-** Periodic collection of data related to demand and supply of the rental housing for guiding the rental housing policy; encouraging more research to understand the functioning of the informal rental market.

■ Recommendations for Land and Planning

- **Ensuring adequate supply of land:** Earmarking the land in areas with high economic opportunities and on transport corridors to reduce the travel from the place of residence to their workplace; providing subsidised land for affordable rental housing projects within the city to attract interest of the builders in this form of construction and to cater to the increasing demand of the public.

- **Providing Basic Infrastructure in slums and informal settlements:** Upgrading the existing infrastructure facilities available to reach to the urban poor and the urban migrants of these areas.
- **Recommendations for Finance**
 - **Encouraging private sector participating:** Providing financial incentives like tax benefits, subsidies and credit guarantees for private sector consistent with specific goals and targets of the affordable rental housing schemes.
 - **Encouraging financial institutions:** Encouraging banks and other financial institutions for curating long term investment products for affordable rental housing.
 - **Encouraging small landlords:** Encouraging urban poor households to invest in rental housing; dovetailing existing housing schemes like Beneficiary led Construction (BLC) under PMAY; encourage and support subsistence landlords operating in informal rental market through subsidised finances.

PROGRAMME DESIGN

I. POLICY LAB 1 - Policy & Legal Framework For Enabling Rental Housing

16th September, 2020

TIME	THEMATIC AREAS	SPEAKER
16:30–16:35	Introducing the Policy Labs	Anindita Mukherjee, <i>Senior Researcher,</i> CPR
16:35–16:45	Analysis of the current rental housing policy and legal framework in India	Shubhagato Dasgupta, <i>Senior Fellow,</i> CPR
16:50–18:35	I. International Experience in Rental Housing Policy and Legal Frameworks Moderated by: Yan Zhang, <i>Senior Urban Economist, World Bank</i> Abhijit Shankar Ray, <i>Senior Urban Specialist,</i> World Bank	
16:50–17:05	1. South Africa	Kecia Rust, <i>Executive Director & Founder,</i> Centre for Affordable Housing Finance (CAHF)
17:05–17:20	2. Chile	Guillermo Rolando, <i>Deputy Minister, Ministry of Housing and Urbanism,</i> Government of Chile
17:20–17:35	3. Indonesia	Dao Harrison, <i>Senior Housing Specialist,</i> World Bank
17:35–17:50	Q&A Moderated by: Yan Zhang, <i>Senior Urban Economist,</i> World Bank	
17:50–18:05	1. Maharashtra	Sameer Unhale, <i>State Joint Commissioner,</i> Municipal Administration, Government of Maharashtra
18:05–18:20	2. Tamil Nadu	Rajesh Lakhoni, <i>Principal Secretary,</i> Housing and Urban Development Department, Government of Tamil Nadu
18:20–18:35	Q&A Moderated by: Abhijit Shankar Ray, <i>Senior Urban Specialist,</i> World Bank	

TIME	THEMATIC AREAS	SPEAKER
18:35–19:10	II. Panel Discussion – Discussion with Academicians/Sector Experts Moderated by: Shubhagato Dasgupta, <i>Senior Fellow,</i> CPR	
18:35–19:10	<ul style="list-style-type: none"> ▪ Claude Taffin, <i>Housing Economist,</i> France ▪ Chandan Kumar, Working Peoples Charter ▪ Shilpa Kumar, <i>Partner,</i> Omidyar Network, India ▪ Gautam Chatterjee, <i>Chairman,</i> Real Estate Regulatory Authority, Maharashtra 	
	Q&A Moderated by: Anindita Mukherjee, <i>Senior Researcher,</i> CPR	
19:10–19:15	Closing Remarks	Anindita Mukherjee, <i>Senior Researcher,</i> CPR

II. POLICY LAB 2 - Government-led Rental Housing Model: Options and Challenges

29th October, 2020

TIME	THEMATIC AREAS	SPEAKER
16:00–16:10	Welcome Remarks: Introduction & Setting the Context	Ms. Anindita Mukherjee, <i>Senior Researcher,</i> CPR
16:10–16:20	I. International and national experience in public-provision of affordable rental housing stock through green-field investments Chairs: Dr. Amitabh Kundu, <i>Distinguished Fellow,</i> Research and Information System for Developing Countries Dr. Akshaya Sen, <i>Joint General Manager (Economics) & Fellow,</i> HUDCO's Human Settlement Management Institute (HSMI)	

16:20–16:30	1. Poland	<p>Ms. Agnieszka Glusinska, <i>Manager, Social Rental Agency Programme,</i> HFH Poland and</p> <p>Ms. Katarzyna Przybylska, <i>Advocacy Manager,</i> HFH Poland</p>
16:30–16:40	2. Sao Paulo	<p>Ms. Tereza Herling, <i>Urban and Housing Specialist,</i> <i>Academic at Mackenzie University's Architecture</i> <i>and Urbanism School</i></p>
16:40–16:50	3. Australia	<p>Prof. Piyush Tiwari, <i>Professor of Property,</i> University of Melbourne, Australia</p>
16:50–17:00	4. South Korea	<p>Dr. Kiseong Jeong, <i>Associate Research Fellow,</i> Korea Land & Housing Corporation (LH) and</p> <p>Dr. Mee Youn Jin, <i>Senior Research Fellow,</i> Korea Land & Housing Corporation (LH)</p>
17:00–17:10	5. Kota	<p>Mr. Rajendra Rathore, <i>Superintending Engineer,</i> Kota Smart City Limited</p>
17:10–18:20	<p>II. Panel Discussion: Challenges in Improving Occupancy of Public Rental Housing</p> <p>Moderated by:</p> <p>Ms. Anaclaudia Rossbach, <i>Regional Manager LAC,</i> Cities Alliance</p> <p>Dr. Renu Khosla, <i>Director,</i> CURE</p>	
	<ul style="list-style-type: none"> ■ Prof. Darshini Mahadevia, <i>Associate Dean of Arts,</i> Ahmedabad University ■ Mrs. Usha P. Mahavir, <i>Former Executive Director (Projects),</i> HUDCO ■ Mr. Jagan Shah, <i>Senior Infrastructure Advisor,</i> FCDO ■ Ms. Ashna Mathema, <i>Consultant,</i> Asian Development Bank ■ Ms. Sheela Patel, <i>Director,</i> SPARC 	

18:20–18:30	Closing Remarks	Dr. S. K. Gupta, <i>Director,</i> HUDCO's Human Settlement Management Institute (HSMI)
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III. POLICY LAB 3 - Private Sector Investment in Rental Housing: Challenges & Opportunities

25th November, 2020

TIME	THEMATIC AREAS	SPEAKER
16:00 – 16:05	Welcome Remarks Introduction & Setting the Context	Rebecca Ochong, Senior Manager, Habitat for Humanity International Asia Pacific Office
16:05 – 16:15	I. International and National experience in private sector participation in affordable rental housing	
	Chair: Rajan Samuel, <i>Managing Director,</i> Habitat for Humanity India	
16:15 – 16:30	Private sector led affordable rental housing delivery in South Africa: Case study of Trust for Urban Housing Finance (TUHF Limited)	Paul Jackson, <i>CEO,</i> TUHF Limited
16:30 – 16:45	How to develop formal urban rental market in India: Learnings from Tamil Nadu, India	Claude Taffin, <i>Housing Economist,</i> France Anindita Mukherjee, <i>Senior Researcher,</i> Centre for Policy Research
16:45 – 17:00	Questions and Answers	
17:00 – 17:15	Key Note Address: Niranjan Hiranandani, <i>Founder & Chairman Hiranandani Group and Chairman,</i> NAREDCO	
17:15 – 17:25	II. Panel Discussion: What needs to be done to encourage Private sector investment in Rental Housing	
	Moderated by: Lara S. Chandra, <i>Director - Strategy & Coalitions,</i> Habitat for Humanity India Mridul Upreti, <i>Sector Lead for Tourism,</i> Retail & Property for Asia Pacific, International Finance Corporation (IFC)	

	Panel Discussion and Questions and Answers:	
17:25 – 18:15	<ul style="list-style-type: none"> ■ Balaji Rao, <i>Managing Partner,</i> Real Estate, Axis AMC Ltd. ■ Satyanarayana Vegella, <i>Founder & CEO,</i> Aarusha Homes Pvt. Ltd. ■ S J Vijay, <i>Founder & Director,</i> Salmon Leap Ventures & hoMMission India Pvt. Ltd. ■ Vishal Goel, <i>Co-founder and Partner,</i> Cerestra Ventures ■ Rajesh Krishnan, <i>Managing Director & CEO,</i> Brick Eagle Group ■ Uday Lakkar, <i>Founder & CEO,</i> CoHo Coliving 	
18:15 – 18:25	Questions and Answers	
18:25 – 18:30	Closing Remarks	Ana Claudia Rosbach, <i>Regional Manager LAC,</i> Cities Alliance

iv. POLICY LAB 4 -Redefining “Private” to Include Affordable Rental Housing Providers for the Poor: International & National Lessons

16th December, 2020

TIME (PM)	THEMATIC AREAS	SPEAKER
04:30 – 04:35	Opening Remarks	Georg Jahnsen, <i>Project Manager,</i> SUD-SC, GIZ India
04:35 – 16:45	Rental housing framework in India	Aparna Das, <i>Senior Advisor,</i> SUD-SC, GIZ India
04:45 – 05:05	Keynote Address	Durga Shankar Mishra, IAS <i>Secretary, Ministry of Housing and Urban Affairs,</i> Govt. of India
05:05 – 06:05	I. INTERNATIONAL EXPERIENCE IN RENTAL HOUSING Moderated by Rebecca Ochong, <i>Senior Manager,</i> Habitat for Humanity International	
05:05 – 05:20	South Africa	Claire Du Trevou, <i>Architectural Project Manager,</i> Bit-prop, South Africa

TIME (PM)	THEMATIC AREAS	SPEAKER
05:20 – 05:35	Ludhiana	Banashree Banerjee , <i>Planning and Housing Expert</i> , India
05:35 – 05:50	Jordan and Colombia	Vidhee Garg , <i>Housing and Urban Development Specialist</i> , The Netherlands
05:50 – 06:05	Q&A ■ Moderated by Rebecca Ochong <i>Senior Manager,</i> Habitat for Humanity International	
06:05 – 06:50	II. PANEL DISCUSSION WITH ACADEMICIANS/SECTOR EXPERTS ■ Moderated by Aparna Das <i>Senior Advisor, SUD-SC, GIZ India</i>	
06:05 – 06:50	Panellists: ■ Felipe W. Correa , <i>Director System of Housing,</i> Ministry of Housing, Cities & Territory, Colombia ■ Leenu Sehgal , <i>Commissioner (Planning),</i> Delhi Development Authority ■ Rushil Palavajjhala , <i>Founder & President,</i> Bandhu Urban Tech, India ■ Yan F. Zhang , <i>Senior Urban Economist,</i> The World Bank ■ Hong Soo Lee , <i>Senior Urban Specialist,</i> Asian Development Bank, Philippines ■ Danilo Berlos Tenebro , <i>The Asia Foundation,</i> Philippines ■ Osman Asmal , <i>Executive Director for Spatial Planning and Environment,</i> City of Cape Town	
	Q&A Moderated by Aparna Das <i>Senior Advisor, SUD-SC, GIZ India</i>	
06:50 – 07:00	Closing Remarks	Shubhagato Dasgupta , <i>Senior Fellow,</i> Centre for Policy Research



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