

## Housing Finance System In India

**ABSTRACT :** *Housing being one of the three basic needs of life always remains in the top priorities of any person, society and economy. As a human being an individual needs his own space and privacy, which can be provided by the ownership of a house. The a platform to the Family and the Family is the most important social Institution. Which leaves its imprint on an individual for whole life. Thus context of developing policies and strategies for human populace lives in slums, and temporary shabby shelters in rural areas.*

**KEYWORDS :** *Housing Finance, Slum area, Security.*

Date of Submission: 15-09-2018

Date of acceptance: 01-10-2018

### I. INTRODUCTION

Housing being one of the basic needs of human beings assumes multifaceted significance in terms of degree of economic well being and human development as well as socio-cultured progression and political stability. The development of satisfactory housing has always been the priority of both the central and state governments. A rapid rise in population results in higher purposes. This coupled with the growth in household formation and increased urbanization in reach of employment opportunities has resulted in severe pressure on urban infrastructure in recent years.

In 2001, India has a total housing stock of 187.16 million dwelling units of which 52.06 million was in urban areas and 135.1 million in rural areas of the total urban housing stock, 82 percent formed pucca houses, 13.4 percent semi-pucca and 4.8 percent kutch houses (NSS report, 2003). The percentage of households living in single room accommodation in urban areas declined from 39.6 percent in 1991 to 36.5 percent in 2001.

#### Housing the magnitude of the problem

Rapid population growth coupled with rapidly increasing urbanization and widespread poverty have created a serious shelter problem in India, contributing to the proliferation of slums, increased demand for urban infrastructure and services and declining Quality of life for low income households. Other important factors that have aggravated India's critical housing situation include institutional deficiencies, especially among state and local housing agencies, and regulatory constraints to new housing development and investment such as the urban land state rent control Acts. In terms of the magnitude of the housing shortage at the beginning of Tenth plan at 8.89 million units.

#### Role of Government :

The programs of any nation can be appreciated by the Quality of life attained by its people. Besides the basic requirement of food and clothing availability of decent and safe shelter is also an important component of Quality living. With a view to freeing millions of Indians from the shackles of human indignity, the National Housing and Habitat policy 1998 was formulated with a promise to serve the underprivileged through institutional assistance. One of the major obstacles facing the public initiative for housing is the unrestrained population explosion. Further the constant migration of people from rural areas to cities in search of jobs puts housing and basic services in the urban areas under considerable strain.

#### Emergence of Housing Finance System

Indian Financial system is a set of inter related activities services working together to achieve some predetermined purpose or goals. It includes different markets, institutions, instruments services and mechanisms which influence generation of savings, investments, capital formation and growth. The primary function of the financial system is to provide a link between savings and investment for the creation of new wealth.

### II. CONCLUSION

The National Housing and Habitat Policy (NHHP) was adopted by the Government of India (GOI) in 1998 with the main aim of facilitating an investment environment for housing. GOI reaffirmed its commitment in 2005. This is reflected in the efforts of the government to improve housing and habitat conditions by way of financial allocations in the Five year plans and Fiscal measures related to housing announced in the Union Budgets.

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