

# New housing policy

THE national housing policy announced by the housing and works minister, Abbas Sarfraz, on Saturday, is aimed at facilitating as well as stepping up the pace of housing development to narrow the huge gap in this sector. The policy provides for enhancing the lending capacity of financial institutions for house-building purposes, raising the loan limits for individual borrowers, lowering duties and sales tax on basic construction materials to make them less expensive, tax exemption for prospective house owners, etc. All the concessions that are to be made available will, as under previous policies, benefit mainly developers and middle classes who are in a position to invest initially in land and later pay heavy instalments on principal and mark-up at the market rate. This fact is being pointed out not to suggest that concessions for these groups are not needed, but to underline that these concessions are more deservedly needed in the case of the poorer section of the community.

Pakistan has never had a comprehensive, national housing policy, with the result that it has accumulated a huge backlog of 5.11 million housing units — which means that at least as many families are living without a proper shelter. In addition, of the current annual need of 570,000 units, only 300,000 units, or 52 per cent, are being constructed, with 270,000 units, or 48 per cent, being added annually to the backlog. Most of those living without proper shelter must be those who are below the poverty line. So it was necessary that before framing a housing policy, main target groups should have been chosen and measures tailored keeping in view the requirements of these accordingly. The present policy does not seem to cover the biggest group of the shelterless people adequately. Since they do not have the

money to buy plots, they would not qualify for the concessions that have been offered. Their only capital is their labour. The policy should have provided for land for this group at a nominal price and not at the market rate which most of them cannot afford. As a result, most of the urban poor will remain outside the purview of the new housing policy. For rural areas, however, the policy reflects a more thoughtful approach. The provincial governments are required to  earmark shamla deh land on which houses are to be constructed for grant of proprietary rights free of cost and to use such open lands for new construction.

As for city slums, the policy calls for the government to develop packages requiring prime state land occupied by kachchi abadis to be offered to private developers for commercial use provided they arrange finance and upgrade or relocate kachchi abadis. This provision, unless implemented with great care and caution, contains seeds of excesses and may create serious problem of dislocation. Another provision which seems difficult to implement because of lack of resources is the assurance that the laying of trunk infrastructure will be the responsibility of the utility agencies like Wapda, PTCL, SNGP and KESC and its cost will not be an additional burden on public or private housing development schemes within the planned area. The financial position of all these utilities is not such that they can bear this additional liability, unless the government allocates funds specifically for these purposes. Finally, it may be pointed out that while reduction in the prices of construction materials and easy availability of credit would give a boost to housing, procuring land at market prices would be beyond the reach of most of the people directly in need of shelter.