

# Review on Global Practice of Housing Demand Fulfilment for Low Income Group People

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## ABSTRACT

*The number of slums and squatters are increasing at very high rate. The overall objective of this study was to review the practice of fulfilling the housing needs for the low-income group focused to Nepal and India with reference of the global practice. Content analysis from different sources has been done. The problem of housing for low income people is all over the world different nation has adopted different approaches. The major cities are undergoing an urban explosion rather than managed urban growth. Access to employment opportunities, the market, infrastructure, suitability and affordability are major influencing factor to fulfill housing demand. The rent should be based on their monthly income according to their affordability. The suitability and affordability of the approaches need to study. Further study to find the suitable way to address the housing need should be conducted for specific nation and city. A detail study is required about the relation between the economic status and housing need of the low-income groups to find out the most important factors necessary to change the housing need into housing demand for validating the study by taking few cases from densely populated city of the world.*

**Keywords:** *affordability, approaches, housing demand, suitability*

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## INTRODUCTION

Housing being one of the basic needs of the people, it is necessary to make the provision for providing the adequate housing facility to the people of all the groups including the people of low-income group, poor and excluded group to pave the path for the sustainable and equitable development of the world. The price of housing is increasing day by day which is a big challenge throughout the world and slum is a global issue and providing shelter to homeless people is fundamental requirement for the globe. Commonly a question is arising on the ethical integrity of the state to include the excluded. So, the main purpose of the study is to review the global practice of addressing the housing need of low-income people. It will be

helpful to planner and policy maker for overcoming the problem. Hope ignition of idea of the state and sharing of knowledge will result into global unity to overcome the issue of homeless people. Deductive and inductive both approaches have adopted for the content analysis of literature.

## LITERATURE REVIEW

### The Low Income Groups

According to the World Bank reports, the groups of people with daily income less than US \$ 1.25 are considered as the low-income groups or the poor groups. There are also many other official standard definitions of the low-income groups or the poor groups based on calorie intake and proportion of the expenditure on food

(70% of the expenditure on food) exists. One of the Indian Philosophers, Amartya Sen has stated that are five prime factors responsible for poverty, which are: (i) Over population, (ii) Imbalance of distribution of resource, (iii) Insufficient education, (iv) Low opportunity for employment and (v) Environmental degradation.

Similarly, Satterwaire in 2002 A.D., stated that there are eight aspects of poverty which provide a range of possible policy responses, and they are: (i) Shelter (ii) Provision of public infrastructures (iii) Income (iv) Asset base (v) Provision of social services (vi) Protection of public right through law enforcement (vii) Lack of safety net to ensure access to shelter and (viii) Powerless political system.

According to the Nepal Living Standard Survey (2012), the estimation of poverty is based on the cost of the basic need approaches where the poverty line can be defined as the expenditure value (in terms of local currency), required by the individuals to meet their basic needs in terms of both food and non-food items. By estimating the expenditure on food of the poor, the food basket of the poverty line is constructed. As there is a calorie anchor guiding the estimation of the food poverty line, no objective minimum non-food requirement exists a priori. Following the international standard, it is assumed that a household, whose food consumption is close to the food poverty line, will spend the minimum on the required minimum calorie requirement of 2,200 Kcal per day to fulfill the non-food needs. In 2011 A.D., the average price of the poverty line was estimated as NRs. 19,261.00; the food poverty line as 11,929.00 and the non-food poverty line as NRs. 7,332.00. Whereas for the Kathmandu Valley, the average price of the poverty line was estimated as NRs. 40,933.00; the food poverty line as NRs. 26,323.00 and the non-food poverty line as NRs. 14,610.00 [1].

Regarding the composition, on average, 62% of the household consumption is spent on the food expenditures in the country. The Share of housing consumption is 11%, that of education is 5% and the rest 22% is accounted for by other non-food items. However, the households of the Kathmandu valley tend to spend more on house, rent and education relative to the other urban and rural areas [1].

### HOUSING NEEDS FOR THE LOW-INCOME GROUPS

The pace of urbanization has remained faster and is likely to remain so in the future. Nearly, 17.1% of Nepal's population resided in 58 designated urban areas according to the 2011 census. However, with the addition of 131 municipalities in 2014, 38.26% of Nepal's populations reside in 191 designated urban areas. There have been fluctuations in inter-censal urban growth rates. Although the growth rate in the inter-censal decade was 3.43%, the average annual growth between 1981 and 2011 has remained at a high rate of 5.3%. Urban rural growth differential in 2011 is 2.4% [2].

Kathmandu valley is the hub of Nepal's urbanization. Over half of Nepal's urban populations reside in the hills and the rest in the Terai. The Central Development Region (CDR) including the capital region of Kathmandu harbors half of Nepal's urban population. The EDR and WDR share 17%–18% of urban population each. Regional levels of urbanization differ markedly across ecological and development regions. The level of urbanization is highest in the hill region (21.7%) compared to the Terai (15.1%) and the mountains (2.8%). Among development regions, CDR has highest urbanization level of 23.5%. Distribution of urban population as well as the level of urbanization is relatively low in the MWDR and FWDR. Physiographic and

connectivity characteristics are important determinants of urbanization which result wide variation in the regional levels of urbanization. The level of urbanization in the Kathmandu valley (three districts) and Pokhara valley (Kaski district) comes to 96.97% and 79.52% respectively, while it is only 18.28% for the rest of the hills. Similarly, inner Tarai valleys have a level of urbanization of 41.97% compared to 38.94% for the rest of the Tarai [2].

Urbanization picture is dominated by few large and medium cities. Kathmandu is the only city with over a million people. In terms of size class of urban centers, 14 urban centers (4 in the hills, 10 in the Tarai) in 58 municipalities, and 2 urban centers (in the hills) in recently added 131 municipalities with over 100,000 population have 33.53% of Nepal's urban population. The rest 66.47% live in 175 municipalities. This distribution shows an urban hierarchy that is truncated towards the lower end notwithstanding the fact that urban boundaries are notorious both for including large rural tracts on the one hand, and ignoring urban sprawl beyond municipal boundaries, on the other. The fact that municipal status is a political decision rather than a technical one, it has also contributed to this picture, between 1991 and 2011 to the number of municipal areas [2].

After conducting the national housing survey in 1988, no other survey regarding the housing has been conducted in Nepal. However, the conduction of housing in rural and urban areas has been presented in the subsequent censuses and living standard surveys of Nepal. According to the national housing survey of 1988, there were 3 million residential houses in Nepal including those urban and rural areas. A total of 47, 67,196 houses/buildings or residential structures have been found in the preliminary result of the national

census 2011. A total of 56, 59,984 families appear to have settled their in. Thus, the ratio of family and houses has been 1.2:1. The number of families was 42, 53,200 ten years ago. In this way 10, 06,764 families appear to have been added during the last 10 years. Regarding the size of the family, there are 4.7 members per family in 2011, which were 5.44 in the year 2001. 4.05 persons on average have been found in the families in the urban areas, while this number is 4.86 persons in the rural areas; this number was 4.86 and 5.65 persons respectively 10 years ago. In observing the population growth of the last ten years, it appears that the population of Nepal has increased by 15%, whereas the population of Kathmandu Valley appears to have been increased by 52%. In this way, it has now become indispensable to address the growing problem of housing in the Kathmandu valley [3].

According to the census of 2001, there was 41,74,374 houses /buildings or residential structures in total, out of which about 1.3 million houses in the rural area and about 1 hundred thousand in the urban area were temporary in nature, which means that about 33% of the total residential houses appear to have been constructed in a temporary manner. According to the standard of living survey of Nepal, 2003/04, the population living in the houses of their ownership was about 91.6% and those living on rent was 5.4%, whereas, these numbers appeared to be 92.8% and 2.2% respectively in the year 1995/96. From the result of Fiscal Year 2009/10, these numbers appear to be 90% and 8% respectively. In this way, the number of populations living in a rented house has increased from 2% to 8% compared to the first Standard of Living Survey, i.e. during the period of 15 years [3].

According to the Nepal Standard of Living Survey 2003/04, the condition of housing

in the urban areas appears to be better in the comparison to the same in rural areas. In the urban areas, it appears that about 72% families reside in their own houses, 23.5% on rent. 3.8% of the population lives without paying rent and the remaining in other ways such as unsystematic settlements (squatters). But in the case of Kathmandu Valley this number appears to be increasing surprisingly, about 35% of the population lives on rent in the Kathmandu Valley [3]. Whereas in 2011, it appears about 69.2% families reside in their own houses, 26.5% on rent and 4.3% of the population live without paying rent and the remaining in other ways such as unsystematic settlements (squatters) in the urban areas of Nepal. But in the case of Kathmandu District this number appears to be increasing surprisingly, about 51.9% of the population lives on rent in the Kathmandu Valley [1].

The number of population living on rent has been increased by 3%; the population living without paying rent by 0.4% and in unorganized shelter from 2003 to 2011. The number of populations living on rent and in unorganized shelter is increasing fast since the last decade.

The housing facilities are yet beyond the access for the urban poor through the private housing companies are playing role for housing supply because the housing companies charge more profit on the housing units to sell them. The housing companies are running the housing business for their economic benefit only rather than meeting the need of the adequate and safe housing service for the urban poor as corporate social responsibility. Hence, there is an instant need to address the housing problem for the urban poor in Kathmandu Valley in a proper way.

### Housing Need Fulfillment Practices in India

A major change in the housing perspective came with the launching of the first five-year plan (1951–56) in 1951 in India, with the acknowledgement that the public sector must play a positive role to fulfill the housing need. The first plan also recognized that the low-income groups of people could not afford even the minimum housing cost, and the government took up the initiative to provide the housing services to the low-income group of people, which was later extended also to the middle-income group of people in the second plan (1956–61).

The implementation of the explicit policy on granting security and tenure to the urban poor in India could be taken as the useful lesson that can be learnt from it. It was realized that regularizing the squatter settlements would be the most suitable approach for extending the security and land tenure to the urban squatters. The first state of India to implement this policy was Madhya Pradesh, and later it was gradually applied to the other states of India. This was done through the unique legislation, widely known as '*Patta Act*', which was enacted in 1984 and provided the basis for granting leasehold right to the *Pattas* to every house with the physical improvement such as water taps, latrines, roads, drainages etc. [4]

The public sector is still playing a remarkable role for ensuring the access for the urban poor to the serviced land and housing, in India. The method of land supply through the acquisition process by the public sector was more popular and traditional preferred. However, due to the growing unwillingness of the land owners and increasing land price, this land acquisition method is becoming more difficult nowadays. Use of regular framework to create conditions for land supply for the poor through the market,

Providing Institutional finance on reasonable terms for land assembly and development for the poor and making better use of existing public land services and by spreading cost and lowering initial cost through incremental land development are practiced.

### **THE HOUSING POLICY OF INDIA**

The aim of the housing policy of India is to promote the development of cost effective, quality building materials and technologies with view to bringing down the cost of EWS/LIG houses. 80.7 million People are below poverty line in India which is about one fourth of the total urban population of the country. The urban poor constitute 26.7% of the total poor in the India. So, the housing policy of India has also facilitated to provide the flow of large funds from the government and private sources to address the housing needs by designing and encouraging the innovative financial investments.

### **Housing Lottery Scheme in Ahmadabad**

This housing scheme was launched in Ahmadabad, which is India's sixth most populous urban areas and the largest city in Gujarat. The population of Ahmadabad is about 6.4 million as per the census in 2011. The housing lottery scheme was initiated in Ahmadabad by the 'Self Employed Women's Association (SEWA)' with the cooperation of the several government agencies. The SEWA is a collection of trade groups with membership of over 5,00,000 women in Gujarat [5].

This scheme was focused towards providing the housing facility to the 'beedi' workers of the city with a monthly income less than US \$ 11.28, i.e., IRs. 700. The key motivations of the housing lottery scheme in Ahmadabad was stated as reducing the housing cost and improving the tenure security, both of which was believed to contribute to school dropout

cost among the beedi workers' children. 497 numbers of eligible women entered the lottery scheme who basically came from two caste groups; Kothi (35%) and Padmasali (41%), whereas Muslims (10%) was the third largest group [5].

Six years after the lottery, the SEWA Union worked with the Ahmadabad Urban Development Authority (AUDA) to construct houses on a vacant land situated 7.5 miles from the city centre. The housing units were single storey row houses of approximately 200 square feet situated back to back with a narrow alley running in between. The construction cost of each housing unit was IRs. 45,000 and the residents paid an initial deposit of IRs. 900. Then they paid IRs 124 in monthly rent and this rent was guaranteed for 20 years, which was less than half the average rent at the city area of Ahmadabad [5].

### **Housing for Economically Weaker Sections (EWS), Madras**

This program was launched for the low-income group of people to provide the housing facility at the minimum cost. The size of each housing unit was 28.00 sq. and the proposed cost was IRs. 67,000.00 per housing unit. The peripheral development was subsidized by the government of India and the contribution for IRs 20,000.00 per unit was provided by the Delhi Development Authority (DDA) by taking loan from Plan Funds at the rate of 9%. The beneficiaries have to pay IRs. 27,000.00 as an initial down payment and the remaining cost in 15 years payback period with the monthly installment of IRs. 399.00 at the interest rate of 9% [4].

The provision of the housing plot is also based on cross subsidy; i.e. 70% of the plot is allowed for the economically weak sections of the society, 2% for high income groups, 3% for middle income groups and 25% for the low-income group of people.

### State Housing Board

The Ministry of Works, Housing and Supply of Indian Government developed several housing schemes that were focused towards providing the housing facility to the different income groups of people.

The Integrated Subsidized Housing Scheme is one of the housing schemes developed by the Ministry of Works, Housing and Supply, in which houses are provided for the industrial workers and economically weak sector of the society, whose monthly income is less than IRs. 350.00. It is based on the principle of 50% loan, 50% subsidy and 7% interest rate.

Similarly, The Low-Income Group Housing Scheme is another housing scheme in which houses are provided for those whose annual income is less than IRs. 7,200.00 and who are far away from the housing facility. The individual is provided the loan up to 80% at the interest rate of 7.5% with the payback period of 25 years. The size of the housing unit is 232 sq. ft. to 1,200 sq. ft.

### Dharabi Redevelopment Project

The Dharabi Redevelopment Project is located between the two main sub-urban rail lines of Mumbai. It provides the affordable housing opportunity to those who move to Mumbai to earn money for their daily life. The cost of the project is IRs.21,000 crores and the annual turnover is estimated to be more than \$ 650 million per year. The main objective of this project is to redevelop and transform the squatter settlements into a modern township.

The residents of Dharabi were provided with the tenements near of Dharabi or Dharabi itself in the implementation phase of the project. The developer bears the cost on the rent of tenements; whereas the slum dwellers bear the expenditure of consumables (water, electricity, etc). A guarantee of 15 years in the maintenance

of infrastructure services within the apartment buildings is provided by the developers, for the benefit of the residents. The land owner is facilitated with 70% premium and the investment from the government side is not offered.

### Slum Improvement and Upgrading

One of the major projects which are playing a remarkable role both in slum improvement and in slum rehabilitation is the Jawaharlal Nehru Urban Renewal Mission. The Jawaharlal Nehru Urban Renewal Mission also provides the security of tenure, affordable housing and basic services to the low-income groups in the urban areas of India. The provision of a better environment is being encouraged with cross subsidization and special incentives by the inner-city slum redevelopment programs for facilitating the land development and improvement of basic amenities in slums, the land pooling and sharing arrangements would be encouraged. The provision of housing to the urban poor at their current location or near their work place is emphasized through the policy. The policy has also made some efforts to ensure that the tenure rights provided are non-transferable for 10-15 years of time periods. To provide better shelter serviced by basic amenities through thrift and credit-based CBOs, the Groups Cooperative Housing Societies of urban poor and slum dwellers is being formed and encouraged across the country. Considering the deficiencies in housing and urban infrastructure emphasizing on the urban poor and indicates a vision based on various levels of spatial plans along with the investment plan for their implementation, a 15-20 years perspective plan is prepared at the local levels by the cities.

### HOUSING NEED FULFILLMENT PRACTICE IN PAKISTAN

Pakistan demonstrated an emergence of informal slum settlements termed as 'Katchi Abadis' in the process of

urbanization in 1980's and 1990's. In order to address this problem, well stratified plan of action was designed to ensure a harmonious resolution of those settlements. Upgrading of those Katchi Abadis in Pakistan, recognized as sub-system of the overall urban settlement system, were done through the provision of security of tenure, infrastructure, and community facilities. The facilities provided through the Orangi Pilot Project launched in one of the biggest Katchi Abadis in Karachi inhabited by 1 million people, consisted of water supply, sanitation and street paving; and other facilities such as electricity, education, and community welfare etc. were provided by respective sectorial resources [6].

Fahad Square, which built 10 years ago, is an apartment complex with 248 housing units for low income group of people, located near the city centre. It is different from the other sites, as it is not a settlement consisting of houses on individual plots but a developer-built apartment complex. It is located in an urban-development project in sub-urban Karachi and is designed by the Karachi Development Authority (KDA) on 26,000-acre (65,000 ha.) land. It is built on 1.5 acre (0.60 ha.) of land and consists of 248 apartments and 56 shops. Each apartment has three rooms and a covered area of 68.2 sq. meters. The whole apartment is a walk-up affair of ground plus four floors. The average household size is 5.72 persons per apartment, yielding a density of 2,329 persons per hectare. The housing units in the apartment complex are also different from those in other case study as they have balconies, attached bathrooms with glazed tiles and 'American Kitchen', and they project a different culture and way of life, which is imposed by the developer [6].

### **HOUSING NEED FULFILLMENT PRACTICE IN BANGLADESH**

In the scenario of the rapid urbanization and increasing urban poverty, the national

constitution of Bangladesh has recognized the housing as a basic need for the people. As a result, the National Housing Policy was formulated and implemented in 1993 A.D. in order to guarantee the housing right to every people. However, the access of poor and marginalized groups to the proper housing is still insufficient.

In the recent decades, the urbanization has reached a critical level due to insufficient infrastructure services and employment. Specially in Dhaka, 55% of its 6,00,000 per year population is increasing due to immigration from rural areas. In 1991, 46% of the population of Dhaka were immigrants and most of them had to face economic crisis and absence of accessible and affordable shelter and services and pushed them to shelter in the slums and squatter, which they locally called as 'bastees'. The number of populations living in the bastees was realized to be increasing in uncontrolled way, in 1971 for the first time [7]. As a result, the formulation of plans and policies were prepared and implemented to solve the housing problems for the poor, and many projects were implemented to manage the housing for urban poor in an effective way. Among such initiations, the 'Grameen' is one of the micro-financing organizations in Bangladesh, which provides loans to the low-income groups of people without conventional individual collaterals. This concept was introduced in 1979 and the system is implemented in forty-three countries now. It is based on a philosophy that poor does not create the poverty, but it is created by the institutions and policies that surrounds them. It also explains that, it is not only the lack of skills which makes people poor [8].

### **'BAAN MANKONG' NATIONWIDE SLUM UPGRADING PROJECT, THAILAND**

The Community Organization Development Institute (CODI) of the Thai Government implemented the 'Baan

Mankong' Nationwide Slum Upgrading Project in order to provide the housing facility to the low-income group of people.

### **THE MILLION HOUSE PROGRAM (MHP) IN SRI LANKA**

The urban housing programs were launched under the Million House Program (MHP) for the low-income group of people during 1980's. This program came up with several housing alternatives and loan packages such as upgrading package, new housing package, utilities package, and site and service package which were accompanied by a decentralized implementation model. This program opened a door for the active participation of the urban local authorities and community development councils in the decentralized model for low cost housing. The National Housing Development Authority was entrusted with program implementation at the central level. This model has many positive features that can be applied in the context of Nepal also.

### **RENTAL HOUSING**

The old flats are provided on rent at a very low price by the government of China. The flats are locally called 'Lian Zu Fang', which literally means 'low-rent house' or 'low-rent housing' in Chinese language. The government of China has also implemented another popular scheme called the "Public Rental Housing" (PRH) scheme which is the first initiation to use non-ownership housing to solve the housing problem of people, primarily focusing on providing the housing facilities to the local young staff and migrant workers who have relatively low income [9].

The Chinese government has also initiated a variety of tax exemptions for companies responsible for constructing and managing public rental-housing projects, on state. The government of China has also led Low-income rental housing, using rent

subsidies and direct providing low-rent housing. Rental housing subsidies mean that the government provides different rent subsidies to eligible family based on rent standards, through the rental housing subsidies schemes.

### **HOUSING NEED FULFILLMENT PRACTICE IN AUSTRALIA**

#### **Affordable Housing**

'Australians for Affordable Housing' has been established with a coalition of over 60 national housing, welfare and community sector organizations which emphasizes on the problem of housing affordability. The Australians for Affordable Housing suggests all levels of government to make the changes necessary to ensure to provide affordable housing to all Australians. As a result, the governments at all levels influence the housing market through tax incentives, first home owner's grants, affordable housing programs, planning controls and rent supports [9].

Since the government housing policy is to ensure that all Australian households can be accessible to the affordable housing and that the coordination is required for the government to achieve that goal, a strategic national plan was necessary to be prepared.

### **HOUSING NEED FULFILLMENT PRACTICE IN UNITED STATES OF AMERICA**

#### **Housing Choice Vouchers**

Housing Choice Vouchers program facilitates the beneficiaries to find their own housing from private landlords, rather than confining low-income tenants to public housing sectors.

The housing choice voucher program (originally known as 'certificates') was implemented in the early 1970's in the United States of America (USA). It was focused on the low-income rental housing as a part of the federal housing policy of



the USA. It provided the rent payments for nearly 2.2 million low income groups and individuals in the United States of America. In this program, the individual chooses a house or apartment available in the private market and contributes 30% of their income towards the rent with the program paying the difference up to a locally defined "Payment Standard". After receiving the first voucher, the low-income groups are responsible for finding a house or an apartment that meets the quality and standards of the housing of the program, with a landlord who is willing to participate in this program. More often, the landlords are convinced to accept the subsidy payment from the program, and the beneficiaries can remain in their own housing units. Once the qualified units are found, the families or individuals can begin receiving the housing support [9].

The similar type of housing choice vouchers for lower income groups are also being administered in South Korea. The housing choice voucher program is the major part of the federal government of the United States of America for supporting very low-income groups, the old-aged, and the disabled to afford decent, safe, and economic housing in the private market. The participants can find their own housing, including single-family homes, townhouses and apartments since housing assistance is provided on behalf of the family or individual. The beneficiaries are free to choose any housing that meets the program's requirement and is not confined to units located in subsidized housing projects.

The public housing agencies (PHAs) have administered the Housing Choice Vouchers, which receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A family which is issued a housing voucher is responsible for searching a suitable housing dwelling as per the choice of the family where the

owner agrees to rent under the program. The family's present residence may also be included in this unit or dwelling. The minimum standards of health and safety must be met by the rental unit, as determined by the PHA.

The PHA directly pays the housing subsidy to the landlord on behalf of the beneficiaries, and the difference between the actual rent charged by the landlord and the amount subsidized by the program is paid by the beneficiaries. In some situations, a beneficiary may use its voucher to buy a modest home, if authorized by the PHA.

#### **Low Income Housing Tax credit (LIHTC)**

One of the largest and most successful affordable rental housing production programs in the United State, is the Low-Income Housing Tax Credit (LIHTC). This Program is an indirect Federal subsidy used to finance the development of affordable rental housing for low-income groups. This program has financed over 2 million homes since 1987 and over 1,20,000 annually in recent years. The LIHTC has financed approximately, 90% of all affordable rental housing in the United State of America.

#### **INITIATIVES UNDERTAKEN FOR FULFILLING THE HOUSING NEED IN NEPAL**

Like other developing countries, Nepal has also recognized the problem of housing need for the low-income group of people according to which several initiatives for the fulfillment of the housing need have been undertaken since long ago. However, these attempts are of small scale compared to the scale of the increasing housing problem of the people.

Several models of land development programs were launched in the mid-seventies such as Site and Services (S&S),

Guided Land Development (GLD) and Land Pooling (LP), by the Nepal government. These programs were conducted within the legislative framework in the form of Town Development Act 2045 (1988). Although these programs achieved a considerable progress in serving a population of the urban areas, with 7665 developed plots, they were meant only for the middle and high-income groups of people and as a result, the low-income groups were still far away from the access of the adequate housing facilities [10]. Although the private housing companies, the commercial banking sector and other agencies are playing an active role for providing the housing facilities in the urban areas, they are more focused on the high and middle-income groups of people rather than the low-income groups.

The 'People Housing Program (PHP)' also known as 'Janta Awas Karyakram' has been launched in 2009, by The Department of Urban Development and Building Construction (DUDBC), Ministry of Physical Planning and Works of Nepal Government (Figure 1, 2).



*Fig. 1. People Housing Program, Rubandehi.*



*Fig. 2. People Housing Program, Chitwan.*

Lumanti is a non-government organization dedicated to the poverty alleviation in Nepal, through the improvement of housing condition for the poor people. Its establishment is related with the first national workshop on 'The issues of squatter settlements' organized in 1990. Realizing the immediate need of rental housing with all basic facilities in affordable rent, for the low-income group of Kathmandu Valley, Lumanti has constructed the cheap rental housing at Dhobighat in Lalitpur district to increase the access of the poor people of the urban areas to the housing facilities. It is a four storey building with 24 rooms, constructed at a cost of NRs. 22.5 million. The Kirtipur Housing Project (KHP) is the first NGO led squatter resettlement project for evicted squatter families in the history of Nepal. This project was launched in 2004, primarily for the families residing in the squatters at Dhumbakhel, Tankeshwori and Kalimati, along the Bishnumati corridor, in the centre of the Kathmandu Valley, for the eviction of the settlement in order to construct the Bishnumati Link Road. This project was conceptualized and initiated by Lumanti in association with the Kathmandu Metropolitan City and the genuine squatters. Lumanti launched this project in Asia Coalition for Community Action (ACCA) Model, in which on-site upgrading process is applied, which is considered as an ideal solution for providing housing for the urban poor since it causes minimum social disruption and cost-effective options for a shelter delivery mechanism, focused on low income families. This project is located at Salyani informal settlement in Bharatpur launched in February 2009 as the first community-led housing and settlement upgrading project. It has also been a learning opportunity for the whole system [12]. It covers 31 families. The Nepal Government brought 20% of allocated land for the urban poor from the Ichangu Land Pooling Project, in which 233 units of cost-

effective apartments are being constructed. The whole housing project was implemented in two phases. In the first phase, 130 housing units in 3 blocks; B1, B2 and B3 with housing units 40, 45 and 45 respectively were constructed. On completion of first phase of Ichangu Housing, the second phase of this project, with 103 housing units is ongoing. The Habitat for Humanity International (HFHI) has been focusing on assisting to solve the housing problem in the rural areas of several districts of Nepal, by working with the local agencies. Their housing module consists of; housing development from a basic module of two rooms with additional one room, and the construction work is carried out by step by step approach promoting the locally available materials with cost effective technology and transfer of knowledge [11]. In 2009, The Habitat for Humanity International worked on 5,000 units of urban slums upgrading project in Kavre district, in the partnership with the local saving cooperatives. The UN-Habitat carried out the resettlement project for the families affected from the Koshi flood of August 2008 in the Eastern Nepal, funded by UNDP and UN-Habitat, and executed through the collaboration with the local government, communities, the NGOs like Lumanti and HFHI, and the other concerned organizations. The approaches of the project can be summarized in the term of several aspects such as working in partnership, facilitating and supporting the participatory approach and pro-poor approaches [11]. The Shelter and Local Technology Development Centre (SLTDC) applied mainly the technologies to decrease the construction cost of the housing units. Initially, 1 unit of the housing was constructed for demonstration, at Satungal, Kathmandu. Its construction cost was just NRs. 5,00,000.00 including the cost of land too [8]. The Ex-Kamaiya has been focused by the Nepal Government and INGOs, after

they have been liberalized from slavery system. The National Resettlement Company completed ten resettlements projects in seven districts till 1989 by converting the forest areas into the productive farmland. 19076 families in total were resettled in 26347 hectares of land in 26 years from its establishment (Ratriya Awash Company, 2012).

## CONCLUSION

The problem of housing for low income people is all over the world. Different nation has adopted one of the following or mix of these approaches from Resettlement, On-Site Upgrading, The Government-Built New Public Housing, Site and Services, City Wide Housing Strategy, Rental Housing, Private Sector Housing and Land Sharing. The major cities are undergoing an urban explosion rather than managed urban growth. Many low-income groups of people do not want to move to the fringe area due to difficulty in easy access to their employment opportunities. So, the employment opportunity is one of the most important factors which affect the housing need for the low-income groups. Along with the employment opportunities, easy access to the market area and the urban infrastructures and services is the other influencing factor for meeting the housing need of the low-income groups since it contributes towards the employment opportunities eventually uplifting the economic status of the low-income groups. The price of land and the construction cost of the building also influence the housing need for the low-income groups. So, economy in land price and construction cost of building is also one of the major factors that influence the housing need. The reasonable cost of the housing also includes the affordability and acceptability of the targeted groups. The economic level of different low-income groups of people living in different nation is different. The people may not afford the rent if it is

higher than their economic level. The monthly rents of the housing allocated for different category of low-income groups are different. So, the rent should be based on their monthly income according to their affordability.

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