

SUMMARY

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Only six developed countries Canada, US, Japan, France, Australia and New Zealand have housing start up indices on a regular basis. Reuters

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The housing sector may not be shining for the metros due to slow economic growth, but small cities are making a big impact in the newly-launched Housing Start Up Index (HSUI) .

While the index has shown a declining trend in the sector in cities such as Kolkata, Chennai and Bangalore, it has indicated an upward trend in small cities like Dehradun, Bhopal and Hubli, housing and poverty alleviation minister Girija Vyas said.

The first-of-its-kind initiative is a critical indicator of economic growth relating to various sectors such as banking, mortgage, labour, steel, cement, and paint. HSUI is a pilot project, a joint initiative of the national building organisation and the RBI, covering housing activities in 27 cities between 2009 and 2011.

“Such trends are useful indicators of the pattern of development in our country, which in turn helps policy makers and administrators understand the future focus and thrust areas not only in terms of housing provision, but all the associated infrastructure and civic amenities required,” Vyas said, while launching the survey.

Only six developed countries — Canada, US, Japan, France, Australia and New Zealand — have housing start-up indices on a regular basis, and India has become the seventh country to have such an exercise.

“HSUI will include 300 cities soon. The contribution of this sector is about 10% of the GDP and hence, it is a key macro-economic indicator. It will help both the private and government sectors in assessing the economic activities in the region. It will also benefit consumers and promoters,” Vyas said.