



Pilot Housing Start Up Index - Trends in new construction of residential housing during 2009-2011 in 27 cities across India

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The Reserve Bank of India today placed on its website an article titled "*Trends in new construction of residential housing during 2009-2011 in 27 cities across India*". The National Building Organisation (NBO) under the Ministry of Housing and Urban Poverty Alleviation (MoHUPA) and the Reserve Bank have released jointly a pilot Housing Start-up Index (HSUI) during the function presided over by Dr. Girija Vyas, Hon'ble Minister, Ministry of Housing and Urban Poverty Alleviation (M/O HUPA), Government of India in New Delhi. The index has been compiled for 27 cities for 12 quarters from Q1:2009 to Q4:2011. The article is based on collaborative work between the Department of Statistics and Information Management (DSIM) of the Reserve Bank and NBO of MoHUPA. This article is a piece of exploratory research with the key objective of generating discussion on the methodology and database on this important variable. The pilot HSUI has been compiled following the methodology recommended in the Report of the Technical Advisory Group (TAG) (Chairman: Prof. Amitabh Kundu), which was placed on the websites of the Reserve Bank and NBO in March 2009.

The key findings presented in this article are:

In most cities, for maximum percentage of permits, construction starts in the same quarter when permission is given, or within the next 4 quarters;

During Q1:2009 to Q4:2011 construction activities were high in Kolkata, Chennai, Vishakhapatnam, Bangalore, Pondicherry, Guwahati, Ahmedabad and Nagpur.

Though the percentage of house starts in southern region was high in 2009, the trend reversed during 2011, when the percentage was higher in the western region.

The movement of pilot HSUI indicates lower construction activities Q1:2009 to Q3:2010, which is in line with low GDP growth during that period.

This article is also available on the NBO website (<http://HSUI.nbo.gov.in>) for wider public dissemination and discussion. Comments on the findings presented in this article may be forwarded to the Reserve Bank ([email](#)).

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