



Government to launch first housing start-up index

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India: The Indian government is inching closer to the launch of a much needed Housing Start Up Index (HSUI), which is a measure of housing construction activity in the country, following a three year delay.

A joint initiative of the Reserve Bank of India (RBI) and the Housing and Urban Poverty Alleviation (HUPA) Ministry, the index will help policy makers get a clear picture about the trends in the housing sector and its contribution to the economy.

The HUPA Ministry and the RBI will release the HSUI website and its logo on 15 January 2014. The government had initially planned to launch the first set of data for 10 cities in December 2010.

The number of housing units built during a period indicates the demand and supply situation in the housing market. They are considered as a lead indicator of economic activities because of their strong forward and backward linkages. About 275 industries, including cement and steel, are dependent on the construction and housing sector.

The index would come up every quarter and will be based on data of newly built residential units in urban India from 2007 onwards. It would measure the change in the level of activities in the housing sector and identify the growth / recessionary tendencies in this and related sectors of the economy.

"The RBI is developing a pilot index based on the housing data from 25 towns. We are planning to release this by 31 January 2014," said a senior HUPA Ministry official. The detailed index would be released at a later stage. It will cover 50 cities that contain more than 100,000 inhabitants.

Presently, five countries in the world have their own housing start up index.

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