

# India to get index to assess trends in housing sector

Moushumi Das Gupta, Hindustan Times New Delhi, February 04, 2012

First Published: 23:35 IST(4/2/2012) | Last Updated: 01:29 IST(5/2/2012)

By March-end, the government will, for the first time, get a clear picture on the trends in the housing sector and its contribution to the economy when India gets its first Housing Start Up Index (HSUI) — a measure of housing construction activity in the country.

A joint initiative of the Reserve Bank of India and the Housing and Urban Poverty Alleviation (HUPA) ministry, the first set of data for ten cities is expected to be released by March end. Initially, HSUI will be released on a pilot basis for just ten of the fifty Indian cities.

The index will come up every quarter and will be based on data of newly built residential units in urban India 2007 onwards. The index will 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 number of housing starts during a period indicates the demand and supply situation in the housing market, as reflected in the conversion of the building permits into actual starts. They are considered as the lead indicator of economic activities because of their strong forward and backward linkages,” said a ministry official.

About 275 industries like

cement, steel, etc are dependent on the construction and housing sector. It generates a lot of employment. “The index will help in indicating whether the economy is booming or going down,” added the official.

At present only five other countries – United Kingdom, United States, Australia, Canada and Brazil have a housing start up index of their own.

“We have completed the survey in eight cities. We are in the process of analysing the data,” said an official.

The coverage will be expanded gradually to include all cities/ towns having a population of more than 1 lakh. The cities for which figures will be released in March include Faridabad, Bangalore, Vishakhapatnam, Kolkata, Nagpur and Pune.

## WHAT DOES IT MEAN?

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