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A comparative study of relation between the national housing & building material cost and economic gap in India

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Abstract

Housing in India has extensively become a money mending business. Several private sector companies have made housing affordability in India elusive for a common man. The elevated housing costs, however, are not in proportion with the growth of per capita income. This relation is well articulated in this paper. A scrupulous relation between housing and building material costs (H&BMC) and gross per capita income has been established, thus coming to a conclusion of polarization of economies and widening of gap between rich and poor; making it imperative to scrutinize the issue.

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1. Introduction

The 2011 Consensus of India reveals that the urban population of the country stood at 377 million or 31.2 percent of the total population. It is projected that the urban population will grow about 470 million in 2021 and 700 million in 2041[1]. The level of urbanization is expected to reach 50 percent mark in the next 2-3 decades. Urbanization and economy growth are closely inter-linked, as more than 60% of the Gross Domestic Product (GDP) is contributed by urban India. Thus it becomes clear that government takes lucrative measures to develop Urban India.

In spite of the quantum leap in the housing stocks in the country, the housing shortage has also increased. According to the estimation of the Working group on the Urban Housing for the 11th Plan period, the total housing shortage in the country in 2007 was 24.71 million[2] dwelling units and 99percent of this shortage pertains to the economically weaker sections of the lower income group of the society.

Housing has been one of the priorities of the Government of India right from the first Five year plan. Government has provided fiscal incentives to promote housing from both the demand and supply sides. Since independence, a large number of schemes were launched under different names, though the focus remaining on the housing of the poor; especially the urban poor. These schemes have concentrated on improving housing conditions of the urban poor

Several questions have been raised on why this shortage persists. The prima facie evidences state that the cost of housing materials have increased. The stint of economic resources to these groups have not increased as compared to the progression in the high income groups. Statistical evidences suggest that the imbalance between the housing costs and per capita income has been inter-linked with several variations. Further archives of Govt. of India say that even though the urban population is increasing, the standard and cost of living is substantially stagnated [3]. Similarly, the basics necessities are becoming day by day difficult to bear for the common man. In this paper we will try to prove the close co-relation between cost of building material and the standard of living of a common man in society. Eventually we will further prove the said relation as a major cause of polarization of wealth and economic imbalance which has stretched the hiatus between the rich and the poor.

2. LITERATURE SURVEY

Governments are increasingly using analytics to consume, unlock and apply new insights from information, despite challenges with data [4]. Executives told us the “data paradox” – the dilemma presented by too much data, too little insight – is the biggest barrier to analytics adoption and use. They also expressed concerns about data reliability [5]. The more qualitative the information, the less confident they are in the dependability of their data.

Research done by IBM [6] for public sector companies and Government shows most public sector organizations are just starting to explore ways to leverage analytics to manage for results. A select number of organizations are “going pro” and developing analytics leadership. These leaders are looking for analytics capabilities that help them optimize choices and inform decisions with new and predictive insights.

Over the next three years, these “pros” expect their analytics talent to become more anticipatory and open to the

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