ASHOKA: HOUSING FOR ALL

Building Affordable Housing Communities

MANIKANDAN KP | November 2013 | TERI

ASHOKA FULL ECONOMIC CITIZENSHIP

Ashoka

- Global Association of Leading Social Entrepreneurs

- Three Decade Old ; Sector & Regional Agnostic Organisation

- 3000 Ashoka Fellows in 70 Countries ; 350 in India

- Provides Solutions for the World's Most Urgent Problems

Ashoka Housing for All: Hybrid Value Chain

Business

Developers, Builders, Land-Owners, Finance Institutions

Features of HVC

Collaborative Entrepreneurship

Stakeholders thriving on their Core Competencies

Integrated Solutions at Scale

Simplicity, Opportunity to Replicate and Scale

ASHOKA -HVC Entrepreneur

Citizen Sector Organizations

NGOs, Ashoka Fellows, Trusts, Social groups

Opportunity

- Access to new / unlocked markets
- Greater profitability
- Greater predictability

Strengths / Core-Competency

- Vital goods and services
- Ability to operate at scale
- Investment Capacity
- Operational Capacity
- Infrastructure and Logistics
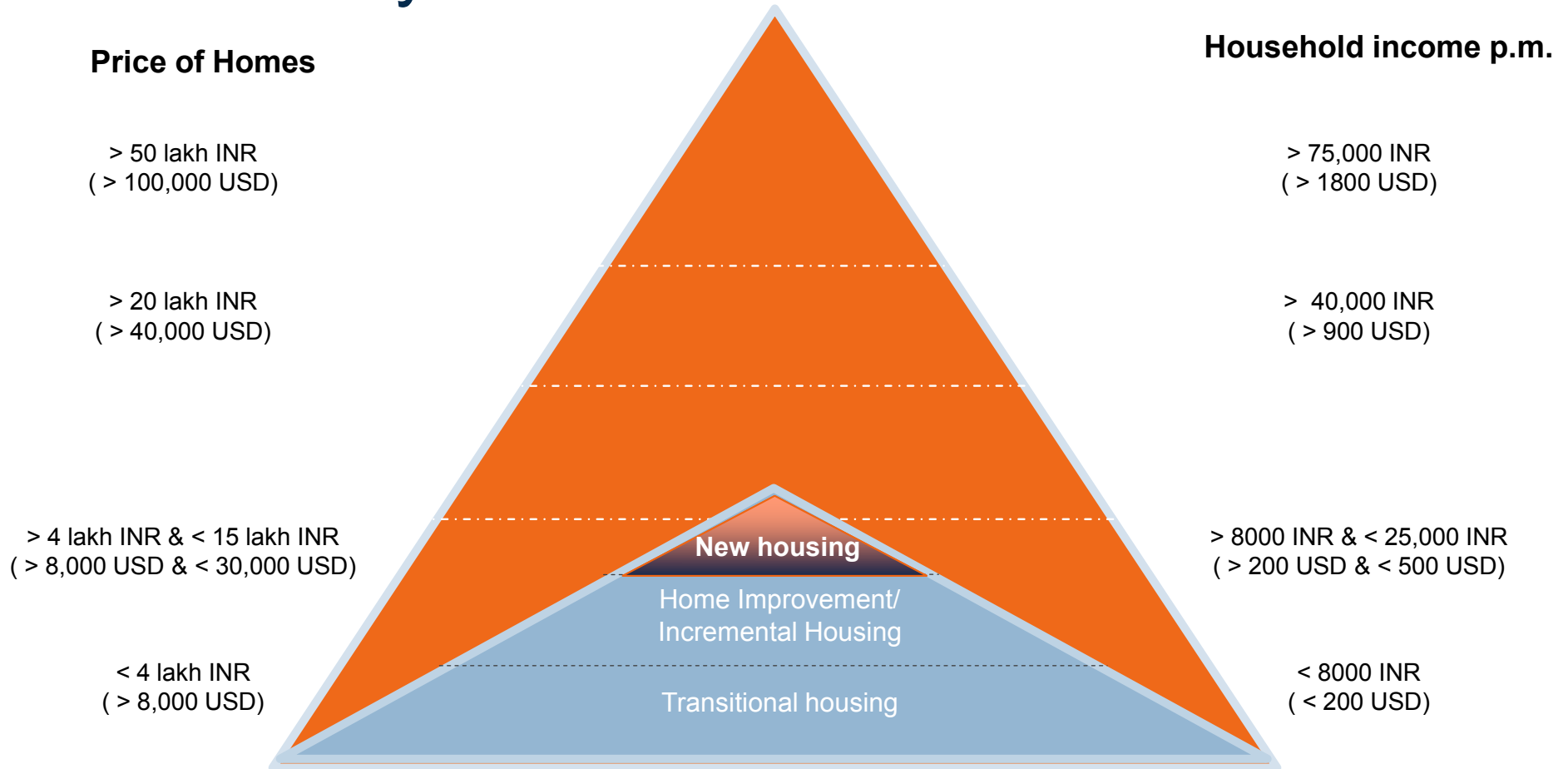- Innovation & technology

Opportunity

- Access to housing for communities
- Stronger and closer engagement
- Revenue stream

Strengths / Core-Competency

- Deep knowledge of the customer
- Ability to aggregate demand
- Ability to prepare the customer and making them bankable
- Behavior change capacity

Economic Pyramid

Price of Homes

Household income p.m.

> 50 lakh INR
(> 100,000 USD)

> 75,000 INR
(> 1800 USD)

> 20 lakh INR
(> 40,000 USD)

> 40,000 INR
(> 900 USD)

> 4 lakh INR & < 15 lakh INR
(> 8,000 USD & < 30,000 USD)

New housing

Home Improvement/
Incremental Housing

> 8000 INR & < 25,000 INR
(> 200 USD & < 500 USD)

< 4 lakh INR
(> 8,000 USD)

Transitional housing

< 8000 INR
(< 200 USD)

Housing for All - India

Clients / Communities

Builders / Developers

Citizen Sector Organizations

Construction Companies Architects

Housing Finance Companies/ Banks

Characteristics
1. New Homes
2. Household Income < INR 25,000
3. Market-Based
4. Below INR12 lakhs
5. Area of 25-55 sq.mtrs
6. Urban Areas
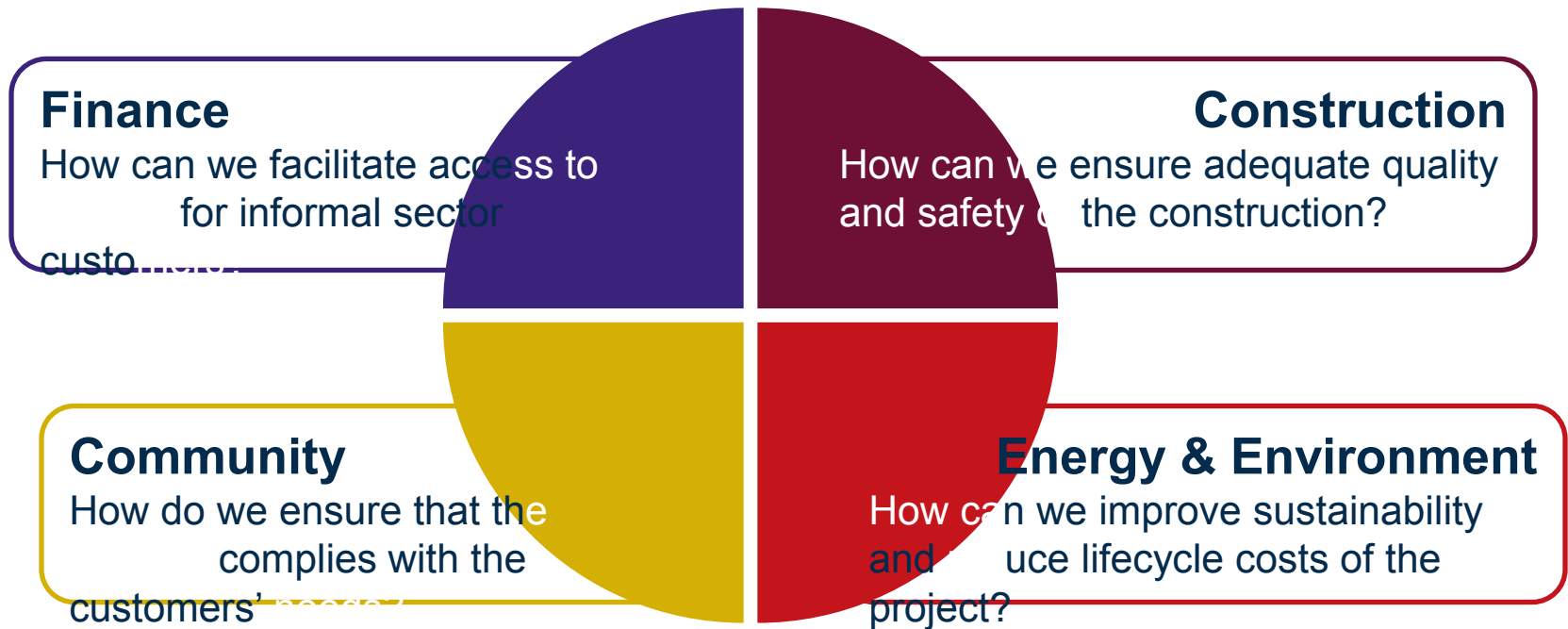7. Accessible to Informal Sector Customers

Revenue Model

- Citizen Sector Organizations (CSO) identify potential customers and prepare them for housing loans
- Developers build homes based on the demand gathered through various CSOs, accessing them via the HVC Entrepreneur
- Housing finance institutions remunerate CSOs on loan disbursals
- Developers sell homes through the HVC Entrepreneur and remunerate them on sales
- HVC entrepreneur passes on a commission to the CSO for their work with the customer

Developer

Ashoka HVCE

Housing Finance Institutions (HFI)

Citizen Sector Organisation/s (CSO)

CUSTOMER

Geographies

Active Cities	**Ahmedabad, Ghaziabad, Bangalore, Bhopal & Chennai**
Work in Progress	**NCR, Mumbai, Pune, Kochi**
Future Cites	**All Major Metros**

CASA Rating System

Finance
How can we facilitate access to for informal sector custo......

Construction
How can we ensure adequate quality and safety of the construction?

Community
How do we ensure that the complies with the customers' needs?

Energy & Environment
How can we improve sustainability and reduce lifecycle costs of the project?

Sustainable & Affordable Housing – Less is More
Housing Finance Companies Registered with NHB

Category	No. Of HFIs	Assessment Product (AP)	Main Focus on AP
Category I	18	6	-
Category II	39	16	14
Total	57	22	14
Last 5 Years	30	20	13

Some Interesting Organisations

- **Gruh Finance**

- **Dewan Housing Finance**

- **DHFL Vysya Housing Finance**

- **Micro Housing Finance Corporation**

- **Home First Finance Company**

- **Aadhar Housing Finance**

- **Aptus Value Housing Finance**

- **Equitas Housing Finance**

- **Muthoot Housing Finance**

- **Shriram Housing Finance**

Sustainable & Affordable Housing – Less is More
Project Economics

Parameter	Option I	Option II
Land Extent	5 Acres	5 Acres
FSI Achieved	1.5	2
Total BUA	3 Lakh sft	4 Lakh sft
Avg. Size of the Unit	400 sft	400 sft
Total No of Units	750	1000
Amenities Cost Per Unit	Rs 1 Lakh	Rs 1 Lakh
Avg. Selling Price	Rs 2500/ sft	Rs 2500/ sft
Avg. Total Unit Price	Rs 10 Lakhs	Rs 10 Lakhs
Total Sale Proceeds	Rs 75 Crs	Rs 100 Crs

Cost Structure	Option I	Option II
Land Cost	Rs 1 Cr / Acre	Rs 1 Cr / Acre
Land Devpt Cost	Rs 50 Lakhs / Acre	Rs 50 Lakhs / Acre
Total Land Cost	Rs 7.5 Crs	Rs 7.5 Crs
Construction Cost	Rs 1200/ sft	Rs 1200/ sft
Total Construction Cost	Rs 36 Crs	Rs 48 Crs
Plan Approval & Legal Cost	Rs 5 Crs	Rs 6.5 Crs
Total Amenities Cost	Rs 7.5 Crs	Rs 10 Crs
Project Cost	Rs 56 Crs	Rs 72 Crs
Mktg & Overheads Cost - 8%	Rs 5 Cr	Rs 6 Cr
Total Project Cost	Rs 61 Crs	Rs 78 Crs
Total Interest Cost – 15%	Rs 9 Crs	Rs 12 Crs
All Inclusive Cost to Developer	Rs 70 Crs	Rs 90 Crs

Sustainable & Affordable Housing – Less is More

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SATISFACTION

www.fec.ashoka.org