



Affordable Green Housing



Developed by



With financial participation of



Implemented by



www.sunref.org

About SUNREF

Environmental integration offers significant economic development potential: green growth provides a number of opportunities to companies through new markets, especially in the fields of:

- Energy management
- Sustainable natural resources management
- Environmental protection

In developing countries, financing this green growth is a major challenge. Agence Française de Développement (AFD) contributes to this challenge in partnership with banks in the South. AFD has developed a programme, called SUNREF (Sustainable Use of Natural Resources and Energy Finance) in its effort to provide support to develop innovative green investments through environmental credit lines for local financial institutions. The programme includes both extension of technical assistance and credit lines to local financial institutions so that they can finance small and medium-size projects of public and private promoters. Till date, under the SUNREF label, AFD has committed 2.5 billion euros to 70+ financial institutions for financing green projects in more than 20 developing countries.

SUNREF in India

AFD launched the SUNREF Green Housing India programme in August 2017, in partnership with the National Housing Bank (NHB) and with the support of European Union (EU). This programme aims at

Reducing the negative impacts of housing industry on environment.

Savings in energy and water bills by encouraging the development of green residential houses with efficient building material use.

Scaling up green and affordable housing projects in India.

In line with AFD's mandate in India, the project brought together by NHB and AFD aims at reducing the negative impact on environment of the dramatic growth of the housing industry in India by supporting the development of green affordable housing.

The SUNREF India programme has two components: a) financing component, which aims to fund eligible green affordable housing projects - a credit facility of Euro 100 million as well as an Investment grant of Euro 9 million to reduce the cost of eligible loans, including up to Euro 1 million dedicated to green label certification - and b) technical assistance component which aims at enhancing the capacities of stakeholders supporting private and public stakeholders to reinforce their capacities in elaborating and implementing green housing schemes.

SUNREF Focus Areas

- Promoting the existing local green labels for housing.
- Making green housing more affordable to low-income households.
- Making houses more livable and eco-friendly using green techniques.
- Demonstrating the market potential and the relevance of green housing.
- Encouraging the adoption of rules favourable to green housing in public policies.

SUNREF Objectives

Reinforce

the NHB institutional capacities in supporting the nascent green housing market and the active stakeholders in this sector.

Provide

Primary Lending Institution (PLIs)³ and housing developers with technical and financial support to ease the scaling up of the green affordable housing industry.

Spur

technical measures on energy and environment's efficiency in the housing sector by promoting two existing labels: IGBC and GRIHA.

Ease

the early adoption of rules favourable to green housing in the public policies of States and cities.

SUNREF Green Housing India is expected to allow up to 12 000 households to benefit from improved housing conditions; with two thirds of these households living below the poverty line; through the construction of an estimated 420 000 square meters of new habitable floor. The project is expected to support 20 residential sub-projects green label certification.



³Primary Lending Institutions (PLIs) include Housing Finance Companies, Banks and other financial institutions



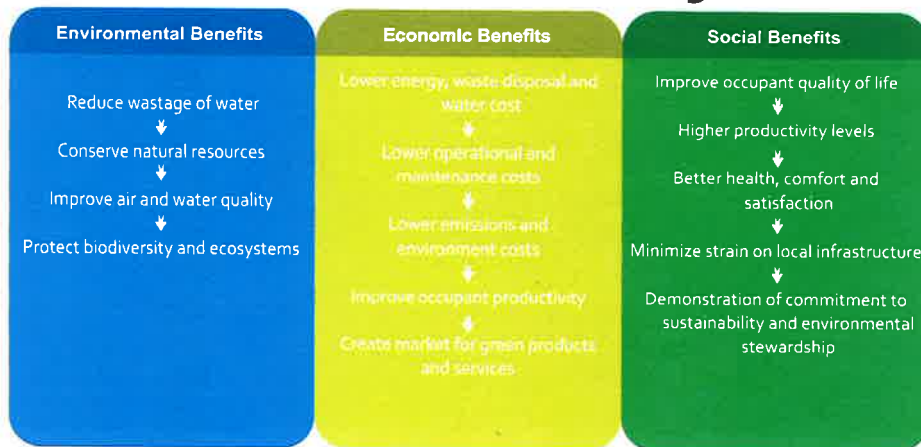
SUNREF Project Beneficiaries

Private or Public housing promoters and developers addressing the affordable green housing segment.

PLIs (Including housing finance companies, banks and financial institutions) lending in the affordable and green housing segment.

Individuals buying a dwelling by taking a home loan. In order to favour the lower segment of income households, SUNREF India will allocate at least 50% of the facility to EWS and LIG households.

Benefits of Green Building



SUNREF Benefits for home buyers

Green housing assists in achieving operational cost savings for energy and water for end users.

Green buildings also help in achieving enhanced value of the residential property.

It results in reduced construction time schedule for developers and early delivery of housing stock for home buyers.

SUNREF Benefits for PLIs

Availability of re-finance at competitive rate.

Marketing and Co-branding with Sunref programme – Green loan product development.

Benefits from training and capacity building activities provided through SUNREF.

SUNREF Benefits for Project Developers/Promoters

Green housing assists in achieving capital cost savings for developers It also helps in achieving enhanced value of the residential property and improved marketability.

It results in reduced construction time schedule for developers and early delivery of housing stock.

Marketing and Co-branding with Sunref programme.

Refinance will be provided at a competitive interest rate.

Reimbursement of green certification costs of the affordable green housing project.

Training and capacity building activities provided through SUNREF.



SUNREF Eligibility for Project Developers/Promoters

Housing projects that receive pre-qualification for IGBC Green Homes – Gold or Platinum Rating OR GRIHA – 4 Star and 5 Star Rating.

Projects targeting Economically weaker section(EWS), Lower Income Group (LIG) and Middle Income Group (MIG) are eligible .

Maximum household income upto Rs 18 lacs per annum are eligible.

SUNREF Eligibility for PLIs

Financial criteria

To be qualified as eligible, a loan granted by NHB or by Primary Lending Institutions shall meet the following cumulative criteria:

- Date of NHB disbursement: after 1 January 2016.
- Maximum amount: EUR 15,000,000.
- Maximum retroactive financing: retroactive financing shall not exceed EUR 10,000,000.
- Minimum tenure: 5 years (not applicable for construction finance projects).
- PLI can apply maximum interest rate spread of 625 bps.

Technical criteria

Green label certification - To be qualified as eligible Green Housing Programmes, a housing programme shall meet the following cumulative criteria:

- Only housing programmes that receive pre-qualification for GRIHA or IGBC labels are eligible.
 - 4 star and 5 star GRIHA certified housing programmes are eligible.
- Gold and Platinum IGBC certified housing programmes are eligible.
- Only projects targeting EWS, LIG and MIG populations are eligible. The borrower will allocate at least 50% of facility to EWS and/or LIG households. Individual house projects are not eligible under the programme. Preference will be given to manual scavengers, women (with overriding preference to widows), persons belonging to scheduled castes/scheduled tribes/other backward classes, minorities, persons with disabilities and transgender.
- Housing project located in any urban area in any State / UT in India is eligible under the programme.

SUNREF Eligibility for Home Buyers

- Housing project located in any urban area in any State / UT in India.
- Housing that received Gold or Platinum rating under IGBC Green Homes certification; or 4 or 5 Star rating under GRIHA green certification.
- Housing project targeting EWS, LIG and MIG populations, following the definition of the Government of India.
- Loans of up to Rs 125 Cr disbursed after 1st January 2016, with a minimum loan tenor of 5 years at a concessional interest rate can be refinanced.
- Individual house projects (houses built by an individual on their own land) are not eligible.



SUNREF recognised Green Rating Agencies



GRIHA – Joint initiative of TERI and the Ministry of New and Renewable Energy, Government of India.

Both IGBC & GRIHA offer wide array of services which include developing new green building rating tools, green building certification and green building training and capacity building programmes.

For more information about the loan conditions and application procedures,
please reach us directly.

CONTACT

SUNREF – India Office
National Housing Bank
Core 5A, India Habitat Centre
Lodhi Road, New Delhi – 110 003
Phone.: 011-39181065
Email: kjaganmohana.rao@nhb.org.in

