

Poor may get to own homes they take on rent

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New Delhi: The government will soon come out with a house rental policy which will allow migrants in cities to take a house on rent from government bodies for certain years and subsequently they can own them by paying the entire cost in easy instalments.

This scheme known as “Rent to Own” will be one of the components of the ambitious National Urban Rental Housing Policy, which the housing ministry will anchor.

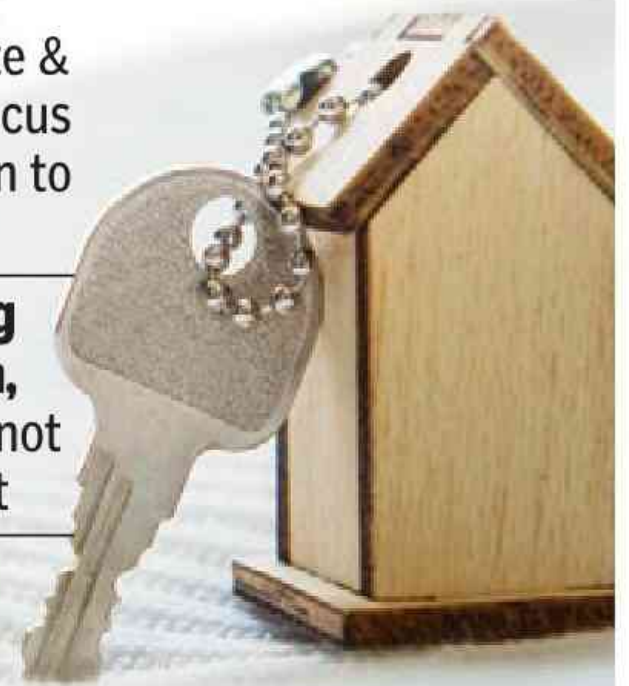
Union housing minister M Venkaiah Naidu on Thursday said the model Act will be placed before Cabinet for approval. Once the model Act is notified, states can adopt it. He added rental housing will be a key supplement to the Housing for All scheme of government, primarily aimed at meeting the requirement of ever growing migration to urban areas.

COMPONENTS OF RENTAL HOUSING

➤ **Social Rental Housing** | To get direct or indirect support from state & central government with special focus on providing rental accommodation to **vulnerable group** and **EWS**

➤ **Market-Driven Rental Housing** | Primarily for **working women, men, students, MIG and HIGs**. These will not get direct support from government

➤ **Institutional rental housing** | For students/working women and men for six months to five



What is Rent to Own Scheme?

Initial allotment for housing units is on a leased basis for fixed years. Buyer can deposit monthly rent equivalent to EMI in bank, which contains a share of rent and rest as thrift. **When EMI reaches 10% of the total unit cost, property will be registered in buyer's name and hypothecated to bank and government.** In case of full non-payment, bank and government will resell property. Thrift amount will be returned to buyer without interest. After full payment, buyer gets ownership

His ministry has already moved the Cabinet proposal, which aims at increasing supply of housing stock,

putting in place enabling provisions to encourage property owners to rent out their houses.