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DBS to build 25,000 affordable homes in A'bad in five years

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City-based DBS Affordable Home Strategy Ltd. is set to create about 25,000 affordable home for the lower income groups in next five years, financial closure for which the developer has achieved with micro finance institutions and banks.

At a project cost of Rs 2,000 crore, DBS aims to achieve large scale mass production of houses that are affordable and financed through savings and credit systems that are accessible to the lower income groups and bottom half of the socio - economic pyramid in different parts of Ahmedabad.

"We have achieved financial closure following around 10-12 MoUs with micro finance institutes and banks for Rs 1,700 crore for the project. We look to deliver 25,000 affordable houses in different parts of Ahmedabad in next five years," said S Sudarshan, director of DBS Affordable Home Strategy Ltd. The developer will offer 1 BHK and 2BHK of 35 and 50 sq yards at Rs 12,000-14,000 per sq yard price.

Launching the project, YK Alagh, former Planning Commission member said, "Affordable home developers must continue to innovate to be able to provide small homes at the most competitive prices. It is clear that there is a much larger market waiting to be tapped. Ideally housing for this segment in the city of Ahmedabad should be kept under Rs 7 lakh. Housing of the unit can be explored in terms of Interior finishes. The more austere the finishing's, the greater will be the affordability and greater the access to formal mortgage able asset creation."

According to Sanjay Shah, managing director of DBS, the houses in the project will be marketed under the brand of 'Umang'. "Our target group are those with a family income of around Rs 10,000-25,000 per month. DBS currently constructs 1 room Kitchen and 2 room Kitchen apartments in the price range of Rs 5 lakh to Rs 10 lakh. By 2020, DBS communities will have built 50,000 live able and affordable homes, and will have grown and expanded into a large social enterprise where people who join as customers transform their lives and become partners in the movement and mentor newcomers," said Shah.

The total area under the project is about 500,000 sq yard which DBS will acquire by partnering with various land-owners. As part of its MoU with micro finance institutes and banks, housing finance for the lower income group will be provided at a rate of 11-14 per cent.