

Urban Poverty – The ‘Rental Housing’ Paradigm

Context: The Ministry of Housing & Urban Affairs (MoHUA) released the *Operational Guidelines for the Affordable Rental Housing (ARH) Vertical* under **PMAY-Urban 2.0** in January 2026. **Key Theme:** From 'Ownership Obsession' to 'Tenure Neutrality'. **Keywords:** ARHC (Affordable Rental Housing Complexes), Model Tenancy Act, Circular Migrants, The 'Dormitory' Model.

1. The Persona: The "Invisible City Builder"

To understand why PMAY-U 1.0 failed the migrant, meet **Ramesh**, a construction worker from Bihar living in Mumbai.

- **The PMAY 1.0 Flaw:** The old scheme offered Ramesh ₹2.5 Lakhs to *build/buy* a house.
- **Ramesh's Problem:**
 1. **Landlessness:** He doesn't own land in Mumbai to build on.
 2. **Unaffordability:** Even with ₹2.5 Lakhs subsidy, he cannot afford a ₹50 Lakh flat.
 3. **Mobility:** He moves where the work is (Mumbai today, Pune tomorrow). He doesn't *want* to be tied down to one house.
- **The Result:** Ramesh lives in a slum, paying high rent to a slumlord for zero hygiene. PMAY 1.0 was for the "**Settled Poor**," not the "**Mobile Poor**."

2. The Solution: PMAY-Urban 2.0 (The Rental Shift)

The January 2026 guidelines for the **ARH Vertical** acknowledge that for a migrant, *Housing is a Service, not an Asset*.

The Two Models of ARHC:

- **Model 1 (Recycling Waste):**
 - *The Plan:* Converting the thousands of **Government-Funded Vacant Houses** (built under JNNURM but lying empty due to poor location) into Rental Complexes.
 - *The Fix:* The government repairs them and hands them over to "Concessionaires" (Private Companies) to run as hostels for 25 years.
- **Model 2 (New Supply):**
 - *The Plan:* Private companies build new "**Dormitory Style**" housing on their own land near industrial estates.
 - *The Incentive:* The government gives them "**Technology Innovation Grants**" (TIG) (approx ₹60,000 to ₹1 Lakh per unit) and, crucially, **Higher Floor Area Ratio (FAR)** (allowing them to build taller towers).

3. Working Women: The "Safe Landing" Pad

A specific focus in the Jan 2026 guidelines is on **Working Women Hostels**.

- **The Gap:** A young woman from a small town getting a job in Bengaluru often spends 60% of her salary on rent/security deposits.

- **The PMAY-U 2.0 Fix:**
 - **Quota:** Specific reservation of ARHC units for single working women.
 - **Cap on Rent:** For these units, the rent is fixed by the local authority, not the market.
 - **Safety:** Mandatory CCTV and security audits are linked to the release of government grants to the operator.

4. The Legal Backbone: The Model Tenancy Act (MTA)

You cannot have a rental market if landlords are scared to rent.

- **The Fear:** Landlords in India fear "**Tenant Squatting**" (The tenant refuses to leave and claims rights).
- **The Jan 2026 Push:** MoHUA has linked PMAY-U 2.0 funds to State Reforms. A state *must* implement the **Model Tenancy Act** (which creates a fast-track Rent Authority and bans squatting) to get funds for ARHCs.
- **Result:** This aims to unlock the estimated **1.1 Crore vacant houses** in Urban India (Census 2011 data projected to 2026) that are locked up because owners fear bad tenants.

5. Mains Analysis: The "Right to the City"

- **De-Slumming:** ARHCs are the first practical solution to stop the growth of new slums. If a migrant can get a clean bed for ₹3,000/month, they won't pay ₹2,500 to a slumlord.
- **Economic Productivity:** Poor housing leads to poor health (dengue/malaria), which leads to lost workdays. Decent rental housing directly boosts the **GDP** by keeping the labor force healthy and productive.
- **Conclusion:** The ARH vertical marks the maturity of the Indian Welfare State. It realizes that "**Housing for All**" does not mean "**Home Ownership for All.**" It means a roof over every head, whether owned or rented