

Tabadlab Policy Roundtable 04 - COVID-19, Housing & Construction in Pakistan Policy Brief

<https://www.youtube.com/watch?v=k72SmSwN384>

As the federal government attempts to protect its ambitious scheme of constructing five million houses from the ravages of COVID-19, Tabadlab speaks to leading experts for their take on the matter. Our speakers shed light on the contours of the affordable housing landscape in Pakistan and all the complexities that must yet be understood to achieve this target.



Huma Sattar
Researcher, Consultant
Economic & Public
Policy, Business
Recorder



Ibrahim Khalil
Non-Resident Fellow, Tabadlab



Fizzah Sajjad
Research and Policy
Director, Mahbub ul Haq
Research Center, LUMS



Jawad Aslam
CEO, Ansar
Management Company



Namoos Zaheer
Senior Specialist, The World Bank

Recommendations

- Taking communities on board to understand their needs better
- Prioritizing affordability for lowest income groups
- Balancing public sector subsidies and private sector profitability
- Reducing reliance on commercial banks to offer financing products for the masses
- One-stop solution for developers to cut through red tape

Discussion Summary

● Clarity

How coherent has the government's approach towards its housing policy been, particularly balancing housing for low-income groups while increasing housing stock in general? Is the incentive package for the construction industry in line with this policy, or is it merely meant to provide employment opportunities?

● Quantification

How did we decide that the adequate number of affordable houses for Pakistan is 10 million? Our speakers shed light on whether these figures have been systematically calculated or if the government's target of constructing 5 million houses is arbitrary.

● Demand

What do the numbers reveal about how many low-income households would actually prefer to invest in home ownership over renting? Are there any mechanisms in place to support these tenants with their payments during the financial crisis brought on by the pandemic?

● Affordability

Is it incorrect to assume that a supply of affordable housing will create its own demand? How much of their monthly income will applicants have to set aside in order to pay off their instalments? Will the increasing costs compromise on the scheme's affordability for the lowest income groups?

● Inclusiveness

Our speakers discuss the importance of bringing multiple stakeholders on board the decision-making process. While the government and property developers have dominated the conversation, to what extent have community leaders been consulted to determine their needs and preferences?

● Profitability

How difficult will it be to interest the private sector in projects with insufficient profit margins and getting banks to lend to "high-risk" clients? Alternatively, is it unrealistic to expect the Pakistani government to subsidize such developments in this economic climate?

● Regulations

Does the current regulatory framework simplify processes for those wanting to enter the construction market or create hindrances? Is it possible to create a one-stop solution which cuts through the red tape? How is the legal authority divided between the federal and provincial governments at present?