



**BUILDING A PATHWAY
TO SUSTAINABLE GROWTH
WITH GREEN AFFORDABLE
HOUSING**

BUILDING GREEN

IIFL Home
Loans'
Guide to
Sustainable
Affordable
Housing



#SustainableHomes



ABOUT IIFL HOME FINANCE LTD

Incorporated in 2006 and registered with National Housing Bank (NHB) in 2009, IIFL Home Loan is devoted to providing simple financial solutions to a diverse set of consumers, bringing them closer to the possibility of being homeowners.

We offer credit facilities to a large majority of home seekers and specially focus on providing affordable financial solutions to the underserved sections of society.

Our fin-tech enabled solutions, product innovation, widespread network, direct sales force, and pledge for sustainability empower us in our endeavour.



Made **1,07,000+*** families first-time homeowners



Enabled **42,900+*** beneficiary families with subsidy under PMAY



Facilitated **62,480+*** loans to women



Quick & hassle free home loan approval in **25 mins***

**HELPING
PROVIDE A
HOME FOR
EVERY INDIAN**

ABOUT KUTUMB

Kutumb - an initiative towards green affordable housing, is a revolutionary platform that collaborates with all stakeholders of sustainable and affordable housing in India. It encourages them to move from conventional to sustainable methods of housing development.



6
Chapters



Over
30
Experts



1,600+
Participants



Over
800
Developers



8,000+
Families impacted

Know about our Green Value Partners

Our 'Green Value Partners' have been trained to offer hand-held guidance to developers in India. They assist them through every step of the journey from conception to certification of a green building project.

OUR FOOTPRINTS IN CREATING A SUSTAINABLE ECOSYSTEM THROUGH GREEN VALUE PARTNERSHIP PROGRAM



11 Pre-Certified
Green Projects



5,542 MWhr/Year
of energy saved



3,20,000 KL/Year of Water
Savings



5,099 CO₂/Year Reduction
for pollution control

LAUNCH EVENT SUMMATION

Unveiling the future of sustainable development with this one-of-its-kind handbook

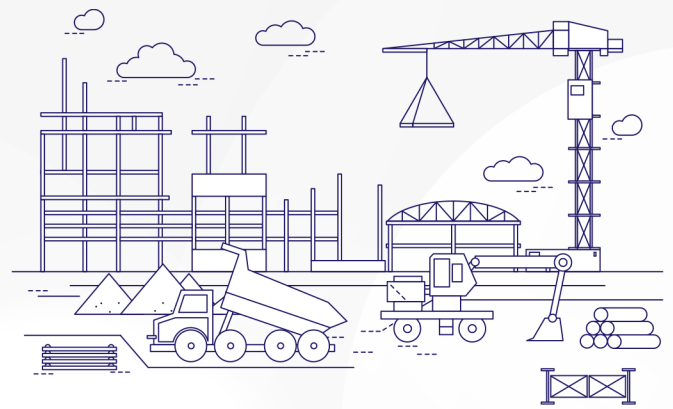
Under 'Kutumb', IIFL Home Finance Ltd. has been committed to creating awareness about **sustainable development in the affordable housing sector** in India.

The latest endeavour has been the launch of '**Building Green - IIFL Home Loans**' Guide to **Sustainable Affordable Housing**'.

THE NEED

The growing population and rampant migration to cities have contributed to unsustainable building practices. The continuum of the process has resulted in alarming climate change.

Globally, **30-40%** of the natural resources were used by the construction



THE PURPOSE

With the launch of this book we aim to provide insights and knowledge about the design and construction of projects that will help all stakeholders attain a green rating. This guide has been curated using simple terms that are easy to comprehend by all.

The demand for affordable housing is set to grow by **70% in India**



ABOUT THE EVENT

We took this opportunity for the virtual launch of 'Building Green - IIFL Home Loans' Guide to Sustainable Affordable Housing' to start insightful conversations. We invited experts from the industry to discuss and debate important aspects related to green affordable housing in India, namely:

- Policy, Regulations & Global Expectations on Indian Green & Sustainable Taxonomy.
- Need of Technical Capacity Enhancement & Certification for Green Affordable Housing.

'Building Green - Guide To Sustainable Affordable Housing' is a new-age all-encompassing book imbued with enabling **green affordable housing**.

It's curated in association with the socially responsible professor, environmentally sustainable architect, and an industry leader in advocating environmental responsibility and propagating greenways.



Ashok B. Lall

 Principal Architect, Ashok B Lall Architects
Co-Author, Building Green Handbook



Consortium for
DEWATS
Dissemination
Society



Unveiled by

S. K. Hota

Managing Director,
National Housing Bank



R. Venkataraman

Managing Director,
IIFL Finance Limited

"The solution lies in green housing or green construction, which refers to construction methods that adopt environmentally responsible and resource-efficient materials and processes."

THE SIGNING OF THE HISTORIC MOU



Sanjay Seth

CEO, GRIHA Council

By signing the MoU IIFL Home Loan and the GRIHA Council aim to work closely to penetrate the green and sustainable affordable housing in India. To raise awareness for inclusiveness, capacity building, sustainable green building concepts, through workshops and campaigns that educate the community.

PANEL

DISCUSSION 1

Policy, Regulations & Global Expectations on Indian Green & Sustainable Taxonomy.



S.K. Hota

Managing Director, National Housing Bank

"Creation of stock and homeownership goes hand in hand."

- Encourage the affordable housing developers to deliver green.
- The scenario is demand-driven that is, there has to be a demand for green homes to create stock.
- The Housing Finance Companies, small finance banks, and other banks delivering to the economically weaker section (EWS) and LIG segment should encourage individual home loans that are green certified.
- The first time home buyers in the age group of 25-40 years dominate the home buyers market. Among 90% of the home buyers, almost 45% to 47% of people are in the age group of 25-35 years. And the other 40% are somewhere in the age group of 35-45 years. They are not looking to buy luxurious apartments. They are looking for a two room flat or a studio apartment.



PANEL

DISCUSSION 1

Policy, Regulations & Global Expectations on Indian Green & Sustainable Taxonomy.



S. Sridhar

Chairman, IIFL Home Finance Limited | Former Chairman, National Housing Bank

"I think the appellation affordable housing has to be changed to sustainable housing."

- The vision should be to make sustainable housing as mainstream. Green affordable housing must be clearly defined and the word affordable housing needs to be changed to sustainable housing at policy level.
- In India, we need to create a sustainable housing forum that may not be a legal entity. NHB should be in the centre of this coalition, where apart from playing the role of an apex financial institution it has to be more development-oriented, in order to bring all the stakeholders on one platform.
- We have to make the movement more viable, self-supporting, and self-feeding to help developers from the affordable housing segment and get medium and small developers on board for sustainable housing.
- The incentives can be the skeleton, the flesh has to come from the wider acceptability by people on the demand side and the developers for supply of sustainable affordable housing projects.
- There is a need for sustainable housing revolution in India. Similar to something which was done about 50 years ago. The green revolution was pertaining to agriculture and was a response to food shortage. Similarly, this revolution should be a response to the housing shortage.



PANEL

DISCUSSION 1

Policy, Regulations & Global Expectations on Indian Green & Sustainable Taxonomy.



Nirmal Jain

Founder, IIFL Finance Ltd.

"We need to get taxonomy regulation in place, it would be easier to make our intent to realise and fructify."

- The challenge for the private sector and government bodies is to define what is sustainable and green.
- We need a proper taxation regulation to gain support and allow the investments to flow in.
- In order to allow proper disbursement of government resources, we foremost have to set qualifiers for a project to be green and sustainable.
- What we need today in India is taxonomy regulations. The moment we get that into place, it will become easier for us to bring our intent into real life and rectify the problems.
- Be it regulators or the government, everybody is very clear that climate change and global warming is the real threat and we need to incentivise to curb it. Someone may say that they're doing something which is green and sustainable, but how do you assess whether it's green, whether it's certified, or whether it meets the criteria of government incentives for investments, for bonds or for any other capital to flow in. The private sectors will be very happy to participate but what we need is the taxonomy regulations first.



PANEL

DISCUSSION 1

Policy, Regulations & Global Expectations on Indian Green & Sustainable Taxonomy.



N. Srinivasan

Managing Director and Head of South Asia, CDC

"We aim to support our market to transition to a prosperous, low carbon, and climate-resilient economy."

- CDC is a UK government-owned DFI, the oldest DFI in the world since 1948, and in Asia for the last 35 years. CDC has signed the Paris accord and our climate change strategy is based on three building blocks:
 - a. Net Zero by 2050, investment for a net-zero world and supporting the transition to a net-zero economy by keeping the creation of jobs and skill development at the forefront of this change.
 - b. Adaptation and resilience of sectors.
 - c. Communities business trading.
- The role of the BFSI sector is to aid the transition and offer handheld guidance during the adaptation and resilience.
- The banks should also follow a certain degree of green agenda to power the movement.
- If we are switching to green building, we need to move towards Edge Certification to get a mark of a credible process.
- Climate and green isn't just renewable energy or having solar power, it goes across various sectors like affordable housing, food and agriculture, and technology.
- 80% of all the limited partners (LP) in the world are insisting on the climate change agenda and thus going green is an inevitable option to raise money internationally.

PANEL
DISCUSSION 1

Policy, Regulations & Global Expectations on Indian Green & Sustainable Taxonomy.



Sean Kidney
CEO, Climate Bonds Initiatives*

“To shift the economy and ensure we address the challenges facing our children in a timely fashion, we need to bring in the incentive and link it to the reduction in emission, resilience in infrastructure, usage of water, and other environmental issues.”

- In India, we have to ensure that the new building development is done in a way that reduces the need for energy.
- We have added more capacity in air conditioning globally. Therefore, the heat and energy efficiency of a building is incredibly important going forward, to ensure we can meet our climate ambitions and outstrip air conditioning growth with renewable energy growth to reduce fossil fuels.
- In India we have an incredibly important social justice agenda for affordable housing which is central to what we are doing.
- The agenda post-pandemic is to 'Build Better' since IPCC has been predicting a lot more pandemics this century because of climate change.
- It's worth understanding the degraded environment roots of the pandemic. It's about pathogens jumping between species as a result of collapsed bat ecosystems in Southern China and Asia. And as a result, this can be seen as one of the climate change incidents.
- The pandemic teaches us that we need to look at social resilience while we are addressing mitigation and we need to make sure that people have access to health, to protection, and to jobs. We need to use construction boom to create jobs.

***About the company:**

Climate Bonds Initiative is an international organisation working solely to mobilise the largest capital market of all, the \$100 trillion bond market, for climate change solutions.

PANEL

DISCUSSION 1

Policy, Regulations & Global Expectations on Indian Green & Sustainable Taxonomy.



V. Suresh
Chairman, IGBC

"Taking the green path is the right way to go. Green finance is trying to give affordable finance which is linked to green products and projects."

- There are three major actors that play their roles. From the supply side, we have the very important component namely the builders, the developers, the architects, the engineers, the MEPF, etc. While on the demand side we have the consumers, the third part comprises of the financiers and regulators. And if you're able to get all the three, to put their act together that's when a meaningful interpretation of these efforts can come to fruition.
- A green housing bond will help raise a substantial amount of finance in the market. Along with that, there will also be a tax-free component, which will be a fantastic opportunity where the cost for housing finance institutions would be very low. This bond will succeed since the government has already come up with the best possible intervention or the six hundred percent interest subvention which is already available for the weakest section of housing.
- We already have the incentive coming in with single-digit interest on housing finance. We have furthered it by giving incentives in CAPEX and OPEX. In CAPEX, the incentives are given on land, development, floor-area ratio, and in OPEX, we can offer a reduction in property tax for those who build green and maintain green.
- IGBC has provided 1.7 million houses with 2.2 billion sq ft of green footprint for affordable housing, especially for economically weaker sections (EWS) and lower-income segment (LIS).
- We are working towards net-zero in terms of water, waste, energy, and carbon to optimize the efficient and economical use of all the resources. We also need to put into action green pro rating and eco-labeling.

PANEL

DISCUSSION 2

Understanding the Gaps & Strategising for Knowledge Sharing, Capacity Building, Green Certification & Material Innovation in Sustainable Affordable Housing.



Ashok B Lal

Principal Architect, Ashok B. Lall Architects

“There are three major disjuncts to the objective of sustainable development, affordable homes and green housing that have to be looked at on a policy level.”

- The Three Disjuncts At Policy Level:
 - a. The lack of town planning and regulation of land markets is keeping affordable housing, unaffordable in the cities.
 - b. Developers need to be more sensitive and mindful of the practices they adopt while building green.
 - c. Redundant solutions that utilise technology for mass production in a quick time period offer a temporary solution, bypassing the objective of sustainable homes.
- Developers call it affordable housing, get benefits, and actually serve only the middle class. They're not meeting the need where it exists, so there's a big short-fall on the ground of urban planning and regulation of land markets that is keeping affordable housing, unaffordable in the cities.
- Developers are the most difficult to convince to go green. They sell knowing that they're going completely in the opposite direction from green. They then come to the green proponents, saying can you give me a solution within this framework.



PANEL

DISCUSSION 2

Understanding the Gaps & Strategising for Knowledge Sharing, Capacity Building, Green Certification & Material Innovation in Sustainable Affordable Housing.



Susan Olsen

Senior Specialist, Private Sector Financial Institutions, South Asia - ADB

"To implement scalable solutions, more financing should be offered to developers in T2, T3 and T4 towns, where the biggest housing deficits still lie."

- The leadership and vision within the sustainable development sector needs to be replicated and scaled, to build confidence and help with on-ground implementation.
- Finance companies play a pivotal role, providing technical support to developers to enable certification. On the consumer side, they grant access to mortgage finance for sustainable affordable homes.
- The demand for sustainable affordable housing can be increased by incentivising it for consumers.
- Housing Finance Companies need to take up a leadership role in the field of sustainability, enabling more stakeholders to offer end-to-end solutions. This will help to present sustainable affordable housing as a mainstream solution to fulfill the housing requirements of India.
- Organizations across the globe have begun making sustainability a top priority. By 2030, 75% of the projects funded by Asian Development Bank, amounting to \$80 billion, will need to have climate risk involvement.



PANEL**DISCUSSION 2**

Understanding the Gaps & Strategising for Knowledge Sharing, Capacity Building, Green Certification & Material Innovation in Sustainable Affordable Housing.

**Neha Kumar**

India Representative, Climate Bonds Initiatives

"In the ecosystem, there is a movement towards more regulation that is being set by the Ministry of Finance when it comes to sector level discussions."

- A taxonomic approach to understanding what green assets are in the housing sector needs to be built in India, so that there is a common language around it that gets implemented with government anchoring.
- Importance of actually labeling according to certain standards will probably become even more clear when you have a taxonomy.
- The building sector is a strong contender for taxonomic attention, keeping in mind the criteria for selection.
- It is about the economic impact, contribution to GDP, the extent of jobs that can get created, the climate impact, the mitigation impact, the emission impact, all of these are the metrics which we will keep in mind while working on the initial sectors.
- The time that India takes to develop taxonomy shouldn't be a wait and watch time. Certain regulatory amendments or signals can already be given to the market so that they move in the right direction.
- There is a market uptake of a scientifically robust standard which gives comfort both to the borrower as well as to the investor. And this market uptake gives you an idea what labelling scheme or what certification can do to drive the market ahead.

PANEL

DISCUSSION 2

Understanding the Gaps & Strategising for Knowledge Sharing, Capacity Building, Green Certification & Material Innovation in Sustainable Affordable Housing.



Sejal Patel

Professor & Chair, Housing, Faculty of Planning, CEPT University

"It is important to converge the definition of affordable housing and while doing so, we must reach out to the EWS and LIG segment as they are currently not being included."

- Three major policies that shape affordable housing delivery
 - a. Sec 80 (I)(B) Definition - Prescribes affordable housing as housing which has a price ceiling of 45 lakhs but where in, the carpet area is 90 square meter.
 - b. GST Description of Affordable Housing - Which also has a similar price ceiling of 45 lakhs, and a carpet area of 90 square meter.
 - c. ECB Definition - 50 units have to be under the segment of 60 square meter of carpet area.
- The delivery of service land needs to be expedited to meet the demands of various cities.
- One of the key focus areas is that this entire process for the developer or the supply mechanism in converting land to build space. This has been made easier with the concerted efforts of the Government of India as it is reflecting in the ease of doing business, especially in securing construction permits.
- In the overall ecosystem, a lot more ground needs to be covered to optimise the process of converting land to build space, both in terms of time duration and the kind of procedures which are involved.
- A majority of the EWS and LIG housing is self-built or with the support of public housing or with the support of PMAY under its verticals. It's difficult for them to self-build in this segment.



PANEL

DISCUSSION 1

Policy, Regulations & Global Expectations on Indian Green & Sustainable Taxonomy.

Summary

It's not the property loan, but the individual home loan that increases the housing stock. New policies and regulations must be brought in when it comes to affordable sustainable housing in India. On the sustainable front, there should be a greater realisation, beyond the government, especially given the fact that India is the third-largest emitter of greenhouse gases in the world. Affordable housing, food, and agriculture, healthcare, etc, the green layer cuts into all of these sectors. The sustainability of our society, economy, the ecosystem is a complex thing with built environments being at the center of the solutions. The path ahead is to take green and collate all the resources necessary to make the desired changes happen.

PANEL

DISCUSSION 2

Understanding the Gaps & Strategising for Knowledge Sharing, Capacity Building, Green Certification & Material Innovation in Sustainable Affordable Housing.

Summary

The leadership and vision within the sustainable development sector needs to be replicated and scaled, to build confidence and help with on-ground implementation. This becomes possible once Housing Finance Companies take up a leadership role in the field of sustainability, enabling more stakeholders to offer end-to-end solutions. Green building and technologies need to be made more affordable and accessible, especially to the EWS and LIG segments by re-aligning policies. The disjuncts in sustainable affordable housing such as the town planning policies, current developer practices and alignment of redundant solutions need to be highlighted and addressed. Lastly, a taxonomic approach is required to create a uniform language around sustainable affordable development, enabling implementation with government anchoring.

Scan for



Prelude to Building Green Handbook



YouTube Recording



An Initiative Towards Green Affordable Housing