



Research Unit
Press Information Bureau
Ministry of Information and Broadcasting
Government of India



SPECIAL WINDOW FOR AFFORDABLE AND MID-INCOME HOUSING (SWAMIH) INVESTMENT FUND

In the spirit of Sabka Saath, Sabka Vikas, Sabka Vishwas, and Sabka Prayas, SWAMIH Fund has completed 20,557 homes since its inception in 2019

(Ministry of Finance)

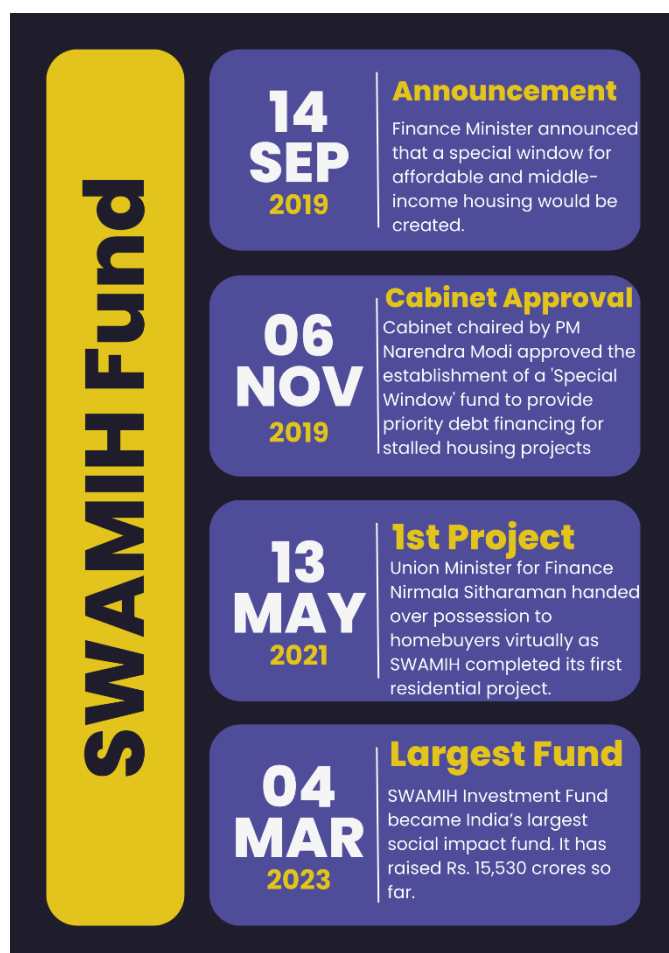
March 10, 2023

REVIVAL OF STALLED HOUSING PROJECTS

On September 14, 2019, the Finance Minister announced that a special window for affordable and middle-income housing would be created. This special window will provide last-mile funding for stressed housing projects.

On November 6, 2019, the Union Cabinet chaired by Prime Minister Shri Narendra Modi approved the establishment of a 'Special Window' fund to provide priority debt financing for the completion of stalled housing projects that are in the Affordable and Middle-Income Housing sector.

As per industry estimates, in 2019, **90% of the stalled projects were under the affordable and mid-income segment**, making about 1509 housing projects comprising approximately 4.58 lakh housing units in the stalled category. Revival of stalled projects was expected to lead to early completion and timely possession of homes for home-buyers who have invested their hard-earned money.



GOVERNMENT'S COMMITMENT

The Government acts as the sponsor of the fund and has the authority and responsibility as specified under SEBI (AIF) Regulations, 2012. Whereas the investment manager is responsible for fundraising, investments and managing the fund team. SBICAP Ventures Limited has been engaged as the Investment Manager of the Fund.

During its establishment, the total commitment of funds infused by the Government in the affordable and middle-income group housing sector through the Special Window was up to Rs 10,000 crores.

Funding was to be provided to the projects that meet the following criteria:

- Stalled for lack of adequate funds
- Affordable Middle-Income Category
- Net worth positive projects
- RERA registered
- Priority for projects very close to completion

Affordable and mid-income housing was defined to include any housing projects wherein housing units do not exceed 200 sq. m. RERA carpet area and are priced as below:

- Up to or less than Rs 2 crores in Mumbai Metropolitan Region
- Up to or less than Rs 1.5 crores in National Capital Region, Chennai, Kolkata, Pune, Hyderabad, Bangalore and Ahmedabad
- Up to or less than Rs 1 crore in the rest of India.

This price does not include any additional charges for social amenities, parking, housing society, brokerage, deposits, registration and stamp duty charges.

Taking into account the stress in the housing and construction industry, many measures had already been undertaken by the Government in the past to boost the housing sector, such as:

- Providing IT deduction on Affordable Housing
- Introduction of Repo rate/external benchmark linked loan products
- Implementation of the Pradhan Mantri Awas Yojana (PMAY)
- Liquidity support to HFCs.
- Partial government guarantee for assets purchased by a bank from a stressed NBFC or HFC
- Lowering of interest in House Building Advance (HBA)

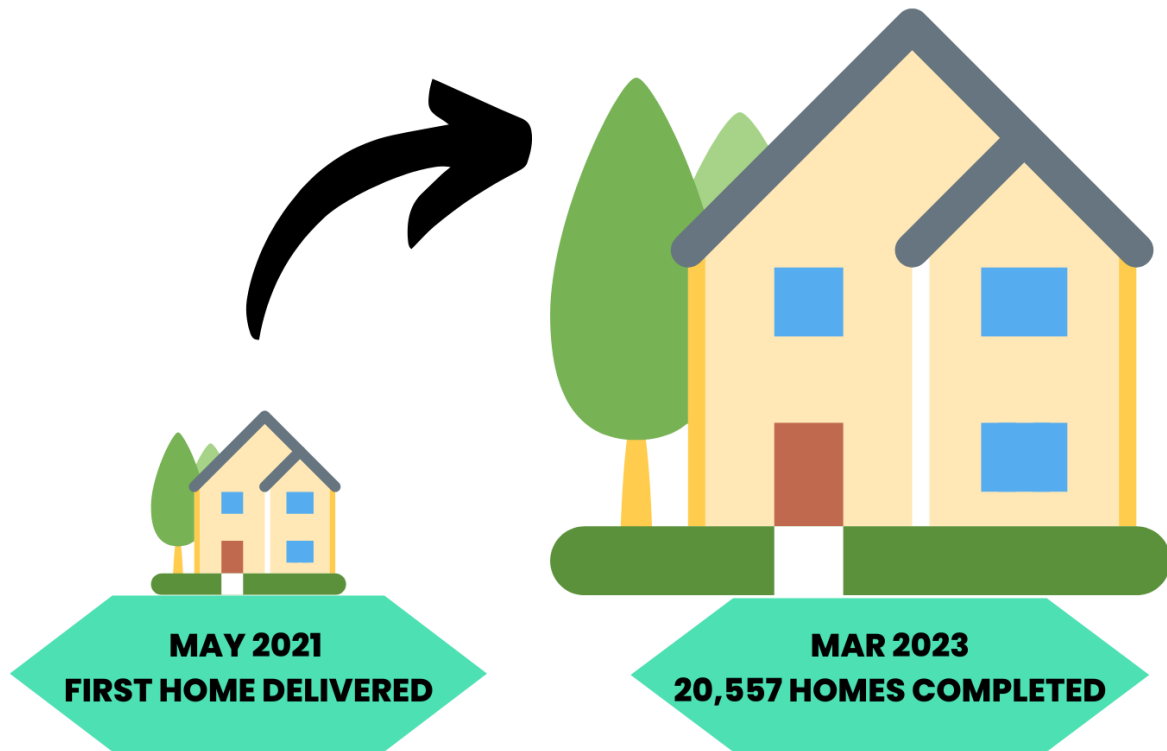
FIRST PROJECT COMPLETED

On May 13, 2021, the Union Minister for Finance, Nirmala Sitharaman handed over possession to homebuyers virtually as SWAMIH completed its first residential project. The residential project - Rivali Park, located in suburban Mumbai, was the first housing project in India to have received funding and get completed under the SWAMIH Fund.

Over 1.5 years after its inception in 2021, the SWAMIH Investment Fund has become one of India's largest private equity funds, doing commendable work despite COVID-19-related restrictions. Smt. Sitharaman had said that the Government believes that once these homes are constructed and completed, a large amount of capital locked up in these projects would be released.

The finance minister also stated that it would provide employment to construction workers and would provide impetus to allied industries such as steel and cement. Further, it would improve portfolios of Banks and NBFCs and significantly improve the economic sentiment in the nation.

The Fund has become a bridge of trust between homebuyers and developers by completing construction and delivering homes without depending on any other source of finance.



INDIA'S LARGEST SOCIAL IMPACT FUND

On March 4, 2023, the SWAMIH Investment Fund became India's largest social impact fund specifically formed for completing stressed and stalled residential projects. It has raised Rs 15,530 crores so far.

Until now, SWAMIH has approved about 130 projects with sanctions worth over Rs 12,000 crores. In three years since its inception in 2019, the Fund has already completed 20,557 homes and aims to complete over 81,000 homes across 30 Tier 1 and 2 cities in the next three years.

Given the robust controls and despite the track record of the projects and promoters, the Fund has completed construction in 26 projects and generated returns for its investors.

The Fund has also played a critical role in the growth of many ancillary industries in the real estate and infrastructure sector, having successfully unlocked liquidity of more than Rs. 35,000 crores.

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