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Public Rental Housing for Urban Migrants? Examining the Implementation of the Affordable Rental Housing Policy and Housing Adequacy across Public and Private Rentals in Chandigarh

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Abstract

Low-income and migrant households in Indian cities depend overwhelmingly on the informal rental market to meet their housing requirements. The informal rental market is characterised by substandard housing quality, overcrowding, insufficient infrastructure services, and minimal or absent security of tenure. The Government of India's Affordable Rental Housing Complexes (ARHC) scheme represents an institutional attempt to provide formalized housing solutions for low-income households through structured rental housing provision.

Despite its policy significance, little is known about how ARHCs have been implemented in practice, who the beneficiaries are, and whether the scheme improves tenants' housing conditions relative to existing private rental markets. Five years after its inception, empirical evidence remains sparse.

This study addresses these knowledge gaps through examination of the implementation of the ARHC scheme in Chandigarh and a comparative assessment of housing adequacy between ARHC units and market-based rental accommodations. To do so, this study employs a combination of qualitative and quantitative methods, including semi-structured interviews, surveys, document analysis, spatial analysis, and photo documentation.

The study demonstrates that local ARHC implementation has been subject to administrative discretion exercised at multiple levels, facilitated by ambiguous policy guidelines. The policy has been interpreted to align more closely with organizational and fiscal priorities rather than broader social welfare objectives. Such discretionary implementation has systematically reduced the legitimate claims of numerous urban poor households. While ARHC units offer significantly superior adequacy compared to private rentals across dimensions of affordability, tenure security, infrastructure quality, habitability, and service access, the peripheral location of ARHC complexes has adversely impacted the livelihoods of the households. This locational disadvantage has paradoxically undermined tenure security through tenants' inability to pay the rent. On the other hand, private rental housing for low-income and migrant populations in Chandigarh remains predominantly informal and concentrated within urban villages, offering locational advantages despite inferior physical conditions.

This research contributes to housing policy scholarship and urban studies by critically examining the disjuncture between national policy aspirations and local implementation realities. It cautions that flawed implementation of a policy can undermine policy objectives and erode beneficiary welfare. Further, it advocates for policy approaches that balance formal housing quality with location accessibility and approaches for incorporating informal rental housing sectors within institutional frameworks.

Keywords: Rental Housing, ARHCs, Social Housing, Housing Adequacy

Abstrakt

Geringverdienende und Migrantenhaushalte in indischen Städten sind weitgehend auf den informellen Mietmarkt angewiesen, um ihren Wohnbedarf zu decken. Dieser ist durch mangelhafte Wohnqualität, Überbelegung, unzureichende Infrastruktur und fehlende Sicherheit des Wohnrechts gekennzeichnet. Das Programm „Affordable Rental Housing Complexes" (ARHC) der indischen Regierung stellt den Versuch dar, formelle Wohnlösungen für Einkommensschwache durch institutionelle Mietwohnungsangebote zu schaffen.

Trotz seiner politischen Bedeutung liegen nur begrenzte Erkenntnisse darüber vor, wie ARHC tatsächlich umgesetzt wird, wer die Begünstigten sind und ob das Programm die Wohnbedingungen im Vergleich zu bestehenden privaten Mietmärkten verbessert. Fünf Jahre nach Programmstart fehlen empirische Nachweise.

Diese Studie schließt diese Forschungslücke durch eine Untersuchung der ARHC-Implementierung in Chandigarh sowie durch einen vergleichenden Bewertungsansatz der Wohnadäquanz zwischen ARHC-Einheiten und marktgestützten Mietunterkünften. Hierzu werden qualitative und quantitative Methoden kombiniert, darunter leitfadengestützte Interviews, Umfragen, Dokumentenanalyse, räumliche Analyse und Fotodokumentation.

Die Ergebnisse zeigen, dass die lokale ARHC-Umsetzung auf mehrstufiger administrativer Ermessensausübung beruht, ermöglicht durch unklare Richtlinien. Die Politik wurde überwiegend im Sinne organisatorischer und fiskalischer Prioritäten interpretiert, statt sozialer Ziele. Diese Ermessensausübung hat die legitimen Ansprüche zahlreicher einkommensschwacher Haushalte systematisch geschmälert. Zwar bieten ARHC-Wohnungen in Bezug auf Erschwinglichkeit, Wohnrechtsicherheit, Infrastrukturqualität, Wohnkomfort und Servicezugang deutliche Vorteile gegenüber privaten Mietunterkünften, doch beeinträchtigt ihre periphere Lage die Lebensgrundlagen der Haushalte. Dieser Standortnachteil unterminiert paradoxerweise die Wohnrechtssicherheit durch mangelnde Zahlungsfähigkeit. Private Mietwohnungen bleiben hingegen überwiegend informell und konzentriert in Stadtvierteln, bieten trotz schlechterer baulicher Bedingungen Standortvorteile.

Die Forschung leistet einen Beitrag zur Wohnpolitik und Stadtforschung, indem sie die Diskrepanz zwischen nationalen Politzzielen und lokalen Umsetzungsrealitäten kritisch hinterfragt. Sie warnt davor, dass fehlerhafte Implementierung politische Ziele untergraben und das Wohlergehen der Begünstigten schwächen kann. Zudem plädiert sie für Politikkonzepte, die formelle Wohnqualität mit Standortzugänglichkeit in Einklang bringen und informelle Mietsektoren in institutionelle Rahmen integrieren.

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Abbreviations & Remarks

ARHCs- Affordable Rental Housing Complexes

SFS- Small Flats Scheme

BHK- Bedroom-hall-kitchen apartment/flat

CHB- Chandigarh Housing Board

MoHUA – Ministry of Housing and Urban Affairs

EWS- Economically Weaker Section

LIG- Low Income Group

SLSMC- State Level Sanctioning & Monitoring Committee

The terms ‘apartment’ and ‘flat’ are used interchangeably

The terms ‘policy’ and ‘scheme’ are used interchangeably

For currency, INR 100 = 1 EUR

1. Introduction

1.1 Background

The outbreak of COVID-19 and the nationwide lockdown in March 2020 emerged as one of the most significant humanitarian crises in contemporary India. Overnight, cities that had long depended on migrant workers for their construction sites, factories, domestic services, delivery networks, and markets became hostile terrains. Work vanished, wages evaporated, and the fragile arrangements through which migrants had managed to sustain themselves in urban areas collapsed in a matter of days. Without savings to fall back on and excluded from most social protection measures, millions of workers migrated back to their villages. Images of men, women, and children walking for hundreds of kilometres along highways, often with their belongings on their heads and infants in their arms, became emblematic of how Indian cities had failed their most vulnerable residents. Close to 60 million migrants moved back to their states (Pillai et al., 2022). What this exodus laid bare was not only the precarity of informal labour but also the deep housing insecurities that underpin urban life for migrants.

Housing was central to the unfolding crisis. For many migrants, the loss of income directly translated into an inability to pay rent. Despite official advisories requesting landlords to defer rent collection during the lockdown, evictions and threats of eviction were widespread (Pillai et al., 2022). School buildings, community centres, and temporary shelters were opened to house some of those displaced, but these measures were inadequate in scale and failed to provide anything resembling stability or dignity. With few viable options in cities, workers saw little alternative but to return to rural homes, severing in the process their tenuous links to urban labour markets.

The events of 2020 thus highlighted a structural reality long evident but seldom addressed: rental housing, the primary mode through which low-income migrants access shelter in cities, remains overwhelmingly informal, insecure, and neglected (Harish, 2016). Studies suggest that nearly a third of urban residents, 31 million households (33% of all urban households), in India live in rental accommodation, yet a large majority of these arrangements function without written contracts (NSSO, 2019). During 2001-2011, about 14 million migrants moved to the cities, especially metropolitan cities, in search of work or better employment (Census 2011). These migrants frequently choose rental housing owing to the unaffordability of ownership-based housing and to avoid securing financial resources in real estate. COVID-19 has revealed the residential vulnerabilities of a previously unseen group of temporary migrant workers (Damle et al., 2021).

It was against this backdrop that the Government of India introduced the Affordable Rental Housing Complexes (ARHCs) scheme in mid-2020. The scheme was positioned explicitly as a response to the crisis of migrant housing exposed during the pandemic, a new vertical within the Pradhan Mantri Awaas Yojana (India’s National Housing Scheme) framework, intended to correct the policy blind spot around rental housing. The stated aim was to provide “dignified living with necessary civic amenities near the place of work” for migrants and the urban poor. (Harish, 2021; Damle et al., 2021).

The operational guidelines of the ARHC scheme lay out two distinct models. The first involves converting existing vacant government-funded housing into rental complexes. Under this arrangement, concessionaires, public agencies, private developers, or NGOs, retrofit and manage these units for a period of 25 years, after which the stock reverts to the state. The second model enables public or private entities to construct, operate, and maintain rental housing on their own land, with support from the government where required. The ARHCs mark the first serious attempt at the national level to formalise and systematise rental housing provision. They represent an effort to bring into use the estimated 0.22 million unoccupied units created under earlier housing programmes to stimulate a broader ecosystem of affordable rentals.

1.2 Problem Statement and Research Questions

Rental housing constitutes a significant share of India's urban poor and migrant workers. Yet, this sector is overwhelmingly informal, with most arrangements operating without written contracts. Informal rental housing is characterised by insecure tenure, limited legal protection, poor quality housing stock, and exposure to arbitrary eviction and rent increases, tenants also routinely face market discrimination based on caste, religion, gender, and marital status, which further constrains their housing options (Thorat et al., 2015; Datta & Pathania, 2016; Haque et al., 2021; Scheba & Turok, 2020; Manish & Naik, 2021). Despite being the mainstay of housing for low-income urban households, informal rental housing remains largely overlooked in both policy and academic research.

Historically, India's housing policy has been dominated by an emphasis on ownership and land titles, whether through slum upgrading, resettlement schemes, or the construction of subsidised housing units. This policy bias has led to the systematic neglect of rental housing (Kumar, 2001b; Mahadevia & Gogoi, 2011). Public rental housing that does exist is limited almost entirely to government employees, making it irrelevant for migrants and informal workers who constitute the largest demand group (Mahadevia & Gogoi, 2011).

Reflecting this neglect, scholarly attention to rental housing in India is limited. Only a limited number of scholars have examined rental housing in detail over the last two decades (Kumar, 2001a, Kumar, 2001b; Kumar, 2003; Kumar, 2016; Naik, 2015; Naik, 2019; Sinha, 2014; Sinha, 2017; Mahadevia & Gogoi, 2011; Thorat et al., 2015; Desai & Mahadevia, 2014). Their work highlights the limited understanding of the diversity and dynamics of India's informal rental sub-markets. This gap is more pronounced in the context of social and affordable rental housing, as institutional efforts to intervene in rental provision remain under-researched compared to ownership housing programs.

The ARHC scheme is a promising attempt to formalise and expand affordable rental housing for migrants and the urban poor. Yet, despite being operational for nearly five years, there is little research on how ARHCs actually function in practice. Much of the existing literature remains focused on policy design, guidelines, or high-level critiques of the scheme's objectives (Harish, 2021; Mukta et al., 2021). There is limited empirical evidence addressing the core questions of implementation: how tenants are identified and selected, how rents are determined and collected, what level of services and infrastructure are actually provided, and how secure tenants feel in their occupancy.

The absence of such evidence is problematic because ARHCs represent the first major policy experiment at the national level in institutionalising affordable rental housing. If they are to be a viable policy solution, there is a need to critically assess whether they address the structural problems that tenants face in the private rental market. Without empirical research into their operation, ARHCs risk remaining a policy blueprint rather than a practical housing solution. A further gap lies in comparative analysis. No research has examined ARHC housing against private rental housing arrangements. Without such comparative evaluation, it remains unclear whether ARHCs represent a genuine improvement over informal rentals or whether they simply replicate the same problems of affordability, habitability, discrimination, and precarity under a formal guise.

In sum, the problem is twofold. On the policy side, urban housing programmes in India have consistently neglected rental housing, focusing overwhelmingly on ownership and leaving low-income tenants to rely on insecure informal arrangements. On the research side, there is a paucity of empirical work on both informal rental housing and emerging institutional rental initiatives such as ARHCs. This neglect creates a significant knowledge gap: while low-income renters constitute one of the largest and most vulnerable groups in India’s cities, neither policy nor research has adequately addressed their housing conditions or the institutional options available to them. Addressing this gap is crucial not only to evaluate whether ARHCs can deliver adequate housing for migrants but also to contribute to broader debates on the rental housing policies in Indian cities.

To address these gaps, this thesis focuses on examining the implementation of ARHC in Chandigarh. Importantly, this study will be the first systematic examination of ARHC implementation. It also represents the first empirical study on the rental housing market in Chandigarh. By situating ARHCs within Chandigarh’s housing landscape and comparing them with private rentals, the thesis seeks to generate insights that extend beyond the local case while filling a significant empirical void in the literature.

Accordingly, this research is guided by two questions:

RQ1: How has the ARHC policy been implemented in Chandigarh?

RQ2: How adequate is ARHC housing compared to private rental housing in Chandigarh?

2. Review of Literature

This chapter introduces the broader context of rental housing in India and reviews recent scholarship on its adequacy. It synthesises empirical studies from cities including Rajkot, Guwahati, Surat, Hyderabad, Bengaluru, Coimbatore, Ahmedabad, and Delhi-NCR to examine how tenants experience adequacy within informal rental markets. The analysis is structured around the elements of the Right to Adequate Housing framework developed by the United Nations Committee on Economic, Social, and Cultural Rights (UNCESCR, 1991).The review then turns to the limited policy interventions and social rental housing initiatives that have emerged in India. The final section of this chapter outlines the theoretical framework applied in this thesis.

2.1 Overview of Rental Housing in India

Rental housing has long played a critical role in India's urban landscape, yet it remains under-researched and under-regulated. According to the 2011 Census, 27.5% of urban households, or 21.7 million households, lived in rented accommodation (Kumar, 2016). This share has seen a steady decline over two decades, from 34.1% in 1991 to 28.5% in 2001, and further to 27.5% in 2011. While the Census suggests a downward trend, the National Sample Survey Office (NSSO) has consistently found the proportion to be stable, ranging between 32% and 36% of the urban housing market (Ministry of Statistics and Programme Implementation [MOSPI], 2010). Such variation across official estimates underscores the complexity of capturing the scale and dynamics of rental housing in India. Regional differences further complicate the picture, with the share of households living in rented homes substantially higher in Union Territories and more urbanised states, such as Delhi, Gujarat, Maharashtra, Andhra Pradesh, and Karnataka (Kumar, 2016; Harish, 2016). For low-income groups, the significance of rental housing is especially acute, as 37.5% of all households in slums depend on rented accommodation (Harish, 2016). A Ministry of Housing and Urban Poverty Alleviation (MOHUPA) report estimated unmet demand for about seven million rental homes across urban India, highlighting the sector's importance as well as its neglect. Rental stock itself is highly diverse, spanning formal multi-storied complexes as well as informal backyard units and shared tenements (Harish, 2016; Mukherjee et al., 2021).

Despite its scale and significance, rental housing in India remains largely informal due to decades of policy neglect and an overwhelming focus on homeownership (Harish, 2016). The NSSO confirmed in 2018–19 that more than one-third of urban households rented, yet 70–80% of these tenancies were without written contracts (NSSO, 2019). This reflects a persistent informality in the sector, especially in its lower segments, which are dominated by individual landlords. Public rental housing plays only a negligible role and is mainly targeted at government employees, leaving the vast majority of tenants dependent on private arrangements (ibid). Within the private sector, two broad categories can be identified. The first comprises employer-provided units located close to workplaces, such as the chawls of Mumbai. The second, which forms the bulk of the market, consists of small-scale individual landlords who let out portions of their homes or purpose-built rental units (Kumar, 2011). Census figures from 2011 indicate that over 80% of tenants have no written agreements, a finding consistent with anecdotal evidence from the limited studies on the topic, which confirm the dominance of informal rental markets (Desai & Mahadevia, 2014; Kumar, 2001b, 2003, 2016; Mahadevia & Gogoi, 2011; Naik, 2015, 2019; Sinha, 2014, 2017; Thorat et al., 2015). Within slum settlements, rental housing alone accounts for 37% of households, making it indispensable for the urban poor, yet informality remains the norm, with about 70% of agreements oral and undocumented (Harish, 2016; Desai & Mahadevia, 2015).

The spatial organisation of informal rental housing can be broadly grouped into three typologies: inner-city settlements, peripheral layouts, and urban villages. Each produces distinct dwelling forms that cater to different socio-economic groups while reinforcing patterns of informality. Inner-city tenements often include single-room occupancy units within older multi-storied chawls or ground-floor backyard extensions located in congested lanes (Kumar, 2016; Naik, 2019). Chawls typically provide rooms of 8–12 square metres with shared corridors and communal toilets placed at the core of each floor (Kumar, 2001a). Backyard extensions, locally called pagri units, consist of tin-roofed rooms of 10–15 square metres, usually appended to owner-occupied houses, where tenants share outdoor toilets and water pumps (Harish, 2016). In contrast, peripheral layouts arise from former agricultural fields converted into urban revenue colonies through town planning schemes. These areas feature grid-patterned plots of 50–100 square metres, often sold at low cost but with delayed provision of services (Kumar, 2016). Landlords in such colonies build temporary kuccha units of mud or wood or low-rise pucca structures measuring 25–40 square metres, often let out once basic infrastructure such as water or electricity is installed, sometimes years after the original purchase (Kumar, 2016). These units are occupied by low-income families seeking affordable shelter with the possibility of rental income, as well as migrant labourers pooling resources for collective rentals (Harish, 2016).

Informal rental housing in the urban villages forms the third typology, representing settlements absorbed into metropolitan boundaries as cities expanded. These spaces exhibit mixed residential and commercial functions, where landowners commonly let out ground-floor shops and upper-floor rooms of 20–30 square metres (Kumar, 2001a). Such units accommodate both small traders and migrant tenants who prioritise proximity to economic opportunities. Building standards in urban villages vary considerably, ranging from self-constructed tenements lacking formal approval to reinforced-concrete annexes built without regulation (Roy et al., 2021). This heterogeneity reflects the fragmented regulatory environment of Indian cities and underscores the precarious yet vital nature of informal rentals for urban livelihoods.

2.2 Adequacy of Informal Rental Housing in Indian Cities

2.2.1 The Affordability of Informal Rental Housing

Rent-to-Income Ratio

A widely accepted threshold for housing affordability is that housing costs should not exceed 30 percent of household income. However, this standard often fails in the context of informal renters. Naik (2015) found that most low-income tenants in Gurgaon spent well below this threshold, creating an impression of affordability. Yet, this apparent affordability was achieved at the expense of housing quality, with tenants accepting substandard living conditions. For informal sector workers who face irregular wages and lack access to subsidies for food, LPG, education, and healthcare, the 30 percent benchmark may be too generous for evaluating rental affordability (Naik, 2015).

Mukherjee et al. (2021) observed that rental payments constituted between 25 percent and 40 percent of household income for the urban poor in cities such as Bhubaneswar, Coimbatore, and Kochi. In some cases, the share was even higher, especially among migrant families. While households with multiple earners might mitigate high rents, they often preferred cheaper and lower-quality rooms unless the household head was a skilled worker (Desai, 2024). Migrants were also driven by the need to maximize remittances, which led them to minimize housing expenses and tolerate poor quality conditions (Kotal et al., 2022).

Upfront Costs and Deposits

In India, advance payments before tenancy are standard, although amounts vary. Kumar (2001a) reported that in Bangalore, landlords demanded lump-sum advances, sometimes up to ten months of rent. More recent studies confirm this practice, showing deposits ranging from one to several months' rent (Mukherjee et al., 2021; Sinha, 2014). In Coimbatore and Kochi, tenants were usually required to pay at least two months of rent upfront, while in Bhubaneswar, the amounts were lower (Mukherjee et al., 2021). Sinha (2014) recorded variations ranging from one to six months, often linked to the landlord–tenant relationship. In Jahangir Nagar, Hyderabad, one case involved a deposit five times the monthly rent (Sinha, 2014).

Such significant upfront costs act as a barrier for new migrants and poorer tenants, restricting housing choices and forcing them into less desirable units. Delays in deposit refunds, which were sometimes contingent on securing a new tenant or inspecting the condition of the unit, intensified financial strain for mobile tenants (Sinha, 2014; Kumar, 2001a). For landlords, these deposits represented financial leverage and a safeguard against non-payment, particularly from migrant tenants (Kumar, 2001a; Naik, 2015).

Costs of Basic Utilities

Water availability often correlated with rent levels. Mukherjee et al. (2021) found that only 54 percent of households paying less than INR 2,000 per month had piped water, compared with 95 percent in the highest rent category. However, adequacy remained problematic: 76 percent of households in the lowest rent category reported insufficient supply (Mukherjee et al., 2021). Many tenants relied on shallow pits, bore-wells, or community taps shared among several households (Desai & Mahadevia, 2014; Sampat & Sohane, 2023). In Jaipur, only 7 percent of setups had one water point per unit, while 26 percent had more than five households sharing one source (Sampat & Sohane, 2023). In Rajkot's Chhotunagar, water expenses accounted for nearly 3 percent of monthly household spending (Mahadevia & Gogoi, 2011).

Electricity access was more widespread, especially in Gujarat, where connection charges were low (Mahadevia & Gogoi, 2011). Among migrant naka workers in Ahmedabad, 95 percent had access (Desai, 2024). However, cost and payment systems varied. In Rajkot, 45 percent of tenants reported borrowing electricity from landlords or paying fixed monthly charges regardless of usage (Mahadevia & Gogoi, 2011; Sampat & Sohane, 2023). In Chhotunagar, a standard charge of INR 200 per month was reported (Mahadevia & Gogoi, 2011). Exploitative practices were also observed. In Coimbatore, tenants paid INR 4 per unit compared with the government rate of INR 1.50 (Mukherjee et al., 2021).

Access to individual toilets was far more limited for tenants than for owners. Only 36 percent of tenant households in the lowest rent category had individual toilets, while 51 percent relied on shared facilities (Mukherjee et al., 2021). In many cases, landlords either provided dysfunctional toilets or too few, forcing tenants into open defecation or public toilets (Desai, 2024; Mahadevia & Gogoi, 2011). In Jaipur, 20 percent of setups had toilets within the unit, while 70 percent relied on shared toilets. Twenty-six percent of setups had more than five units sharing one toilet (Sampat & Sohane, 2023). Maintenance responsibilities often fell on tenants themselves.

Rent Increases

Rent adjustments in informal rental markets are rarely governed by contracts, making them prone to arbitrary increases. Mukherjee et al. (2021) found that 65 percent of tenants surveyed, excluding Kochi, had no written agreements. While some reported predictable annual increases or hikes linked to renovations, others faced sudden and irregular increments. Sampat and Sohane (2023) reported that while half of the tenants in Jaipur did not experience rent hikes, 20 percent faced increases of 10–30 percent annually, and 5 percent experienced hikes above 30 percent.

For tenants with stagnant and irregular incomes, such increases were unaffordable (Sampat & Sohane, 2023). In some cases, landlords used rent hikes strategically to displace tenants, especially migrants (Desai, 2024). Nonetheless, flexibility in payment terms was also reported. In Rajkot, 67 percent of tenants described landlords as accommodating with delays or partial payments (Mahadevia & Gogoi, 2011). This flexibility, however, was offset by sudden increases.

Transportation and Employment Costs

The interaction between housing location, employment access, and transport costs critically shaped affordability. Migrants often prioritized proximity to workplaces to reduce commuting expenses, even at the cost of housing quality (Naik, 2015; Desai, 2024).

This housing–livelihood link was especially pronounced for circular migrants in Ahmedabad who rented near labour nakas to secure employment (Desai, 2024). Naik (2015) described a case in Gurgaon where a domestic worker rejected a better-paying job due to prohibitive transport costs. Mukherjee et al. (2021) found that tenants traveled shorter distances than landlords, with 24 percent relying on public transport compared with 16 percent of landlords. Weak and costly transport systems further restricted the choices of poor tenants, pushing them toward low-quality housing near jobs (Mukherjee et al., 2021; Sampat & Sohane, 2023). In Rajkot’s Lohanagar, tenants paid high rents for poor housing because of proximity to industrial employment (Mahadevia & Gogoi, 2011). Thus, apparent rent affordability was undermined by hidden mobility costs and limited income opportunities (Naik, 2015; Kotal et al., 2022).

Maintenance Fees

Maintenance in informal rental housing was often neglected. Landlords rarely invested in repairs or improvements, which led to deteriorated housing quality (Naik, 2015; Sampat & Sohane, 2023). Mukherjee et al. (2021) noted that landlords' economic conditions were frequently similar to their tenants, limiting their ability to invest. Only 22 percent of landlords in surveyed cities reported undertaking repairs in the previous year, while 35 percent had never carried out maintenance (Mukherjee et al., 2021).

As a result, tenants themselves invested labor and resources to maintain their units (Sampat & Sohane, 2023). This practice of co-production reflected the limited responsibility taken by landlords and the absence of state support. Maintenance responsibilities were generally unspecified in informal agreements, leaving tenants to bear costs (Mukherjee et al., 2021). In Jaipur, most tenants reported cleaning shared toilets themselves, while only a few setups reported no tenant costs (Sampat & Sohane, 2023).

2.2.2 Security of Tenure in Informal Rental Housing

The Spectrum of Tenure: De Jure Illegality and De Facto Security

A defining characteristic of India's informal rental market is the near-total absence of formal legal agreements. National data indicate that a staggering 84 percent of renters do not have a written contract with their landlords, a figure that is even higher in low-income informal settlements (Sinha, 2014). This lack of formal documentation places tenants in a state of *de jure* precarity. However, the literature reveals that tenure security is not a binary of legal versus illegal but exists on a continuum, where *de facto* security, the perceived and actual security of occupation, plays a far more significant role (Desai & Mahadevia, 2015; Payne, 2004).

The study of housing sub-markets in Guwahati by Desai and Mahadevia (2015) provides a compelling illustration of this spectrum. The security of tenure for both owners and, by extension, their tenants, is directly linked to the ownership status of the land on which a settlement is built. Settlements on Railway lands, for instance, face frequent evictions and possess very low *de facto* tenure security, which discourages investment by landlords and results in poor-quality, temporary housing. In contrast, settlements on State Government Revenue lands enjoy a much higher degree of *de facto* security due to the state's policy of granting land titles (*pattas*), even if not all residents have obtained them. This perceived stability encourages landlords to invest in constructing better-quality rental units, thereby offering tenants a more secure physical environment. This differentiated politics of the state, which often operates with a "sedentary bias" that fails to recognize the legitimacy of circular migrants, creates uneven levels of security across the urban landscape (Desai, 2024). A nuanced form of legitimacy is also observed in Jaipur, where tenants may lack formal contracts but use their rental address to procure official documents, establishing a quasi-legal status as city residents and enabling access to social protection schemes (Sampat & Sohane, 2023).

Social Relations and Trust as Foundations of Security

Given the absence of legal frameworks, the informal rental market is governed by a complex web of social relations, trust, and oral contracts (Kumar, 2001b; Sinha, 2014). Kumar (2001b) argues that in these markets, "trust has proved to be more effective than the written agreement", a finding echoed in studies from Hyderabad, Rajkot, and Gurgaon. This trust is not arbitrary; it is actively constructed and maintained through specific social mechanisms. The primary channel for accessing rental housing is through familial and community networks, which serve as a crucial screening mechanism for both landlords and tenants, embedding the rental arrangement within a framework of mutual accountability.

This reliance on social capital fosters a degree of flexibility that is absent in formal markets and acts as a vital form of security for tenants with precarious incomes. In Rajkot, for instance, landlords demonstrated significant flexibility regarding the timing and amount of rent payments, understanding the volatile nature of their tenants' livelihoods (Mahadevia & Gogoi, 2011). This flexibility, born from shared socio-economic conditions, is a critical component of what Naik (2019) terms "secure occupancy", a perception of security shaped by socio-cultural norms and practices rather than legal status alone. Within this framework, the oral contract is not merely an absence of a written one; it is an active, negotiated agreement where tenants, despite their subordinate position, can leverage the flexibility of the arrangement to pursue migration goals and adapt to changing employment opportunities.

Landlordism, Built Form, and the Nature of Tenure

The nature of the landlord and their motivation for entering the rental market are critical determinants of the security and quality of tenure offered to tenants. The literature identifies a spectrum of landlords, from "subsistence" landlords who depend on rent for essential consumption to "petty-capitalist" landlords who view renting as a business for capital accumulation (Kumar, 1996; Naik, 2015). Harish et al. (2023) refine this into a distinction between "opportunistic" and "intentional" landlords. Opportunistic landlords, often found in newly industrializing peripheries like Coimbatore, may enter the rental market primarily for social reasons, such as seeking neighbors for security, and tend to have more "indulgent" and stable relationships with their tenants. In contrast, intentional landlords, who are driven by economic motives, are more likely to have "transactional" and "exacting" relationships, where the threat of eviction is more palpable and tenure is less secure.

These differing motivations and relationships are physically manifested in the built form of the rental housing. Transactional relationships often lead to clear spatial demarcations between the landlord's and tenant's spaces, such as separate entrances or metal grilles, physically embodying a more distant and less secure tenancy. Conversely, more indulgent relationships often feature shared courtyards and common spaces, reflecting a more integrated and socially secure arrangement. The landlord's physical presence is also a factor; resident landlords may offer greater social support but also subject tenants to intense surveillance, creating a dynamic of "care and control" (Naik, 2019).

2.2.3 Availability of Services, Facilities, Materials, and Infrastructure in Informal Rental Housing

The State of Basic Services: A Persistent Deficit

A consistent theme across the literature is the inadequate provision of essential services for tenants in informal rental housing. Studies from Gurgaon (Naik, 2015), Rajkot (Mahadevia & Gogoi, 2011), Jaipur (Sampat & Sohane, 2023), and Ahmedabad (Desai, 2024) highlight severe shortcomings in access to water, sanitation, electricity, and physical infrastructure such as drainage and waste management.

Individual water and sanitation facilities are uncommon. Most tenants depend on communal arrangements that are insufficient and poorly maintained. In Jaipur, less than one-fifth of rental setups had individual water access, while most relied on shared taps used by more than ten households. Only 20 per cent had individual toilets (Sampat & Sohane, 2023). In Rajkot, tenants shared washing and bathroom facilities with landlords or other tenants, and in many cases depended on community toilets or open defecation (Mahadevia & Gogoi, 2011). Similar inadequacies were observed in Ahmedabad, where among naka workers living in squatter settlements, 81 per cent practiced open defecation and fetched water from distant sources. Even among those in rental housing, only 20 per cent had individual toilets and 23 per cent had private taps (Desai, 2024). Water quality and reliability are equally concerning. In Kochi, for example, community taps supplied water only once every four days, forcing tenants to either conserve water or rely on saline sources for bathing (Mukherjee et al., 2021).

Electricity access is comparatively widespread but often exploitative and insecure. A multi-city study found that while most tenants had access, landlords frequently charged inflated rates above official tariffs (Mukherjee et al., 2021). In Jaipur, a third of households reported paying more than ₹9 per unit against an official rate of ₹6 (Sampat & Sohane, 2023). In other contexts, tenants accessed electricity informally, borrowing connections from landlords or neighbours. This practice not only inflated costs but also left tenants without legal protection or guaranteed supply (Mahadevia & Gogoi, 2011).

Factors Influencing the Provision of Services and Facilities

The motivation of the landlord for entering the rental market significantly influences the quality of housing provided. Kumar’s (1996) foundational typology of "subsistence," "petty-bourgeoisie," and "petty-capitalist" landlords remains highly relevant. Subsistence landlords, who depend on rent to meet essential consumption needs, are less likely to invest in maintenance (Mukherjee et al., 2021). In contrast, petty-capitalist landlords, who view renting as a business, may invest in better facilities to attract higher rents, as seen in the development of multi-storey tenements in Gurgaon (Naik, 2015).

Recent research by Harish et al. (2023) further refines this by distinguishing between "opportunistic" and "intentional" landlords. Opportunistic landlords, often found in newly industrializing peripheries, rent out existing idle structures for non-economic reasons like seeking neighbours for security. They tend to have more indulgent relationships with tenants and provide more socially amenable built forms. Intentional landlords, however, are primarily driven by economic motives. They proactively invest in densifying their properties and their relationship with tenants is more transactional and exacting, often resulting in stricter monitoring and a higher risk of eviction for tenants. The built form they produce often reflects this transactional relationship, with clear demarcation of spaces to separate themselves from tenants.

A clear correlation exists between the rent paid by tenants and the quality of amenities they can access. Empirical evidence from a multi-city study shows a premium is paid for improved services; tenants pay significantly more for access to an exclusive toilet or an in-house piped water connection (Mukherjee et al., 2021). This creates a difficult trade-off for the urban poor, forcing them to choose between affordability and basic living standards. Many, particularly circular migrants aiming to maximize remittances, opt for the cheapest available housing, thereby accepting crowded and unsanitary conditions (Naik, 2015). This demand for low-cost, low-quality housing, in turn, disincentivizes landlords from investing in improvements, creating a vicious cycle of poor housing conditions (Desai & Mahadevia, 2015).

Topography and location also play a crucial role. In the hilly and marshy terrains of Guwahati, infrastructure provision is expensive and difficult, leading to poorer quality rental housing and lower rents, especially in the upper reaches of hills (Desai & Mahadevia, 2015). Proximity to employment hubs is a key advantage of informal settlements, but this often comes at the cost of housing quality, as high demand in such locations allows landlords to charge rent for even the most basic and poorly serviced units (Kotal et al., 2022).

2.2.4 Habitability of Informal Rental Housing

Maintenance: Upkeep of Housing and Facilities

Maintenance and upkeep of housing in informal rental settlements remain persistent concerns, often resulting in substandard living conditions. Research highlights a widespread lack of investment by landlords in maintaining or upgrading their rental housing stock (Mukherjee et al., 2021). A survey conducted in Bhubaneswar, Coimbatore, and Kochi revealed that only 13 percent of landlords had undertaken maintenance work in the previous year, while 32 percent had either never carried out maintenance or had last done so more than five years earlier. In non-slum areas, 39 percent reported no maintenance in the past five years or ever (Mukherjee et al., 2021).

The reluctance of landlords to invest in regular upkeep stems from economic constraints. Many landlords operate within low-rent structures, and rental income constitutes a significant share of household expenditure, especially for small homeowners who dominate informal rental markets. In Bhubaneswar, Coimbatore, and Kochi, rental income accounted for about 50 percent of landlords' total household expenditure, with dependence higher in non-slum areas at 61 percent compared to 41 percent in slums. Consequently, substantial maintenance costs threaten the financial stability of landlords (Mukherjee et al., 2021).

In response to these gaps, tenants sometimes take on the responsibility of repairs and contribute their own labor and resources to improve livability (Sampat & Sohane, 2023). This shared effort between owners and tenants reflects a form of co-production in rental housing. Nevertheless, such initiatives rarely address deeper structural deficiencies, and poor maintenance continues to exacerbate habitability problems, including structural deterioration and inadequate basic services (Mukherjee et al., 2021).

Structural Safety: Quality of Construction Materials and Condition of Housing

In Gurgaon, shanties and semi-permanent single-floor tenements are often built with bamboo frames and tin-sheet roofs, making them highly flammable and prone to fires during dry seasons (Naik, 2015). In Ernakulum, temporary houses for migrant workers at worksites typically use tin sheets for walls and roofs, creating unbearably hot living conditions in summer (Kotal et al., 2022). Even upgraded tenements built with unplastered brick walls and corrugated tin or asbestos-cement roofs reflect rudimentary construction methods, often reinforced with stones or bricks to weigh down materials (Naik, 2015).

In Guwahati, informal settlements on marshy lands use stilted structures with bamboo-mat walls and tin-sheet roofs due to the high costs of permanent construction in such terrains (Desai & Mahadevia, 2014). While pucca houses use durable materials like brick or stone walls and concrete roofs, many rental houses classified as pucca still face structural weaknesses from age, poor maintenance, and unauthorized incremental construction (Mukherjee et al., 2021; Sampat & Sohane, 2023). For instance, in Rajkot, over 90 percent of housing units for both owners and tenants were built with permanent materials, yet inadequate upkeep and limited space compromised quality (Mahadevia & Gogoi, 2011). Similarly, public-sector housing in Guwahati, constructed with reinforced concrete or brick, suffers from neglected maintenance such as broken slabs and parapets (Desai & Mahadevia, 2014).

In Jaipur, recurring issues include poorly plastered walls, cracks, leaky roofs, and broken flooring, conditions that could be improved with basic maintenance but are often ignored (Sampat & Sohane, 2023). Furthermore, the absence of building regulations in urban villages enables rapid construction of multi-storey tenements, frequently at the expense of structural integrity (Naik, 2015).

Ventilation and Lighting: Airflow and Natural Light

Inadequate ventilation and natural light are persistent problems in informal rental housing, reducing both quality of life and health outcomes for tenants. Many single-room tenements and overcrowded dwellings lack sufficient windows or openings to allow airflow and daylight (Mahadevia & Gogoi, 2011; Naik, 2015; Mukherjee et al., 2021). In Rajkot, such tenements, typically around 10 sq.m., are “generally without facilities of windows or ventilation” (Mahadevia & Gogoi, 2011). Cooking often takes place inside these poorly ventilated spaces or outside on the street due to the absence of dedicated kitchens, creating unhygienic conditions and risks of suffocation (Mahadevia & Gogoi, 2011; Naik, 2015; Kotal et al., 2022).

In Gurgaon, tenants in jhuggis and multi-storey structures also report “poor light, inadequate ventilation” (Naik, 2015). Additional floors built above existing units deprive lower floors of natural light, while courtyard-style housing only partially alleviates the problem, with toilets and bathing spaces remaining poorly lit and ventilated (Naik, 2015). Studies from Bhubaneswar, Kochi, and Coimbatore confirm widespread deficiencies: while 69% of landlords had good ventilation, only 54% of tenants did (Mukherjee et al., 2021). In Kochi, even permanent houses in slums were frequently reported as poorly ventilated (Mukherjee et al., 2021).

Overcrowding: Floor Area Per Capita

Overcrowding in rental housing is reflected in both dwelling size and per capita floor area. Tenants consistently occupy smaller units compared to owners. In Rajkot, owners’ houses had an average built-up area of 35 sq. m., while tenants’ houses averaged only 18 sq. m., and in Khodiyarnagar, a tenant’s house was only 37 percent of an owner’s (Mahadevia & Gogoi, 2011). In Guwahati’s informal submarkets, rental units measured between 12 and 18 sq. m., far below those of owners (Desai & Mahadevia, 2014). Per capita disparities are even sharper. In Rajkot, owners averaged 6.3 sq. m. per person compared to 4.2 sq. m. for tenants, indicating higher levels of crowding (Mahadevia & Gogoi, 2011). In Gurgaon, more than half of tenant households lived in crowded conditions (Naik, 2015).

To manage costs, tenants often share units, particularly single male migrants (Mahadevia & Gogoi, 2011; Kotal et al., 2022; Desai, 2024). In Rajkot, single migrants frequently share single-room tenements, and subletting or hosting relatives is common (Mahadevia & Gogoi, 2011). In Ernakulum, temporary houses of 120–140 sq. ft. often accommodate 8–10 persons per room (Kotal et al., 2022). Informal rentals sometimes house four to ten sharers per unit (Desai & Mahadevia, 2014). This leads to rent collection shifting from a room count to a head count system, incentivizing maximum occupancy (Kotal et al., 2022).

The consequences extend beyond discomfort, resulting in poor ventilation, inadequate lighting, and hygiene challenges. Overcrowding also generates stress and limits the provision of amenities, increasing reliance on shared facilities that quickly become unsanitary under heavy use (Kotal et al., 2022; Sampat & Sohane, 2023).

2.2.5 Accessibility of Informal Rental Housing

Social Accessibility: The Primacy of Networks and Oral Contracts

Access to informal rental housing is less a function of a transparent, open market and more a process of navigating dense social landscapes. The literature consistently highlights that the overwhelming majority of tenants secure housing not through formal channels like advertisements or brokers, but through informal social networks (Sinha, 2014, 2022; Kumar, 2001a; Mahadevia & Gogoi, 2011). A study in Hyderabad found that over 75 per cent of tenants gained access through family connections or social networks (Sinha, 2014).

These networks are built on foundations of kinship, caste, religion, village of origin, and workplace connections (Kumar, 2001a; Naik, 2019; Sinha, 2014). Kumar's (2001a) seminal work in Surat illustrates this vividly, contrasting the homogenous, tightly-knit ethnic networks of Saurashtrian Patidars in the diamond industry with the more heterogeneous networks of workers in the textile industry. These networks serve as conduits of information about vacancies and, crucially, as mechanisms for building trust between landlords and prospective tenants, who are often strangers to the city (Sinha, 2014; Kumar, 2001a). This trust is the bedrock upon which the informal rental market operates, particularly given the near-total absence of written contracts.

This system of social mediation and oral contracts presents a duality. On one hand, it offers a degree of flexibility that is highly valued by tenants, especially circular and seasonal migrants. The absence of rigid, long-term leases allows them to move easily in response to changing job locations or to return to their villages for agricultural seasons or family obligations without penalty (Naik, 2019; Kotal et al., 2022). Studies from Rajkot and Hyderabad have noted instances where landlords show flexibility in the timing of rent payments, understanding the precarious and irregular incomes of their tenants (Mahadevia & Gogoi, 2011; Naik, 2019). The relationship can thus be symbiotic, ranging from transactional to paternalistic and even benevolent (Sinha, 2014; Naik, 2019).

On the other hand, this informality creates significant precarity for tenants. They are vulnerable to arbitrary rent hikes, sudden evictions, and exploitation by landlords (Naik, 2015, 2019; Mukherjee et al., 2021). The power dynamic is heavily skewed in favor of landlords, who are often long-term residents with strong local ties, while tenants are migrants with limited social and political capital in the city (Naik, 2019).

Barriers to Access: Discrimination and Social Exclusion

Social networks remain the primary gateway to informal rental housing, but they also operate as mechanisms of exclusion. The very ties of kinship, caste, and religion that enable access for some groups simultaneously create barriers for others (Kumar, 2001a). A substantial body of research has established that religious and caste minorities, particularly Muslims and Dalits, face systemic discrimination in India’s urban rental markets.

Studies in the National Capital Region (NCR) of Delhi provide systematic evidence of this exclusion. Using a web-based audit, Datta and Pathania (2016) found that landlords were more likely to respond to prospective tenants with upper-caste Hindu names, with a probability of 0.35, compared to only 0.22 for Muslim applicants. This suggests that a Muslim applicant must exert nearly 60 per cent more effort to secure the same number of callbacks. The study further revealed that single Muslim men seeking one-bedroom apartments experienced the highest levels of discrimination. Similarly, Thorat et al. (2015) employed telephonic and in-person audits, finding that 31 per cent of Muslim and 18 per cent of Dalit applicants received outright negative responses, compared to none for upper-caste Hindus. Face-to-face audits intensified the exclusion, with rejection rates increasing to 61 per cent for Muslims and 44 per cent for Dalits.

Landlords often justify such practices by citing reasons such as dietary habits, perceptions of cleanliness, or security concerns (Thorat et al., 2015; Harish et al., 2024). Many acknowledge community pressure against renting to Muslims, while real estate agents frequently reproduce these biases, directing Muslim and Dalit tenants to segregated neighbourhoods (Thorat et al., 2015). These practices reinforce patterns of residential segregation and restrict the opportunities available to marginalized groups (Thorat et al., 2015).

This entrenched exclusion has been conceptualized as a form of social absolute rent (Harish et al., 2024). Building on land rent theory, this term highlights how certain communities are denied access to specific housing markets regardless of economic capacity. Their social identity itself becomes a non-negotiable barrier, a rent that cannot be paid (Harish et al., 2024). In some cases, this exclusion even receives legal sanction, as illustrated by a Supreme Court ruling that upheld the right of a cooperative housing society to restrict membership by religion (Harish et al., 2024).

Physical Accessibility

Another challenge to accessibility stems from the architectural form and development logic of informal rental units. Landlordism in this sector is frequently characterized by the maximization of rental income through the vertical densification of small land parcels (Harish et al., 2023). Studies in cities like Gurgaon and Bengaluru document the prevalence of multi-storey tenements, often built without adherence to planning regulations (Naik, 2015; Naik, 2019). Landlords, particularly those described as "intentional," proactively invest in adding floors to existing structures to create more rental units (Harish et al., 2023). These vertical expansions are rarely equipped with accessibility features like elevators or ramps, rendering upper-floor units fundamentally inaccessible to residents with mobility impairments. This trend is driven by economic motivations, as landlords respond to market demand by intensifying land use, often at the expense of open space and accessibility (Harish et al., 2023).

Finally, the state of repair and internal hazards within rental setups create direct risks for residents with limited mobility. A study in Jaipur found that nearly 40% of rental setups were partially dilapidated, with specific physical risks including damaged staircases and a notable absence of railings (Sampat & Sohane, 2023).

2.2.6 Location of Informal Rental Housing

Employment Proximity

A primary determinant of the location of informal rental housing is its proximity to employment opportunities and labor markets (Kumar, 2001b; Mahadevia & Gogoi, 2011). For urban poor and migrant workers, rental housing offers essential flexibility, enabling them to maximize economic prospects and reduce the financial burden of homeownership, especially for those employed in the informal sector (Mukherjee et al., 2021; Mahadevia & Gogoi, 2011). Migrants, often unskilled, are a major demographic driving the demand for rental housing, with a significant portion moving to cities specifically in search of better job opportunities (Mahadevia & Gogoi, 2011).

In various Indian cities, informal settlements and their rental housing components have historically emerged in response to industrial and commercial development. For instance, in Rajkot, chawls, an early form of low-income rental housing, were built by industrialists to attract cheap labor for booming textile industries in cities like Mumbai, Ahmedabad, and Surat (Mahadevia & Gogoi, 2011). While employer-provided housing has largely been discontinued, its historical presence highlights the deep-rooted connection between housing supply and labor demand (Mahadevia & Gogoi, 2011).

The strategic location of these settlements allows tenants to significantly reduce commuting time and transportation expenses, a critical factor for low-income workers where public transport may be inadequate (Mahadevia & Gogoi, 2011; Naik, 2015). For example, tenants in Rajkot's Lohanagar are willing to pay higher rents due to its proximity to industrial areas, as it offsets travel costs (Mahadevia & Gogoi, 2011). Similarly, in Gurgaon, informal rental units are predominantly found in urban villages and unauthorized colonies that retain agricultural land use on paper but are geographically distributed to offer migrants proximity to diverse informal economy jobs (Naik, 2015). A study in Jaipur focusing on domestic workers revealed that tracing housing through employment provided a crucial lens, demonstrating the strong linkage between livelihood and housing location (Sampat & Sohane, 2023).

The "housing–work" relation is a key concept, indicating how access to specific housing typologies is linked to the kind of work a migrant undertakes (Kotal et al., 2022). In Ernakulum district, Kerala, two main housing typologies were identified: "worksite housing" and "outside worksite housing" (Kotal et al., 2022).

However, this reliance on proximity often necessitates trade-offs. Urban poor tenants frequently compromise on living conditions to secure a shorter commute and minimize overall expenditure (Mukherjee et al., 2021; Damle et al., 2021). The lack of adequate public transport exacerbates this, limiting housing choices and forcing tenants into lower-quality housing with poor amenities (Mukherjee et al., 2021). The concentration of circular migrant workers near "nakas" (labor hubs) in Ahmedabad exemplifies this trade-off, where access to work opportunities takes precedence over shelter adequacy and basic services (Desai, 2024; Damle et al., 2021). This critical housing-livelihood link underscores the need for urban planning to earmark well-serviced land near economic opportunities for affordable rental housing (Mukherjee et al., 2021).

Environmental Risks

One of the most frequently cited environmental risks is flooding. In Rajkot, settlements like Rukhadiyapara, due to their undulating terrain, suffer from flooding in low-lying areas during the rainy season (Mahadevia & Gogoi, 2011). Similarly, in Ernakulum, informal shared rental housing located in low-lying areas or beside waterbodies experiences dampness or flooded homes during the monsoon, highlighting issues with both location and construction (Kotal et al., 2022). A study in Jaipur also reported flooding within premises as a significant risk in 10% of the surveyed rental setups (Sampat & Sohane, 2023). This suggests a lapse in either site selection or the planning of individual housing units within these setups.

Poor sanitation and waste management are widespread problems across informal rental housing. In Rajkot, single-room tenements often lack proper windows or ventilation, with cooking sometimes carried out on the street. Tenants frequently share washing and bathroom spaces, or resort to community toilets or open defecation when facilities are absent, leading to unhygienic living conditions (Mahadevia & Gogoi, 2011). Settlements like Chhotunagar in Rajkot are described as having "complex networks of narrow internal alleys with unhygienic living conditions" and a complete absence of basic municipal services like water supply and electricity (Mahadevia & Gogoi, 2011). In Guwahati, particularly in informal settlements on marshy lands, infrastructure is generally less adequate, with houses sometimes built on stilts (Desai & Mahadevia, 2015). A railway slum in Guwahati, plagued by frequent evictions, showed no government-provided infrastructure, with residents relying on shallow pits for water and having no toilets or drainage (Desai & Mahadevia, 2015). In the GMC Colony at Fatasil, despite being employer-provided housing, maintenance is extremely poor, leading to inadequate water, toilet, drainage, and solid waste management, creating an "extremely unhygienic environment" (Desai & Mahadevia, 2015).

2.2.7 Cultural Adequacy of Informal Rental Housing

The cultural adequacy of informal rental housing for the urban poor is a deeply ambivalent issue, portrayed in the literature as a space of both communal support and profound exclusion. For many migrants, these markets offer a culturally familiar entry point into the city, yet they are simultaneously sites of discrimination and social control. The literature explores this duality through the interconnected themes of social networks, tenant preferences, discriminatory practices, and the imposition of landlord norms.

A central theme is that access to informal rental housing is predominantly mediated through cultural and social ties rather than formal market mechanisms. Studies from across India consistently show that family connections and social networks, based on shared religion, caste, or place of origin, are the primary channels through which tenants find housing (Sinha, 2014; Desai, 2024). These networks are foundational to building trust between landlords and tenants, which explains the prevalence of oral over written contracts (Sinha, 2014; Kumar, 2001a). For many landlords, a tenant's cultural background and the assurance provided by a shared network are valued more highly than the ability to pay higher rent (Kumar, 2001a; Sinha, 2014). This reliance on cultural networks often leads to the clustering of communities, which can be highly adequate for tenants. Migrants often seek to recreate a "micro village" atmosphere, living with people from their hometown to gain emotional support and reduce living costs (Kotal et al., 2022). Housing choices are also strongly influenced by cultural values and migration strategies, such as the need to ensure privacy and safety for non-working women or to live and work as a family unit to maximize savings (Naik, 2015).

However, the very networks that facilitate inclusion for some are powerful mechanisms of exclusion for others, rendering informal housing culturally inadequate for marginalized groups. The literature provides extensive evidence of discrimination, particularly against Dalits and Muslims. An audit study in the Delhi NCR found that Muslim home-seekers faced outright denial in 31% of cases and Dalits in 18% of cases (Thorat et al., 2015). Another web-based audit in Delhi found that the probability of a landlord responding to an upper-caste Hindu applicant was 0.35, but only 0.22 for a Muslim applicant (Datta & Pathania, 2016). Landlords frequently use cultural pretexts to justify exclusion, citing concerns over non-vegetarian food habits, customary beliefs about purity and pollution associated with Dalits, and security fears linked to Muslims

(Thorat et al., 2015). This discrimination enforces involuntary residential segregation, with landlords openly advising Muslim applicants to seek housing in Muslim-dominated localities (Thorat et al., 2015; Desai & Mahadevia, 2013).

Cultural adequacy is also undermined by the imposition of landlords' cultural and moral norms on tenants. Landlords in urban villages express discomfort with the "westernized" lifestyle and dress of migrants from North-East India, viewing their non-conformity as "spoiling the atmosphere" (Naik, 2019). Female tenants, particularly unmarried women, face harsh surveillance, with landlords admitting to tracking their movements and visitors, creating an environment where the line between care and control is blurred (Naik, 2019). This power dynamic creates a setting where tenants, despite their housing being affordable and proximate to work, are subjected to the landlord's moral and cultural codes, limiting their personal freedom.

2.3 The State of Social Rental Housing in India

India's rapid urbanisation has created a significant and growing housing shortage, particularly for low-income households (Roy et al., 2022; Jha, 2020). The housing deficit, estimated at 18.78 million units for the 2012-2017 period, is almost entirely concentrated among Economically Weaker Sections (EWS) and Low-Income Groups (LIG) (Roy et al., 2022; Jha, 2020). Historically, Indian housing policy has only focused on promoting homeownership as the primary solution to this crisis. This approach, however, overlooks the crucial role of rental housing, which serves as a vital entry point for migrants, students, and low-income families to access urban economic opportunities (Harish, 2016; Jha, 2020).

In this context, public social rental housing, defined as government-supported, below-market-rate housing for vulnerable groups, emerges as a critical policy alternative (Harish, 2016). This review synthesises the existing literature on the experiences, challenges, and prospects of institutional social rental housing in India. It examines the broader policy environment, analyses specific case studies of government-led rental schemes, and identifies key challenges related to financial viability, rental management, beneficiary selection, and livability.

The literature consistently highlights a historical policy vacuum concerning rental housing in India (Harish, 2016; Jha, 2020). For decades post-independence, government efforts were limited to providing subsidised rental accommodation for its own employees, with insignificant provision for the general public (Harish, 2016). The expectation that the private sector would meet rental demand was undermined by the detrimental effects of rent control acts, which led to a steady decline in the formal rental sector.

2.3.1 Case Studies of Institutional Rental Housing

The West Bengal Public Rental Housing Estates (PRHEs), initiated in the 1960s and 1970s, represent one of India's earliest and largest forays into public rental housing for the general public. Though located in prime urban areas of Kolkata and Howrah, the scheme was beset by chronic issues. Rents were set at nominal, arbitrary rates and were rarely revised, bearing no relation to maintenance costs or market realities. This created a massive drain on the state exchequer, leading to severe neglect and dilapidation of the housing stock. The system also engendered permanent, inheritable tenancies and was plagued by political interference in beneficiary selection and rent collection (Harish, 2016; Roy et al., 2022).

The Mumbai Rental Housing Scheme (RHS), launched by the Mumbai Metropolitan Region Development Authority (MMRDA) in 2008, was conceived as a public-private partnership (PPP) to prevent slum formation by creating a large stock of rental housing. The scheme used incentives like additional Floor Space Index (FSI) to attract private developers, who were to build rental units and transfer them to the MMRDA. While initially successful in generating private sector interest, the scheme collapsed due to a combination of factors. The MMRDA, primarily a planning body, lacked the institutional capacity to manage a large-scale rental housing portfolio. Furthermore, the high FSI incentives led to the construction of extremely dense and uninhabitable projects with inadequate light, ventilation, and open space. Amidst concerns of financial unviability and unlivable designs, the government discontinued the rental component in 2013, rebranding it as an "Affordable Housing Scheme" focused on ownership (Harish, 2016; Roy et al., 2022).

The Chandigarh Small Flats Scheme (SFS), a rent-to-own project for slum rehabilitation, highlights a different set of challenges. Although intended to provide formal housing, the scheme has been plagued by financial distress, with substantial rental arrears accumulating as residents struggle to make payments. The relocation of families to peripheral locations resulted in loss of livelihoods, particularly for women, and increased transportation costs, further straining household budgets (Roy et al., 2022; Gupta & Kavita, 2020; Datta, 2006). Gupta and Kavita (2020) provide a detailed critique of the scheme's livability, noting poor construction quality, inadequate drainage, dampness in walls, and insufficient living space for families.

2.3.2 Recent Policy Initiatives

Recent initiatives reflect a growing recognition of the gaps in India's rental housing policy. The draft National Urban Rental Housing Policy (NURHP) of 2015 and the draft Model Tenancy Act (MTA) of 2019 were introduced to formalise the rental market and create a balance between the interests of landlords and tenants (Jha, 2020). More explicitly, the Government of India launched the Affordable Rental Housing Complexes (ARHCs) scheme in 2020 to provide formal rental housing solutions for low-income migrant households (Roy et al., 2022). Despite these measures, the uptake has been limited. Only a few states have adopted the MTA, while the ARHCs scheme has generated little enthusiasm from either public authorities or private developers (Roy et al., 2022).

The literature on ARHC policy remains limited, with only two studies situating ARHC projects within the broader private rental housing market (Harish, 2021; Damle et al., 2021). The private rental market is dominated by small-scale landlords who operate through informal arrangements. Although this market is marked by insecurity, it often provides flexible terms and relatively affordable options for precarious workers. In contrast, ARHC projects are designed on a profit-oriented model that relies on concessionaires for implementation. While the policy guidelines formally identify vulnerable groups as beneficiaries, the operational design favours partnerships with industries and institutions, thereby privileging tenants with stable employment. This structure risks excluding those most dependent on affordable rental housing, particularly casual workers and migrants in precarious forms of labour.

Another point of divergence is found in the mode of decision-making. Private rental housing often relies on socially embedded arrangements that allowed, for instance, deferred rent payments during the COVID-19 pandemic. By contrast, ARHC projects place decision-making power in the hands of concessionaires whose incentives are tied to securing regular cash flows. Tenancies under ARHCs are exempt from state rent control legislation and are instead aligned with the Model Tenancy Act of 2019. This framework offers limited protection and increases the risks of eviction for low-income tenants (Harish, 2021).

An empirical study by Damle et al. (2021) underlines the difficulties of repurposing public housing stock for ARHC projects. Vacancy rates in these projects often exceed 60 percent in urban centres. Multiple factors contribute to these high vacancy levels, including peripheral locations, inadequate basic services, poor construction quality, and unresolved legal disputes. Many projects lack adequate sewerage systems, waste management facilities, schools, and healthcare infrastructure, and are situated in underdeveloped neighbourhoods with weak connectivity to labour markets. These locational and infrastructural disadvantages mirror the failures of earlier resettlement programmes and reduce the attractiveness of ARHC housing for the very groups it seeks to serve. Scholars argue that profit-driven management and peripheral housing supply fail to meet the demand for flexibility, affordability, and centrality that characterise the needs of low-income tenants (Harish, 2021; Damle et al., 2021).

2.4 Theoretical Frameworks

For the first research question, I have adopted constructivist grounded theory articulated by Kathy Charmaz. Charmaz posits that knowledge is actively constructed through the researcher's engagement with the data, acknowledging the interpretive nature of qualitative inquiry (Charmaz, 2006; 2014). Rather than beginning with a fixed theoretical framework, I began with my fieldwork and allowed the analytical categories to emerge from the empirical data during the field research. As patterns and themes emerged during data analysis, I have employed the Street-Level Bureaucracy framework (Lipsky, 1980) to interpret my findings.

2.4.1 Street-Level Bureaucracy

The core idea of Discretion

Lipsky's (1980) seminal work on street-level bureaucracy is foundational in shifting the study of implementation from a top-down approach to a bottom-up approach. Lipsky argues that public policy is not merely the product of official directives but is continuously reshaped in the encounters between frontline bureaucrats and citizens. Because policies often contain ambiguous objectives and are implemented with limited resources, frontline officials, whom Lipsky termed "street-level bureaucrats," must exercise discretion to decide how rules are applied in practice. This distinction between “policy-as-written” and “policy-as-performed” lies at the core of street-level bureaucracy theory.

Discretion is thus not a marginal phenomenon but a constitutive element of governance. As Evans (2016) observes, discretion entails the perceived freedom of bureaucrats to select among different courses of action in implementing policy. It is shaped both by the constraints imposed by rules and resources and by the choices that bureaucrats make. Scholars such as Brodkin (1997) and Durant (2010) emphasize that discretion becomes especially salient under conditions of scarcity, when officials must prioritize which rules to enforce and which to bend to ensure that services are delivered at all. In this way, discretion is simultaneously a coping mechanism and a central means through which implementation of a policy occurs.

Client Meaningfulness and Willingness to Implement

Although discretion is at the core of Street-Level Bureaucracy theory, Lipsky (1980 and 2010) has also highlighted related concepts that shape implementation. Two important ideas are client meaningfulness and willingness to implement. These concepts help to explain how bureaucrats not only exercise discretion but also how they perceive the value of policies for clients and their own motivation to carry out policy directives.

Client meaningfulness refers to bureaucrats’ perceptions of whether the policy they implement provides real value to clients (Tummers & Bekkers, 2014). Maynard-Moody and Musheno (2000) demonstrated that when bureaucrats experience positive client meaningfulness, they are more motivated to use their discretion in ways that improve outcomes for citizens. Similarly, Barrick et al. (2013) found that higher levels of discretion are often correlated with stronger perceptions of policy relevance for clients. The logic here is that when bureaucrats feel empowered to make meaningful decisions, they also feel more capable of ensuring that the policy has beneficial effects. In turn, discretion both shapes and is shaped by the level of client meaningfulness perceived during implementation.

The second concept, willingness to implement, refers to bureaucrats’ motivation and intention to carry out a policy faithfully (Metselaar, 1997; Tummers, 2012). Research shows that bureaucrats who perceive themselves as having meaningful discretion are more likely to be willing to implement policies effectively (Meyers & Vorsanger, 2007; Sandfort, 2000). In other words, discretion and willingness to implement form a mutually reinforcing relationship: greater discretion can lead to greater willingness, which in turn enables bureaucrats to make more effective discretionary decisions (Tummers & Bekkers, 2014). Hassan et al. (2021) emphasize that discretion significantly influences both willingness to implement and client meaningfulness, with supervisory support further moderating this relationship.

The Moderating Role of Supervisory Support

While Lipsky focused primarily on the discretion of frontline workers, more recent research has emphasized the importance of supervisors and managers in shaping the conditions under which discretion is exercised. Supervisory support plays a crucial role in determining whether discretion enhances or undermines policy outcomes (Bradley et al., 2010; Kadushin & Harkness, 2014). Positive supervisory support can provide bureaucrats with the confidence and resources to use their discretion in ways that increase both willingness to implement and client meaningfulness.

Hassan et al. (2021) found that supervisory support amplified the positive relationship between discretion and client meaningfulness, though its effect on willingness to implement was less pronounced. This finding highlights the relational and organizational context of discretion: it is not simply an individual attribute but is shaped by the broader work environment, including the expectations and support of supervisors.

Managers as Discretionary Actors

One of the limitations of Lipsky's original formulation is its tendency to downplay the role of managers in the implementation process. Managers were largely portrayed as enforcers of compliance, whose role was to align frontline workers with policy directives. However, subsequent scholarship has challenged this assumption. Evans (2015 and 2016) argues that senior managers themselves exercise significant discretion, particularly in allocating resources, setting priorities, and interpreting policy goals. In fact, managerial discretion can be decisive in shaping the very constraints and contradictions that frontline workers face—the "corrupted world of service" in which scarce resources, conflicting directives, and organizational imperatives collide.

Farooqi and Forbes (2020) likewise contend that managers should be seen as street-level bureaucrats in their own right. Their study of local government reforms in Pakistan shows that managers often enacted discretion under conditions of decentralization, finding ways to navigate institutional pressures and resource shortages in order to make decisions about service delivery. This perspective expands SLB theory by highlighting that discretion is not confined to the front line but is distributed across different levels of the bureaucracy.

Soss, Richard, and Schram (2011) further underscore that welfare managers in Florida possessed broad authority to make decisions affecting clients, despite operating under pressures to conform to policy mandates. Such findings reveal that managerial discretion is not merely derivative of political elites but actively shapes the implementation process. Thus, understanding policy implementation requires attention not only to frontline discretion but also to how managers deploy their own judgment and pursue their own agendas.

In light of these debates, my theoretical framework for analyzing ARHC implementation situates discretion as the central analytic concept. At the same time, I recognize that discretion is not exercised solely by frontline actors but also by managers and mid-level bureaucrats who play a pivotal role in interpreting policies, allocating resources, and setting priorities (Evans, 2015; Evans, 2016; Farooqi & Forbes, 2020).

2.4.2 Right to Adequate Housing

For the second research question, to examine and compare the adequacy of ARHC and private rental housing in Chandigarh, this study employs the framework of the Right to Adequate Housing as outlined by the United Nations Committee on Economic, Social, and Cultural Rights (UNCESCR). The Committee, in General Comment No. 4 (1991), emphasizes that housing adequacy goes beyond providing shelter; it must be understood as the right to live in security, peace, and dignity (UNCESCR, 1991). General Comment No. 4 identifies seven interrelated elements that collectively define adequate housing: legal security of tenure, availability of services and infrastructure, affordability, habitability, accessibility, location, and cultural adequacy (UNCESCR, 1991). Each element provides a distinct yet interdependent dimension to assess whether housing arrangements meet international human rights standards.

Legal Security of Tenure
Legal security of tenure means that residents are protected from forced evictions, harassment, and other threats.

Availability of Services, Materials, Facilities, and Infrastructure
Adequate housing must guarantee access to essential services such as safe drinking water, sanitation, energy for cooking, heating, and lighting, waste disposal, and food storage. These services underpin health, dignity, and daily living, and their absence undermines the adequacy of housing regardless of the physical dwelling.

Affordability
Housing costs should not threaten or compromise the enjoyment of other human rights. States are required to ensure that housing expenses do not overburden households, and mechanisms such as subsidies or rental regulation may be necessary to secure affordability, particularly for low-income groups.

Habitability
Housing must ensure adequate space, physical safety, and protection against cold, heat, damp, and structural hazards. Habitability speaks not only to comfort but also to the health and security of occupants, ensuring that dwellings do not expose residents to risks or indignities.

Accessibility
Adequate housing must prioritize the needs of marginalized and disadvantaged groups, including persons with disabilities, the elderly, and vulnerable minorities. Accessibility ensures that barriers, physical, social, or economic, do not exclude these groups from secure housing opportunities.

Location
The adequacy of housing is also determined by its proximity to employment, health services, schools, childcare, and social facilities. Housing situated in polluted, unsafe, or isolated areas undermines residents' rights and perpetuates inequality in access to opportunities and services.

Cultural Adequacy
Housing must respect and enable the expression of cultural identity and practices. Designs, layouts, and living arrangements should reflect cultural values and avoid imposing models that disregard the traditions or social practices of the community (UNCESCR, 1991).

However, for renters, security of tenure has often been conceptualized in a single-dimensional, legalistic way—as de jure protections embedded in tenancy law or lease agreements. This perspective reduces security to property rights and overlooks the realities of how tenants actually experience stability (Hulse & Milligan, 2014).

To overcome this limitation, this study adopts the secure occupancy framework developed by Hulse and Milligan (2014). Secure occupancy is defined as the extent to which renter households can make a home and remain there, as long as they meet their obligations, reflecting a more layered and dynamic view of tenure security. This approach recognizes three interrelated dimensions:

De jure security: the legal protections available to tenants through tenancy law and contractual terms.
De facto security: the stability tenants experience in practice, shaped by factors such as affordability, landlord practices, and housing market dynamics.
Perceptual security: the subjective sense of stability or vulnerability tenants feel, regardless of their legal rights.

3. Methodology

In this chapter, I will lay out the methodologies adopted for this study. But first, I will describe the operationalization of the framework used for the research. After that, I have described the different methods used to gather the data during the fieldwork.

3.1 Conceptual Framework, Variables, and Indicators

3.1.1 Conceptual Framework for RQ1

The conceptual framework for this study is guided by the principle that policy implementation can be understood as a process shaped by discretion. In line with the theory of Street-Level Bureaucracy (Lipsky, 1980), discretion is seen not as a deviation from policy but as a necessary condition of how policy is enacted. Importantly, however, I did not begin this research with any fixed theoretical framework in mind. Instead, following the principles of grounded theory, I allowed categories to emerge inductively from fieldwork and data analysis. Only after identifying recurring patterns in how the ARHC policy was being implemented did I examine which theoretical framework could best explain these processes. It was in this iterative process of moving between data and theory that Street-Level Bureaucracy emerged as the most suitable lens for understanding the case.

To make sense of these categories, I placed them in conversation with the ARHC Operational Guidelines issued by the Ministry of Housing and Urban Affairs (MoHUA). These guidelines set out the formal architecture of the scheme, identifying target beneficiaries, procedures for allotment, models of implementation, mechanisms for rent setting, and the roles and responsibilities of different actors. Importantly, the guidelines also establish the expected duration of tenancy (25 years), the responsibility for operation and maintenance, and the processes for grievance redressal and monitoring. Taken together, they provide a blueprint of what implementation is supposed to mean at the policy level.

When examined against the collected data, it became clear that the crucial points of implementation were clustered around four domains also central to the guidelines: eligibility, allotment, rent, and management. These became the organizing categories in my conceptual framework. While the guidelines define these domains in prescriptive terms—who is eligible, how units are to be allotted, how rent is to be fixed, and how complexes are to be managed—in practice, my fieldwork revealed that these domains were mediated by discretionary choices at different levels of the bureaucracy.

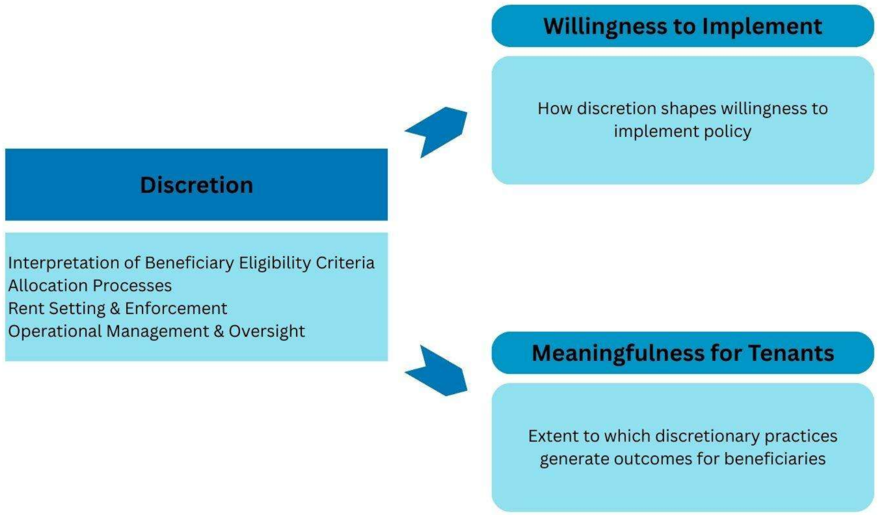


Figure 1: Conceptual Framework for RQ1

Thus, the conceptual framework positions discretion at the center of ARHC implementation. Discretion is understood here as the capacity of implementing agencies and officials to interpret, modify, or selectively apply the policy guidelines. This exercise of discretion has two broad effects. First, it shapes the willingness to implement, meaning how actively and faithfully the scheme is pursued in practice relative to the design of the guidelines, and what is the rationale that shapes the willingness. Second, discretion influences client meaningfulness, that is, how the beneficiary experiences the policy. When discretion alters rules around eligibility, rent, or tenancy terms, it affects whether the scheme has positive or negative outcomes and impacts on the lives of beneficiaries.

In this way, the conceptual framework serves as a bridge between what the ARHC policy formally intends (as set out in the guidelines) and how it is actually enacted in the field. By tracing discretion across eligibility, allotment, rent, and management, the framework highlights the dual impact of implementation: on the state's willingness to implement and on the clients' sense of meaningfulness.

3.1.2 Operationalization of Housing Adequacy

The table 1 represents the operationalisation of the housing adequacy framework in this study. It is informed by the literature review on rental housing in India. The review provided the empirical and conceptual grounding for adapting the elements of the Right to Adequate Housing (UNCESCR, 1991). Drawing on these insights, the seven elements of adequacy, security of tenure, availability of services and infrastructure, affordability, habitability, accessibility, location, and cultural adequacy, have been translated into measurable dimensions relevant to the Indian rental context. In addition, the framework incorporates Hulse and Milligan's (2014) notion of secure occupancy, which deepens the analysis of tenure security by recognising not only legal protections but also de facto practices and tenants' perceptions of security.

Housing Adequacy Framework				
Parameter				Indicator
	Type of Security of tenure	Factors	Key Dimensions	
Security of Tenure for Tenants (Hulse & Milligan, 2014)	De Jure Security	Legal	Written Agreements	Formal rental contract
	De Facto Security	Informal	Tenancy Sustainment	Oral Agreement
				Duration of stay
			Tenancy Conditions	Privacy and landlord intrusion
				Access to basic amenities
				Rules for tenant behaviour
		Market/Policy	Affordability	Ability to get the housing within acceptable Rent-to-income ratios
				Eligibility for enrolling in welfare benefits (eg., Formal Gas connections)
				Flexibility in rent payment
				Deposits Requirements
			Accessibility	Discrimination in access (caste, gender, religion)
				Documentation Requirement
	Perceptual Security	Psycho-Social	Perceived Control	Perception of eviction threats
				Feeling of belonging to the community
				Tenant's perceived autonomy over housing decisions, rent negotiation, and tenancy renewals
			Safety & Privacy	Perceived safety
Affordability				Rent-to-Income Ratio: Proportion of earnings spent on rent.
				Upfront Costs and Deposits: Security deposits and advance payments.
				Utility Costs: Water, electricity, and sanitation charges.
				Rent Increases: Frequency and justification for hikes.
				Transportation & Employment Costs: Travel expenses to workplaces
				Maintenance Fees: Additional charges for upkeep.
				Subsidies/Assistance: Access to government schemes.
Availability of services, facilities and infrastructure				Access to Water: Shared taps, external sources, or individual connections and reliability.
				Sanitation Facilities: Shared toilets, open defecation, pay-and-use options.
				Electricity Access: Availability and reliability.
				Energy for cooking
				Infrastructure: Healthcare, education, marketplaces
				Drainage and Garbage Management: Flooding risks, waste disposal.
				Shared vs. Private Facilities: Kitchens, bathing areas.

Housing Adequacy Framework	
Parameter	**Indicator**
Habitability	Maintenance: Upkeep of housing and facilities.
	Structural Safety: Quality of construction materials (*kutcha/non-permanent* vs. *pucca/permanent*) and condition of housing
	Ventilation/Lighting: Airflow and natural light.
	Overcrowding: Floor area per capita.
	Resilience to Weather: Flooding, monsoon damage, cold, rain, heat
Accessibility	Non-Discriminatory Allocation: Equal access for marginalized groups.
	Vacancy Visibility: Availability of rental units advertised (e.g., "to-let" boards).
Location	Employment Proximity: Distance to labor hubs (*nakas*), workplaces of people
	Environmental Risks: Flooding, pollution, hazardous sites nearby
	Safety and Security: Neighborhood safety (especially for women).
Cultural Adequacy	Community Spaces: Shared areas for cultural activities.
	Ethnic/Community Cohesion: Clustering of migrants from same regions.
	Social Networks: Age of the social networks
	Social Acceptance: Hostility toward migrants

Table 1: Operationalisation of Housing Adequacy

3.2 Rationale for Case and Selection of Site

This study focuses on Chandigarh as the primary site for examining the implementation and outcomes of the ARHC policy. Chandigarh was among the first cities where the policy was introduced under Model 1, which involved the conversion of vacant government housing units into rental units. Specifically, apartments developed under the Small Flats Scheme (SFS), which aimed to make Chandigarh slum-free by constructing 25,728 flats across eight locations to rehabilitate residents of unauthorized settlements, were repurposed. At the Maloya-1 site, 2,195 such flats were converted under the ARHC framework (Map 1).

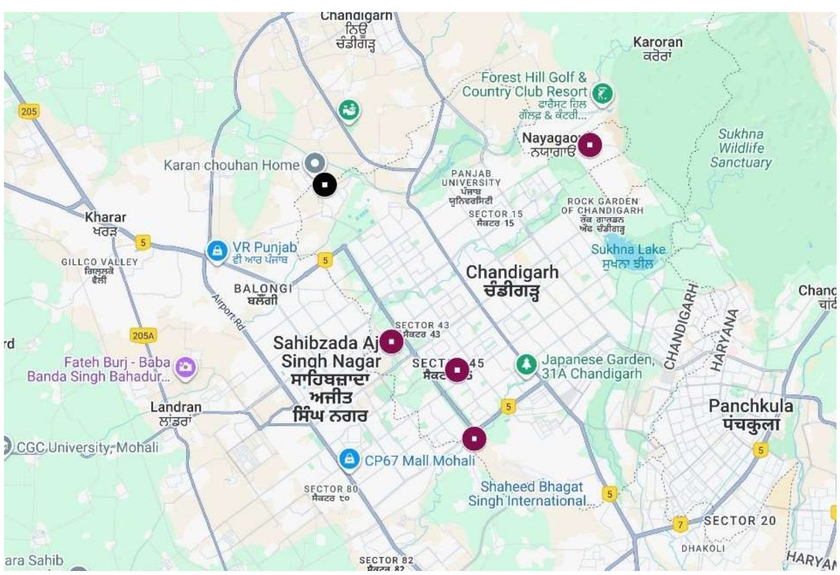
Map 1: SFS Flats in Maloya-1, Chandigarh, Demarcated flats (in white boundary) were converted under ARHC

Another factor guiding the choice of Chandigarh is that the city was recognized for the best implementation of the ARHC policy (Hindustan Times, 2022), providing a strong rationale for assessing its outcomes. In addition, the study examines and compares the adequacy of private rental housing and ARHC units, and Chandigarh presents a compelling case as the first planned city of independent India, with a unique and large rental housing market where the majority of families lived in rented accommodations. Notably, no detailed studies have been conducted on the rental market of Chandigarh. According to the 2011 Census, 132,645 households in Chandigarh lived in rental accommodation, with 47.7 percent owning homes and 47 percent renting. More recent data from the National Sample Survey Office (NSSO, 2019) indicates that the share of rented housing increased to 55.1 percent.

Site Selection

An important question in the research process concerned the selection of neighbourhoods for comparison. Along with the ARHC site at Maloya, four additional settlements were identified to study private rental housing. These settlements were not predetermined before entering the field. Instead, the selection process emerged through initial familiarisation with the city and with the neighbourhood of Maloya. In conversations with local residents, it was repeatedly mentioned that low-income migrant families primarily reside in the urban villages of Chandigarh. These urban villages are broadly categorised into two types: sectoral villages, which are located within the planned sectors of the city and are relatively well integrated into its urban fabric, and peripheral villages, which are situated on the city's margins and have more limited access to infrastructure and opportunities.

On this basis, I selected a total of four urban villages: two sectoral villages, Kajheri and Burail, and two peripheral villages, Khuda Ali Sher and Faidan Nizampur (Map 3). This categorisation allowed the study to capture and compare the nuances of the private rental submarket across different spatial contexts within Chandigarh.



Map 2: Selected locations for Comparison, red points are the location of urban villages, and black point is the location of ARHC, Maloya

3.3 Fieldwork Process and Data

The fieldwork in Chandigarh was carried out between May and July 2025. I arrived in the city on May 3, and the fieldwork concluded on July 12. The first task upon arrival was to find a place to rent and live. I therefore searched for short-term rental accommodation in a location that allowed easy access to the ARHC site at Maloya, as well as other sites relevant to the study. Since I was already familiar with Chandigarh, the process of settling in was not particularly difficult. On the fourth day after my arrival, I undertook a reconnaissance visit to the ARHC site. I had already prepared a rough draft of the survey and interview guides, but after two visits to the site and preliminary interactions with residents, I made several modifications to both instruments. The survey tool was then tested through three pilot exercises, and following this process, the questionnaire was finalised.

The second major task involved doing preliminary visits to urban villages. I conducted visits to several sites and selected four urban villages for the study, also considering their geography within the city. A separate survey, adapted from the ARHC tenants' survey, was piloted and subsequently finalised before deployment in these locations.

Parallel to this, I initiated efforts to secure formal permissions for conducting interviews with officials at the Chandigarh Housing Board (CHB). I began visiting their office within the first week of fieldwork to understand the procedures involved. It eventually took about one month to obtain the necessary approvals, and I now recognise that starting early was a good decision. Given the need to travel frequently between different sites and offices, I rented a motorcycle for the entire fieldwork period, which enabled me to move efficiently across the city.

During my stay, there was also a brief armed conflict between India and Pakistan. Because Chandigarh is situated relatively close to the border, the city experienced curfews and complete blackouts for three consecutive days. Fortunately, a ceasefire was announced and normalcy returned. Although fieldwork was interrupted for these four days, I used this time to review and reflect on the interviews and surveys already collected.

3.3.1 Data collection techniques

For this study, I have drawn on a combination of qualitative and quantitative data collection techniques. The following sections outline the methods employed and the challenges encountered during the fieldwork.

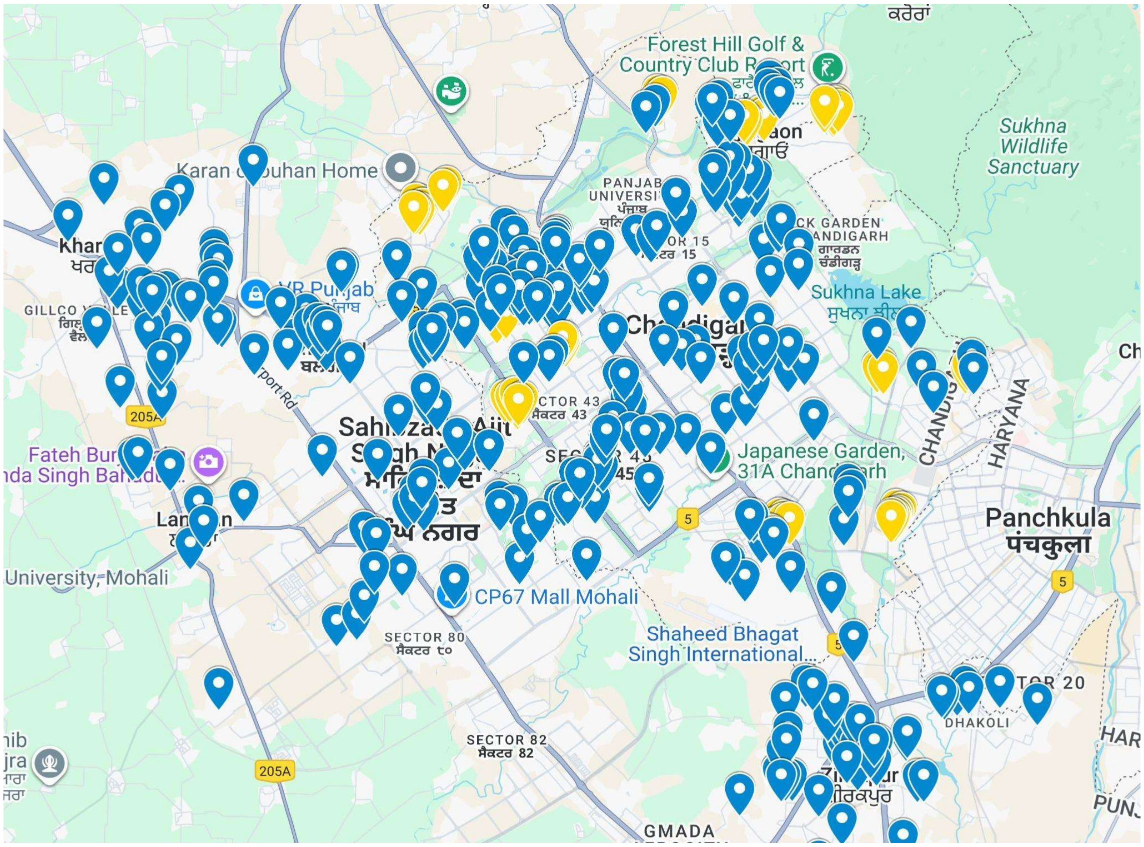
For **RQ1**, I conducted five in-depth and semi-structured key informant interviews with officials of the Chandigarh Housing Board (CHB). To design the interview guide, I first analysed national policy documents and the operational guidelines of the ARHC scheme. Themes that emerged from this analysis informed the formulation of interview questions. The interviews explored themes such as the rationale for implementing the policy, eligibility criteria, operational procedures, rent setting, and collection. The semi-structured format included both open and closed-ended questions, which allowed the collection of broad perspectives while also probing for specific details. This format also provided flexibility to pursue new lines of inquiry as they emerged during the conversations. Each interview lasted between 40 minutes to an hour. The five interviews were conducted over three separate days within the span of a week. The officials interviewed represented different departments of the Chandigarh Housing Board, each responsible for distinct verticals of the ARHC implementation. In addition to interviews, I have also systematically analysed court cases, notices issued by the CHB, and relevant news articles. These sources provided contextual information and enabled triangulation with the interview data.

For **RQ2**, I conducted 64 surveys and 26 semi-structured interviews with tenants living in ARHC and private rental housing. The surveys focused on assessing elements of adequacy other than security of tenure. In total, 34 surveys were conducted with ARHC tenants, of whom 12 were also interviewed, and 30 surveys with tenants in private rental housing, of whom 14 were interviewed. Separate questionnaires were designed for ARHC and private rental tenants, refined through pilot testing, and administered using KoBo Toolbox. The quantitative data was analysed using Excel.

To specifically explore security of tenure, 12 semi-structured interviews were conducted with ARHC tenants and 14 with tenants in private rental housing. Distinct interview guides were prepared for each category. All interviews were recorded on the phone with the informed oral consent of participants. In addition, four semi-structured interviews were carried out with landlords, using a separate guide tailored to their perspectives. The qualitative data were transcribed and then coded and analysed using NVivo14.

Photography was used as a complementary method to document conditions in both ARHC and private rental housing. Walking through neighbourhoods and photographing with tenants' consent, including inside living spaces, enabled the recording of evidence relevant to the housing adequacy. This visual material supported the household survey by providing observational data. Photo-documentation also served as an accessible tool to directly convey findings, particularly for comparing ARHC housing with private rental housing.

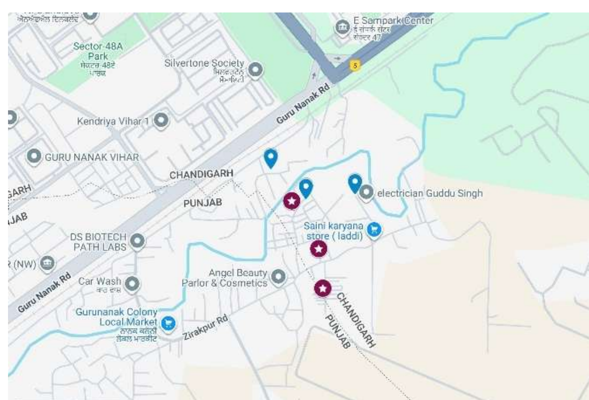
For assessing some indicators in accessibility, I created a rent map of the Chandigarh Metropolitan Area. Rent data for 304 one-room-kitchen units was collected from housing.com, magicbricks.com, olx.in. Since limited data on low-income rentals was available online, I collected data for 97 such units during fieldwork, including 30 through surveys (Map 4). For the availability of infrastructure, the locations of hospitals and schools were also analysed for the chosen sites using GIS.

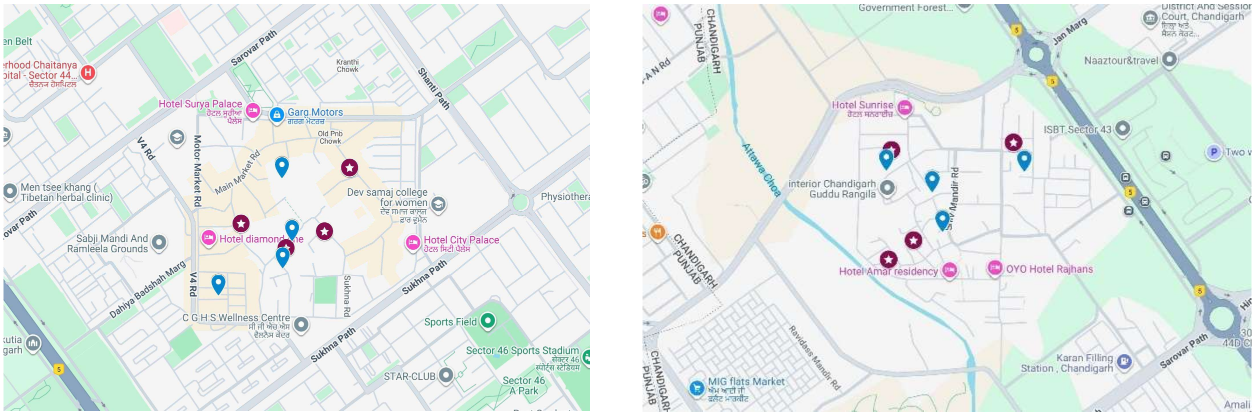


Map 3: Map showing the collected rent data from websites (marked in blue) and data from the field (marked in yellow)

3.3.2 Sample size and sampling techniques

For ARHC housing, 34 surveys were conducted. I initially used random sampling, but later ensured diversity by selecting tenants across different buildings and blocks. In the case of private rental housing, tenant selection was based on random sampling, with some attention to the geographic spread of households within each neighbourhood. The following maps illustrate the locations of surveyed tenants residing in private rental housing within the selected urban villages.





Map 4: Maps showing the locations of interviewed tenants (the blue icon represents the households that were both interviewed and surveyed; the red icon represents the households that were only surveyed)

3.3.3 Challenges during the fieldwork

One of the major challenges during fieldwork was explaining the purpose of my research to families I interviewed. Respondents were often curious and sometimes anxious about why I was asking questions about their housing conditions. A recurring concern was whether I was affiliated with the government and whether participation would lead to immediate benefits. Several participants asked directly, “Are you from the government? Will this bring us new housing?”

Clarifying my role was not always straightforward. I had to repeatedly explain, in accessible terms, that I was conducting an academic study and was not in a position to provide direct assistance. This often led to further questions such as, “If this does not benefit us directly, what is the point?” These interactions prompted reflection on the ethics of research. While I could not promise benefits, I stressed that the study aimed to inform broader housing policy debates, which sometimes encouraged participation.

Another challenge was during the surveys, for the parameters that I had conceptualised to be quantitative, such as availability of facilities and cultural adequacy. Participants often responded with stories and anecdotes about their experiences, which the quantitative data alone could not capture. To mitigate this issue, I included some of this qualitative data alongside the analysis of quantitative data in my findings. Personally, as a researcher, this experience also allowed me to reflect on the limitations of my chosen methods.

Another significant challenge was securing interviews with the CHB. The bureaucratic process was lengthy, taking nearly a month and requiring multiple letters, repeated office visits, and an email from Prof. Bas Van Heur to CHB officials. At one stage, officials indicated that permission could only be granted by the Administration of the Union Territory of Chandigarh, which would have delayed the process by another three months. Progress was finally made when I contacted a senior CHB executive through LinkedIn. He assured me that the interviews could proceed and instructed staff to participate. However, the interviews were classified as unofficial, with the ask that participants remain anonymous and the information only to be used solely for this thesis.

3.3.4 Ethical considerations

Participation in both surveys and interviews was entirely voluntary and based on informed consent. During fieldwork, several tenants of ARHC housing expressed apprehension that engaging in the study might result in the cancellation of their allotments. To address these concerns, I assured participants that their identities would remain confidential, and all ARHC tenants were subsequently anonymised. For reasons of fairness, the same approach was applied to tenants from private rental housing.

Ethical sensitivity was particularly important in landlord–tenant relationships. To ensure tenants felt safe to speak freely, interviews were conducted without landlords present. In private rental housing, I explicitly asked tenants if landlords were nearby and whether they felt comfortable continuing, shifting to neutral or private locations when necessary. This concern was less relevant in ARHC housing, where landlords were not involved.

Given that most tenant participants were daily-wage workers, interviews and surveys were scheduled outside working hours to avoid disrupting livelihoods. Additionally, all interviews with CHB officials were anonymised.

4. Research Findings & Discussions

4.1. Implementation and Operationalisation of ARHC in Chandigarh

Chandigarh was the first Union Territory[1] (UT) in India to implement the ARHC scheme. For operationalising ARHC, the Administration chose Model-1, reusing existing public housing to bring underutilised stock under SFS into service for target beneficiaries. A total of 2,195 flats in Maloya were earmarked for conversion. These were originally built under the ownership-based rehabilitation through the Small Flats Scheme (SFS).

To govern the scheme, a State Level Sanctioning and Monitoring Committee (SLSMC) was constituted, chaired by the Adviser to the Administrator, UT Chandigarh (MoHUA, 2021). The SLSMC was responsible for sanctioning and monitoring implementation. SLSMC's members included the Mayor of the Municipal Corporation, the Home and Finance Secretary, the Municipal Commissioner, the Deputy Commissioner, the Chief Engineer, and the Chief Architect of Chandigarh.

The Chandigarh Housing Board (CHB) was appointed as the State Level Nodal Agency (SLNA) and designated the primary implementing authority. CHB also assumed the role of "concessionaire," directly responsible for operating and maintaining the complexes.

When asked why CHB did not appoint a private concessionaire, officials explained that the decision was driven by pure financial logic:

"Neither did we invite them, nor did anyone approach us. There's a loss in that! The rent comes directly to us; if we gave it to some company, we would have to pay them some amount per house, so it would only be a loss for us." (CHB Interview 1)

This shows how financial logic led authorities to depart from the guidelines' original design of selecting a concessionaire through tendering, with CHB instead consolidating both regulatory and operational roles.

4.1.1 Deciding the Eligibility for ARHC in Chandigarh

Framing of beneficiaries as per the ARHC Policy

At the national level, the ARHC guidelines identified the intended beneficiaries as urban migrants belonging to the Economically Weaker Section (EWS) and Low-Income Group (LIG)[2] categories. These included street vendors, rickshaw pullers, service providers, industrial workers, and

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[1] Union Territories are regions administered directly by the Central Government, unlike states where power is shared between the state government and the Centre.

[2] *EWS (Economically Weaker Section) refers to households with annual income up to ₹3,00,000 (€3,000), eligible for housing units of up to 30 sq. m. carpet area; LIG (Low Income Group) refers to households with annual income between ₹3,00,001 (€3,000) and ₹6,00,000 (€6,000), eligible for housing units of up to 60 sq. m. carpet area (MoHUA, Government of India).*

migrants working in market and trade associations, educational or health institutions, hospitality sectors, long-term tourists, visitors, and students, among others (MoHUA, 2020). In principle, this was a broad category, capturing a wide spectrum of precariously housed low-income urban residents.

This raises an important set of questions when considering the local implementation in Chandigarh: As the demand for rental housing in the city is very high, who would actually be housed in the 2,195 ARHC flats in Maloya? Would allocation be on a first-come-first-serve basis, through a waiting list, or via targeted beneficiary identification? Was it open to all migrants in the EWS/LIG category, as the national guidelines suggested?

Local decision-making: narrowing the eligibility

As per interviews with officials of the CHB, the initial process followed national guidelines. Public notices were issued, inviting applications under the ARHC criteria, and the response was reported to be encouraging, as confirmed by the Officials. However, the SLSMC made the final decision. Instead of allowing the wider EWS/LIG category, eligibility was restricted to households living in prefabricated shelters (tin-shed colonies) in Sectors 52 and 56, and families evicted in 2022 from Colony No. 4.

CHB officials emphasized that this decision rested solely with the SLSMC. A 2021 CHB document makes this restriction explicit: “Since the Chandigarh Administration decided to relocate the occupants of prefab shelters of Sector 52 & 56 only, the requests from the persons of other areas cannot be considered. Hence, the following requests are rejected” (CHB, 2021).

Thus, the “other requests” from other low-income households across Chandigarh were rejected in favour of relocating tin-shed residents.

4.1.2 The Story of the Prefab Shelters in Chandigarh

To understand why eligibility for ARHC in Chandigarh was restricted requires revisiting the history of the people who lived in prefabricated shelter colonies in Sectors 52 and 56, as well as the later eviction of Colony No. 4.

Prefab Shelters, Sector 52: Transit shelters for displaced slum residents

In 2007, the Chandigarh Administration constructed around 1,700 prefabricated shelters in Sector 52 as transit accommodation for families displaced during slum clearance drives. These demolitions, part of the city’s “slum-free Chandigarh” policy, targeted long-standing slum settlements such as Colony No. 5, Mazdoor Colony, Kuldeep Colony, Pandit Colony, Nehru Colony, Ambedkar Colony, Kajheri Colony, and Madrasi Colony.

The shelters were designed as temporary holding spaces for households awaiting allotment under the Small Flats Scheme (SFS) of 2006, which promised ownership flats to eligible families on a rent-to-own basis.

The SFS, however, had stringent eligibility conditions.

- A household's name had to be recorded both in the 2006 biometric survey and the voter list of 1 January 2006, as well as in the most recent voter list at the time of allotment.
- An exception was allowed for those missing from the 2006 voter list but listed in the biometric survey, provided their names appeared in the 2004, 2005, 2007, and 2008 voter rolls.

Figure 2: Figure: Prefabricated shelters in Sector 52, same shelter were constructed in Sector 56, Source: Parvesh Chauhan, Tribune photo (https://www.tribuneindia.com/2008/20080403/chd.htm)

Families who did not meet these criteria, or whose eligibility was under dispute, were placed in Sector 52. Over time, this created a prolonged state of limbo where many households remained in temporary shelters for more than a decade, awaiting permanent rehabilitation. Some stayed in tin sheds until the ARHC rollout, while others left for villages or rental housing in the city.

Sector 56: Shelters for rag pickers

Around the same time, in 2007-08, another 328 prefab shelters were built in Sector 56 under the 'Chandigarh Allotment of Prefab Shelters for the Rehabilitation of Rag Pickers on License Basis Scheme, 2008. The project cost roughly ₹3.93 crore (€393,000) and covered 3.18 acres of land (Sharma, 2008).

These shelters were allotted on a license basis to the residents of a ragpickers settlement with a monthly rent of ₹600 (€60), underscoring their temporary and non-ownership nature. Media accounts at the time stressed that the shelters were intended only as immediate relief, without conferring ownership rights. Yet, what was envisioned as a short-term measure gradually became a quasi-permanent settlement, highlighting how interim arrangements hardened into long-term precarity.

During interviews, residents of the ragpickers' settlement living as ARHC tenants revealed strong feelings of injustice. They recalled assurances of eventual rehabilitation with ownership prospects, yet they were given housing on rent. Adding to their grievance, residents compared their situation with Sector 52, where license fees were not charged, paying only electricity bills. This discrepancy reinforced their perception of being treated unfairly despite similar housing vulnerabilities.

Eviction of Colony No. 4

The other major group later included in ARHC allotments were residents of Colony No. 4, one of Chandigarh's oldest and largest informal settlements. Spread over about 65 acres in the Industrial Area, it housed nearly 10,000 people in more than 2,500 shanties that had developed over five decades (Times of India, 2019).

In May 2022, as part of the "slum-free" campaign, the administration demolished the settlement. Eligibility for rehabilitation was again tied to the 2006 biometric survey and continuous residence in Chandigarh thereafter. Those unable to provide sufficient proof were labelled "doubtful cases" and were shifted within the ARHC policy.

From temporary shelters to ARHC

By the time ARHC was launched in 2020, families in Sectors 52 and 56 had already endured more than a decade in temporary accommodation, while Colony No. 4 residents had just been displaced. Many had originally been promised ownership under the SFS but were excluded due to disputes over eligibility lists. In practice, Chandigarh's ARHC scheme narrowed national guidelines to a pre-identified group of displaced households. It offered them rental stability, but not the ownership prospects they had long anticipated.

4.1.3. Judicial Challenges to the SFS Eligibility Criteria

Over the years, several persons declared ineligible under the Small Flats Scheme (SFS) approached the Punjab and Haryana High Court to contest the rigid eligibility rules. Petitioners argued that the authorities' insistence on narrow technical requirements undermined the welfare purpose of the scheme. The Court repeatedly emphasised that SFS must be applied liberally and purposively, with priority given to rehabilitating slum dwellers. The judges made it clear that "rigid procedural conditions such as insisting on a name in a particular voter-list year, cannot override the scheme's welfare objective." Authorities were directed to accept alternative proofs (ration cards, electricity bills, subsequent voter lists, etc.) and ensure fair hearings.

A series of rulings between 2014 and 2025 shaped this jurisprudence (Punjab & Haryana High Court Cases):

Dinesh Kumar & Others v. U.T. Chandigarh (Dec 22, 2014): This case set an early precedent by striking down the practice of treating absence from a particular voter list as disqualification. The court held that the real test was long-term residence in the slum, which could be established through alternative evidence such as driving licenses or utility bills. It directed reconsideration of the petitioners' claims and confirmed that exclusion solely based on a missing voter-list entry was arbitrary.

Dudh Nath & Another v. U.T. Chandigarh (May 4, 2018): The petitioners' internal appeals were rejected through a non-speaking order by the appellate authority that ignored their evidence. The High Court held that this violated principles of natural justice. It set aside the rejection and remanded the matter for a fresh, reasoned decision. While it did not directly order allotment, the ruling reinforced that eligibility determinations must be fair, transparent, and supported by reasoning.

Rakesh Kumar v. Chandigarh Housing Board (Sep 23, 2024): The petitioner's application was dismissed for failing the voter-list requirement despite his inclusion in the 2006 biometric survey and subsequent electoral rolls. The High Court found this a misapplication of the scheme and quashed the rejection. Notably, it imposed costs on the CHB, underscoring judicial disapproval of arbitrary exclusions. The court also ordered that a flat be allotted to the petitioner, thereby affirming the enforceability of SFS rights when authorities act unreasonably.

Mohan Lal v. U.T. Chandigarh (Feb 5, 2025): In this case, the petitioner was disqualified because his name did not appear in the 2006 voter list, even though he was included in the biometric survey and featured in several other electoral rolls. The court rejected such rigid interpretation, declaring that one missing entry could not negate clear proof of residency. The court ordered allotment within three weeks and criticized officials for failing to conduct proper inquiries. This judgment strongly reaffirmed the welfare orientation of SFS, confirming that the presence in official surveys supported by other documents suffices to establish eligibility.

Aftermath: Partial Relief and Unaddressed Claims

The result of these legal challenges turned out to be a mixed outcome for the urban poor in Chandigarh. On one side, the petitioners who fought their cases in the High Court did receive relief, as the Chandigarh administration was compelled to allot them flats under SFS. This provided correction in individual cases where the injustice was proven. On the other side, there was no larger reopening of rejected claims. The administration applied the High Court orders only to those who had approached the court, instead of extending the benefit to all who were similarly placed. As a result, families who had the grounds but did not litigate, for example, long-term residents who appeared in the biometric survey but perhaps missed a voter list or failed to file an appeal in time, did not get the benefit of a reconsideration. The High Court had signalled that alternative evidence and a wider interpretation should be used, but it was up to the administration to apply that principle broadly. That broader application did not occur. As a result, numerous eligible families remained excluded from the Small Flats Scheme simply because they did not individually or collectively litigate their cases. Their rightful claim to an ownership flat was effectively never realised.

For the families, this outcome was bittersweet. After roughly 15 years, they did obtain a formal housing unit, yet their tenure is now that of renters rather than homeowners. Their original claim of an SFS flat to own was effectively reduced to a license-based tenancy, with no asset to call their own. Many of these residents feel a sense of injustice at this turn of events. They point out that they have lived and worked in Chandigarh for decades, many younger family members were born in the city, so categorising them as transient "migrants" who only qualify for rental accommodation seems unfair. Broadly, it raises the question for such a policy who is to be considered a migrant[3]?

4.1.4 Rationale for Implementing the Policy

The decision to prioritise households from the prefab colonies' allotments was driven more by financial and land-management considerations than by social welfare objectives. This theme emerged consistently in the interviews conducted with CHB officials. From the administration's perspective, the prefab shelters represented an unproductive use of valuable urban land. By shifting these households into ARHC flats, the government could simultaneously begin collecting regular rental income and free up prime land in Sectors 52 and 56.

One CHB official explained the logic in straightforward terms:

"We had around 1,700 prefab shelters, and the people living there were not paying any rent. By moving them into ARHC flats, ₹3,000 per house now comes to us as rent. Now, we have both income from rent and the land recovered." (CHB Interview 2)

This perspective highlights how land recovery was central to the rationale. Estimates valued the vacated land at approximately INR 1,200 crore (€120 million), and the UT administration subsequently announced plans to auction parcels, including shop-cum-office sites, on about 25 acres of cleared land in Sectors 52 and 56 (Nagarkoti, 2022).

As one official summarised, the policy was seen internally as a "win–win":

"On one side, our income has started because rent is coming in, and on the other side, we recovered precious land where anything can be developed. Earlier, they were just sitting there without paying, and now both issues are solved." (CHB Interview 4)

While ARHC was presented as a rental housing programme for low-income migrants. In Chandigarh, it was guided by a fiscal logic: moving tin-shed residents was a way to monetise vacant flats through rent while simultaneously unlocking high-value urban land.

4.1.5 Allotment of Flats under ARHC

By the end of June 2025, a total of 1,997 flats had been allotted under the ARHC scheme in Maloya, with 198 flats still vacant. The first round of allotments was decided in October 2020, when 1,707 households from the prefabricated shelters in Sectors 52 and 56 were shifted into

[3] *Urban migrants for ARHCs means a person or groups of people/ families, who take a conscious decision to move away or relocate from their residence to another place temporarily or permanently, for employment opportunities/education/ health visits etc.*

ARHC flats. A second round took place in July 2021, when 290 flats were allotted to residents of Colony No. 4 in Industrial Phase I.

After the eligibility was decided, CHB undertook a survey in the prefab shelters to prepare a list of candidates for allotment. The survey revealed that many of the original allottees had left over the years, either moving into private rentals elsewhere in the city or returning to their villages after giving up hope of permanent rehabilitation. In their place, new families had occupied the shelters informally.

During interviews with ARHC tenants, I found many such families who were not allotted but later occupied the prefab shelters. One tenant says:

"After our colony was evicted, we began living on rent. Later, we heard of empty tin-sheds, and we occupied them. Living in a tin-shed was better than paying rent. Everyone settled there as they wished, just taking possession of whatever was available. We ended up living there for seven years."

Since the main motive to implement the policy was to clear the land, they defined the criteria As one official explained during interviews

"The criterion is whoever is found residing in the prefab shelters at the time of the survey." (CHB Interview 3)

Another striking point that emerged from the interviews was the non-application of the income criterion. Although ARHC policy nationally requires beneficiaries to fall within the EWS or LIG, CHB officials said that no income verification was carried out.

The implication here is not that the residents of prefab shelters did not belong to the intended categories, but that bypassing income checks created room for ad-hoc implementation. This raises concerns about the potential exclusion of other deserving low-income migrants who might have qualified under policy guidelines but were not included locally because the process was restricted to the prefab colonies.

4.1.6 Finance and Rent of ARHC

Setting the Rent

To determine rental levels, the SLSMC constituted a sub-committee with representatives from the CHB, the UT Administration, and the Municipal Corporation. The group surveyed nearby areas and found that two-room units generally rented for about ₹3,000 (€30) per month. On this basis, ARHC rents were fixed at ₹3,000 per flat, with 8% increase every two years, capped at 20% over five years.

From the implementers' perspective, therefore, ₹3,000 was considered a fair price point low enough to undercut market rents for comparable housing, while still enabling CHB to recover costs and generate a rental stream.

"ARHC flats have ample space compared to private rentals. They include a private washroom, hall, kitchen, and privacy. For example, just last week when Janta Colony near Sector 25 was evicted, families had to look for new accommodation. They couldn't find a room for less than ₹6,000. Many domestic workers who come to my neighbourhood live in one-room units, sharing a single toilet among several families, and paying around ₹3,000 for a small space. In contrast, ARHC flats have two rooms and a separate kitchen." (CHB Interview 1)

From the tenants' perspective, however, many expressed that even this rent was on the higher side, given their irregular incomes and precarious livelihoods. For them, affordability was not measured against market rents but against their own earning capacity. While most acknowledged that the units were of higher quality, the demand for further lowering the rent was a recurring theme during tenant interviews. For rent collection, CHB provided multiple payment options. Tenants could pay online or deposit rent at designated physical centres and banks.

Financial Model and Incentives

A distinctive aspect of Chandigarh's ARHC implementation is the absence of direct central government support. CHB officials clarified that no fresh funding or incentives, such as Viability Gap Funding (VGF), though mentioned in ARHC guidelines, were provided because existing flats from the Small Flats Scheme were simply reallocated for ARHC use.

Financially, CHB runs the scheme as a non-profit. Of the rent collected, 95% is remitted to the Consolidated Fund of India (CFI), with only 5% retained as an administrative charge. The 95% pool is also expected to cover building maintenance and municipal service fees, though most revenue ultimately flows back to the central government. This leaves CHB with only the 5% share to manage rent collection, staff, and facilitation

Maintenance is supposed to be financed from the rent pool (the 95% share), though in practice, spending has been minimal in the first years. One official noted that when the apartments were first reoccupied after lying vacant, the cost of retrofitting was barely ₹1,000 (€10) per unit:

"Actually, we haven't done much retrofitting; I think it didn't cost more than a thousand rupees." (CHB Interview 3)

Internal maintenance is the responsibility of the tenants themselves. CHB only undertakes external and common-area repairs. As another official explained:

"We only handle external work, like when we recently added extra supports to building columns. For the inside of the flats, there is no system in place where the allottee is responsible." (CHB Interview 3)

Sanitation, cleaning, and upkeep of parks formally fall under the Municipal Corporation of Chandigarh, which can raise bills to be met from the rent fund. However, officials reported that no bills have been raised so far.

Break-even and Financial Planning

A further gap in Chandigarh's ARHC is the absence of financial modelling or break-even analysis, despite policy recommendations. When asked about cost recovery, CHB officials responded only in vague terms:

"Initially, it's a five-year arrangement, but this will continue. In 25 years, the costs will definitely break even." (CHB Interview 5)

Officials also highlighted the lack of training or capacity-building, noting that beyond initial policy meetings conducted by the Ministry of Housing and Urban Affairs, no operational guidance was provided by the central government on how to operate as a rental housing agency.

4.1.7 Challenges in Operation of ARHCs: Compliance, Defaults, and Enforcement

Widespread Rent Defaults

The biggest challenge in the operationalisation of ARHCs was non-payment of rent. By early 2021, only months after the scheme began, arrears had already risen to several crores. CHB official explained that many households "never paid from the start," with a widespread perception that:

"The government is giving these houses for free" (CHB Interview 5).

This expectation was partly valid, as most families came from slums or shelters with no rent, making the shift to monthly payments abrupt. COVID-19 also worsened the situation, crippling informal incomes. Many tenants lost jobs, had no savings, and struggled to pay rent, utilities, and even basic food expenses.

Overdue bracket	Households	Percent
≤ ₹50k	530	32
₹50k–₹75k	223	13
₹75k–₹1.0L	259	15
₹1.0L–₹1.25L	295	18
₹1.25L–₹1.5L	361	22
> ₹1.5L	10	1

Table 2: Rent Overdue, Author's own calculations (Source: CHB, 2025)

By January 2025, outstanding dues across ARHC flats had reached ₹13 crore (CHB, 2025). Officials noted that some households had accumulated ₹1–2 lakh in arrears, effectively not paying for two to three years. These arrears also increased due to a 12% annual interest penalty levied on delayed payments. Defaulters' lists were periodically published on CHB's website. Around 32% of households (530 families) owed up to ₹50,000, reflecting delays of roughly a year. But a substantial share had much deeper arrears: 22% (361 households) owed between ₹1.25–1.5 lakh, and 18% (295 households) owed between ₹1.0–1.25 lakh, suggesting non-payment for multiple years (Table 1).

Political Interference

Officials reported that during election periods, local leaders often assured residents that they need not pay rent because it would later be waived. As one officer explained:

"Whenever elections come, leaders tell people they don't need to pay; they say, 'we are here, we'll get this waived.' Rent collections stop completely during Municipal Corporation elections or any other elections" (Interview CHB 1).

Such statements emboldened households to default, believing the flats might eventually be regularised as free housing.

Enforcement Measures

To address rising defaults, CHB combined awareness drives with structured enforcement steps. Initial measures involved holding camps and making public announcements in housing complexes, cautioning tenants that:

"*Your flats will be cancelled, deposit your rent!*" (CHB Interview 5).

Beyond these campaigns, CHB relied on a Standard Operating Procedure from its framework for cancelling Small Flats allotments. The process began with Demand or Show-Cause Notices, specifying arrears and warning of possible cancellation. If tenants failed to respond, a cancellation notice follows, often with a final deadline and a hearing. Defaulters with arrears above ₹1 lakh were prioritised. By June 2025, CHB had already sent such notices to 500–600 households, roughly a quarter of all tenants.

During hearings, if a tenant demonstrated willingness to pay and cleared even part of the arrears, CHB often granted additional time, recognising the difficulties families faced in gathering money. However, if someone absolutely did not pay anything after the notice is issued, CHB officials told they will go for cancellation of allotment and evict the tenant. However, till June 2025, no cancellations or evictions were carried out.

'Illegal' Subletting and Occupancy Monitoring

A major challenge in ARHC implementation has been illegal subletting and unauthorised occupancy. CHB officials reported during door-to-door checks that several flats were no longer occupied by the original allottees. Some families who had initially taken possession later left Chandigarh and informally transferred their tenancy for lump sums of ₹4–8 lakh, even though ARHC units legally carry no ownership rights.

These arrangements left the original allottee on CHB records while another household lived there. I also observed such transfers within social networks, where flats were sublet to acquaintances or relatives, sometimes at ₹4,000 while paying CHB only ₹3,000.

CHB conducted two occupancy verification surveys. The first took place between July and September 2022, and the second in November 2022 (TNN, 2023; Tribune News Service, 2022). These checks confirmed widespread irregularities; many flats were found to have occupants other than the official allottees (Table 2).

Source	Original Allottees	Flats Retained by Other	Locked	Denied to Give Information	Govt Department	Sealed by CHB	Vacant Property	Total
Survey 1	1793	57	129	18	0	0	0	1997
Survey 2	1836	72	70	19	0	0	0	1997

Table 3: Results of Verification Survey, Source: (Chandigarh Housing Board, 2022a; CHB, 2022b)

CHB's policy is to cancel such allotments, evict unauthorised occupants, and reallocate flats to eligible households. In practice, however, enforcement is difficult. When asked what happens to such units after cancellation, officials explained that the flats would be re-allotted under a different rental policy, but with stricter income-based criteria, unlike the allotments for ARHC, where income verification was not applied.

4.1.8 Future of the ARHC in Chandigarh

Tenants' Confusion over Ownership

Tenants remain confused about the long-term status of ARHC flats, with many believing ownership may come after 25 years of continuous rent payments. CHB officials, however, stressed that guidelines are explicit: after 25 years, only a new rental cycle begins, with no transfer of ownership. As one official stated, even if a household has lived in the unit and paid rent on time for 25 years, "*we would not give these houses for ownership*," since CHB gains no financial benefit in transferring ownership.

Policy Transition after PMAY Phase I

The first phase of ARHC in Chandigarh concluded on 31 March 2022, aligned with the closure of PMAY Phase I. Although the Government of India launched PMAY 2.0 as a follow-up, Chandigarh has not signed a new Memorandum of Agreement, nor reconstituted the state-level institutional committees that had overseen ARHC during the earlier phase. As a result, key decisions regarding the 197–198 vacant ARHC flats remain unresolved. Officials suggested that many of these units may ultimately be diverted to pending litigants from the Small Flats Scheme, where multiple court cases on eligibility and allotment are still ongoing.

Continuation of ARHC within PMAY 2.0 faces significant barriers. Two critical policy reforms are mandated for participation:

1. Changes to stamp duty provisions, and
2. Enhancement of permissible Floor Area Ratio (FAR).

Chandigarh has complied with the first, but the second is legally impossible. The Supreme Court has frozen FAR limits in the city and explicitly barred any increases, making compliance with PMAY 2.0's FAR condition a potential contempt of court (Press Trust of India, 2023). This legal incongruity effectively blocks Chandigarh from extending ARHC under PMAY 2.0, unless an exemption is granted by the central government, a notification that, at the time of interviews, had not been issued.

Limits of Model-2 in Chandigarh

Officials were also sceptical about the feasibility of ARHC Model-2 (construction of new rental housing by private or public developers) in Chandigarh. They explained that land prices are prohibitively high, making affordable housing projects financially unviable without heavy subsidies:

"ARHC cannot work here. Affordable housing itself is impossible in Chandigarh because land is so expensive. No private developer will build EWS housing for ₹70 lakh a unit when their profit margin is only 15 percent. Even for us, our 3BHK flats cost ₹2.2 crore, and market rates are the same. This model may work in other cities where land is cheaper, but not here unless the government provides subsidies, especially in the form of free land." (CHB Interview 5)

Towards a Local Rental Policy

Officials suggested Chandigarh's rental housing may need a new policy outside the PMAY framework, retaining ARHC's rental logic but with clearer eligibility and context-specific design. They stressed it should focus on migratory populations needing temporary housing, not long-term residents. One explained:

"Private rental demand exists, and guidelines say it should go to EWS workers and labour. In our case, we had to recover land and use existing flats. But otherwise, this scheme is for people who need housing for two to five years, then move on. It should not be permanent. Someone whose

children study here for five to six years can stay, then another family comes after them.” (CHB Interview 5)

4.2. Discussion: Reconciling Multi-Level Discretion in ARHC Implementation

The implementation of the ARHC policy in Chandigarh provides a compelling case study of multi-layered discretion in policy implementation, illustrating how policy objectives can be fundamentally reoriented and client experiences shaped by choices made at various organizational levels. This analysis examines strategic, operational, and enforcement discretion, demonstrating how these practices transformed a national social welfare initiative into a localized land-management and fiscal project, ultimately eroding client meaningfulness for the intended beneficiaries.

4.2.1 Strategic Discretion: Redefining Policy at the State Level

At the highest echelon of local policy-making, the SLSMC exercised significant discretion in defining the local scope of the ARHC policy. Nationally, the ARHC guidelines envisioned a broad category of low-income migrants as beneficiaries, aiming to provide affordable rental housing across various demographics. The SLSMC, however, narrowed this eligibility criterion considerably, restricting access exclusively to residents of prefabricated shelter colonies and households evicted from Colony No. 4.

This deliberate narrowing represented a profound reorientation of the scheme from a wide-ranging, needs-based rental housing program into a localised slum clearance and land recovery initiative. This strategic discretion aligns with Evans's (2015) observation of managers making "policy decisions, setting priorities, interpreting requirements and allocating resources" to suit particular contexts. The SLSMC's choices effectively transformed the national framework to serve distinct local priorities.

The primary drivers behind this strategic discretion were "financial and land-management considerations" rather than the social welfare objectives articulated in the national policy guidelines. This demonstrates what Farooqi and Forbes (2020) identify as managers pursuing "their own agendas," where organizational or local government interests supersede broader policy intentions. The local agenda was clear: to make Chandigarh "slum-free" while capitalizing on the estimated value of vacated land, approximately INR 1,200 crore, with subsequent plans for commercial development. This fiscal logic fundamentally altered the policy objectives, aligning them with local revenue generation and urban planning goals.

An official's summary encapsulated this "win-win" framing: *"On one side, our income has started because rent is coming in, and on the other side, we recovered precious land where anything can be developed. Earlier, they were just sitting there without paying, and now both issues are solved."* This statement illustrates how strategic actors exercise discretion by reinterpreting national policy objectives to align with local administrative and fiscal priorities, showcasing a high "willingness for policy adoption" influenced by local context and stakeholder values (Faroqui & Forbes, 2020).

4.2.2 Operational Discretion: CHB as Implementing Agency

Following the strategic redefinition, the CHB, as the implementing agency, exercised its own layer of operational discretion. This involved consolidating institutional roles and adapting implementation procedures in ways that streamlined the process but deviated significantly from formal guidelines.

The CHB made a critical decision to consolidate both regulatory and operational functions for the ARHC scheme. National guidelines typically envisioned a competitive tendering process to select concessionaires for operating rental housing complexes. CHB officials bypassed this procedure, citing "pure financial logic" as their rationale. This choice reflects Evans's (2015) understanding of managerial discretion, where leaders allocate resources and interpret policies to directly serve organisational interests. By retaining control, the CHB ensured that any financial benefits from the complexes accrued directly to the board.

Perhaps most strikingly, the CHB exercised operational discretion by completely bypassing national ARHC policy requirements for income verification. Despite clear stipulations that beneficiaries must fall within the Economically Weaker Sections (EWS) or the Low-Income Group (LIG) categories, no checks were conducted to confirm these thresholds. This practice led to "ad-hoc implementation" and "selective policy compliance," where crucial requirements were ignored while others were maintained.

The CHB also adapted its eligibility rules when it was discovered that many original allottees of the prefabricated shelters were no longer residing there. The CHB simply reformulated the criteria: "any household residing in the prefab shelters at the time of survey qualified." This shift streamlined implementation by cutting through administrative complexity and aligning with on-the-ground realities. Such choices exemplify discretion as experienced (Tummers & Bekkers, 2014), where officials interpret rules to reduce administrative burden and fit local circumstances. This approach mirrors Lipsky's (1980) original concept of street-level bureaucrats developing "routines and devices to cope with uncertainties and work pressures." By focusing on actual occupancy rather than the original allottees, CHB officials demonstrated an adaptive, discretionary response to the complex and informal nature of the settlements. The CHB's willingness to implement the adapted version of ARHC was high, but characterised by pragmatic simplification rather than strict adherence to all policy guidelines.

4.2.3 Discretion and the Erosion of Client Meaningfulness

While discretion is often theoretically conceptualized as a mechanism that enhances bureaucrats' sense of client meaningfulness, the perception that their work tangibly benefits their clients (Tummers & Bekkers, 2014), the Chandigarh ARHC scheme presents a stark counter-narrative. Conventional scholarship frequently posits that discretion allows street-level bureaucrats to adapt policies to the unique circumstances of citizens, thereby creating value and positive impact, often associating high discretion with greater willingness to implement and stronger perceptions of client meaningfulness (Tummers & Bekkers, 2014; Maynard-Moody & Musheno, 2000; Hassan et al., 2021). The Chandigarh case demonstrates how discretion, when oriented primarily toward managerial and fiscal logics rather than client-centered outcomes, can actively erode this sense of meaningfulness.

At the strategic level, the discretion exercised in Chandigarh was not aimed at tailoring the scheme to the needs of the clients. Its overriding objectives were land recovery, fiscal cost management, and making Chandigarh "slum-free." For the tenants, this redefinition and the resulting narrowed eligibility directly undermined their long-standing claims to ownership housing under earlier SFS policy. Many beneficiaries explicitly framed their experiences as a profound injustice, noting their reclassification as mere "migrants" and "renters," despite having resided in Chandigarh for decades. This outcome directly challenges the notion that meaningfulness automatically fosters discretionary action (Tummers, 2012); instead, higher-level discretion here produced significant alienation among the very clients it was supposed to serve.

This pattern of erosion was equally visible at the operational level. The Chandigarh Housing Board's discretionary choices to bypass income verification and adopt ad-hoc eligibility rules, while pragmatically motivated by resource constraints and political pressures, nonetheless "diluted the alignment between policy and client benefit." Instead of fostering flexibility that accommodated clients' unique circumstances, these discretionary acts generated "confusion and inequities": some long-term migrants residing outside the specific prefab shelters were excluded, while others with "dubious claims" within the shelters often benefited. This patchwork implementation, as Evans (2016) suggests, contributed to a "corrupted world of service," where contradictions and inadequacies stemming from higher-level decisions filtered down to shape frontline experiences. Within this context, clients perceived policies less as vehicles for empowerment and more as instruments of bureaucratic control.

The literature emphasizes that discretion is most likely to lead to higher client meaningfulness when coupled with strong supervisory support (Hassan et al., 2021). In Chandigarh, however, supervisory structures consistently reinforced fiscal and land-management priorities rather than client-centered ones. Supervisors and strategic managers explicitly directed discretion towards achieving institutional goals, recovering valuable land, avoiding financial losses, and maintaining political calm, rather than directly improving client welfare. The potential of discretion to generate meaningfulness for clients was paradoxically inverted: the more discretion was exercised by the various administrative layers, the less clients felt that the policy genuinely addressed their needs or offered a fair outcome.

While the literature notes that discretion fosters a willingness to implement when professionals perceive policies as legitimate and beneficial (Tummers, 2012), the high willingness of Chandigarh administrators was directed towards organizational objectives rather than client-oriented ones. This reinforces Farooqi and Forbes's (2020) insight that managers' enacted discretion is heavily conditioned by "policy design, stakeholder values and cultural inertia." When the underlying values driving discretionary action are fundamentally divorced from client welfare, the vital link between discretion and meaningfulness breaks down entirely. Instead of enhancing clients' sense of being recognized, respected, and supported, the discretionary practices in

Chandigarh left many ARHC tenants with a profound perception of injustice and a reduced sense of value in the policy's ultimate outcomes.

The Chandigarh evidence demonstrates that discretion is not normatively neutral. While dominant scholarship often associates discretion with greater empowerment and client benefit, this case illustrates how discretion, when predominantly oriented towards institutional logics and fiscal rationalities, can produce the opposite effect. Strategic and operational discretion in Chandigarh reduced clients' sense of fairness, justice, and meaningfulness by redefining their status from potential owners to mere renters and by prioritizing financial recovery over social welfare objectives. This challenges the conventional assumption that more discretion is inherently better for client outcomes, underscoring that the orientation of discretion, whether towards clients or towards institutional goals, is the crucial determinant of its effect on client meaningfulness and overall policy legitimacy.

4.2.4 Synthesizing Findings: Multi-Level Discretion and Theoretical Reconceptualization

The Chandigarh ARHC case vividly illustrates how "willingness for policy adoption" varies across organizational actors. The SLSMC exhibited high strategic willingness, but its priorities, land recovery and fiscal gain, diverged from national social welfare goals, reaffirming Farooqi and Forbes's (2020) insight that "stakeholder values and attitudes" shape policy interpretation. At the operational level, CHB officials also demonstrated strong implementation willingness, yet their approach hinged on pragmatic simplification and selective guideline adherence. By bypassing income verification and adopting occupancy-based criteria, they streamlined administration while advancing the local objective of relocating tin-shed residents.

This case provides empirical support for expanding street-level bureaucracy theory to include multi-level discretion. Evidence shows that policy transformation arises not only from frontline worker–client interactions but equally from strategic and operational decisions by higher-level actors. This perspective aligns with Evans's (2015) argument that managers are discretionary actors "potentially as active, at least, as street-level bureaucrats." The SLSMC's strategic redefinition of eligibility and CHB's operational adaptations together demonstrate how managerial discretion can fundamentally reshape policy outcomes.

4.3 Comparing the adequacy of ARHC and Private Rental Housing

This chapter presents the comparative analysis of the adequacy of private rental housing and ARHC units in Chandigarh. Each sub-section contrasts conditions across the two housing types, structured by parameters of adequate housing. The chapter begins with an overview of typical housing arrangements identified during fieldwork and profile of the tenants surveyed before presenting detailed comparisons.

Rental Arrangements

The dominant form of low-income private rental housing observed was the 'Vehra', prevalent across urban villages with affordable rentals below INR 5,000 (€50). A Vehra (a colloquial term) comprises long rows of single rooms arranged along narrow corridors or courtyards, often forming dense clusters. Typically, Vehra rooms range from 100 to 200 square feet and serve as the tenant's primary private area. They lack private sanitation and water facilities; instead, residents share communal taps, toilets, and bathing spaces located in corridors or courtyards. Vehra complexes generally host between 10 and 40 rental units (rooms), though some can contain up to 100 units.

Construction quality varies, mostly single-storey Vehras use semi-permanent materials like tin or asbestos roofing and brick walls, while multi-storey Vehras (two to four floors) features concrete roofs. Each room usually has a small window facing corridors or courtyards, limiting natural light and ventilation.

Figure 3: A single-storey Vehra with asbestos roofing with 12 rental units

Figure 4: A single-storey Vehra with concrete roofing, with 10 rental units

Figure 5: A two-storey Vehra

Figure 6: A four-storey Vehra

Owners tend to be absentee landlords or live nearby in separate homes. The spatial organization of Vehra units creates tightly packed living conditions with shared facilities. Tenants living in these Vehras predominantly include daily-wage laborers, rickshaw pullers, small vendors, and domestic workers. The rent typically ranges from ₹3,000 to ₹4,500, influenced by location, unit size, and condition.

Another private rental arrangement observed involved landlords renting out rooms on the upper-floor of their own houses. These units, often with separate entrances, coexist with owner-occupied ground floors, accommodating multiple tenants in the same building.

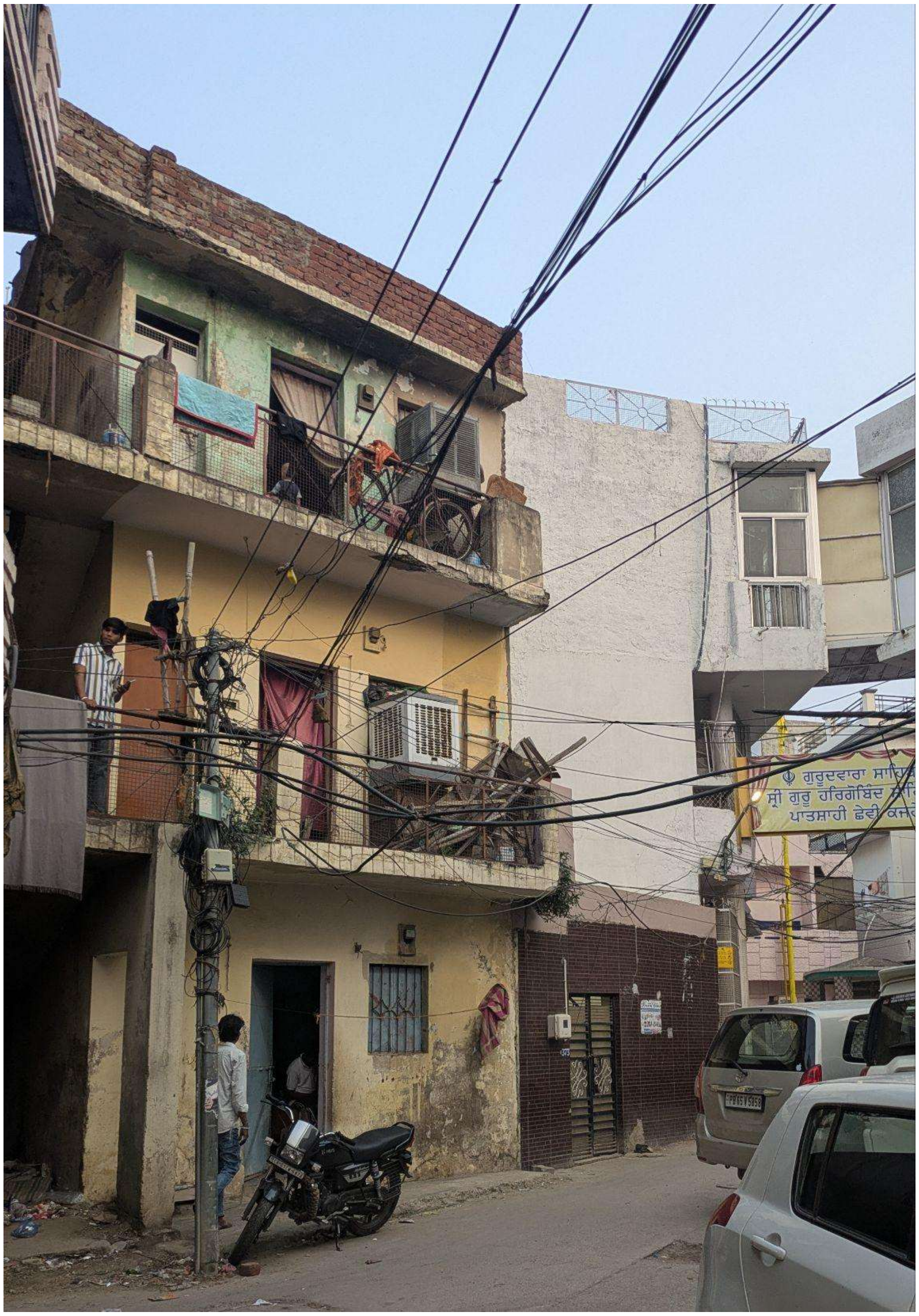


Figure 7: A Rental unit with the landlord living on the ground floor

The ARHC units are uniform, with each tenant occupying a standardized 270 sq ft flat. The buildings are G+3 structures comprising eight 1BHK units per floor. Each unit features a hall with an open kitchen, a balcony accessible from the kitchen, and a small corridor leading to a bedroom and separate toilet and bathing area. This layout provides a compact yet functional living space for tenants across the complex.

Figure 8: Four-storey housing complexes (ARHC)

Figure 9: The living area of an ARHC apartment with an open kitchen attached

Profile of Surveyed Tenants in Private Rental Housing

Tenants are mostly young working-age adults, aged 18 to 45, averaging 30 years, with the largest group aged 18–24 (Chart 1). Gender distribution is fairly balanced: 57% male, 43% female (Chart 2). Households are typically nuclear, averaging 3.8 members, with 67% having children.

Chart 1: Age Distribution of Surveyed Participants in Private Rentals

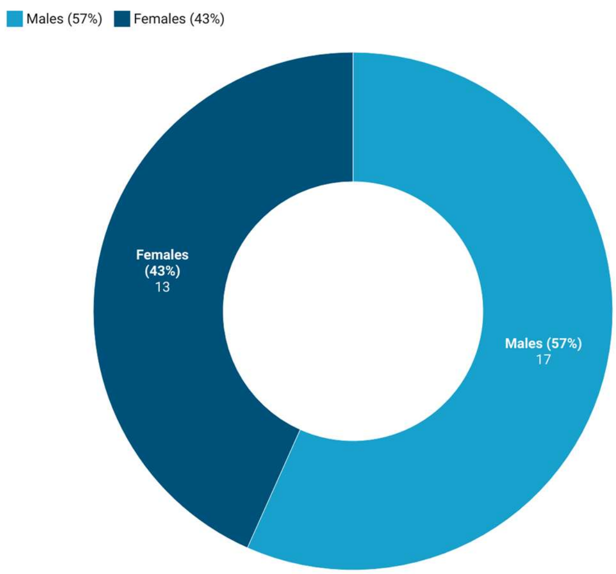


Chart 2: Gender Distribution of Surveyed Participants in Private Rentals

Most tenant households originate from other states, predominantly Uttar Pradesh and Bihar (Chart 3).

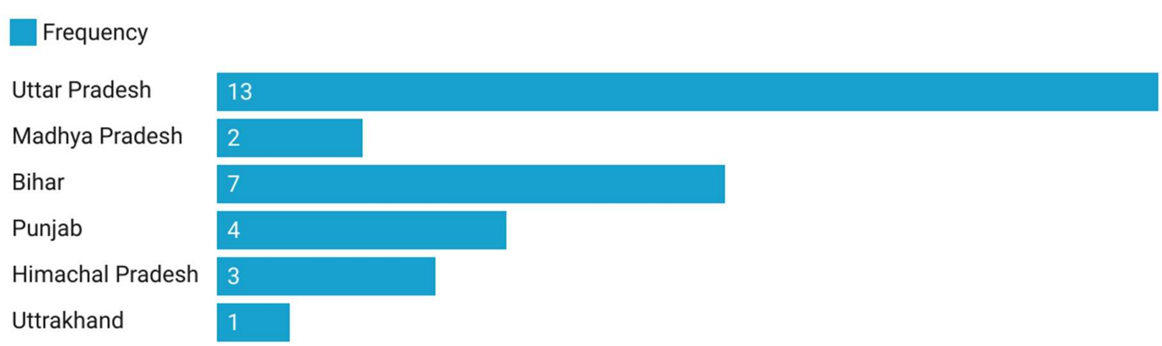


Chart 3: State of Origin for Surveyed Tenants in Private Rentals

Tenancy duration varies widely, reflecting a mix of transient and long-term residents; the most common length of stay is two to five years, but many have lived over 15 years in their rentals (Chart 4).

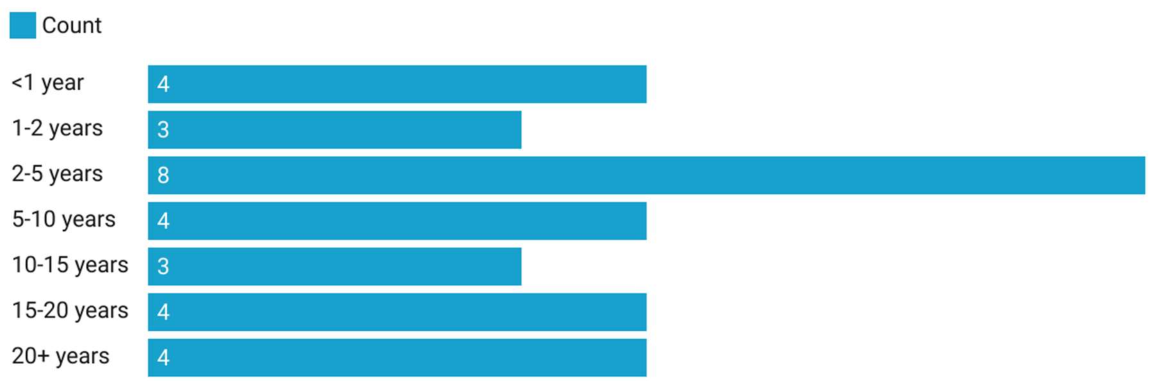


Chart 4: Duration of Tenancy in the Current Private Rental Unit

Migration histories of private rental tenants are diverse, ranging from as short as three months to over 30 years in Chandigarh (Chart 5).

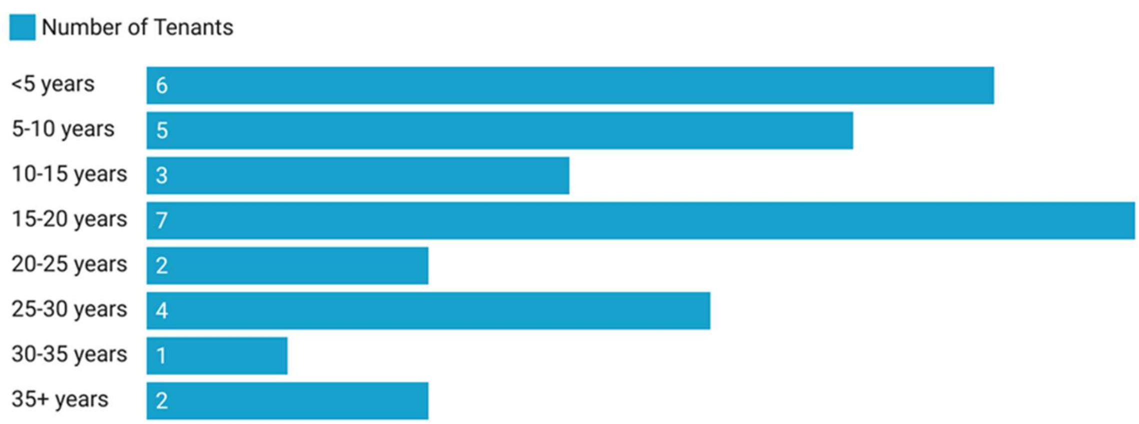


Chart 5: Years Since Migration to Chandigarh Among Tenants in Private Rentals

In terms of livelihood, the largest group consists of daily-wage workers, such as construction labourers. The second-largest group holds private salaried jobs, with others engaged in self-employment, small businesses, or gig work (Chart 6).

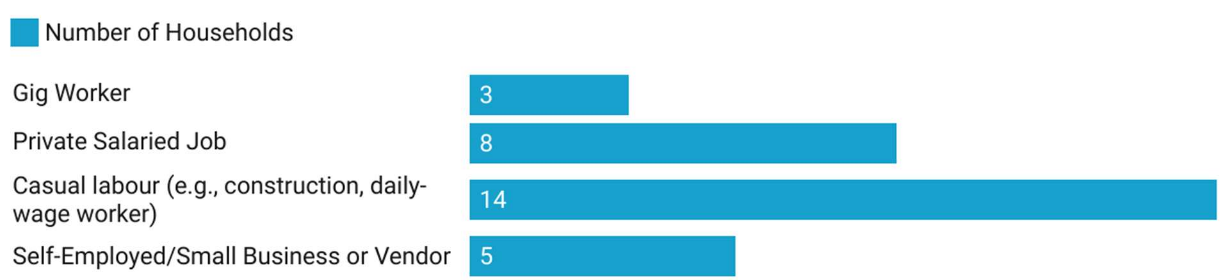


Chart 6: Main Occupation of Surveyed Households in Private Rentals.

Profile of Surveyed ARHC Tenants

In ARHC housing, males represent over two-thirds of surveyed tenants, with females comprising one-third (Chart 7). The tenant population is predominantly young, mainly aged 31–40, followed by 41–50 and 21–30 age groups. Very few tenants are under 20 or over 50 years old, indicating a primarily working-age demographic (Chart 8).

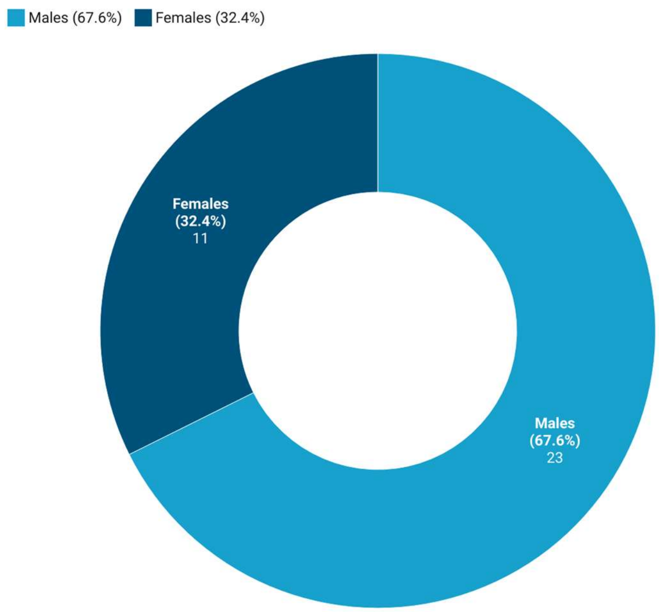


Chart 7: Gender Distribution of Surveyed Participants in ARHC.

Chart 8: Age Distribution of Surveyed Participants in ARHC.

The employment profile in ARHC housing is diverse: equal numbers work in private salaried jobs and casual labour (13 each), with smaller segments self-employed, unemployed, in house help, or gig work. This highlight varied but predominantly low-wage occupational backgrounds (Chart 9).

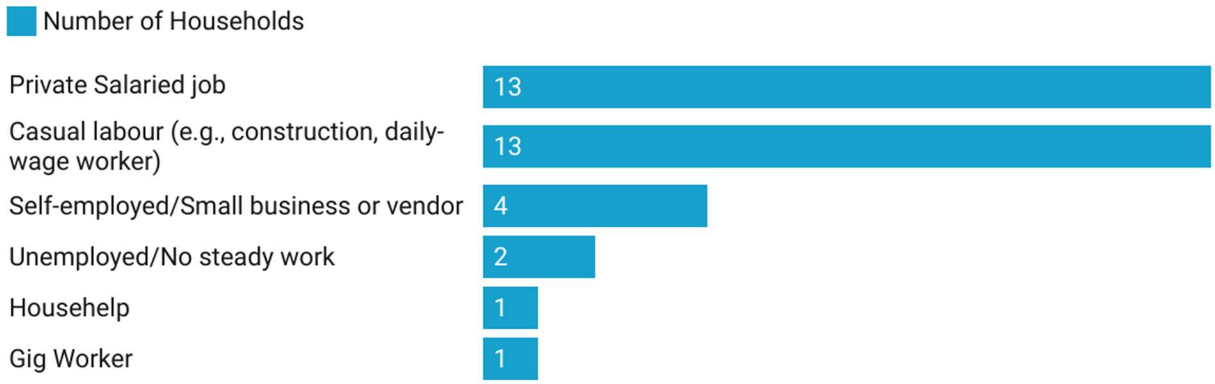


Chart 9: Main Occupation of Surveyed Households in ARHC

Most ARHC tenants surveyed have been living in Chandigarh for two to three decades (Chart 10). The majority previously lived in Sector 52 Prefab Shelters, after they were evicted from the informal settlements (Chart 11).

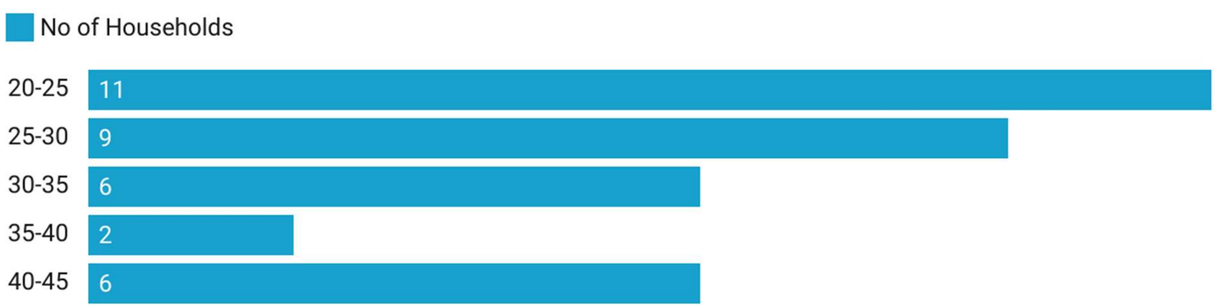


Chart 10: Years Since Migration to Chandigarh Among Tenants in ARHC

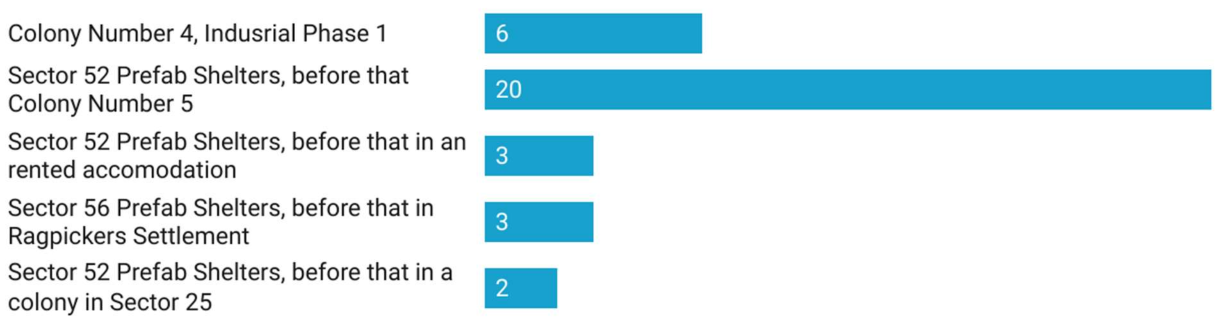


Chart 11: Previous places of residence for surveyed ARHC tenants

4.3.1 Security of Tenure

Legal Security of Tenure

In the ARHC scheme, the de-jure security is defined primarily by the terms of the allotment and lease agreement issued by the CHB. Although the lease agreement is bound for 5 years, in the terms and conditions of the allotment letter, it is written that the same mechanism shall be followed over the entire concession period, i.e., 25 years. The contract is meant to be renewed every 5 years.

In the case of private rentals, out of 30 surveyed households living in private rentals, no one was found with a written rental agreement. There was only one case, when interviewing a landlord in Burail reported that they do make rental agreements.

Effective and Perceived Security of Tenure

Effective (de-facto) security of tenure in ARHC relies on CHB's allotment conditions, but the majority of tenants struggle to understand the English contracts. As a result, they're often unaware of rules like prohibitions on alterations. Despite this, many modify their flats, risking lease cancellation if violations are found. This gap between formal terms and tenant comprehension introduces uncertainty, undermining the effective security of tenure in ARHC.

The primary threat to de-facto security of tenure in ARHC comes from tenants' widespread inability to consistently pay rent. Interviews confirm that most tenants accumulate significant rent arrears over time. Many households depend on unstable daily wage labor or informal jobs, resulting in irregular and insufficient income to meet the rent demands. This often causes late, partial, or missed payments, leading to rent arrears. In response, CHB issues formal notices and warnings for cancellation of allotments that highlight non-payment as the central factor putting tenure security at risk.

Instead of immediate eviction, CHB grants grace periods and accepts partial payments. While written notices demand full arrears, tenants reported that officials often advise paying whatever is possible. This practical flexibility creates a tacit negotiation space, reflecting a divergence from formal contract terms. Consequently, tenants with persistent arrears haven't faced eviction or termination. This gap between policy and practice maintains a fragile yet ongoing tenure security for most ARHC residents.

Rent arrears are compounded by the imposition of steep interest penalties, reportedly around 12% annually on overdue rent. These accumulating charges inflate total debt, intensifying financial pressure on tenants. Many residents acknowledge receiving notices threatening lock installations if payments remain unsettled. Nonetheless, despite mounting debt and official warnings, tenants continue to occupy their flats. This indicates an enforcement gap where the threat of eviction exists but has yet to translate into substantive action. Tenants perceive this risk as imminent, with rent increases and rising penalties nudging them closer to displacement. Yet, the absence of actual evictions preserves a tenuous, conditional form of effective security in practice.

Maintenance responsibilities also impact effective tenure security in ARHCs. Tenants bear most repair costs as fixing leaks, plumbing, and electrical issues, placing a financial strain on households. While this out-of-pocket burden doesn't directly threaten tenure, it adds economic pressure and stress, indirectly affecting tenants' ability to sustain occupancy. However, managing repairs also gives tenants some control over their living conditions amid these challenges.

Geographical and socio-economic factors also influence de facto tenure security in ARHC. ARHC is located on the urban periphery, often distanced from the primary employment centre, as compared with where they previously lived. Both male and female residents frequently report a lack of local livelihood opportunities in the immediate vicinity. This economic displacement resulting from relocation increases the difficulty tenants face in meeting rent obligations and sustaining their tenancy over time.

In informal rental markets, tenure security is shaped by precarious, varied arrangements without formal contracts or legal protections, leaving tenants dependent on verbal agreements. This creates uncertainty regarding rights and obligations for both tenants and landlords. Those with longer tenancies, often five years or more, enjoy greater stability through social ties and informal community roles. For instance, some long-term tenants act as rental managers, collecting rent and overseeing maintenance in landlords' absence. Despite this, the unstable nature of these arrangements inhibits tenant investment in home improvements. Most tenants deliberately avoid modifying or repairing the spaces they rent because of the uncertain duration of their stay. The risk of sudden eviction or short notice to vacate discourages expenditures that tie them financially or emotionally to the property. In contrast, ARHC tenants, despite financial constraints, are more willing to enhance their homes due to greater tenure security and confidence in longer-term residency.

Figure 10: An ARHC resident made significant investment to improve the kitchen area

Surveillance by landlords in private rentals varies, but most tenants report feeling comfortable with minimal interference. Only a few, especially where landlords live nearby, face frequent inspections and restrictions on visitors or behavior. Such intrusions can undermine tenant privacy and autonomy, creating a sense of vulnerability. Overall, intrusive landlord control is rare, with most tenants experiencing limited oversight and relative freedom in their homes.

Eviction threats are a potent aspect of perceptual insecurity in private rentals. Without formal eviction procedures, landlords typically exercise unilateral discretion to evict tenants, often with little or no advance notice. Non-payment of rent or minor disputes can prompt immediate threats or actual evictions. Tenants frequently recount experiences of abrupt eviction demands following rent delays of just one or two months, illustrating the minimal procedural safeguards available to them. This creates a persistent fear among tenants, undermining their psychological security and contributing to a cycle of residential instability. Payment flexibility in private rentals depends largely on personal relationships and landlord goodwill. Some landlords allow temporary delays or partial payments based on trust, while others are strict or punitive. This unpredictability undermines tenants' economic security and creates uncertainty in payment arrangements.

Access to public welfare schemes and official documentation poses challenges for private rental tenants. Although landlords usually do not prevent tenants from registering ration cards, voter IDs, or other government services, the absence of formal rental agreements restricts tenants from officially registering their addresses. This limitation hinders their access to welfare benefits and prevents them from gaining formal recognition and legitimacy within welfare systems.

In summary, informal private rental markets offer a form of tenure security based on flexible, negotiated relationships and community networks. While adaptable to economic constraints, they remain unstable, offering limited protection against eviction and exploitation. This precariousness results in restricted tenant autonomy, unpredictable eviction risks, and inconsistent rent payments, deeply influencing tenants' experiences and sense of security.

4.3.2 Comparing the Affordability

Rents

The affordable rental housing landscape in Chandigarh shows clear rent patterns between private rentals and ARHC tenants. Surveying 30 private rental households reveals rents ranging from ₹2,400 to ₹4,500 monthly, averaging ₹3,473 with a median of ₹3,500. Most renters pay between ₹3,500 and ₹4,000, indicating a moderate concentration in the mid-range. Lower rents of ₹2,400–2,600 are less common and usually located in peripheral urban villages. (Chart 12)

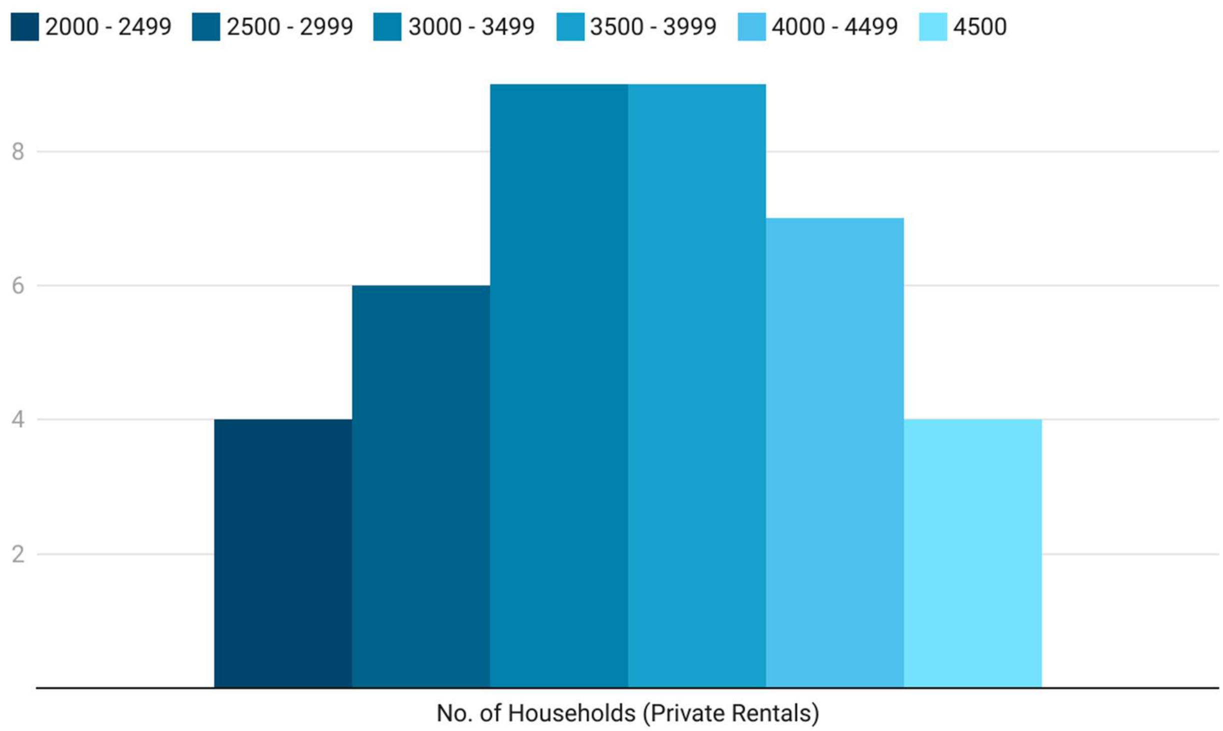


Chart 12: Distribution of Rents Paid by Tenants in Private Rentals

Segmentation within the private rental market is reflected in rent distribution: only a few tenants pay the lowest rents, while most pay a mid-range rent. This pattern suggests an implicit trade-off between proximity to employment or slightly better services at higher rents, and lower rents associated with greater distance and reduced services.

ARHC rents started at INR 3,000 for all tenants and had risen to around INR 3,500 after four years, due to biennial 8% increases. Although lower than private rentals, these rates are comparable to Chandigarh's peripheral areas. However, when basic utility costs like electricity and water are included, affordability becomes more challenging relative to household incomes.

Rent-to-Income Ratios

Affordability in housing is better assessed by the rent-to-income ratio. When monthly rents and the costs of electricity and water utilities are combined, the disparities in rent affordability between households living in private rentals and ARHC become clearer.

Among private rental households, most fall within the 20–30% rent-to-income range. Specifically, for 17 out of 30 respondents, affordability ratios came out between 20% and 25%, while another 4 households fell between 26% and 30%, and only 5 exceeded 30%. The mean and median ratios for this group are 23.0% and 22.7% respectively, and the lowest ratio as little as 10% and the highest ratio of 37% (Chart 13).

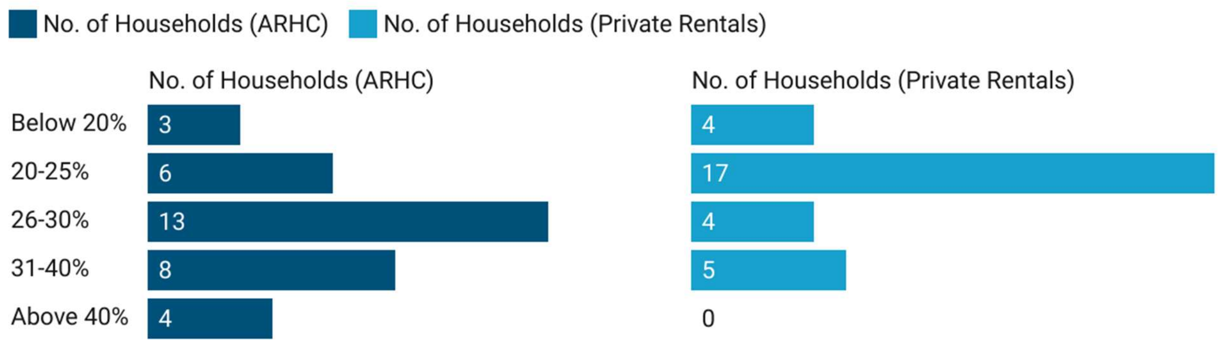


Chart 13: Comparison of rent-to-income ratios (including basic utilities)

ARHC tenants reported a wider and higher range of housing cost burdens. Among 34 surveyed households, the mean rent-to-income ratio was 30.3% and the median was 30%, with significant dispersion. Thirteen households spent 26–30% of income on rent and utilities, eight fell in the 31–40% bracket, and four exceeded 40%. The range spanned from 15% to 45%, indicating that while some maintain moderate burdens (Chart 13), many face expenditures more than those of private rental housing.

Rent Increase

Rent increases in ARHC are fixed with a biennial 8% rise, capped at a maximum 20% increase over five years from the contract signing. This mechanism applies throughout the 25-year rental period, resulting in a ₹240 increase every two years. Tenants worry about uniform hikes despite stagnant incomes, causing unaffordability. Delayed payments incur a 12% annual interest penalty, trapping families in cycles of arrears and worsening financial strain.

In contrast, private sector rent increases lack a set pattern and depend on landlords' discretion. Most tenants face annual hikes between ₹200 and ₹500, nearly double in comparison to ARHC housing, but these are negotiable depending on the tenant-landlord relationship. With the logic of rent increase, the ARHC housing will be more affordable than the majority of private rentals in the long run.

Commute Costs

Commute cost emerges as a crucial aspect of housing affordability in both ARHC and private rental settings, but it is often underappreciated. Survey data illustrate a clear divide in the burden of daily travel expenses carried by these two groups.

For ARHC tenants, the peripheral location of the housing complex creates significant mobility challenges. Among the surveyed households, eight reported monthly travel costs between ₹1,500 and ₹2,000, while four spent ₹1,000–1,500. Some face much higher expenses: two tenants spend ₹2,500–3,000, four pay ₹3,000–3,500, and another four incur the highest costs of ₹3,500–4,000 per month (Chart 14). These costs can be as high as or higher than their utility bills. Poor public transit and last-mile connectivity mean many rely on expensive auto-rickshaws or motorcycles. Households with school-going children face additional financial strain, with several spending up to ₹1,000 monthly on children's auto-rickshaw rides to school.

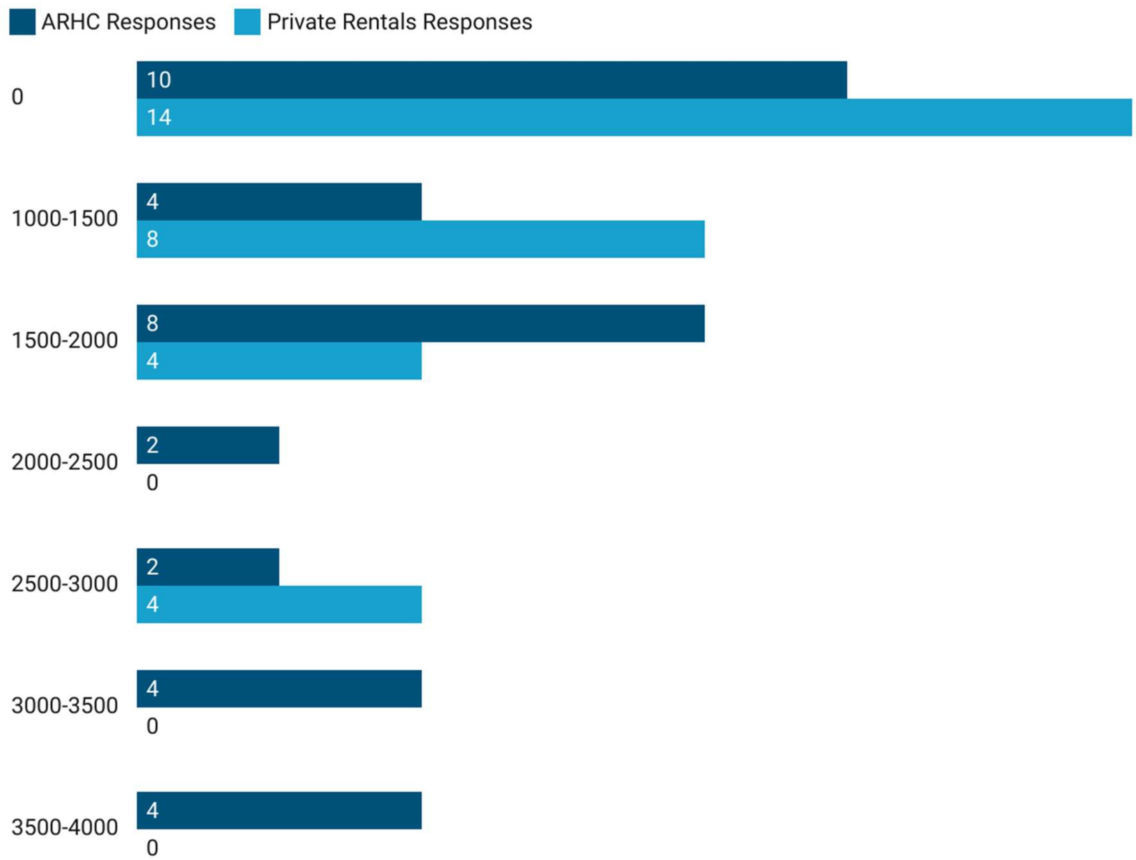


Chart 14: Comparison of Commute Costs

Private rental tenants face significantly lower commute costs. Fourteen households reported no regular travel expenses, eight spent ₹1,000–1,500 monthly, and only four paid between ₹1,500 and ₹3,000, with none exceeding ₹3,000 (Chart 14). Most tenants walk or cycle to work, and children travel similarly, as schools are within 3 km. This reduced financial and time burden reflects the well-located urban villages where many tenants live, where slightly higher rents are balanced by significant savings on commuting.

Commute cost is a key factor in household affordability, with ARHC tenants facing higher burdens due to peripheral housing and poor transport links. In contrast, most private rental households benefit from central locations near work and schools, reducing travel expenses.

Deposit and Maintenance

Deposit structures differ notably between ARHC and private rentals. ARHC tenants paid a deposit of INR 4000 to CHB upon receiving their allotment letter. Some mentioned that during the COVID-19 lockdown, even this small amount was a burden, forcing them to borrow from relatives and friends.

In contrast, none of the private rental tenants I interviewed paid a security. Only six reported paying an initial INR 500 as an amount later adjusted against the first month's rent. No cases of non-refundable or long-term security deposits by landlords were found in the private rental sample.

Perception of Rent-to-Quality

Although the quality of ARHC flats is significantly better than that of private rentals, despite rents being higher for private rentals, ARHC tenants express strong criticism regarding the disparity between rising rent costs and the lack of maintenance responsibility by the CHB, alongside the imposition of penalties for late payments. This perception is further shaped by the fact that households allotted flats under the SFS within the same complex pay a markedly lower rent of INR 800 for the same units.

Among surveyed ARHC tenants, 50 percent (n=17) felt that the quality of their flats did not justify the rent they were paying, often believing they could secure similar or better-quality accommodation in the private rental market, particularly in Chandigarh's urban villages. This dissatisfaction was even more pronounced among private tenants, with 67 percent (n=17) describing the rent-to-quality as very poor, citing the substandard living conditions prevalent in many rental units (Chart 15).

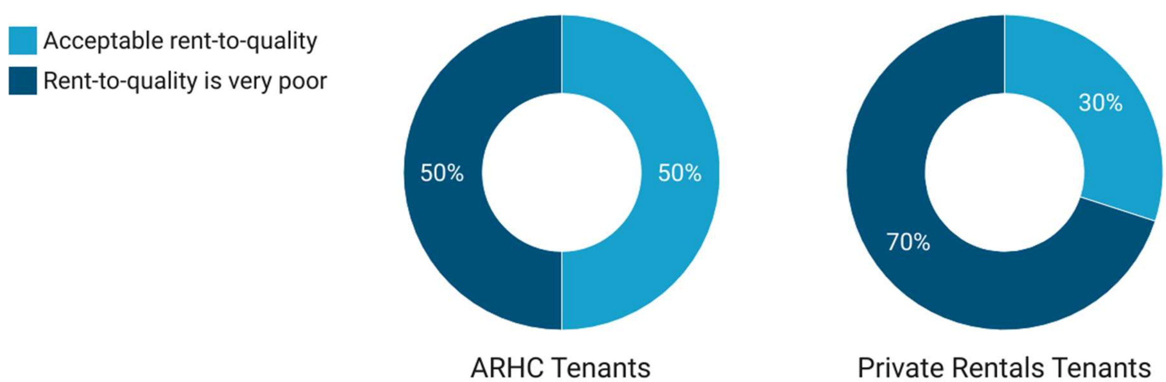


Chart 15: Perception of Rent-to-Quality among Tenants

When comparing the two systems, it becomes apparent that absolute rent levels do not tell the whole story of affordability. Many ARHC tenants are pushed above the critical affordability threshold even after subsidies, largely due to inflexible contracts, escalating utility charges, and high travel costs. Private rental tenants face smaller increments, greater flexibility, and often lower rent-to-income ratios, but must navigate variable arrangements for deposits and maintenance, and generally accept a lower baseline of housing quality. The comparison reveals that affordability is multifaceted and context-dependent. In ARHC, apparent financial protections, such as subsidised rent and nominal deposits, are undermined by rigid structures, hidden costs, and inadequate service provision. In private rentals, while the freedoms of negotiation exist, the precarity of informal arrangements and poor-quality units limit the true security that affordability is meant to confer. Ultimately, the experience of tenants in both systems is shaped not only by numerical ratios but by the sum of everyday burdens, negotiation power, and the lived reality of inadequate urban housing.

4.3.3 Accessibility: ARHC and Private Rental Housing in Chandigarh

Accessibility is a crucial dimension in evaluating the adequacy of rental housing. In Chandigarh, tenants' experiences across the ARHC scheme and the private rental market highlight two distinct but intersecting dynamics of access: institutional discretion and exclusion in the formalised ARHC program, and reliance on social networks and informal practices in the private rental sector. This section examines both the institutional and physical accessibility of ARHC housing, and the social and spatial accessibility of private rentals.

Institutional Accessibility

Access to ARHC housing is tightly controlled by the CHB and the SLSMC and was only available to households already living in tin-shed shelters and those evicted from Colony No. 4. Unlike the ARHC scheme, access to private rentals is available to all and depends on social connections.

Social Accessibility and Informal Networks

New tenants in private rentals often learned of vacancies through relatives, friends, or extended social networks. One respondent explained,

"Our brother was already living here, so he helped us get a room."

Another emphasized the advantage of long-term ties with landlords:

"Usually, the landlord doesn't rent to just anyone so easily, but I have been coming here since childhood, so that's why I got the room."

This shows informal housing relies heavily on kinship and trust, especially for new migrants. Besides networks, to-let boards and handwritten ads on walls or shops are key ways through which landlords and tenants connect. Respondents frequently mentioned spotting to-let signs while walking in their neighbourhoods.

Figure 11: "Vacant rooms are available for rent", written on the board and gate of a Vehra

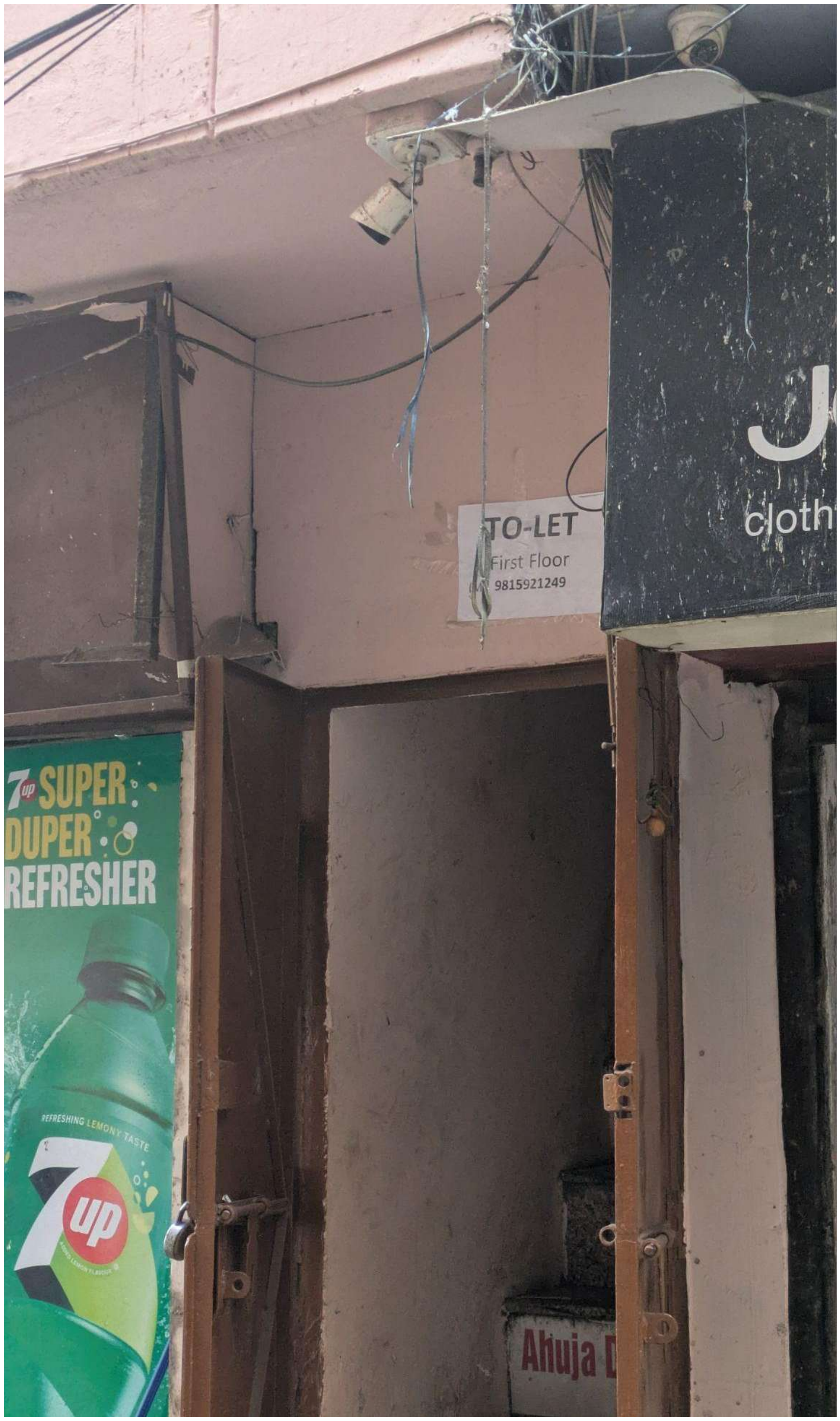


Figure 12: To-let poster with landlord's contact

Out of the 30 households surveyed in private rentals, 15 reported securing access to their current unit through a social connection, 10 came to know about the vacancy through to-let advertisements, and 9 through asking people in the vicinity (Chart 16).

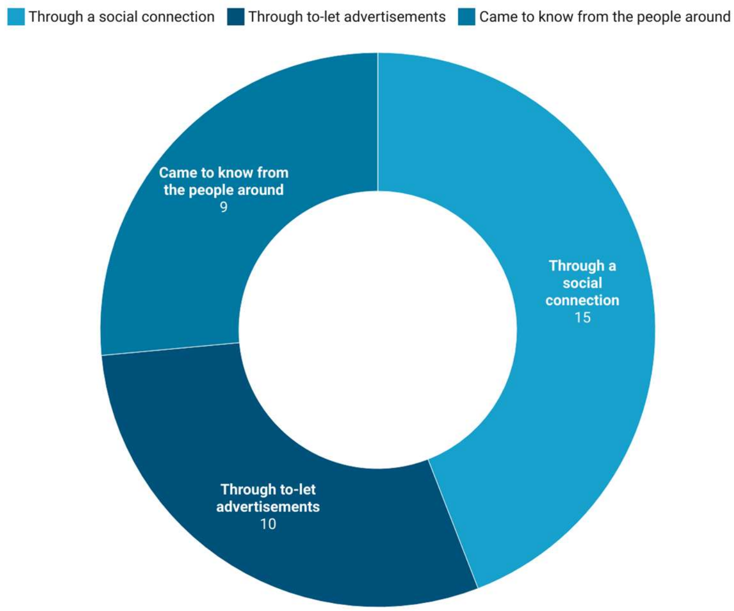


Chart 16: How Tenants Found Their Current Private Rental Accommodation

Nuanced and Layered Accessibility

While private rentals appear broadly accessible and depend on the ability to pay rent, interviews with landlords reveal that accessibility is layered and depends on landlord preferences. As one landlord in Kajheri noted,

"I mostly rent to 'backpack people', that is, those who come and go with just a small bag. I don't give rooms to those who have a lot of belongings."

Landlords also mentioned preferences regarding the type of work and lifestyle of tenants:

"I don't rent to them (daily-wage labourers), how would they pay so much money? They want it very cheap. Also, we don't tolerate those who arrive late because the gate closes at 10 p.m."

Discrimination based on religion was also reported. One landlord in Kajheri recounted the hostile environment for Muslims:

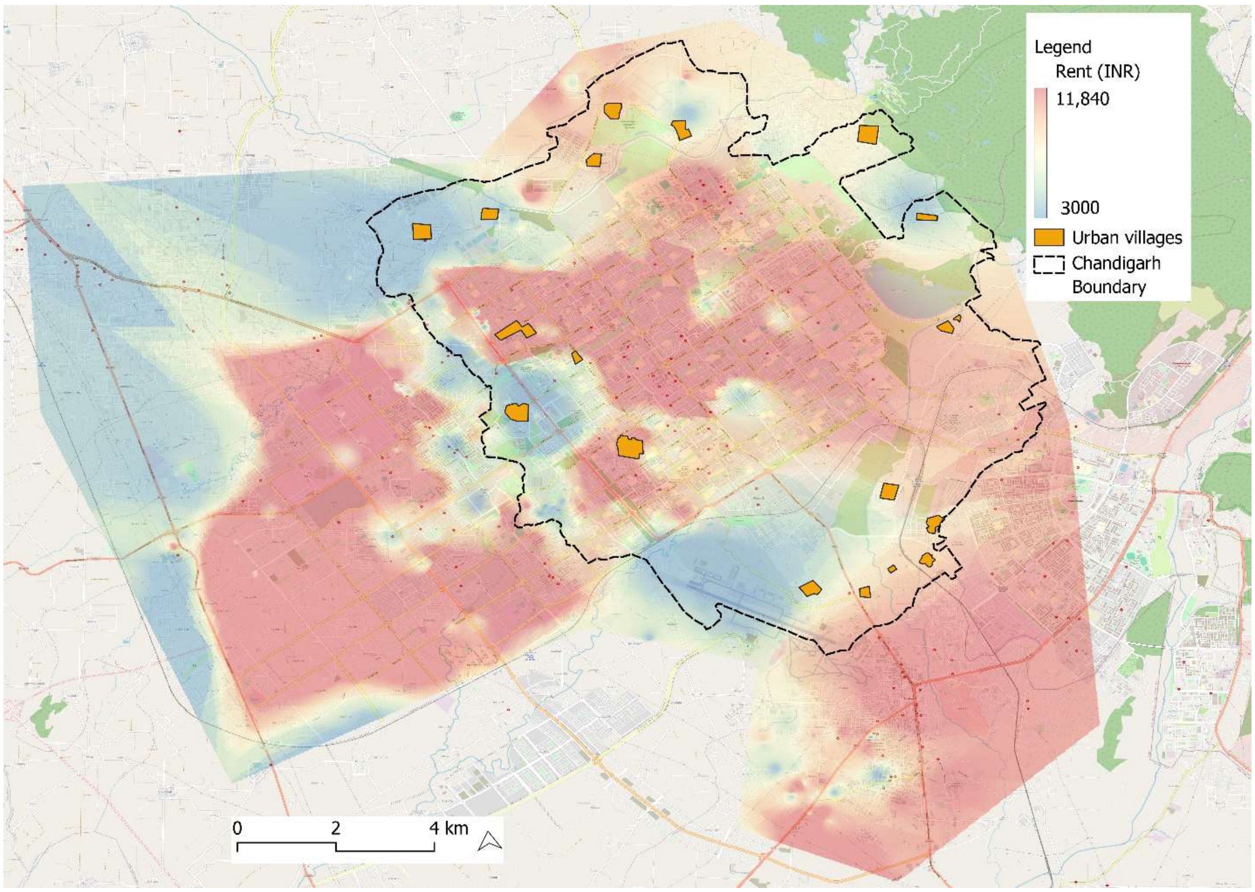
"One thing is that Muslims are generally not preferred, but I did rent to them in the beginning. However, mostly people here do not prefer them. This is not a new thing; it has been like this for a long time. They don't prefer them. I am telling you, if they go to most of the neighbouring landlords, they will be refused. I personally tell them, 'Yes, you can come from tomorrow, no problem.'"

Impact of Evictions on Rental Access

A very critical and alarming situation arose following informal settlement evictions. The rental market responded to evictions with sharp price hikes. This issue was also raised during interviews with the CHB, and numerous tenants spoke about it. For households excluded from rehabilitation after evictions, this illustrates how the informal rental market strains and restricts accessibility in desperate times.

Urban Villages and Spatial Accessibility

The geographical access to private rentals for the urban poor and migrants remains highly limited in Chandigarh. Affordable private rental housing is largely clustered in urban villages and peripheral settlements, where informal extensions and subdivided housing stock dominate. Migrants and low-income households have no access to planned neighborhoods of Chandigarh, which are largely unaffordable. The rent map of the Chandigarh Metropolitan Region[4] shows rents for 1 Room-Kitchen units[5] ranging from ₹3,000 to ₹12,000, varying by facilities and arrangements (Map).



Map 5: Map: Spatial Distribution of Monthly Rents for 1 Room-Kitchen Rental Units in Chandigarh

This spatial divide means accessibility is structured not just by entry into the rental market, but also by where that access is geographically possible. The concentration of private rentals in peripheral areas limits tenants' access to urban infrastructure and services, reinforcing their marginalisation. Long-term renters often stay in these settlements for decades, a reflection of the lack of upward mobility into better-located or better-serviced housing.

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[4] *The Chandigarh Metropolitan Region (CMR) comprises the Union Territory of Chandigarh along with its adjoining cities: Mohali, Kharar, Zirakpur, and New Chandigarh in Punjab, and Panchkula, Pinjore, Kalka, and Barwala in Haryana.*

[5] *Every possible 1RK rental arrangement is included in this*

Demand and Supply

To understand accessibility, it is important to consider both the demand and supply sides of the rental housing market. According to the Census (2011), 132,645 households in Chandigarh lived in rental accommodation, with 47.7% of families owning homes and 47% renting. More recent data from the National Sample Survey Office (NSSO, 2019) shows that rented housing in Chandigarh increased to 55.1%. Despite this substantial demand, over 130,000 households are reliant on rentals, and the ARHC scheme provides only 2,195 rental units, addressing only a negligible fraction of the total need.

In contrast, the private rental sector is overwhelmingly informal. Informality prevails, with 75% of renters in Chandigarh lacking written contracts. In the urban villages of Chandigarh, 80% of the households live on rent, and all of them with no written rental contract (NSSO, 2019). This clearly indicates that informal private rentals fulfil the vast majority of housing demand in the city.

Physical Accessibility and the Elderly

Another issue concerning ARHC is the lack of attention to the needs of elderly residents. The ARHC buildings, which are typically G+3 floors, without lifts, did not consider any provision for allocation of the units on the ground floors for elderly tenants. CHB officials confirmed this oversight during interviews. The only exception was for tenants with mobility challenges who specifically indicated their condition in the allotment form; these individuals were assigned ground-floor units. In private rentals, issues were observed with high or broken entry stairs. In multi-storey setups, the stairs are often very uncomfortable for elderly residents, further limiting accessibility.

This section demonstrated that accessibility in Chandigarh's rental housing market is shaped by institutional policy, informal networks, landlord preferences, geography, and physical infrastructure. Both ARHC and private rental tenants face barriers and exclusions, though the nature and consequences of these challenges manifest differently across the two systems.

4.3.4 Availability of services, facilities, and infrastructure

4.3.4.1 Availability of services

Availability of services was surveyed on three main subjects: water supply, electricity supply, and refuse disposal systems.

Availability of water supply

Water supply differs markedly between ARHC housing and private rentals in Chandigarh. In ARHC housing, water is supplied through a formal municipal system with piped connections and rooftop tanks refilled during scheduled hours (6–8 a.m. and 6–8 p.m.). Tenants store water from kitchen taps for drinking and cooking purposes during the supply hours. Most ARHC tenants express satisfaction with the regularity and quality of supply, often referring to the 'Chandigarh standard'. Despite tenant satisfaction, media and official reports reveal deeper problems. Several articles and complaints highlight contaminated and foul-smelling water in Maloya, with cases of waterborne illnesses among children. In 2025, the Punjab State and Chandigarh Human Rights

Commission issued a notice to the Municipal Commissioner over violations of the right to safe water (The Tribune, 2025a; 2025b). These reports indicate that water quality and health risks remain significant concerns despite routine supply.

In private rentals, water provision is fragmented and less secure. Access depends on landlords, infrastructure, and shared use. Survey data shows that only 2 of 30 households had private taps, while 20 relied on shared taps, and the remaining 8 drew potable water from neighbouring rental premises (Chart 17).

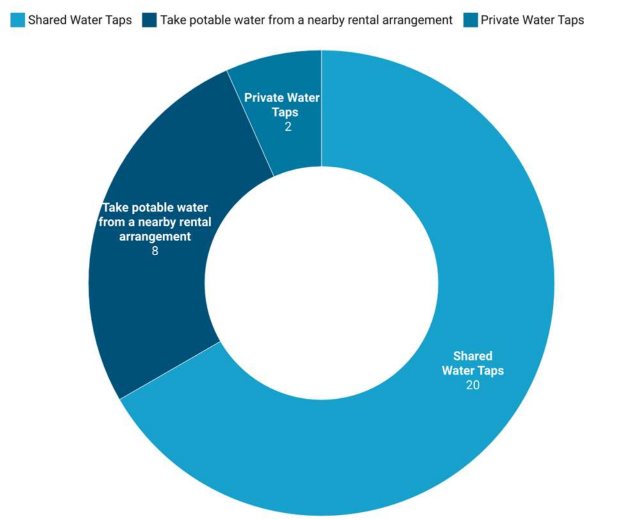

Chart 17: Sources of Potable Water in Private Rental Housing

Non-potable water supply most commonly comes from shared taps, with tenants storing water in buckets for daily use (17 out of 30), or overhead tanks with limited piped supply (11 out of 30). Two households reported having no water supply, fetching water from external sources (Chart 18).

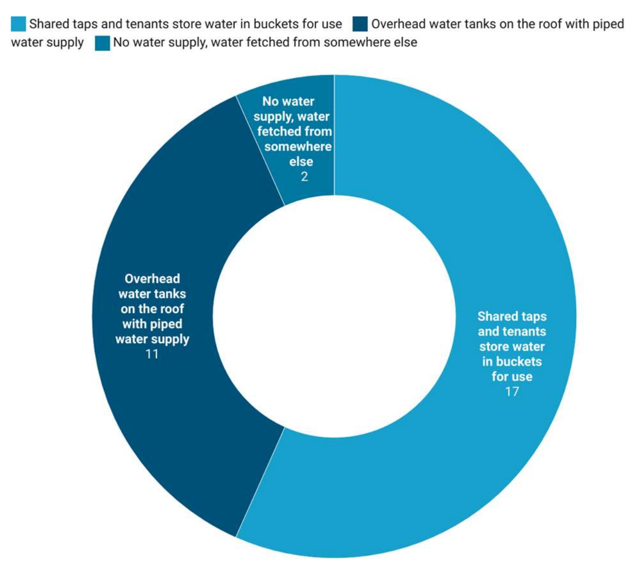

Chart 18: Sources of Non-Potable Water in Private Rental Housing

Figure 13: Tenants store water in the buckets for daily use

The reliability of water supply in private rentals is another issue. Only 7 tenants reported having 24×7 running water; for 15, water was available at fixed times each day, and 8 faced irregular supply with frequent shortages. This means the majority of tenants must adapt to intermittent or unreliable water service, requiring regular storage and rationing (Chart 19).

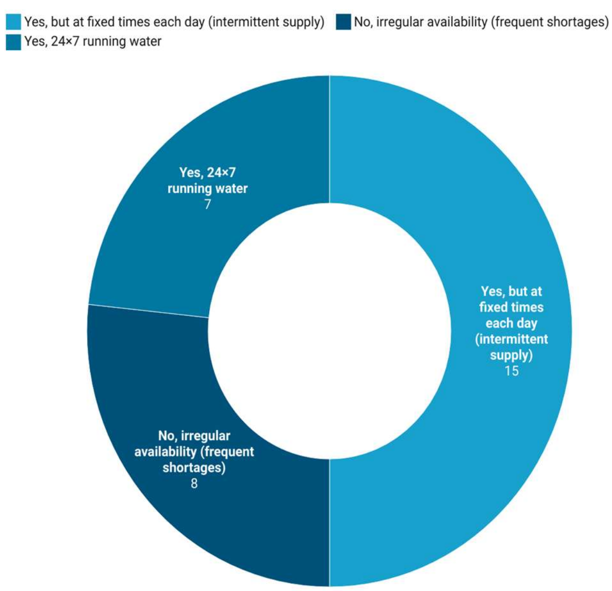

Chart 19: Reliability of Water Supply in Private Rental Housing

Furthermore, the survey reveals that high tap-sharing ratios are the norm: 40% of households share water taps with 5–10 other households, while another 26.7% share with more than 10. Such conditions exacerbate scarcity and disputes over access, particularly during peak hours and in times of shortage (Chart 20).

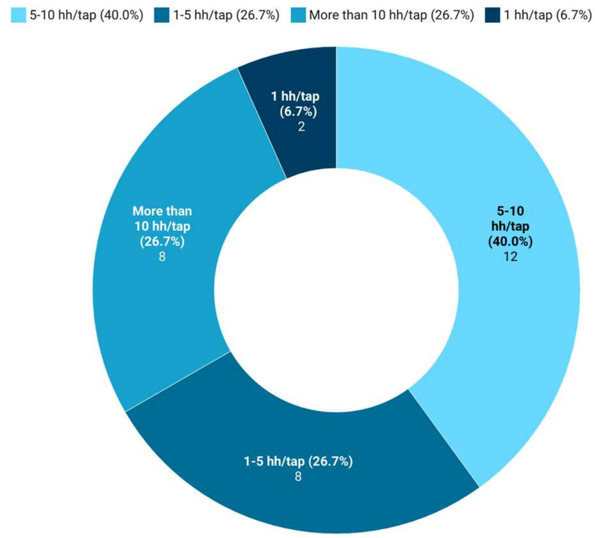

Chart 20: Density of Households per Water Tap in Private Rental Housing

Tenant narratives provide further insight into the precariousness and negotiation involved. Water motor access is often tightly controlled by landlords, sometimes locked or rationed, leaving tenants dependent on the willingness of landlords to provide sufficient water:

“We say, ‘Please run the motor a little (to landlord),’ but he doesn’t run it much… he keeps the motor locked; he is very stingy!”

Water quality is a critical concern in private rentals. Reports of visible contamination are common, especially with stored water or in shared facilities:

“The water looks clear in the evening, but by morning it turns yellow... now we cannot drink it.”

For many, this means fetching potable water from elsewhere, adding a daily burden to household labour. This issue of a lack of any shared connection or a non-working connection was evident in the peripheral settlements of Faidan Nizampur and Khuda Ali Sher.

Shared and external water arrangements in private rentals reveal precarious daily water access. Tenants often rely on overburdened infrastructure, carry water from afar, or face disputes, especially in informal settlements lacking direct supply. New migrants or those with less social capital struggle more. In contrast, ARHC flats have dedicated private taps and rooftop tanks, though quality issues persist. Private rentals suffer from infrastructural gaps and landlord control, resulting in unreliable and insecure water supply. Safe, equitable water provision remains a critical challenge for low-income rental housing adequacy in Chandigarh.

Availability of electricity supply

In ARHC units, all respondents (n=34) reported formal access to individually metered electricity connections. Electricity supply was described as highly reliable, with few power outages, and faults were generally resolved quickly by authorities. However, some tenants raised concerns about incorrect billing and overcharging.

All surveyed private rental households had access to wired electricity, both formal and informal, but costs were often much higher than official rates. According to survey data, only 13 out of 30 households paid between INR 6–7 per unit, while 10 paid INR 8–9 per unit, 6 paid INR 9–10 per unit, and a small fraction paid even higher rates (Chart 21). This stands in contrast to the regulated tariff for Chandigarh, where the charge for up to 150 kWh per month is INR 2.75/unit, and INR 4.25/unit for the next slab (151–400 kWh).

Chart 21: Distribution of private rental units by per unit cost of electricity paid

Despite this cost disparity, the reliability of electricity in private rentals was generally good. Most tenants, 23 out of 30, reported that the power supply was mostly reliable, while 7 tenants experienced frequent power outages (Chart 22).

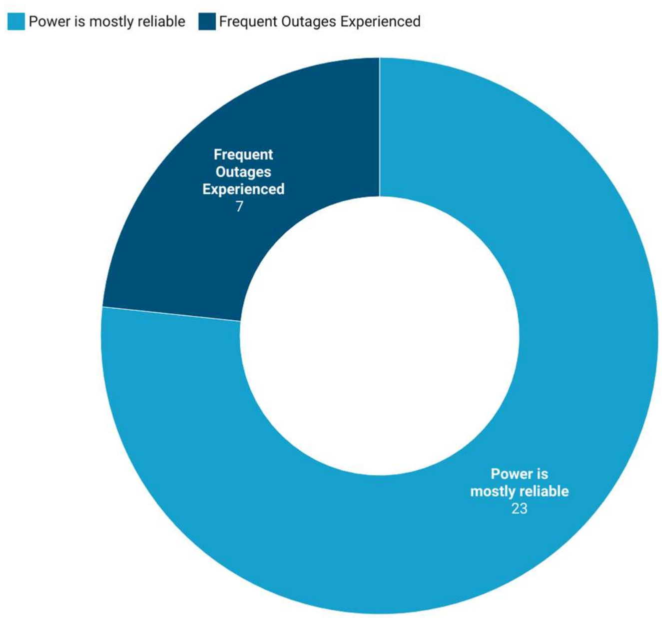

Chart 22: Reliability of Electricity in Private Rentals

These findings suggest that while access itself is not a major barrier, affordability poses a significant concern for tenants in private rentals due to the higher per-unit charges imposed by landlords, in addition to instances of unreliability and informal supply arrangements.

Refuse Disposal

Refuse disposal practices differ between ARHC and private rentals. In ARHC complexes, refuse is managed by municipal collection (35.3%) and private door-to-door services (64.7%) (Chart 23). Tenants who use private services typically pay collectors between ₹70–100 per month. There is some confusion among ARHC tenants regarding municipal service charges, with several assuming these fees are included in electricity or water bills, though in reality, only private collection required direct payments. Overall, ARHC residents benefit from regular, organised waste removal, reducing self-disposal burdens on tenants and supporting better hygiene.

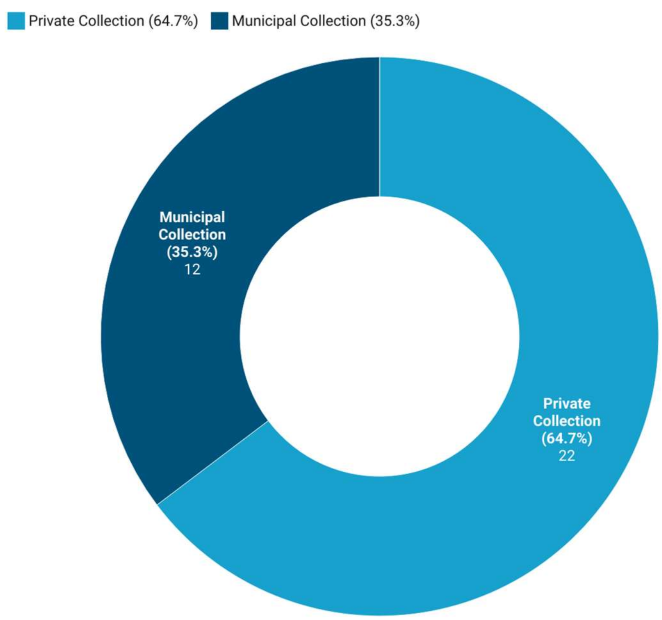

Chart 23: Refuse Disposal (ARHC)

In private rental housing, refuse disposal systems remain far less adequate. In urban villages like Kajheri and Burail, about 46% of tenants reported paying private waste collectors, with monthly costs ranging from ₹50–200. However, 53% of tenants, mostly in peripheral settlements, resorted to open dumping or burning waste, a practice that generates unhygienic surroundings and significant health risks (Chart 24).

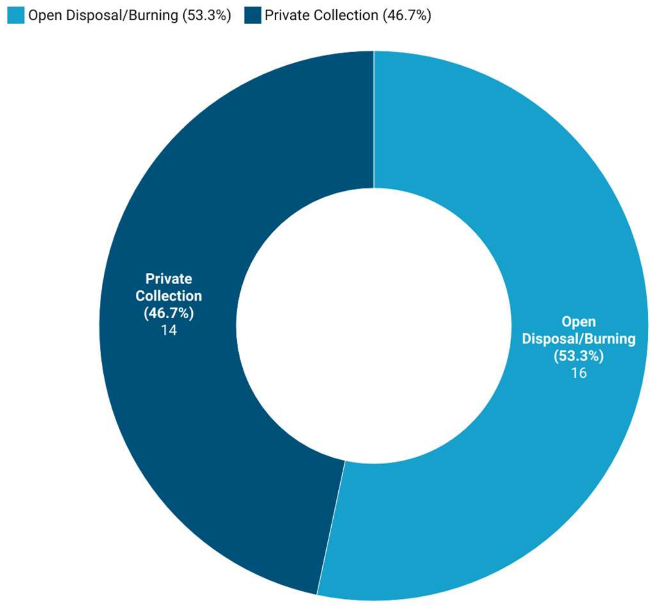

Chart 24: Refuse Disposal (Private Rentals)

Figure 14: Drain filled with waste in Faidan Nizampur, a peripheral urban village in Chandigarh

In general, neighborhoods in which low-income private rental are located lack municipal waste collection, forcing tenants to manage disposal themselves or pay for informal services, which can be unreliable or too costly. This exposes residents to increased risks of disease and pollution, falling short of basic housing standards. In contrast, ARHC tenants access more regularised, though partly privatised services, highlighting inequalities in urban refuse management.

4.3.4.2 Availability of facilities

Availability of facilities was investigated for kitchen arrangements, gas connections, bathrooms, and toilets.

Availability of Kitchen and Gas Connection

In the ARHC housing at Maloya, each flat was designed with a dedicated kitchen attached to the main living space. These kitchens were provided with a cemented slab, a sink, and a piped tap connection. However, tenants frequently highlighted the poor construction quality of these fittings, particularly leaking sinks and damaged slabs, which forced households to spend out-of-pocket on repairs and improvements.

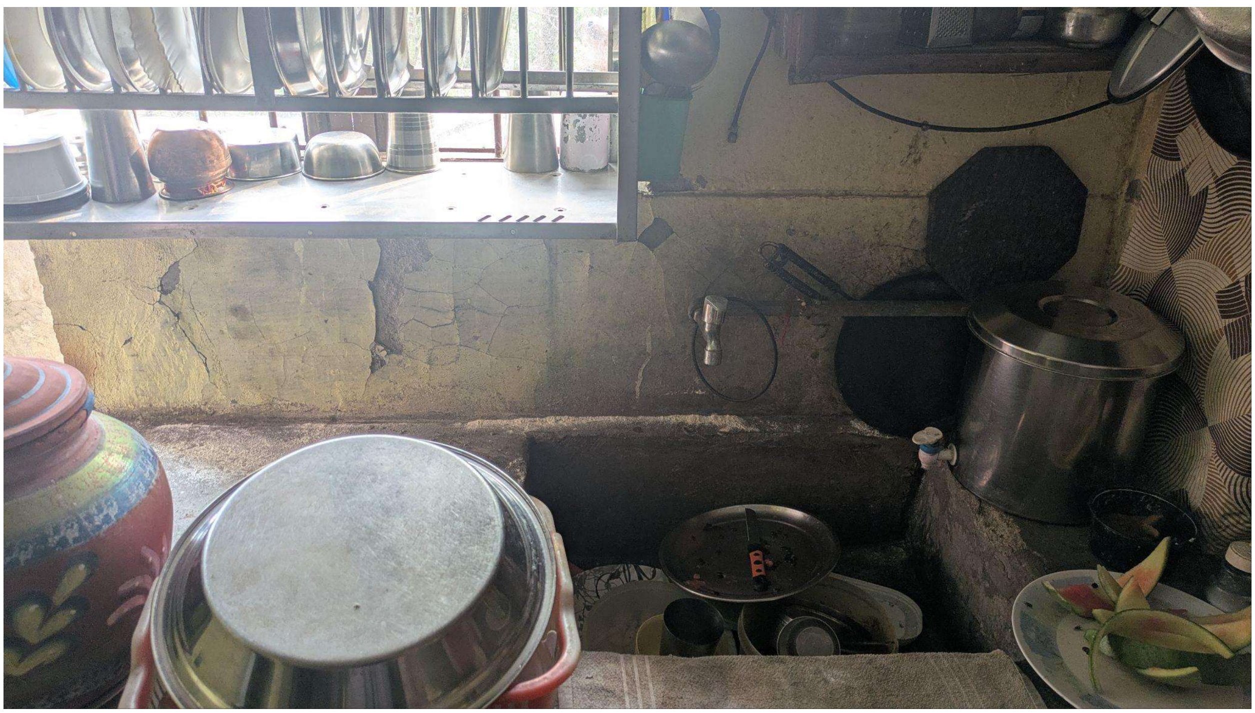

Figure 15: A dilapidated kitchen area in an ARHC unit

All ARHC tenants reported access to a formal LPG gas connection, which significantly reduced the financial stress of relying on black-market refills.

In contrast, kitchen arrangements in private rental housing were more varied. Only a small number of households (n=2) had a designated kitchen space attached to their room, while most tenants (n=21) had to improvise by making kitchenettes from wooden planks or placing planks on the floor. Only a few households (n=7) were provided with a slab already built-in for kitchen use in the rental unit (Chart 25).

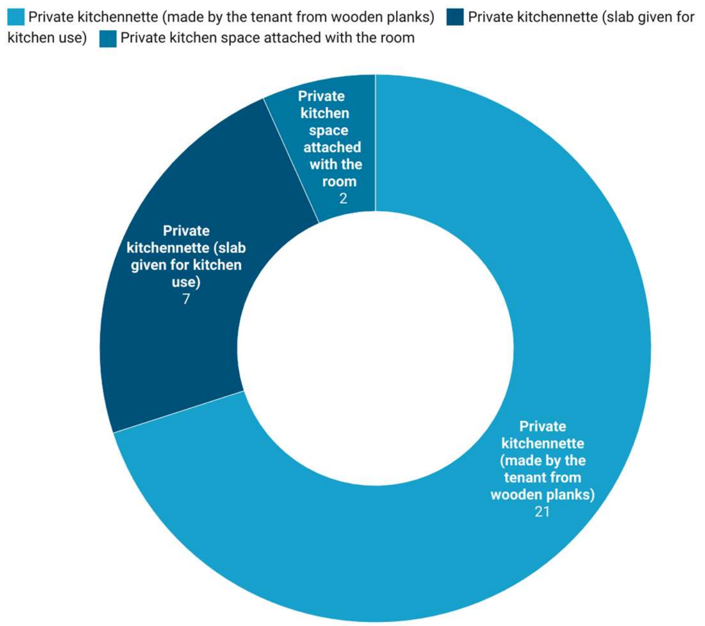

Chart 25: Distribution of Kitchen/Kitchennette arrangements in private rentals

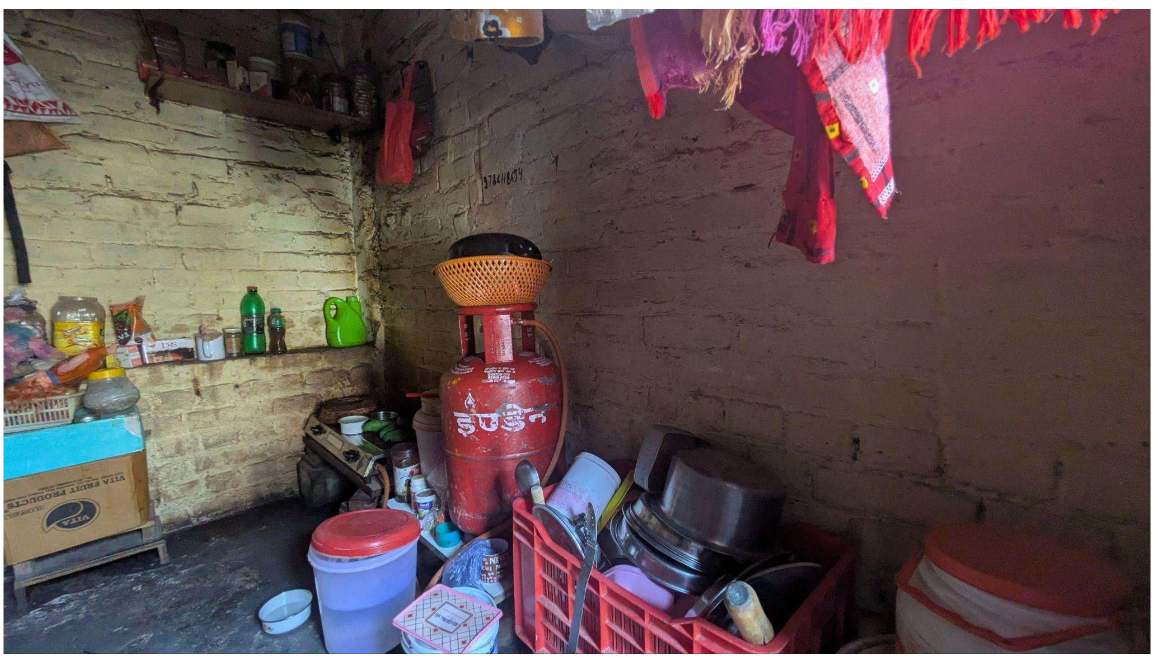

Figure 16: A Cooking station on the floor made by wooden planks in a private rental unit

Most households lacked basic kitchen infrastructure, with 26 of 30 having no sink (Chart 26). Tenants rely on shared communal wet spaces outside their units for washing utensils and clothes. These shared wet spaces are vital for daily activities like cleaning and bathing, especially given the limited indoor space in many rentals. This introduces challenges related to hygiene, maintenance, and access, often requiring coordination among tenants and sometimes leading to disputes over use.

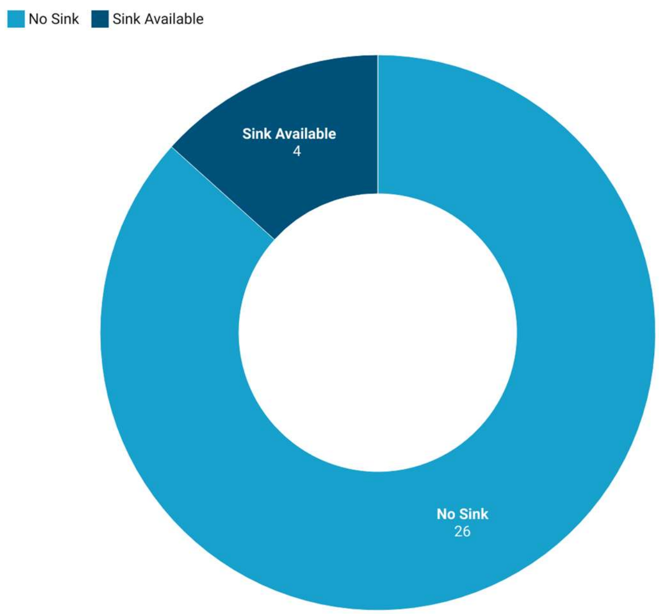

Chart 26: Availability of sink in Kitchen/Kitchenette arrangements in private rentals

Figure 17: A private rental unit with a slab and a sink with a tap connection

All surveyed households living in private rental housing depended on obtaining gas cylinders from black markets, causing income strain and budget uncertainty. While both housing types show kitchen inadequacies, ARHC tenants have private kitchens and formal gas connections despite paying for repairs, while private renters rely on unhygienic cooking spaces and informal gas connections, facing greater insecurity.

Availability of Toilet and Bathroom Facilities

In the ARHC housing, each household has access to a separate toilet and bathroom, with basic fittings, providing privacy and easing daily struggles, especially for women. Although some tenants noted maintenance issues like leaking fixtures or poor-quality fittings, but acknowledged private facilities as a major improvement over previous conditions.

In private rentals, most tenants rely on shared toilets and bathrooms used by 5 to 20 families per unit, with some respondents reporting even more. This overcrowding causes long waits and exacerbates hygiene concerns.

As one tenant described:

“Now everyone lines up for one bathroom. There is only one bathroom to bathe in the entire place, you have to wait from three o’clock to get a spot for bathing.”

Others highlighted the absence of basic amenities such as lighting or ventilation in shared spaces, which further diminished their usability:

"There is no light in the bathroom and toilet. People have been complaining for seven years, but it still hasn't been installed.”

Roughly 64 percent of households (n=18) reported sharing toilets with 1–5 other families, while 36 percent shared with more than 5 families per unit, including 25 percent (n=7) with 5–10 households, 11 percent (n=3) with 10–20 households, and 7 percent (n=2) with 20–40 households per unit (Chart 27). A similar pattern was observed for bathing facilities (Chart 28).

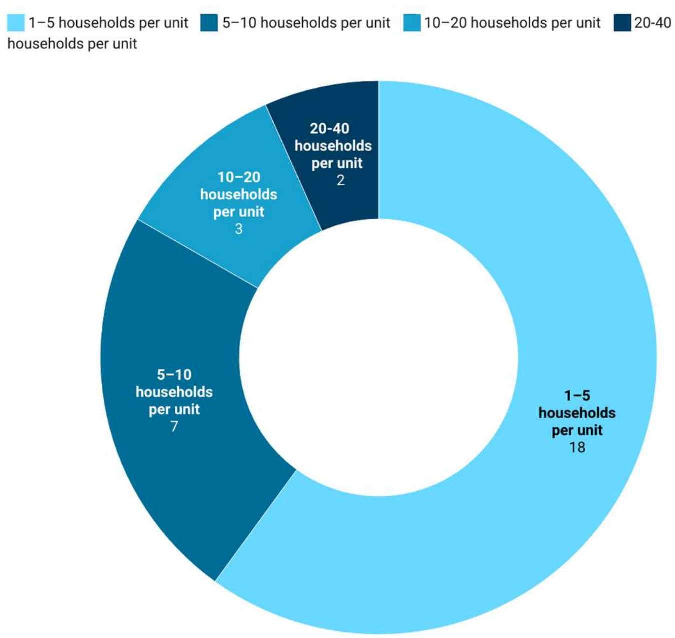

Chart 27: Density of households per toilet in private rentals

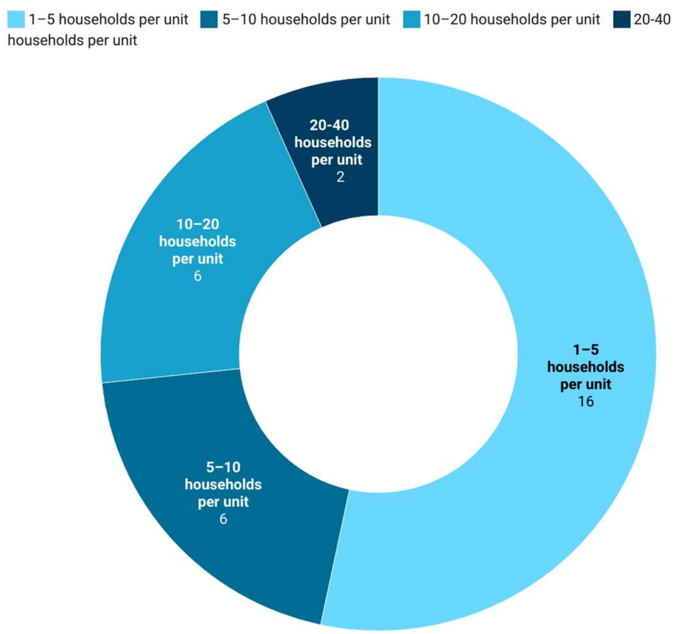

Chart 28: Density of households per bathroom in private rentals

This comparison shows that while ARHC tenants benefit from private in-unit sanitation, private rental tenants continue to face overcrowded, unhygienic, and inadequate facilities that undermine both health and dignity.

Figure 18: One toilet and one bathroom is shared in more than 30 households

4.3.4.3 Availability of infrastructure

Schools and Hospitals

Within a 2 km buffer of Chandigarh's municipal boundary, the number of Government Schools were 4 in ARHC Maloya, 18 in Burail, 9 in Faidan Nizampur, and only 1 in Khuda Ali Sher. Access in terms of proximity to schools was found to be similar.

ARHC has one primary health centre within this range of 2 km range, but hospitals are distant. In contrast, private rentals in centrally located urban villages like Kajheri and Burail benefit from better access to both hospitals and primary health centres, reflecting improved healthcare proximity compared to ARHC locations.

Marketplaces

Marketplaces significantly shape tenants' daily lives by impacting affordability and convenience. In Maloya's peripheral ARHC housing, tenants rely on vibrant, self-organized evening bazaars and nearby informal markets for affordable groceries, most of which ARHC residents have made, fostering local livelihood opportunities. Conversely, private rental tenants in urban villages like Burail and Kajheri benefit from close proximity to established, competitively priced markets, easing access to essentials.

Figure 19: Bustling Informal Market mostly run by the tenants in the ARHC neighbourhood

4.3.5 Habitability

4.3.5.1 Structural Quality

The assessment of structural quality reveals notable differences in tenant experiences. In ARHC housing, most tenants (n=20) reported satisfaction, while nearly a quarter (n=8) were dissatisfied, and some (n=6) were uncertain. Tenants noted that although pillars and beams seemed sturdy, other parts of the buildings showed signs of weakness and deterioration. (Chart 29)

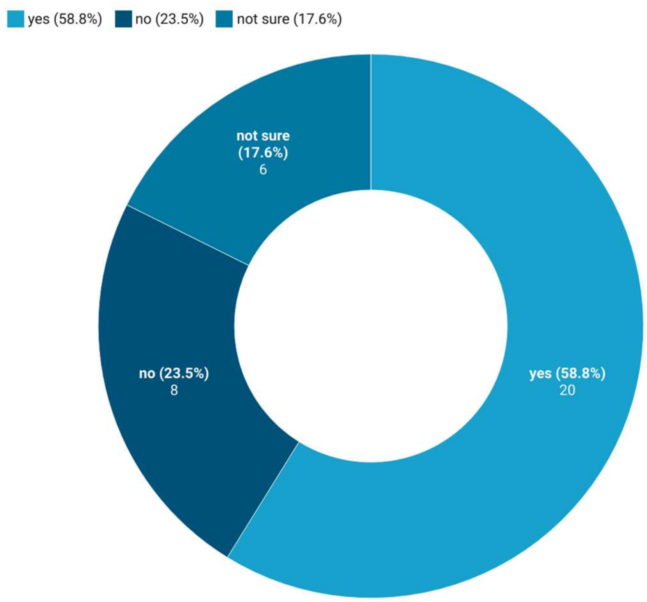

Chart 29: Perceived Satisfaction with Structural Quality in ARHC units

Private rental housing shows more precarious conditions, with many buildings old, poorly maintained, or hazardous (n=10). One tenant describes:

"When storms come, dirt keeps falling… even a brief earthquake could collapse everything."

Figure 20: Hazardous structural condition of a Vehra in Kajheri, Chandigarh

Several respondents noted that many buildings are 30–40 years old, showing cracks and structural fatigue. Unlike ARHC, where issues are mainly poor maintenance, private rental housing often poses safety risks due to its age and deteriorated condition.

4.3.5.2 Leakage and breakage issues

In ARHC flats, common issues include damaged wall plaster (47.1%), non-structural breakages (25%), and water seepage (19.1%) (Chart 30). Tenants reported plaster falling or cracks during heavy rains, with rooftop water stagnation causing seepage, especially upstairs.

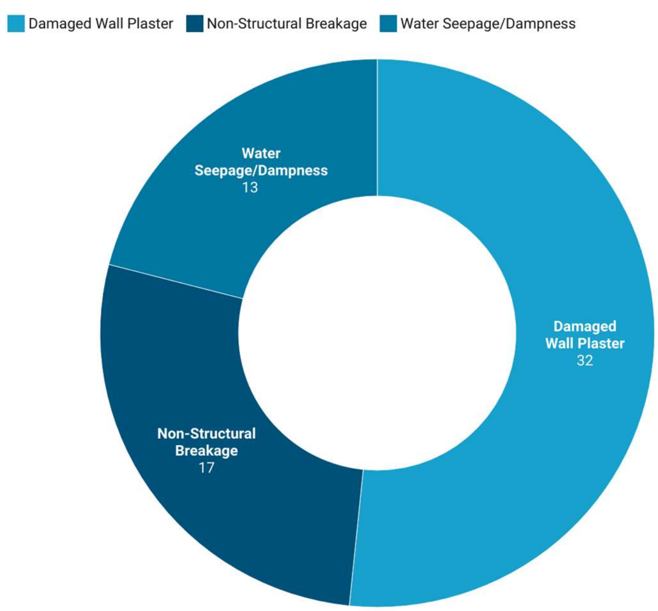

Chart 30: Reported issues in ARHC units

The situation was similar in private rental housing, where 38.1% of respondents cited plaster issues, 36.5% reported structural breakages, and 20.6% faced seepage problems; only a small fraction (4.8%) indicated there were no such issues (Chart 31). Problems were exacerbated by low-quality materials, with many tenants mentioning fragile roofs and cracked walls.

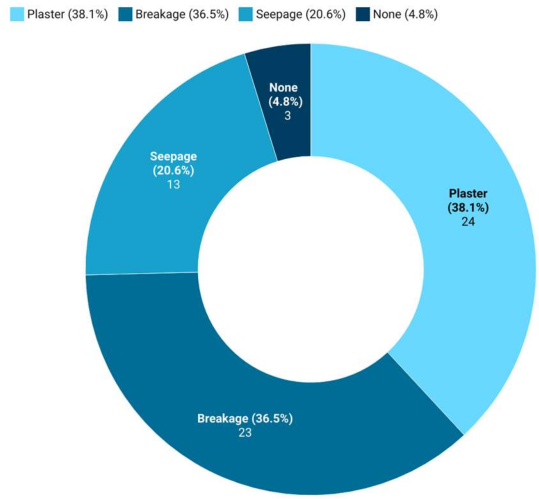

Chart 31: Reported issues in private rental units

These findings highlight that both ARHC and private rental tenants experience frequent and severe physical deterioration issues, with more severe and hazardous conditions found in private rental housing.

4.3.5.3 Space Sufficiency

Living space analysis highlights key differences between ARHC and private rentals. In ARHC, the majority of tenants found the space adequate (Chart 32). By comparison, space sufficiency was lower in private rentals, with only 63.3% of tenants expressing satisfaction, while 36.7% reported crowding (Chart 33).

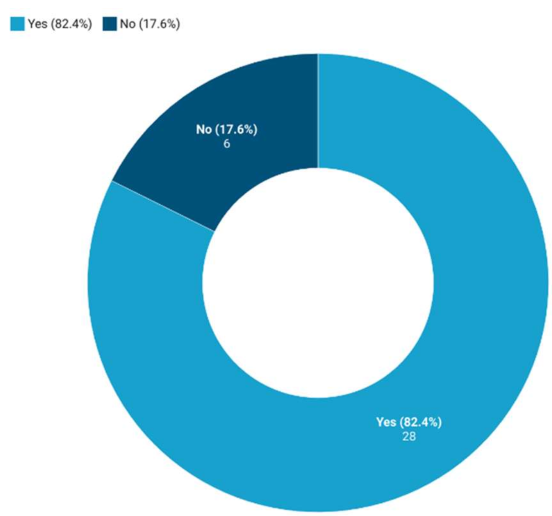

Chart 32: Perceived space sufficiency in ARHC

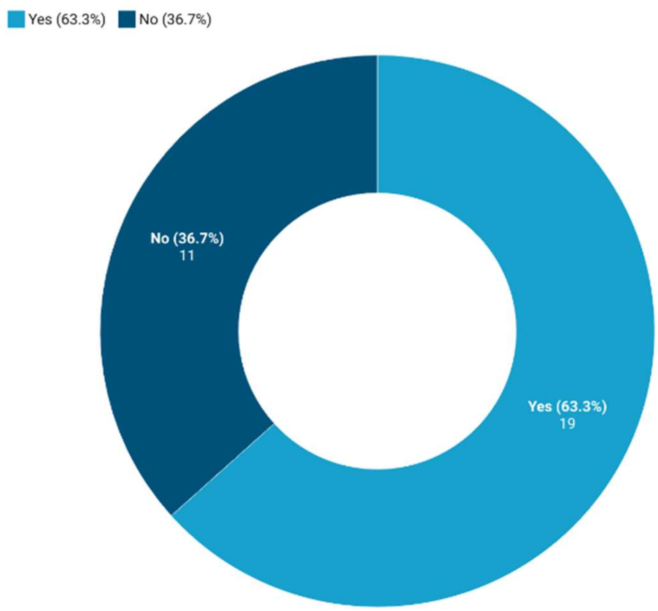

Chart 33: Perceived space sufficiency in private rentals

Further, in ARHC, most have 46–67.5 sq. ft. per capita (Chart 34). While suitable for nuclear families, larger households faced constraints. Surveys showed no structural changes, but interviews revealed internal modifications by several households over time. In contrast, the majority in private rental units lived with just 31–45 sq. ft. per capita, and 20% had less than 30 sq. ft., indicating persistent overcrowding (Chart 34). This highlights the constrained and crowded conditions typical of informal rentals, especially where families share single small rooms in urban villages and peripheral settlements.

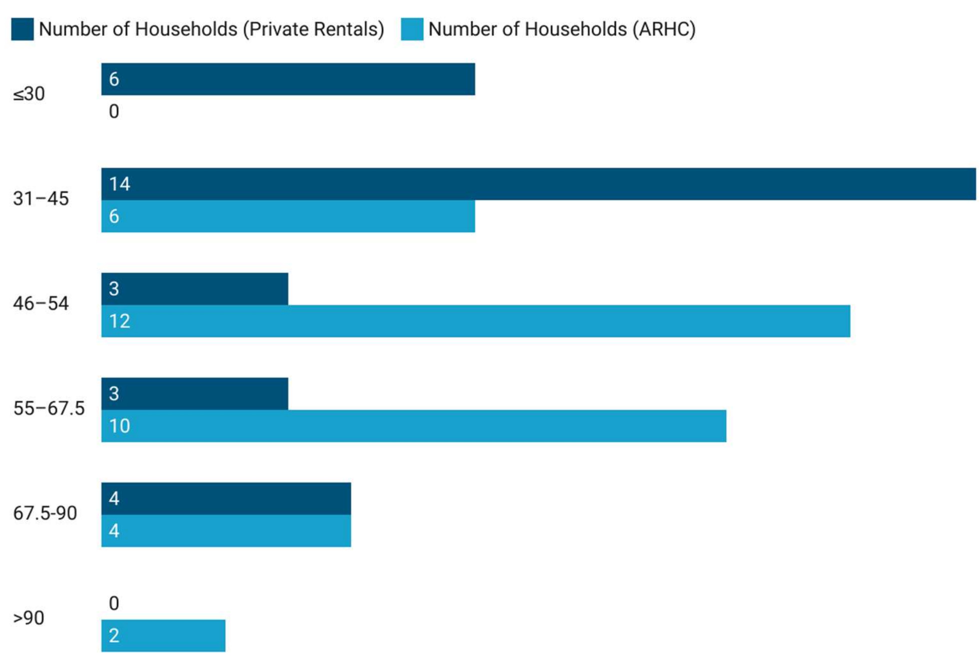

Chart 34: Comparison of space per capita

Overall, while ARHC provision generally meets minimum standards for adequacy, private rental units often fall short, particularly for larger households.

4.3.5.4 Resilience to Weather

Flooding

Flooding experiences differed notably between ARHC and private rentals. In ARHC sites, 20.6% of tenants (n=7) reported flooding limited to common areas like parking lots and roads, without impacting homes (Chart 35). Conversely, 53.3% of private rental tenants (n=16) faced more severe flooding, including courtyards and inside rooms, often due to blocked gutters causing sewer water intrusion (Chart 36). Water stagnation in both settings bred mosquitoes, worsened living conditions.

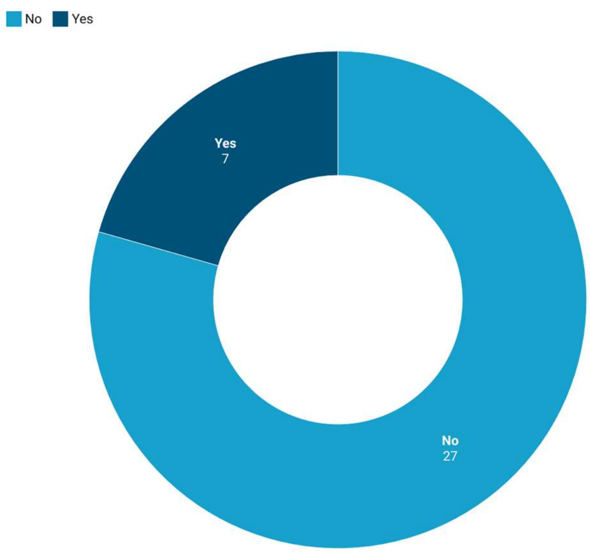

Chart 35: Flooding experienced in ARHC neighborhood/common spaces

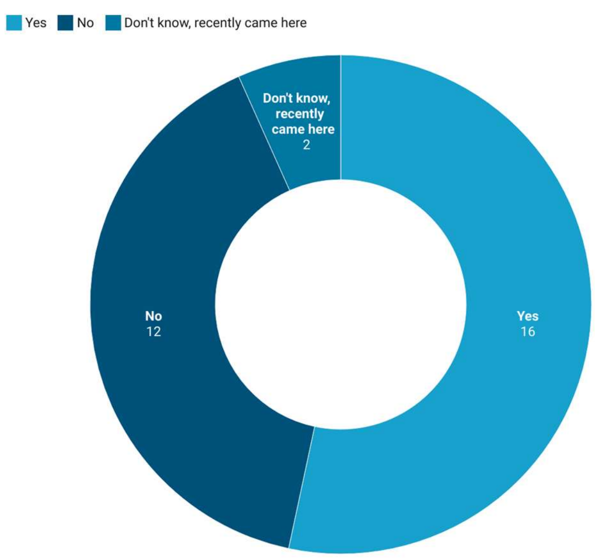

Chart 36: Flooding experienced in neighborhood/common spaces of private rentals

Ventilation & Natural Lighting

Ventilation and natural light access differed notably between ARHC and private rental housing. In ARHC units, most tenants reported adequate cross-ventilation, with 88% (n=30) confirming sufficient airflow (Chart 37) and over one-third (n=15) stating that most of the apartment receives natural light (Chart 38). However, many described issues with poor airflow in the bedroom. Concerns about the poor build quality of windows also led some to avoid opening them, fearing glass panes might fall and cause injury.

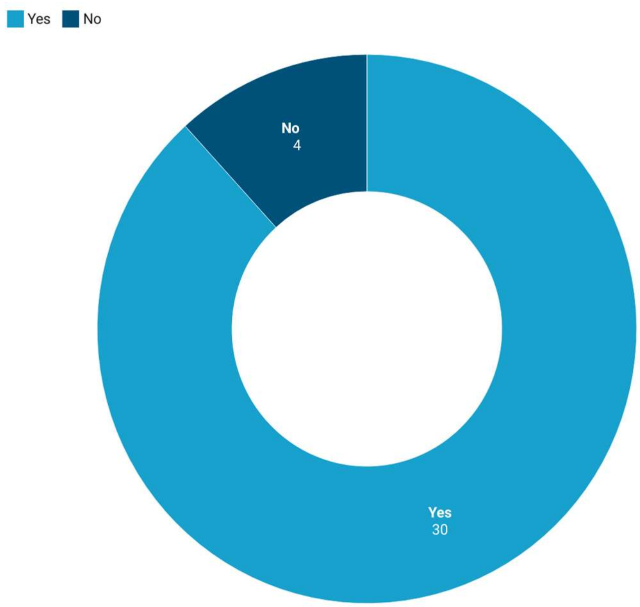

Chart 37: Availability of Ventilation (ARHC)

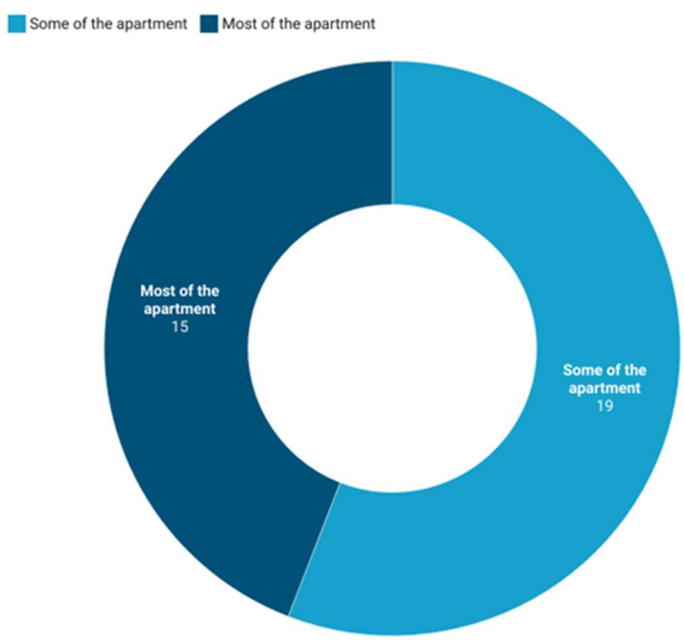

Chart 38: Availability of Natural Light (ARHC)


Figure 21: A resident in ARHC housing taking out the glass pane during heavy winds, fearing it might fall

By contrast, ventilation was a major problem in private rentals: 33% (n=10) of tenants reported inadequate airflow (Chart 39), and only a minority (n=5) had most of their unit well lit, while the majority (n=21) received light in only some parts of the unit (Chart 40).

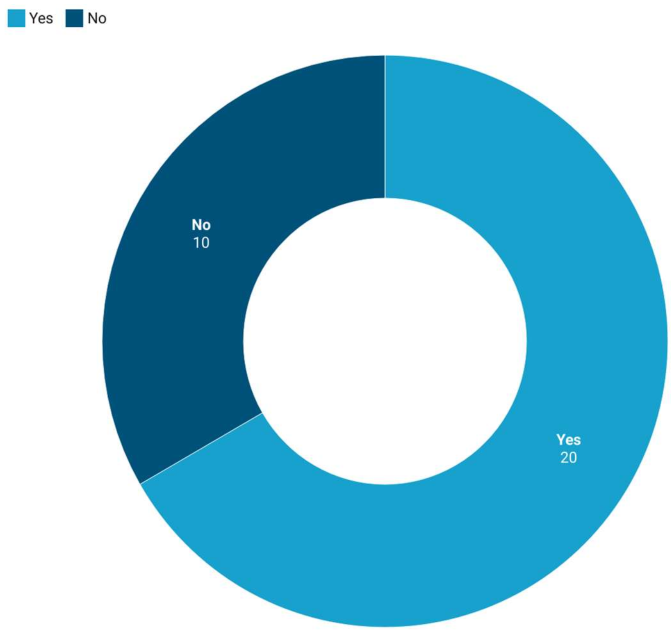

Chart 39: Availability of Ventilation (Private Rentals)

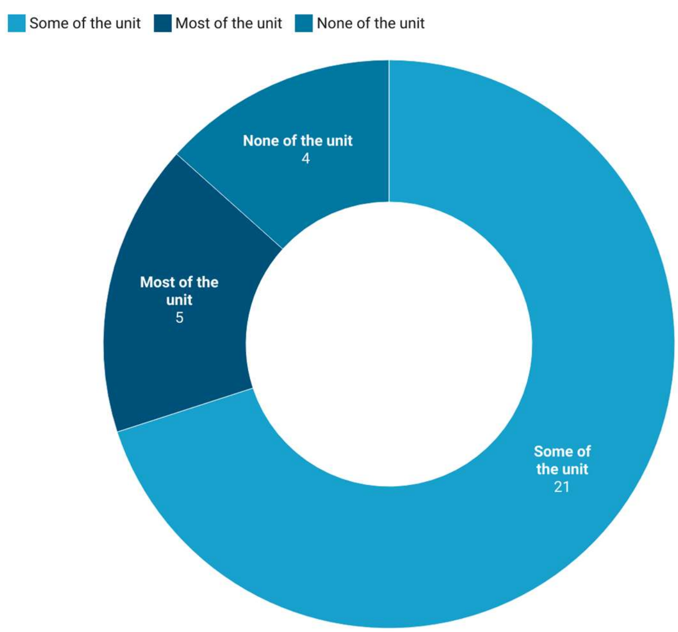

Chart 40: Availability of Natural Light (Private Rentals)

Most private units featured only a single window facing a corridor or courtyard and lacked cross-ventilation, resulting in poorly lit, congested, and stifling interiors.

Thermal Comfort

Thermal comfort remains a challenge in both ARHC and private rentals. Nearly all ARHC (n=34) and private tenants (n=30) reported excessive summer heat, while winter cold affected 15 ARHC and 18 private tenants (Charts 41 and 42).

Chart 41: Thermal Comfort (ARHC)

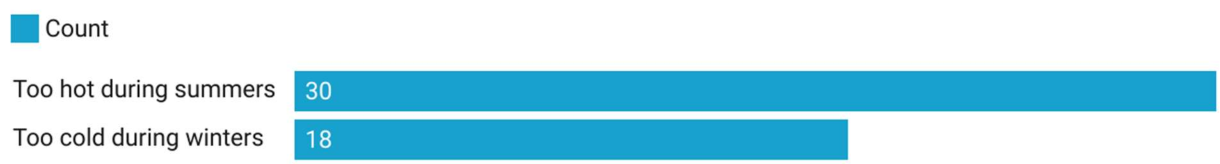

Chart 42: Thermal Comfort (Private Rentals)

Overall, ARHC housing offered a relatively higher degree of resilience, with structured drainage ensuring that flooding did not enter flats, though common areas were affected. Ventilation, however, remained a weak point, with design flaws and poor-quality windows limiting airflow and creating unease. Private rentals were far more vulnerable: inadequate ventilation, lack of cross-lighting, and direct flooding into the rooms exposed tenants to both discomfort and acute weather-related risks.

4.3.5.5 Maintenance

In ARHC housing, tenants are responsible for maintenance of the apartment as per the allotment letter, covering internal repairs like windows, seepage, and floors, while tenants share responsibility for common area damage (Allotment Letter, Clauses 7 and 11). CHB does not handle internal repairs, often directing tenants to manage issues themselves. Only 29.4% of tenants (n=10) know complaint procedures, with most unaware of redressal mechanisms for maintenance of common areas (Chart 43). Service delivery is also hindered by unresolved handover between CHB and Municipal Corporation, leaving water and drainage infrastructure without clear accountability for maintaining it (The Tribune, 2025a).

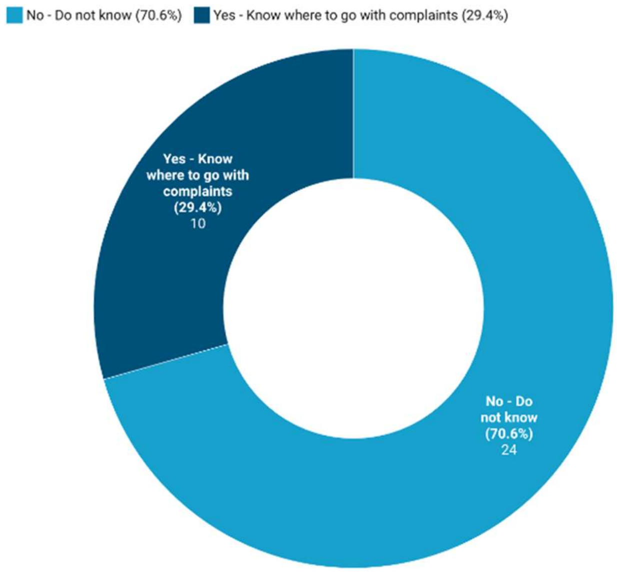

Chart 43: Awareness of redressal mechanisms among ARHC tenants

In private rentals, maintenance is usually negotiated between tenant and landlord. Most landlords (80%) handle major repairs and painting, while tenants manage minor tasks or routine upkeep, sometimes reimbursed for materials. However, landlord response varies, with some tenants facing repeated delays. Around 20% of tenants either share maintenance responsibilities or handle them alone (Charts 44 & 45). Though private rentals offer more flexibility than ARHCs, the maintenance duties depend on landlord-tenant dynamics.

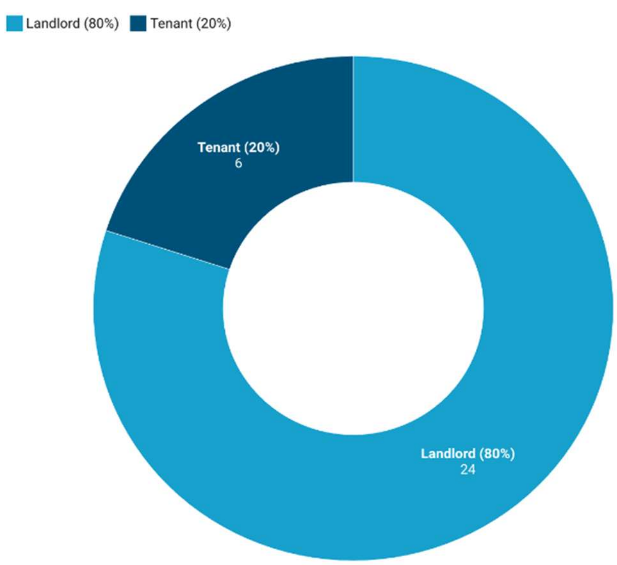

Chart 44: Responsibility for paint in Private Rentals

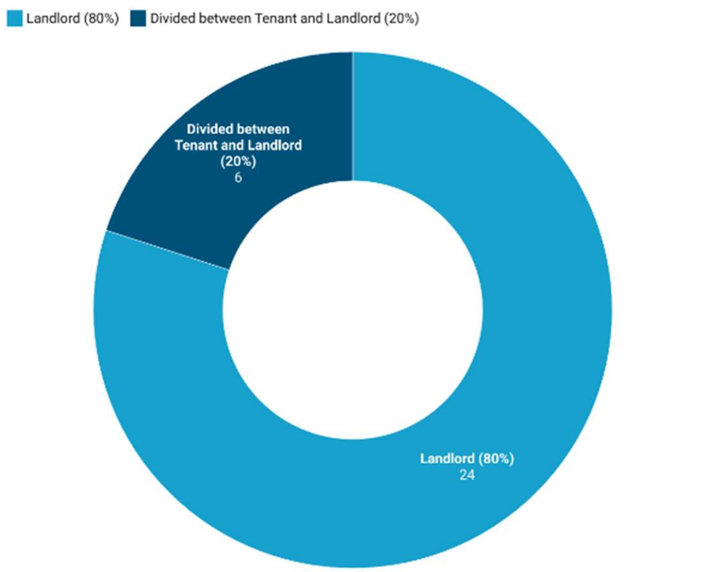

Chart 45: Responsibility for upkeep (other than paint) in private rentals

4.3.6 Location

4.3.6.1 Employment and Commute

The link between housing location and job access shows clear contrasts between ARHC and private rentals. Tenants in urban villages like Burail and Kajheri benefit from proximity to central Chandigarh, enabling easier access to informal work, especially for women working as domestic workers. Survey data shows diverse income sources; 40% of households had women working as domestic workers, supporting the households with their incomes (Chart 46).

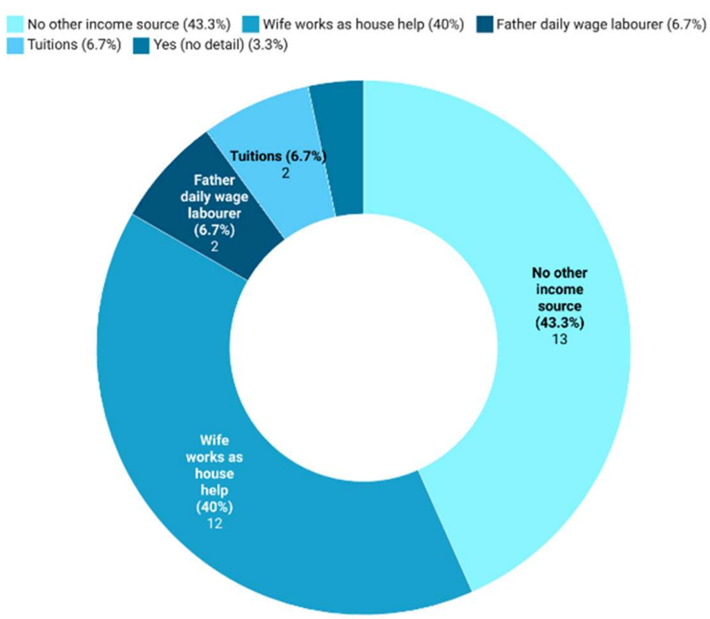

Chart 46: Other Income Sources in Private Rental Households

This spatial centrality means daily-wage earners can reach labour chowks on foot or by bicycle, incurring little to no commute expense. Data on commute cost confirms this advantage: 60.9% of private rental tenants reported spending nothing on daily transport, and the remainder usually spent less than ₹1,500 monthly (Chart 47). Similarly, most commutes are short, with 37% covering 0–5 km and another 50% indicating their work location “depends,” typically determined by daily demand (Chart 48).

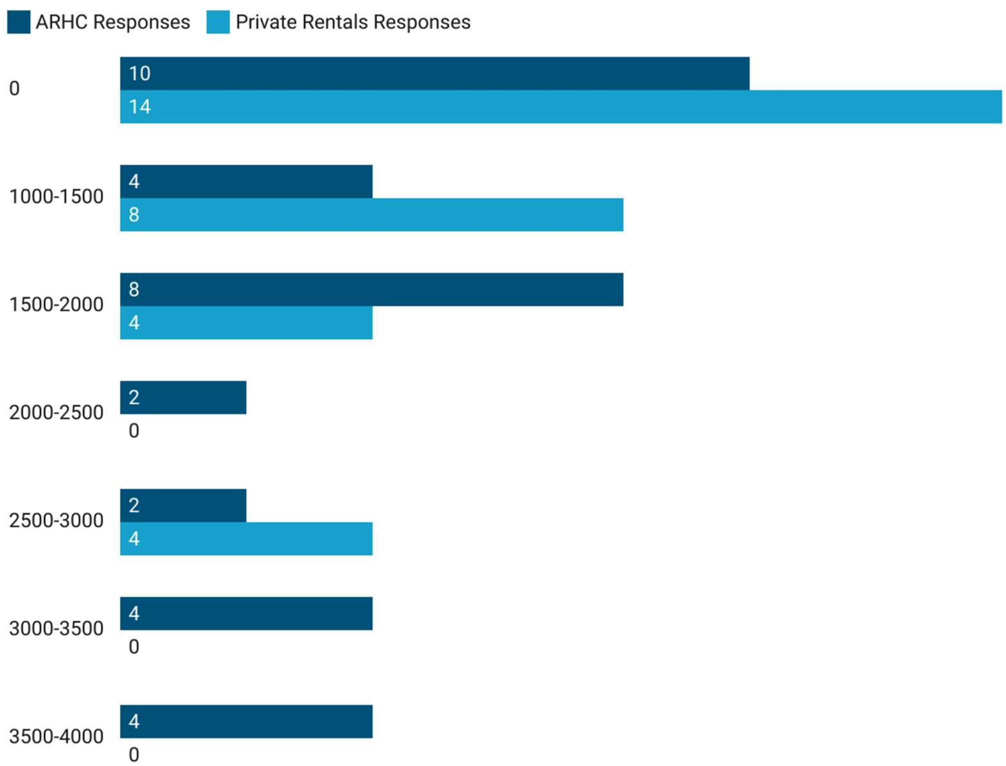

Chart 47: Comparison of Commute Costs

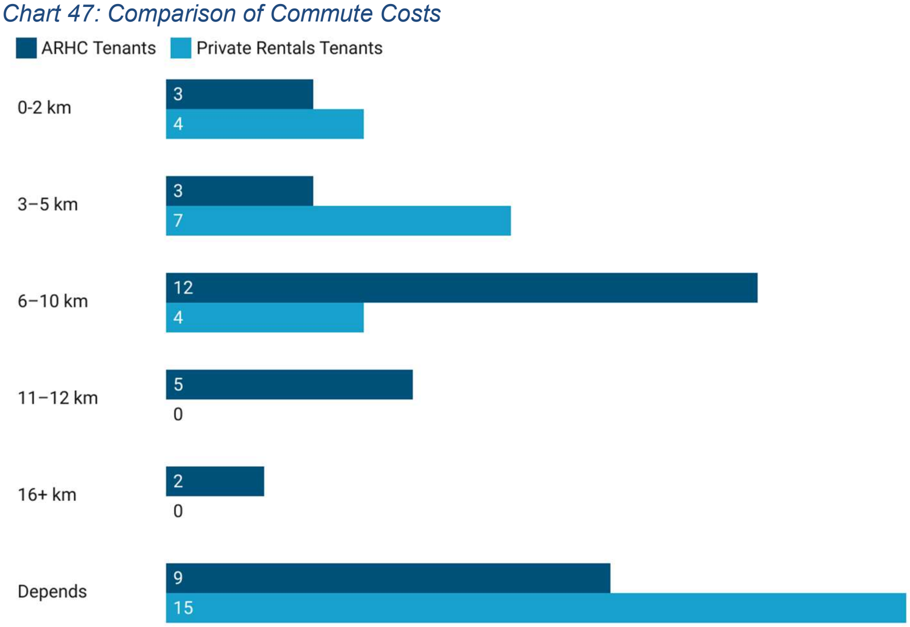

Chart 48: Comparison of Work Commute Distance

By contrast, tenants relocated to ARHC housing in Maloya to the city's periphery reported disruptions in their livelihood networks. Women especially noted losing nearby domestic work opportunities when they lived in their former settlements, causing significant income loss. One woman respondent put it,

"Earlier, the place where I used to work was nearby. Now, there is no work here."

Street vendors and construction workers echoed the sentiment, noting a downturn in income due to distance from business and labour hubs. Their reliance on distant markets and labour chowks (especially Sector 45) increases both travel time and costs. Data show that 81% of ARHC households have no secondary income source; their vulnerability is intensified by the greater remoteness of Maloya. Commute distances for ARHC tenants skew higher, with 35% traveling 6–10 km and 16% exceeding 11 km to reach work (Chart 48). This translates to a significant financial burden, while a small fraction report no commute cost, many spend up to ₹4,000 monthly on travel (Chart 47), a major strain for low-income households.

The locational disadvantage in ARHC flats particularly impacts women. With limited mobility and fewer nearby jobs, their ability to contribute to household income is curtailed, making rent payments and financial security more precarious. Children also face longer commutes to school, adding economic stress.

4.3.6.2 Safety & Security

In ARHC, 20 of the tenants felt the area "somewhat safe" (Chart 49) but reported frequent thefts, open liquor and drug sales, and police inaction.

Daylight burglaries of gas cylinders and goods caused persistent vulnerability. Residents contrasted this environment unfavorably with Chandigarh's planned sectors, which they viewed as safer and more respectable.

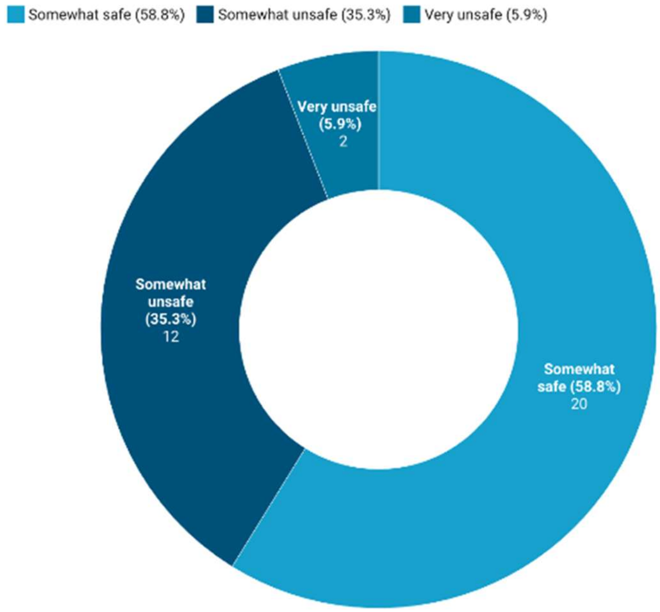

Chart 49: Perceived Safety in ARHC neighbourhood

In private rentals, responses were mixed: 60% described their neighbourhoods as “somewhat” or “very” safe, often crediting community watchfulness in urban villages (Chart 50). However, incidents of phone snatching, theft, and harassment, particularly towards women, were also reported, especially at night.

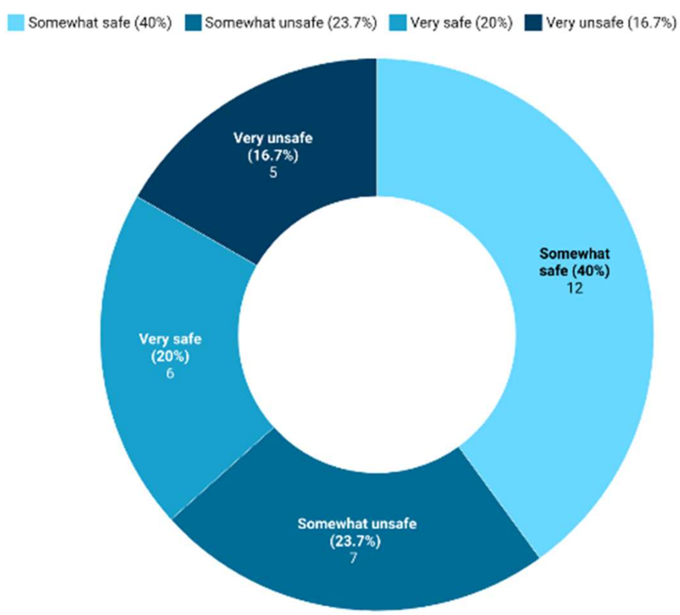

Chart 50: Perceived Safety in neighborhoods of Private Rentals

4.3.7 Cultural Adequacy

In ARHC housing, most tenants reported strong freedom to express cultural traditions. Parks and open spaces in Maloya are used for collective celebrations, with festivals held in temporary tents on community grounds, where permissions are easily secured. Also, all ARHC respondents affirmed their freedom to cook and eat as per their tradition, without interference.

A key factor underpinning this cultural enablement is the strong, sustained social network of ARHC residents. Many tenants were relocated together from prefab shelters in Sectors 52 and 56, leading to deep-rooted familiarity and solidarity. As explained by a resident,

“All of us have come from 52 and 56; we know each other, that's why we live together in harmony.”

This cohesion reduces cultural conflict and fosters a sense of shared community, which is reflected in survey data: 25 tenants reported encountering no discrimination or hostility; only 9 reported occasional minor instances (Chart 51).

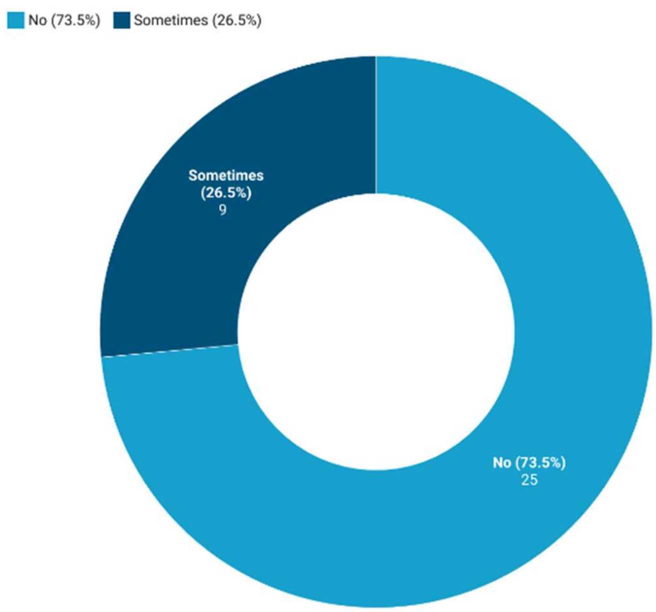

Chart 51: Discrimination or Hostility Experienced in ARHC

In private rentals, 19 tenants reported having access to common spaces, mostly courtyards, in Vehras for cultural gatherings (Chart 52). These shared spaces facilitate neighbourly interaction, with many describing strong intra-community ties:

“There is a strong sense of mutual care here; everyone knows each other well.”

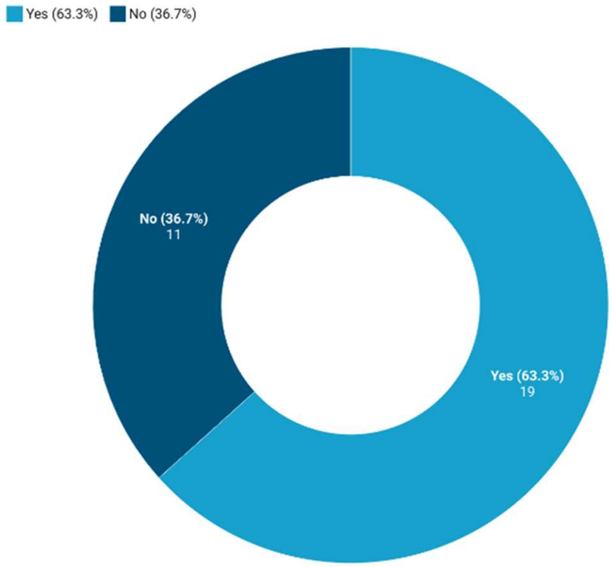

Chart 52: Availability of common spaces for cultural gatherings (inside or nearby) in private rentals

However, open space availability in private rentals is often inadequate, with some areas lacking designated venues, limiting celebrations to narrow lanes or streets. A few tenants also reported facing exclusion from community spaces. As one of the respondent says,

"There's no proper space to hold functions…and the village residents don't offer any help."

Experiences of discrimination in private rental housing are more common than in ARHC housing (Chart 53).

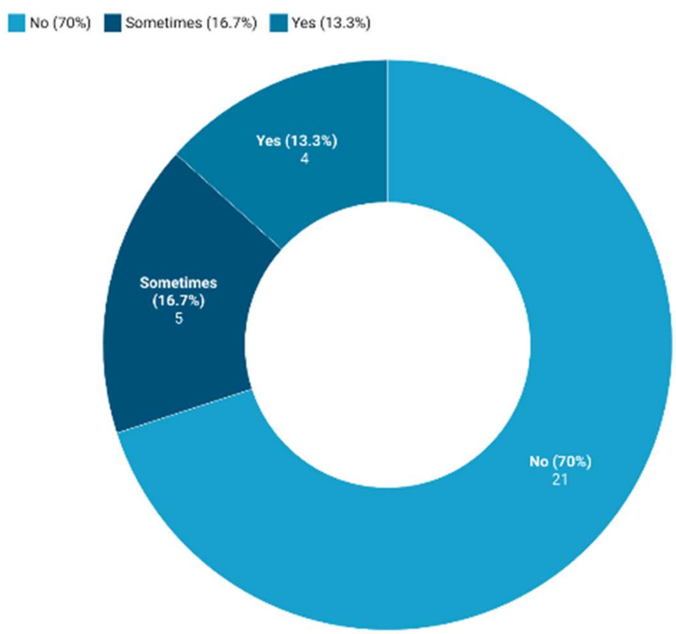

Chart 53:Discrimination or Hostility Experienced in ARHC

4.4. Discussion: Private Rental Housing or ARHCs?

As ARHC projects emerge as another option for existing and prospective tenant households, it becomes imperative to assess whether there is genuine demand for them and if they truly present a superior alternative compared to private rentals. This analysis draws on the existing literature and empirical evidence from Chandigarh.

4.4.1 Access and Discrimination

Scholars have long documented discrimination and filtering in private rental housing markets, which manifest in various forms such as regionalism, caste, and religion (Bhat, 2020; Kumar, 2001a; Rashid, 2015; Naik, 2019; Mahadevia & Gogoi, 2011; Thorat et al., 2015; Datta & Pathania, 2016). In Chandigarh, evidence of discrimination surfaces in landlords' preference for certain communities over others, notably the unwillingness to rent to Muslims, a phenomenon observed, if infrequently, in interviews with landlords. Such longstanding biases underscore the argument that the private rental market often fails to provide equitable access.

In response to these inequities, it is argued that ARHCs would ensure access without discrimination (Harish, 2021). However, the Chandigarh experience reveals a nuanced picture. While explicit discrimination based on religion or caste was not observed during ARHC unit allocation, access remained restricted as most units were allotted to residents of a few informal settlements, thus effectively barring access for others. This reflects Damle et al.'s (2021) concern that ARHCs risk excluding vulnerable groups despite stated intentions, especially since targeting mechanisms remain broad and inadequately specified.

The role of social relations also emerges as crucial in determining access to rental housing in Chandigarh. As Kumar (2001) notes, social connections facilitate housing opportunities: in Chandigarh, half of the tenants surveyed (15 out of 30) secured accommodation through such networks. This illustrates the persistent significance of social capital in accessing private rentals. Damle et al. (2021) similarly emphasize that migrants' identities, networks, and informal livelihoods play a decisive role in shaping their housing access.

Sinha (2017) further shows that in Indian informal rental markets, access is rarely a matter of open competition but mediated through brokers, kinship, and community ties, often entrenching existing hierarchies of exclusion. Similarly, Sampat & Sohane (2023) highlight that discrimination may not always be explicit but is embedded in the structural conditions of rental "setups," where domestic workers and migrants are relegated to poor-quality units clustered in less desirable locations. These findings resonate strongly with the Chandigarh case, where Vehras dominate the low-income private rental supply, and social filtering is deeply entwined with access.

4.4.2 Security of Tenure

Security of tenure remains a contentious issue in private rental markets. As discussed by Harish (2021), the market is characterized by a lack of formal agreements, disregard for privacy, and intrusive behavior by landlords (Desai & Mahadevia, 2014; Mahadevia & Gogoi, 2011; Naik, 2019). In Chandigarh, rental arrangements largely remain informal, with few written agreements, but privacy intrusion and landlord surveillance are predominantly reported in situations involving in-situ landlords (Kumar, 2010; Kumar, 1996).

Eviction threats are commonly used as a control mechanism; however, actual eviction incidents are less frequent (Mahadevia & Gogoi, 2011). Most tenants in Chandigarh described similar dynamics, though many also recounted having witnessed or heard of evictions affecting fellow tenants within the same rental setup. These findings align with the prevailing view that the threat of eviction functions more as a tool for tenant control than as a routine outcome.

A noteworthy aspect of private rental markets is the flexibility of rent payment. Many studies highlight such flexibility, whether in rent amount or in payment periodicity (Mahadevia & Gogoi, 2011; Naik, 2019). Tenants in Chandigarh confirmed that landlords often calibrate rent based on the tenant's socio-economic status, and long-term tenants were typically allowed to defer payments for up to two months. During the COVID-19 pandemic, many landlords deferred rents, corroborating the findings of Chowdhury et al. (2020) and SWAN (2020). Most tenants interviewed acknowledged receiving such flexibility during the crisis. Damle et al. (2021) underscore that this kind of flexibility is indispensable for workers with irregular and fluctuating incomes; rigid monthly rent cycles under ARHCs may disadvantage such tenants unless adapted to their realities.

Contrary to Harish's (2021) argument that ARHCs would provide even less tenure security than private rentals, due to the concessionaires' profit motive and the possibility of more frequent evictions, the Chandigarh case study presents a different reality. In ARHCs, effective tenure security has sometimes exceeded that of informal private rentals; for instance, many ARHC tenants reported not having paid rent since moving in 2021 without facing eviction by the CHB. However, the effective security of tenure is undermined by persistent precarious incomes and unsuitable locations, as tenants often cannot afford to pay rent. These dynamics mirror findings from studies on SFS ownership flats in Chandigarh (Gupta & Kavita, 2020). Damle et al. (2021) similarly caution that unless grievance redressal mechanisms and tenant protections are institutionalized, tenure security in ARHCs will remain fragile and contingent.

Sinha (2014) illustrates that in informal settlements of Hyderabad, tenants depend almost entirely on verbal agreements and community norms, where eviction threats loom large, but actual enforcement often depends on social brokers. This parallels Chandigarh's private rentals, where flexibility exists but insecurity persists. Likewise, Sampat & Sohane (2023) note that in Jaipur's rental arrangements, landlord discretion and the absence of legal protections leave tenants vulnerable to exploitation. Together, these findings suggest that while ARHCs may provide more formalized tenure, their practical security remains undermined by economic fragility and policy design.

4.4.3 Quality, Services, and Overcrowding

Harish's (2021) analysis, drawing on NSSO 2019 data, concluded that private rentals offered sufficient space and quality comparable to proposed ARHC provisions. However, the reality in Chandigarh's informal rental sector paints a starkly different picture: much serious overcrowding was recorded, particularly in low-income accommodations. This observation resonates with Naik's (2015) assertion regarding the prevalence of low-income rental housing in urban villages, as Chandigarh's affordable rentals are mostly concentrated in these peripheral localities.

Academic literature also suggests that renters consistently face lower levels of access to quality services compared to owners (Desai & Mahadevia, 2014; Mahadevia & Gogoi, 2011). The ARHC scheme promises the full spectrum of basic services—provided by the urban local body (ULB)—as an incentive to concessionaires (Government of India, 2020). However, given that ULBs often struggle to provide basic amenities citywide, whether ARHC projects will offer genuinely better services remains in question. In Chandigarh's peripheral urban villages, where low-income households predominantly reside, access to services is limited, highlighting the broader challenge of ensuring upgraded services in marginalized locations (Harish, 2021).

Damle et al. (2021) corroborate this concern, noting that many ARHC projects are repurposed from vacant government housing that is already of poor construction quality and located in under-serviced areas. Their survey found 39% of units were poorly constructed, had frequent waterlogging, and had significant service deficits in sewerage and waste management. Such findings raise doubts about whether ARHCs will truly offer better conditions than existing private rentals.

Sampat & Sohane (2023) provide further evidence, showing that in Jaipur, nearly 40% of domestic workers' rental setups were partially dilapidated, with issues like leaking roofs, cracked walls, and broken floors. Tenants often invested their own labour to maintain these units, despite lacking secure tenure. This mirrors Chandigarh's Vehras, where tenants face overcrowding and inadequate services yet continue to adapt within constrained living conditions.

4.4.4 Affordability and Location

On affordability, Harish (2021) argues that ARHC units would likely command higher rents to reflect their superior quality and service levels. Yet, fieldwork in Chandigarh suggests the contrary: ARHC rents generally aligned with those in the private rental market while delivering better housing quality and services.

Location is another critical determinant of housing choice and affordability. Model 1 of the ARHC scheme repurposes vacant housing from earlier government initiatives into rentals, but these units often suffer from poor location with respect to beneficiaries' places of work—a problem documented in earlier studies (Gandhi & Munshi, 2017; TNN, 2013; Swathi, 2013). This challenge has been especially acute in Chandigarh, where tenants frequently complained of ARHC accommodations being distant from their employment, thereby increasing transportation costs and reducing overall affordability and tenure security.

Damle et al. (2021) reinforce this critique: their survey shows that nearly 85% of workers in informal settlements travel less than 5 km to work, highlighting the importance of proximity. ARHC projects in peripheral areas, by contrast, demand longer commutes and higher expenses, making them unattractive for precisely the low-income groups they are meant to serve. This mismatch between supply and demand risks replicating the failures of past relocation housing projects.

Sinha (2014) similarly observes that informal tenants in Hyderabad often prioritize location over quality, opting for settlements close to employment hubs to save on commute costs. This resonates with Chandigarh's private rentals, where households accept overcrowded Vehras precisely because they reduce transportation burdens. In Jaipur, Sampat & Sohane (2023) note that domestic workers frequently live in interstitial low-income rentals within elite neighbourhoods, again highlighting the primacy of proximity to employment. Together, these findings emphasize that ARHCs, despite offering formal housing, risk failure if they are not spatially aligned with livelihood geographies.

5. Conclusion

5.1 Examining the ARHC Implementation in Chandigarh

The implementation of the ARHC policy in Chandigarh presents a sobering case study of how well-intentioned national policies can be fundamentally distorted through multi-layered discretionary practices, ultimately undermining the very populations they were designed to serve. This study reveals how the conversion of ownership-based public housing to rental accommodation, combined with strategic policy reorientation, has systematically eroded the housing rights and claims of the many urban poor who have resided in the city for decades.

The Chandigarh case demonstrates how discretion exercised by the State Level Sanctioning and Monitoring Committee transformed ARHC from a broad-based social welfare initiative into a narrowly focused land management and fiscal recovery project. Rather than serving the national policy's intended beneficiaries, ie, EWS and LIG urban poor and migrants, the local implementation deliberately restricted eligibility to residents of prefabricated shelter settlements and families evicted from Colony No. 4. This reorientation was explicitly driven by "financial and land-management considerations" rather than social welfare objectives, as evidenced by officials' characterization of the policy as a "win-win" arrangement that simultaneously generated rental income and recovered approximately INR 1,200 crore (€120 million) worth of valuable urban land.

This strategic narrowing exemplifies what can be termed "administrative capture" of social policy, where institutional actors pursue organizational agendas that fundamentally diverge from broader policy intentions. The administration's primary objective was clearly articulated: to make Chandigarh "slum-free" while capitalizing on the commercial value of vacated land, with subsequent plans for auction and development. Such discretionary reinterpretation demonstrates how local administrative priorities can completely subvert social welfare goals of a policy.

Erosion of the Urban Poor's Claims

Perhaps the most troubling aspect of Chandigarh's ARHC implementation is its systematic erosion of long-standing claims to ownership housing among the urban poor. Many beneficiaries had originally been promised ownership flats under the Small Flats Scheme (SFS) but were excluded due to rigid eligibility criteria and bureaucratic technicalities. The judicial interventions by the Punjab and Haryana High Court consistently emphasized that SFS should be applied "liberally and purposively" with attention to its social welfare objectives, recognizing that "rigid procedural conditions cannot override the scheme's welfare objective". However, rather than addressing these eligibility injustices comprehensively, the administration used ARHC as a mechanism to definitively convert ownership claims into rental arrangements.

This transformation represents a profound injustice for families who have resided in Chandigarh for decades, many with children born in the city, yet found themselves reclassified as "migrants", qualifying only for rental accommodation. The policy's implementation actively reduced their housing security by eliminating any pathway to asset ownership, effectively downgrading their status from potential homeowners to permanent renters. This outcome directly contradicts principles of housing justice and the right to the city, particularly for communities that have contributed to urban development through their labor and residence over extended periods.

Fundamental Problems with Model-1 Implementation

The Chandigarh case exposes critical flaws in ARHC's Model-1 approach, which converts existing public housing originally designated for ownership to rental accommodation. This conversion model is inherently problematic because it does not expand the overall housing stock but merely changes the tenure arrangement of existing units. Moreover, it creates a perverse incentive structure where administrators can monetize vacant public housing while avoiding the more challenging task of constructing new affordable rental units.

The implementation revealed additional operational failures, including the complete bypassing of income verification requirements despite national guidelines specifying EWS and LIG eligibility criteria. This ad-hoc approach created room for inconsistent implementation and potential exclusion of other deserving low-income migrants who might have qualified under policy guidelines.

Reconceptualizing ARHC's Target Population and Approach

The Chandigarh experience highlights a fundamental conceptual ambiguity in ARHC policy regarding the definition and identification of "migrants." The national guidelines broadly reference urban migrants in EWS and LIG categories, but this vague framing allows for arbitrary local interpretations that can exclude long-term urban residents while potentially including others based on administrative convenience rather than genuine housing need. The policy requires urgent reconceptualization to clearly distinguish between recent migrants requiring temporary accommodation and established urban poor communities needing permanent housing solutions.

For ARHC to succeed in its stated purpose of providing affordable rental housing, it must move beyond the problematic Model-1 approach toward Model-2 implementation that constructs new rental housing stock specifically designed for this purpose. Converting existing ownership housing to rental accommodation not only fails to address the fundamental shortage of affordable urban housing but also actively reduces the housing security of vulnerable populations. New construction targeted at genuinely transient populations, such as seasonal workers, temporary employees, and recent migrants, would better serve the policy's intended objectives without compromising existing housing rights.

5.2 Answering the question of housing adequacy

The study of housing adequacy demonstrates that neither ARHC nor private rental housing adequately addresses the complex needs of low-income urban households in Chandigarh. The comparative analysis reveals that formal rental housing provision, while improving physical conditions, may inadvertently worsen affordability and locational access, two dimensions crucial for low-income households' survival strategies. Private rentals, despite poor physical conditions, provide better affordability due to locational advantages that enable livelihood maintenance.

The Quality-Affordability Paradox

The most striking finding emerges from the quality-affordability nexus between the two housing types. ARHC units provide significantly better physical conditions with standardized 270 sq ft apartments, private toilets and kitchens, and formal utility connections, contrasting sharply with the 100-200 sq ft 'Vehra' rooms that dominate private rentals, where tenants share facilities among 5-20 households. Despite this superior quality, ARHC housing maintains competitive absolute rent levels, with most tenants paying ₹3,500 (€35) compared to private rental averages of ₹3,473 (€35).

However, when assessed through rent-to-income ratios, a different picture for affordability emerges. ARHC tenants face a mean rent-to-income ratio of 30.3% compared to 23.0% for private rental tenants, despite comparable absolute rent levels. This disparity stems primarily from the superior locational positioning of private rental housing, which is predominantly informal and strategically located in urban villages of Chandigarh. The locational advantage of private rentals translates into substantial cost savings beyond rent, with 60.9% of private rental tenants reporting no commute expenses, while ARHC tenants face monthly transportation costs ranging from ₹1,500 (€15) to ₹4,000 (€40).

Locational Disadvantage and Livelihood Disruption

The peripheral location of ARHC housing in Chandigarh emerges as a critical factor undermining its adequacy for low-income households. The relocation of households from their previous sites to the peripheral ARHC site has severed established livelihood networks, particularly affecting women's employment opportunities in domestic work. Survey data reveal that 81% of ARHC households have no secondary income source, compared to 40% of private rental households where women work as domestic workers. This locational disadvantage sets off a vicious cycle: being forced to live in peripheral areas results in reduced income opportunities, which undermines tenants' ability to pay rent. This increases the risk of losing their homes, and may ultimately push affected households back into informal settlements elsewhere in the city.

The gendered impact of this locational disadvantage is particularly acute, as women in ARHC housing lose access to nearby domestic work opportunities that previously provided crucial household income. This loss of earning capacity directly contributes to households' inability to meet rent obligations, creating financial precariousness that undermines the intended benefits of formal rental housing.

Security of Tenure: Formal or Flexible Arrangements

The comparison reveals nuanced differences in tenure security that challenge simplistic assumptions about formal versus informal arrangements. While ARHC provides formal rental agreements, many tenants struggle to understand English-language contracts, creating gaps between de jure and de facto security. Despite widespread rent defaults, no actual evictions have occurred in ARHC housing, suggesting administrative forbearance that provides practical security even amid formal violations.

Private rental arrangements, though entirely informal without written contracts, demonstrate different forms of flexibility and vulnerability. The absence of formal legal frameworks creates uncertainty but also enables negotiated relationships where long-term tenants often develop quasi-managerial roles and payment flexibility based on personal circumstances. However, this informality leaves tenants vulnerable to arbitrary eviction threats, particularly during rent delays, creating persistent psychological insecurity even when actual evictions are infrequent.

Service Provision and Infrastructure Disparities

ARHC units benefit from formal water supply with dedicated taps and rooftop tanks, though quality issues persist, including contaminated water that prompted Human Rights Commission intervention. Private rental tenants face fragmented water access, with only 2 out of 30 households having private taps, while the majority depend on shared facilities or external sources. Similarly, while all ARHC tenants have formal electricity connections, private rental tenants pay significantly higher rates, ₹6-10 per unit compared to official rates of ₹2.75-₹4.25, reflecting the premium charged for informal access and the discretion of landlords.

Waste disposal patterns further illustrate service gaps, with 53.3% of private rental tenants resorting to open dumping due to a lack of municipal collection, compared to organized waste management in ARHC complexes, although through private contractors. These disparities show persistent inequalities in urban service provision, with ARHC housing offering better infrastructure access despite locational disadvantages.

5.3 Implications for Social Rental Housing Policy in India

The Chandigarh case serves as a cautionary tale about the potential for policy discretion to undermine social welfare objectives when institutional incentives are misaligned with beneficiary interests. It demonstrates that discretion is not normatively neutral but can actively reduce client meaningfulness and policy legitimacy when oriented toward institutional rather than beneficiary-centered goals. The evidence robustly challenges conventional assumptions that greater administrative discretion inherently benefits clients, instead showing how such discretion can produce the exact opposite effect when guided by fiscal rather than social logics.

Moving forward, ARHC implementation must incorporate stronger safeguards against administrative capture, including clear eligibility criteria, mandatory income verification, and institutional mechanisms that prioritize social welfare. Most fundamentally, the policy must recognize that converting ownership-based public housing to rental accommodation represents a regressive approach that diminishes rather than enhances the housing security of the urban poor. Only through new construction specifically designed for rental purposes can ARHC fulfill its potential as a genuine social housing intervention that expands rather than contracts the housing rights of vulnerable urban populations.

Going forward, future rental housing policy must also go beyond building new units in well-located areas and explicitly incorporate the informal rental sector, which meets the vast majority of low-income household needs. Recognizing this informal and hidden market as a legitimate housing sub-system demands a three-pronged strategy: first, formally acknowledge informal rental providers and tenants within policy frameworks; second, establish realistic building standards and service norms that account for the limited resources and living practices of low-income renters; and third, support these providers through infrastructure upgrades, such as water, sanitation, and drainage improvements, and facilitate their access to affordable formal financing. By grounding interventions in the local dynamics of rental supply and demand, policymakers can harness existing rental networks to expand secure, affordable housing at the scale required.

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Appendix

1. **Survey for ARHC tenants (made and administered on KoBo Toolbox)**

Since, the surveys are very long, I have attached the links to the survey:
ARHC_Survey_KoBoToolBox.pdf

2. **Survey for tenants of private rentals (made and administered on KoBo Toolbox)**

RentalHousing_Survey_ KoboToolbox.pdf

3. **Interview Guide for Security of Tenure for tenants living in private rental Housing**

- Please indicate the type of housing arrangement, note whether it is a combination of 1RK units on the floors
- Check whether the size of all units are same or different? Indicate the size of the units.
- Also, check whether the housing units are dilapidated or not? (common areas/rental units)

Semi-structured Interview Guide (for households living in private rentals)

- Where have you lived previously in Chandigarh?
- Have you invested in the home where you were previously living in Chandigarh?
- How did you come to know about this housing? Did you find it yourself or through a broker?
- Was it difficult for you to find this rental housing? If yes, what were the challenges?
- And why have you shifted here?

Tenure Security Questionnaire

- Can you tell me about the rental agreement? Is it a written/verbal agreement?
- Do you know the landlord personally? Does the landlord live in the same building?
- Did the landlord ask for any documents? If yes, what?
- Is there any time limit for the stay? Do you think you can stay here as long as you want?
- Has the rent increased since you came here? Was it told before when you came here, or was it random?
- Are there any instances of non-payment with you? If so, does the landlord give you time to pay, or do they tell you to leave, or do they impose a fine?
- How secure do you feel from the risk of being evicted from this housing? In case you were not able to pay the rent for some reason.
- Since you came here, have you invested in this housing? Are there any restrictions on the investments?
- If they have invested, why is it so? Do they believe they can stay here long term?
- Is there any kind of surveillance by the landlord/any rules that have been imposed?

- Is there any inspection by the landlord from time to time of the apartment? (about who is living in the apartment or the time curfew?)
- If you needed or wanted to leave this accommodation, could you easily end your rental and move out after giving notice (without penalty or loss of deposit)? If yes, what is the notice period?
- If you need to rent this place again, do you think you can rent it again if it's available?

4. Interview Guide for Security of Tenure for tenants living in ARHC housing

- Where have you lived previously in Chandigarh?
- Have you invested in the home where you were previously living in Chandigarh?
- And why have you shifted here?
- How did you come to know about this housing scheme?
- Please tell me about the application and allotment process.
- Have you applied for SFS? If yes, what was the reason given for non-allotment?
- What documents were asked for in the application?

Tenure Security

- Can you tell me about the rental agreement?
- Is there any time limit for the stay? Do you think you can stay here as long as you want?
- Are there any instances of non-payment with you? If so, does CHB provide any help?
- How secure do you feel from the risk of being evicted from this housing? In case you were not able to pay the rent for some reason.
- Since you came here, have you invested in this housing? Are there any restrictions on the investments?
- If they have invested, why is it so? Do they believe they can stay here long term?
- Is there any kind of surveillance by the landlord/any rules that have been imposed by the CHB?
- Is there any inspection from time to time of the apartment? (about who is living in the apartment, if they check whether the same family is living in the apartment to which they were allotted? Or do they check for maintenance or damages?
- If you needed or wanted to leave this accommodation, could you easily end your rental and move out after giving notice (without penalty or loss of deposit)?
- Suppose you have left the ARHC housing for some reason. Is it possible to get the housing again easily if needed?

5. Interview Guide for Landlords of Private Rental Housing

- How long have you been living here?
- How many units do you have for rent? Can you describe the arrangements of these units?
- What type of rental agreements do you prefer?
- Have you made these units exclusively for rent, or did you decide later that you could rent them?
- How do you advertise your rental units? Through to-let boards/friends and family/and rental brokers?
- What are the rents of your units?

- What is your primary source of income? Are these rental units your only source of income?
- What type of tenants do you prefer? Do you prefer tenants of a specific region/religion/caste?
- Would you prefer to rent to a casual/daily wage labourer?
- Do you have any rules a tenant should follow if they live here on rent?
- What is the average time tenants stay at your units?
- When they move out, what are the reasons?

6. Interview Guide for Chandigarh Housing Board Officials

InterviewGuide_CHB