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## Real estate growth at the grassroots: Empowering india's bottom of the pyramid amid rapid urbanization

*The absence of sufficient affordable housing amid rapid urbanization gives rise to a myriad of socio-economic repercussions that reverberate through individuals, communities, and broader urban development.*

Written by [Guest](#)

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The shifting needs of consumers in the post-pandemic era have intensified the demand for affordable housing, especially within the age group of 27-40. (Image: PTI)

– **By Prabhakar Kumar**

India's urban landscape has undergone a remarkable transformation, with projections by the United Nations indicating that over 400 million people will call cities home by 2030. Despite occupying just 3 per cent of the land, according to an estimate by the United Nations, cities contribute a substantial 60 per cent to India's gross domestic product. This urban growth has been a linchpin in reducing poverty, accounting for 80 per cent of the total decline in poverty rates. Globally, this trend is expected to persist, with the urban population forecasted, as per a World Bank report, to more than double by 2050, reaching a point where nearly 7 in 10 people will reside in cities. At the heart of this urban expansion lies India's bottom of the pyramid, a significant demographic characterized by lower income levels and limited access to resources. While not the traditional target audience for luxury [real estate](#), this segment plays a crucial role in the nation's economic and social fabric.

However, the rapid pace and scale of [urbanization](#) bring forth challenges, with meeting the escalating demand for affordable housing standing out as the most prominent. As we progress into the future, it becomes imperative for cities, subnational governments and other urban stakeholders to urgently prioritise bottom-up approaches when designing urban resilience interventions and shaping key urban programming.

The shifting needs of consumers in the post-pandemic era have intensified the demand for [affordable housing](#), especially within the age group of 27-40 and among those at the bottom of the pyramid, residing in low-income segments in non-metro locations. The substantial reverse migration following COVID-19-induced lockdowns, coupled with the rising popularity of remote or hybrid [jobs](#), has further fueled the demand for [quality housing](#) in smaller towns and cities. This, in addition to the oversaturation of land resources in India's megalopolises, has driven major land acquisitions in Tier-2 and Tier-3 cities. As cities expand beyond traditional trade, financial and political centres, it is crucial to ensure that new urban spaces develop with the socioeconomic well-being of everyone, avoiding marginalization.

The absence of sufficient affordable housing amid rapid urbanization gives rise to a myriad of socio-economic repercussions that reverberate through individuals, communities, and broader urban development. This dearth often results in homelessness and the formation of informal settlements, perpetuating a cycle of poverty and inadequate living conditions. High housing costs force families to allocate a substantial portion of their income to shelter, leaving fewer resources for essential needs such as education, healthcare and nutritious food, thereby exacerbating poverty within urban populations. The inability to access affordable housing contributes to social inequality and segregation, disproportionately affecting marginalized groups and leading to spatial concentrations of poverty, creating divisive social and economic divides within urban areas. Inadequate housing conditions, prevalent in the absence of affordable options, contribute to [health](#) problems, with overcrowded living spaces, lack of sanitation and exposure to environmental hazards negatively impacting residents' well-being. The lack of affordable housing impedes economic mobility, as individuals struggle to maintain consistent employment, hindering their ability to break the cycle of poverty. Cities grappling with rapid urbanization and a shortage of affordable housing face increased strain on public services, including healthcare, education and transportation, resulting in a decline in service quality and impacting the overall well-being of urban residents. Demand & supply gap in affordable housing causes the people to live in slum-like conditions. Resulting in degraded physical & mental conditions, ultimately impacting their financial health. In extreme cases, the scarcity of affordable housing can fuel social tension and unrest, leading to protests or civil disturbances among discontented residents.

Targeting the bottom of the pyramid is not merely an option but an imperative to counterbalance the demerits of rapid urbanization through affordable housing. As cities evolve, it is crucial to prioritise inclusive, grassroots approaches, ensuring that the benefits of urban progress reach the very foundation of society. Empowering the bottom of the pyramid with accessible and affordable housing not only addresses socio-economic challenges but also lays the foundation for sustainable and equitable urban development. By prioritizing the needs of the most vulnerable, we can build cities that are not only economically vibrant but also socially inclusive and resilient. Through the PMAY-U scheme of Govt. of India, it is in process of empowering the bottom of pyramids yet many more steps need to be taken considering India Vision 2047 as a Developed Nation.

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