Government of Pakistan
Ministry of Housing and Works

NATIONAL HOUSING POLICY 2026

AUGUST 25, 2026

FOREWORD

Housing is fundamental to economic growth, social well-being, and national progress. An inclusive housing policy not only provides shelter but also upholds human dignity, security, and opportunity for individuals and families. Recognising housing's critical role in sustainable development, this National Housing Policy addresses the needs of a growing population and ensures equal access to affordable, safe, and resilient housing.

This policy demonstrates the government's commitment to providing every citizen with a decent home. It seeks to close the demand-supply gap by prioritising affordability, sustainability, and inclusivity. Through modern construction technology, innovative financing, and environmentally friendly practices, we aim to meet the housing needs of all segments of society, especially marginalised communities.

This policy aligns with national development plans and international commitments, including SDG Goal 11 on 'Sustainable Cities and Communities.' It outlines strategies to protect prime agricultural land through compact and vertical development, slum upgrading, urban regeneration, rural housing, and climate-resilient infrastructure. The policy also prioritises public-private partnerships, community initiatives, and regulatory reform to support housing development.

The National Housing Policy seeks to strengthen collaboration among federal, provincial, and local governments, the private sector, civil society, and the public. Its success depends on our shared commitment, effective execution, and ongoing adaptation to new challenges and opportunities.

We believe this National Housing Policy will drive socio-economic growth, improve living conditions, and promote inclusive communities nationwide. Together, we can ensure every citizen has access to safe, affordable, and high-quality housing, making housing a right for all, not a privilege for a few.

National Housing Policy 2026

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Executive Summary

The National Housing Policy 2026 (NHP 2026) outlines Pakistan's commitment to ensuring access to affordable, adequate, and secure housing for all citizens, particularly marginalised and low-income groups. It envisions a nation where dignified housing is treated as a fundamental right and basic human need. The policy aims to create an enabling and inclusive framework for affordable housing development through collaboration among public institutions, private actors, and civil society. Guided by equity, sustainability, inclusivity, transparency, gender responsiveness, disaster resilience, and alignment with broader national development goals such as poverty alleviation and environmental protection, NHP 2026 seeks to address structural barriers that have hindered the housing sector for decades.

The policy was formulated through a participatory and consultative process led by a Working and Experts' Group, supported by development partners. Stakeholders from federal and provincial governments, the private sector, academia, civil society, international development organisations (including the World Bank, Asian Development Bank, JICA, and UN-HABITAT), and housing experts contributed to the policy development through workshops, webinars, and technical sessions. Their feedback, expert reviews, field insights, and international best practices informed successive drafts. As a result, NHP 2026 is designed to be context-sensitive, evidence-based, and aligned with Pakistan's socio-economic realities.

NHP 2026 outlines comprehensive objectives, including increasing the supply of affordable housing, enhancing land tenure security, expanding access to housing finance, supporting rental housing, and upgrading informal settlements. It emphasises governance reform, regulatory streamlining, and institutional strengthening as essential to these goals. Inclusive in scope, the policy addresses both urban and rural housing challenges, giving special attention to the housing needs of vulnerable groups, including women, persons with disabilities, older people, disaster-affected populations, and low-income households.

Pakistan's acute housing deficit—particularly among low-income people—stems from unplanned urbanisation, weak land management, limited infrastructure, and inadequate financing mechanisms. These issues have led to the proliferation of informal settlements and declining living conditions, exacerbated by climate risks, inefficient construction practices, and outdated regulatory frameworks. In response, NHP 2026 marks a strategic departure from fragmented, project-based efforts, introducing a unified long-term approach that positions housing as a tool for social justice and economic development.

The policy comprises nine key thematic areas: housing supply and land use planning, land and tenure security, housing finance, public-private partnerships and institutional mechanisms, rental housing, green and resilient housing, rural housing, informal settlements, and housing for vulnerable groups. It promotes integrating housing with urban planning, supports densification and mixed-use developments, encourages the establishment of land banks, and calls for modernising spatial planning tools. To enhance tenure security, it advocates regularising informal settlements, protecting occupancy rights, implementing transparent titling systems, and improving cadastral records, with special attention to women's ownership rights and tenure security for marginalised populations.

In housing finance, the policy identifies affordability and access as critical issues. It recommends expanding financial instruments tailored to low- and middle-income households, including interest subsidies, risk-sharing mechanisms, and microfinance solutions. It also promotes Islamic finance, digital financial tools, and stronger partnerships with financial institutions. Complementing home ownership, the policy supports the development of formal rental markets through legal and fiscal incentives, tenancy protections, and affordable rental schemes for workers, students, and vulnerable groups.

Recognising the private sector's central role, the policy supports public-private partnerships through regulatory incentives and streamlined approval processes. It calls for institutional reform to clarify roles, improve coordination, and strengthen local capacities. The policy proposes establishing a National Housing Council to oversee implementation, ensure accountability, and provide a platform for ongoing stakeholder engagement and collaboration.

Given the growing risks from environmental degradation and natural disasters, the policy emphasises green and resilient housing. It encourages energy-efficient design, climate-adaptive construction, and retrofitting of vulnerable structures. Rural housing is addressed through community-led approaches, local materials, and improved access to services and infrastructure. To address informal settlements, the policy favours in situ upgrading with participatory planning, infrastructure investment, and service delivery, discouraging forced evictions in favour of negotiated solutions that maintain community cohesion.

NHP 2026 presents an Action Plan with defined key activities, responsible leads, supporting entities, timelines, key performance indicators, and outputs. Provincial and local governments are responsible for implementing these plans. The proposed monitoring and evaluation framework, with key performance indicators, will promote transparency, accountability, and adaptive learning throughout the policy lifecycle.

In conclusion, the National Housing Policy 2026 provides a comprehensive and inclusive roadmap to address Pakistan's housing crisis. It prioritises housing within the national development agenda and offers a coherent, participatory framework to achieve the goal of housing for all.

CHAPTER 1 - BACKGROUND OF THE NATIONAL HOUSING POLICY

1.1 Introduction

Housing is a basic human need. The Universal Declaration of Human Rights (proclaimed by the UN General Assembly on December 10, 1948) asserts that housing and other social services are fundamental human rights. Therefore, national governments are responsible for acting as facilitators and creating an environment that facilitates the provision of housing to their citizens. The provision of housing, particularly for low-- and middle-income strata of society, has not attracted the proper attention of regimes in Pakistan because of a lack of resources. However, since the outset of development planning in Pakistan, housing and settlements have been a vital ingredient of the five-year plans. Pakistan's urban and housing policies, beyond standalone reports, are usually reflected in its five-year plans.

The existence of a policy in a particular socio-economic realm reflects the regime's seriousness. Pakistan's first national housing policy was formulated in 2001, about 53 years after it emerged as an independent country in 1947. The same policy remained in vogue for the last 24 years till the beginning of 2025.

In the wake of the 18th Amendment to the Constitution of Pakistan, housing has become a provincial subject. However, in line with international practices, such as those in Canada, Australia, and India, to mention a few, where housing is a provincial subject, the federal government plays a vital role through the formulation of national housing policies, funding initiatives for affordable housing, and coordination among provinces. The federal government's housing policy provides a broader framework. States/provinces/councils can tailor their own policies within the national framework, in accordance with their specific contexts, such as housing demand, geographical location, type of housing, and the design of dwelling units/apartments.

The most pressing backdrop for formulating a national housing policy is the immediate and undeniable impact of Climate change, a reality experienced by many countries worldwide, including Pakistan. The latest report, the Germanwatch Climate Risk Index 2025, places Pakistan among the top 5-8 most vulnerable countries facing the brunt of climate change in the form of floods, droughts, heatwaves, and other extreme weather events.

A well-articulated housing policy, developed in consultation and coordination with provincial governments and implemented with dedication, can adapt urban and rural development to climate change and mitigate its adverse effects.

However, the daunting challenge of providing adequate, safe and affordable housing has increased manifold. The situation has reached a critical point, necessitating an immediate review of the existing National Housing Policy 2001, identification of gaps and weaknesses in the proposed strategies and implementation frameworks, and amendments to achieve the housing sector's desired goals and objectives.

1.2 Situation Analysis

Pakistan, with a population of 241.5 million, as per the latest census of the year 2023, ranks 5th in the world in terms of population. The 1st population census in Pakistan was conducted in 1951 with a population of 33.7 million, so there was a sevenfold increase in population between the 1st and the last census. Likewise, cities in Pakistan have witnessed an accelerated pace of urbanisation. The average annual population growth rate in urban areas is 3.67% compared to 1.88% for the rural population growth rate. The data reflects that the urban population growth rate (3.76%) is even higher than the country's overall population growth rate (2.55%). The urban population was 36.44% in 2017 and 38.88% in 2023.

Interestingly, in Islamabad, the Federal Capital, the urban population share has declined continuously from 65.7% in 1998 to 50.37% in 2017 and 46.91% in 2023. One possible reason is the shift of the population to suburbs, which increases the percentage share of the population in rural areas. This also reflects the phenomenon of urban sprawl, a rapid and unplanned expansion of urban areas, and the invasion of development in the rural areas of Islamabad, which leads to the conversion of agricultural land into residential and commercial areas.

The Census 2023 data reveals a significant increase in households across all provinces during these six years. The most notable surge is in Khyber Pakhtunkhwa, with a 33% rise, followed by Baluchistan at 31% and Islamabad at 22%. This data underscores the profound demographic shifts taking place in Pakistan. The average household size in Pakistan also decreased slightly from 6.39 to 6.30 persons, reflecting a broader trend toward more nuclear households and smaller household sizes across provinces, except in Sindh, where household size increased from 5.55 in 2017 to 5.65 in 2023.

As per the 2017 Census, Pakistan had 31,915,884 households; 82.14% (26,215,418) lived in owned houses, while only 11.53% lived in rented houses. Census 2023 data show an increase of about 20% in the number of households, with a slight decrease in house ownership to 81.91%. This reflects a 0.23% decrease in house ownership. The percentage of households living in rented houses increased from 11.53% in 2017 to 11.87% in 2023. However, the data also shows that the trend of house ownership remains stable.

Natural population growth in conjunction with urbanisation exerts pressure on urban infrastructure and services, including housing - one of the key components. The massive demand for housing (500,000 units per annum) and meagre supplies (300,000 units per annum), particularly in cities, has aggravated the problem. The housing shortage in the country's urban areas is estimated to be 9 million. As a result, about 50% of the urban population has no choice but to live in slums and Katchi Abadis.

1.3 Policy Formulation Process

The foresight and sagacity of the current ruling regime placed enormous emphasis on an updated housing policy to address the most challenging housing issue in both urban and rural contexts. The policy formulation process began with the review of the existing policy, i.e. Housing Policy 2001. A rigorous review of the existing policy revealed that it discussed common urban issues such as housing shortage, paucity of housing finance, unchecked growth of slums and squatter settlements/Katchi Abadis, the inadequacy of affordable housing schemes, increasing inflation, and skyrocketing building materials & construction costs. However, it became clear that these issues require more than just identification-they demand innovative approaches and tools to tackle the housing issues, underscoring the need for creativity and forward-thinking in policy formulation. The previous housing policy is notably deficient in several crucial areas that merit immediate attention:

- The promotion of compact, mixed-use, and high-rise housing developments to optimise urban space and foster vibrant communities.
- Innovative initiatives for land pooling and joint ventures that leverage collective resources for greater impact.
- A strong emphasis on the development of green, energy-efficient, climate-resilient, and disaster-proof housing solutions to protect our environment and communities.
- Encouragement for the corporate sector to take an active role in providing housing facilities for their employees, thereby enhancing workplace satisfaction and retention.
- Expansion of public and private rental housing options to accommodate the diverse needs of our population.
- Support for corporate citizenship initiatives that allow businesses to contribute to the provision of low-income housing for the community.

- The establishment of a dedicated fund to facilitate land banking, providing essential seed money to kick-start transformative housing projects.
- The establishment of data banks for the availability of authentic and up-to-date data relating to housing
- Robust frameworks for implementation, monitoring, and evaluation to ensure accountability and effectiveness in housing strategies.

Addressing these areas can lead to a more comprehensive and impactful housing policy that meets the needs of all citizens.

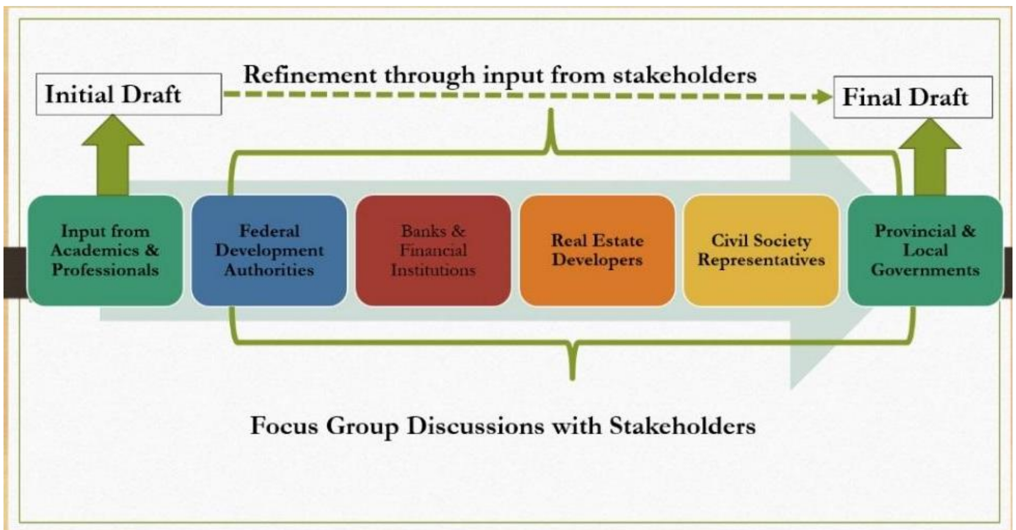


Figure 1: Policy Formulation Process

The Ministry of Housing & Works, Islamabad, constituted a 'Working Group' **(Annex-I)** and an 'Experts' Group' **(Annex-II)** to review and update the National Housing Policy 2001.

As shown in Figure 1, the policy formulation process began with a review of the existing Housing Policy 2001 and brainstorming sessions with academics and professionals. Input from these stakeholders was not just valuable but integral to the process, helping identify strategic themes/subject matter related to the housing policy and prepare the initial draft. It followed a series of focus group discussions with key stakeholders. The initial draft of the National Housing Policy 2026 was shared with the following key provincial stakeholders for their valuable feedback/suggestions **(Annex- III).**

The Punjab Affordable Housing Program (PAHP), a project funded by the World Bank, organised a webinar to gather feedback and suggestions on the National Housing Policy 2026. The webinar was held on the 13th of April 2025, and several acknowledged professionals representing the provinces, the private sector and the government, including urban planners, policy experts, engineers, architects, and developers, participated in the webinar **(Annex-IV)**. Moreover, experts from international development agencies, such as the World Bank, Asian Development Bank (ADB), UN-HABITAT, and Japan International Cooperation Agency (JICA), provided professional and practical comments **(Annex-V).** Their invaluable suggestions, incorporated into the refined and final draft of the National Housing Policy 2026, have significantly shaped the policy.

CHAPTER 2: STRATEGIC POLICY FRAMEWORK

2.1 The strategic framework acts as a beacon of light and provides guiding principles for formulating the National Housing Policy. It requires crafting a thoughtful vision, goals, and objectives around which the policy revolves. Brainstorming sessions with key stakeholders helped craft the housing policy's vision statement, goals, and objectives. The framework aspires to shape a resilient, inclusive, and affordable housing system across both urban and rural Pakistan.

Vision Statement: "Enable and deepen the housing market to deliver and ensure access to adequate, affordable, and sustainable housing for all"

A country's future depends on the well-being of its citizens, and housing is the foundation of a decent and prosperous society. This vision reflects our unwavering commitment to ensuring every individual and family has access to a safe, affordable, climate-resilient, and environmentally friendly home.

Adequate housing helps prevent overcrowding, promote public health, and meet increasing housing demand driven by rapid urbanisation and natural population growth in Pakistan's urban and rural areas. Adequate Housing also embodies the following:

- Adequate location: access to mobility (economic networks) and markets
- Access to Physical Networks: water, sanitation, electricity, sustainable drainage, roads, streetlights, etc.
- Access to Social Networks: education, health, recreation, & culture
- Access to safe Land: tenure security, non-hazardous and resilient site
- Access to suitable Housing: adequate building size, material, and structure; cultural adequacy

Affordable housing ensures that families, especially those from low- and middle-income groups, can access housing within their means, as shelter is a cornerstone of social integration and economic advancement.

Sustainable housing requires eco-friendly design, energy efficiency, and climate change adaptation. It incorporates green building standards, innovative technologies and efficient land use to reduce environmental impact while enhancing resilience and liveability.

Our vision is not just a policy statement; it's a promise to build strong, flexible, and equitable communities. We are committed to ensuring every resident has a home to return to. Through innovation, good governance, and, most importantly, public-private partnerships, we are working to make this vision a reality. Our goal is to ensure that housing is not a right of the privileged but a fundamental universal right for all.

2.2 Goals & Objectives of the National Housing Policy:

The "Goal" and "Objectives" of the housing policy are given below.

Goal: “Ensure access to climate-resilient, adequate, affordable, and sustainable housing, particularly for low- and middle-income groups in both urban and rural areas in Pakistan.”

The key **objectives** of the national housing policy are specified as follows:

i. To increase the supply of adequate housing for all income groups to cope with the existing cumulative housing deficit of 10-13 million housing units and the recurring demands by the year 2050.

ii. To promote efficient land utilisation through compact, mixed-use, medium - to high-rise vertical development, embodying Transit-oriented Development (TOD), to curb urban sprawl and conserve arable agricultural land.

iii. To enhance housing finance systems by making them more affordable and accessible for ordinary citizens and developers, especially those serving underserved groups.

iv. To promote the construction of housing that is climate-adaptive, disaster-resilient, and energy-efficient, adhering to sustainable design standards and green certification protocols

v. To initiate efficient utilisation of land in built-up areas, including slums and Katchi Abadis, and informal settlements often lacking basic services and infrastructure.

vi. To effectively tackle the issue of land speculation and the prolonged non-development of plots intended for housing

vii. To promote knowledge sharing and capacity building relating to the housing sector at the federal, provincial and local levels

CHAPTER 3: STRATEGIC THEMES OF THE NATIONAL HOUSING POLICY

The National Housing Policy 2026, a response to Pakistan's deep-rooted housing crisis, is built around nine (09) critical themes identified in the brainstorming sessions with key stakeholders. Each theme encapsulates a significant subject matter along with a set of allied housing issues. The following passages examine each theme's issues and suggest policy measures to address them.

3.1 Theme 1: Land for Housing

3.1.1 Issues

3.1.1.1 Land- A Scarce Resource- in Conjunction with Urbanisation

Land, a precious, scarce, and non-renewable resource, is under immense pressure in the urban context due to rapid urbanisation. Cities in Pakistan, like those in other developing countries, are urbanising rapidly, leading to massive demand for housing. This demand is needed to serve our expanding population, particularly low- and middle-income urban populations.

Therefore, efficient land utilisation is indispensable for all urban uses, including housing. Modern urbanism offers curative measures in the form of compact, high-rise development that embodies a mixed land-use pattern. Such development provides more housing facilities on a comparatively small parcel of land and work opportunities near living areas, offering a promising solution to our housing challenges.

Pakistan's accelerated urbanisation, with an annual urban growth rate of 3.67%, also puts great pressure on agricultural land in peri-urban areas around major cities. Urbanisation, driven by the concentration of development activities in Pakistan's major cities with fertile agricultural land, is eroding its food basket and leading to food security issues. It necessitates preserving fertile land and utilising available land resources efficiently for various land uses, including housing. Low-rise, horizontal development with single- or double-storey dwellings should be avoided to protect agricultural land from relentless exploitation and conversion into built-up area. Compact, medium-- to high-rise development, including condominiums, is a viable approach to meeting housing demand. This approach will help utilise precious land efficiently, stop urban sprawl, and preserve prime agricultural land, a prerequisite for our food security.
In Pakistan, the Sindh Condominium Act, 2014, and the Islamabad Capital Territory Condominium (Ownership and Management) Act, 2025, already exist to encourage and facilitate compact, high-rise development.

3.1.1.2 Exorbitant Land Prices

Land prices in cities/towns and nearby areas are too high to meet affordable housing requirements. Thus, purchasing high-priced land at competitive market rates makes it challenging for developers to provide low-cost, affordable housing for the masses. Moreover, holding land for speculative purposes further drives up land prices.

3.1.1.3 Illegal Occupation & Poor Enforcement:

Illegal occupation of valuable government and private land limits its availability for housing development. Poor enforcement by regulatory bodies, due to collusion with land encroachers, may be a major reason.

3.1.1.4 Under-utilisation of Government land:

Government land within and outside major urban centres is either poorly utilised or vacant, making it vulnerable to encroachment. Properly utilising this precious land may provide the government with an optimal revenue generation option and affordable housing for the masses.

3.1.2 Policy Measures

3.1.2.1 Employing the Land Banking Approach

Regulatory regimes at all levels (federal/provincial/district/local) should use the 'Land Banking' tool to make land parcels available for affordable housing for the population's low- and middle-income strata. A detailed and accurate record of potential patches of land suitable for affordable housing should be available under the regulatory regimes, and such land parcels should be purchased or acquired at market rate by employing 'The Land Acquisition Act, 1894' well in advance. It should align with information on future growth trends of towns/cities provided in the outline development plans/structure plans or spatial plans of the towns & cities. The federal and provincial governments should institute funds to ensure land purchase and procurement for low-cost and affordable housing.

3.1.2.2 Land Pooling by Engaging the Small Landowners

The landowners in possession of small land parcels in the vicinity of towns/cities need to be engaged in housing activity through 'Land Pooling' – a planning strategy to organise and unify small landowners to amass enough land suitable for apartment/housing scheme purposes. This approach ensures that landowners are shareholders in the housing activity and can benefit from their equity. The concerned development authorities and local government departments should engage small landowners in attractive ways to make land available, particularly for cheap and affordable housing.

3.1.3 Growth Boundaries and Green Belts

3.1.3.1 Issues:

Most of the towns and cities in Pakistan do not have designated growth boundaries. In a planned and formal setup, green belts of a certain width and area are usually provided around the city/town to earmark city limits and contain development within them. However, in Pakistan, very few cities have employed this planning tool in their Master plans or Outline Development Plans. The consequences are evident in sprawled and uncontrolled linear development. The absence of growth boundaries makes scarce, precious, green raw land readily available for development within cities and peri-urban areas. This hinders compact development and efficient land use.

3.1.3.2 Policy Measures

Planning instruments such as Outline Development Plans (ODPs), Structure Plans, Spatial Plans, and Regional Development Plans must define the growth boundaries of respective cities/towns based on scientific predictions of future growth directions and urbanisation trends. Growth boundaries could be time-bound and must be widened and redefined once the objective of efficient land use and compact development has been achieved within the previously defined boundaries.

Green belts around cities should be provided to define the city limits and growth boundaries. They should serve as food baskets to cater to the needs of nearby cities. The green belts should also be used for recreational purposes for citizens, such as open spaces/country parks, joy lands, and theme parks.

While preparing District Land Use Plans, the Project Management Unit, Local Government & Community Development Department, Govt. of Punjab, suggested providing a 'Ring Road' at the periphery of the next 20-year growth limit instead of a green belt. This hard infrastructure feature is assumed to serve as a physical growth boundary, enhance connectivity, and help manage traffic congestion. This approach has been recommended and incorporated into the land use plans of almost all 300 cities and towns in Punjab Province. However, it is highly recommended through the National Housing Policy 2026 that a buffer zone in the shape of a green belt with a minimum width of 0.25 km (approx. 825 feet) on each side of the proposed 'Ring Roads' must be provided; otherwise, the proposed 'Ring Roads' will cause ribbon development in the form of commercial activities on both sides of the proposed roads. Without green belts, the land on both sides of the ring roads will be colonised, leading to ribbon development and urban sprawl.

The other relevant suggested policy measures include:

i. ***Allow flexibility in urban extensions.*** Define flexible urban containment boundaries tied to annual housing targets; enable well-justified urban extensions or land swaps for affordable housing.

ii. ***Avoid green-belt-induced sprawl.*** Make green buffers legally enforceable and complement them with Transit-Oriented Development.

iii. ***Rezone with density/infill incentives.*** Promote density and mixed-use growth within urban boundaries; incentivise redevelopment and reuse of underutilised urban land with low-cost approaches (e.g., walkups to avoid elevator installation, operation, and maintenance costs).

iv. ***Establish monitoring systems.*** Track land prices, vacancy rates, and new housing construction across segments (e.g., geographic boundaries, ownership vs rental, and low vs mid-market).

3.1.4 Land Hoarding and Speculation

3.1.4.1 Issues

Although land hoarding and speculation may generate monetary benefits for investors, they create negative externalities by leaving land idle and preventing it from providing housing or agricultural produce. They have been observed to inflate land prices and make affordable housing unavailable, underscoring the need for immediate policy measures.

3.1.4.2 Policy Measures

Land hoarding and speculation in housing schemes need to be discouraged. Not only individual investors but also large developers engage in land hoarding and speculation. Regulatory authorities should devise well-defined rules and regulations to penalise plot owners in housing schemes who fail to build within the stipulated construction period. Similarly, land developers who cannot develop housing schemes within the stipulated timeframe must be severely penalised. Regulatory measures to curb hoarding and speculation include levying substantial non-utilisation charges after a certain period, i.e., three or five years. Open file systems in any housing scheme should be discouraged.

Taxation can shift incentives from hoarding land to other productive uses. Various taxes could help discourage land hoarding and speculation, such as progressive annual taxes on property and vacant plots, a capital gains tax on real estate, and a betterment levy (also known as a value capture tax).

3.1.5 Land Consolidation and Comprehensive Land Information Systems

3.1.5.1 Issues

Shortfalls in land consolidation and inadequacy of comprehensive land information systems give rise to many land ownership issues. Although several initiatives in various ruling regimes in Pakistan have been taken for land consolidation and the institution of land record information and management systems, there is still a long way to go to achieve an accurate and dependable system. The lack of land consolidation in urban regions, particularly in Islamabad and the Pothohar region, is a major cause of land disputes and fraudulent land records, making it difficult to secure a compact piece of land for housing free from all sorts of encumbrances.

3.1.5.2 Policy Measures

The current state of affairs calls for urgent action to establish independent land record information and management authorities at the federal and provincial levels by employing the latest technology measures, such as geo-tech mapping and tagging. Another option is to outsource the land record information and management system to a third party. This can also be addressed through a public-private partnership arrangement.

3.2 Theme 2: Planning and Development of Intermediate & Secondary Towns

3.2.1 Introduction

Intermediate and secondary cities are crucial for balanced and sustainable urban development. Major cities usually face challenges such as traffic congestion, pollution, slums, Katchi Abadis/squatter settlements, etc. Developing intermediate and secondary cities is a panacea for the above-mentioned issues in major cities.

Balanced regional development, creation of jobs, diversification, and equal distribution of industrialisation, keeping in view the raw materials specific to various areas of the region and access to better urban services, amenities, and facilities to the wider population of the region, call for the development of intermediate and secondary towns.

Urbanisation plays an essential role in shaping the development of intermediate and secondary towns, acting as a catalyst for economic growth, infrastructure expansion, housing supply, affordable housing infrastructure and social transformation. Unlike planned urban expansion in countries like China, where secondary cities such as Shenzhen have been transformed into economic powerhouses through strategic policies, Pakistan has witnessed haphazard urban growth concentrated in a few megacities such as Karachi, Lahore, Faisalabad, and Islamabad. Accordingly, the housing sector within these megacities has remained trapped by hyperactive land prices and rising labour and material costs. Multiple studies in Pakistan and worldwide also validate a strong, positive correlation between higher housing infrastructure costs and greater reliance on megacities.

3.2.2 Importance of Strategic Urbanisation

Without comprehensive strategic intervention, Pakistan's urbanisation process will continue to burden the housing sector rather than serve as an asset. Unchecked urban sprawl will strain infrastructure, increase environmental degradation, and widen social inequalities. In contrast, countries that have adopted well-structured urbanisation strategies, such as India's Smart Cities Mission or Vietnam's secondary city development approach, have successfully decentralised economic growth, ensuring balanced urban expansion, improved quality of life, and basic human needs, including decent housing for all.

To harness the potential of urbanisation, Pakistan must move beyond reactive policies and embrace a proactive, evidence-based approach that fosters sustainable, inclusive, and resilient development. This would provide a conducive growth environment for intermediate and secondary towns.

3.2.3 Suggested Policy Measures

A. *Adoption of an Evolutionary Urbanisation Approach:*

i. Promote the gradual transformation of rural settlements into urban centres.
ii. Systematically upgrade small towns to intermediate and secondary towns.

B. *Balanced Urban Growth Strategy:*

i. Implement policies to control urban sprawl in large cities.
ii. Encourage decentralised urbanisation to distribute population pressure evenly.

C. *Reform in Urban Policy and Planning:*

i. Develop integrated national and provincial urbanisation policies that address hidden and lopsided urbanisation.
ii. Establish clear criteria for defining urban areas based on functional characteristics rather than administrative decisions
iii. Strengthen and empower local governments to manage urban growth efficiently
iv. Ensure adequate financial and institutional support for developing and managing municipal services.

D. *Investment in Infrastructure and Services:*

i. Prioritise providing basic urban services such as water, sanitation, and transportation in small and medium-sized towns.
ii. Encourage public-private partnerships for sustainable urban infrastructure development.
iii. Generate economic activities by establishing industries and universities to develop intermediate and secondary towns.
iv. Align urban development strategies with Sustainable Development Goal 11 (SDG11) to create liveable, resilient, and sustainable cities.
v. Incorporate climate resilience measures into urban planning.

By adopting these recommendations, Pakistan can transition from its fragmented urbanisation model to a more structured and sustainable urban development framework, fostering economic growth and social stability. Further, developing risk-sensitive and inclusive planning solutions for intermediate and secondary towns is crucial to managing rapid urbanisation sustainably. By incorporating climate resilience, community participation, and affordability, governments can ensure a balanced and sustainable urbanisation process, aligning with SDG 11 (Sustainable Cities and Communities)

3.3 Theme 3: Housing Finance

Access to high-quality, affordable housing is critical for social equity, economic stability, and resilient communities. *Housing affordability* refers to households' ability to meet housing costs without financial stress, while *affordable housing* typically denotes government-supported options for low-income groups. Clear distinctions between these concepts allow policymakers to design targeted interventions, including financing mechanisms, subsidies, and regulatory frameworks, to expand supply and improve accessibility for all households.

The following key issues in housing finance demand urgent attention and action.

3.3.1 Key Issues

i. **Housing Affordability:** It is a complex issue. Generally, housing is considered affordable if the monthly rent or mortgage instalment does not exceed 30% of household income, so that essential needs such as food, education, and health are not compromised (HBFC, 2024). However, the income-to-expense ratio (IER) rule has its limitations and does not reflect Pakistan's realities. Housing Affordability must instead be assessed using multi-criteria decision-making (MCDM). A comprehensive 'Housing Affordability Assessment Framework (HAAF)' should integrate household composition and size. Household income variability, geographic location, and non-housing expenditure should also be considered. One of the most reliable methodologies for measuring housing affordability, as advocated by the World Bank (2023), is REM –Residual Expenditure Methodology.

ii. **Poverty and Exclusion:** The poverty threshold indicates that more than 44 per cent of the Pakistani population lives below the poverty line. This extremely poor segment requires customised housing finance products. They require housing pathways linked to social protection and tailored financial instruments such as shared ownership schemes, incremental loans, and serviced plots.

iii. **Low mortgage penetration**: Only around 2% of housing transactions involve the formal financial sector, the lowest rate in the region. Pakistan's mortgage-to-GDP ratio is just 0.3%, compared with 1.9% in Bangladesh, 10% in India, 34.2% in Germany, and 44.4% in Malaysia.

   Similarly, Pakistan has the lowest percentage of mortgage loans to total credit (0.9%). In comparison, the percentage of mortgage loans to total credit is 3% in Bangladesh, 5% in Sri Lanka, 10% in Nepal, and 21% in India.

iv. **High cost of borrowing**: Lending rates remain prohibitive for most low- and middle-income households.

v. **Weak foreclosure laws**: Poor implementation deters financial institutions from extending housing loans.

vi. **Inadequate focus on low- and middle-income groups**: Short tenors (3–5 years) at market rates make repayment unaffordable.

vii. **Informal & undocumented income** – and cash-based markets are not recognised within traditional lending frameworks. As a result, housing finance lenders, mortgage and housing finance systems exclude informal earners. Low- and middle-income groups also struggle to access housing finance through mainstream banks or lenders.

viii. **Institutional Weakness:** The banking and lending system needs a human-centric approach. Allowing banks, lenders and financial institutions greater autonomy to innovate and facilitate access for everyone without discrimination.

ix. **Regulatory gaps**: A lack of protection for buyers and a weak framework for developers/builders.

x. **Complex registration and approvals**: Real estate processes remain lengthy, costly, and opaque.

xi. **Weak land record systems**: Manual handling of land titles leads to disputes and restricts mortgage financing.

xii. **Disaster Vulnerability**: Post-disaster housing finance (PDHF) is absent from current housing affordability frameworks. A well-structured, sustainable and affordable mechanism is urgently required to support households in rebuilding safely after natural disasters.

xiii. **Marginalised Groups:** Gender equality, the homeless population, vulnerable women with kids, orphan and socially excluded groups remain absent and have no access to current housing finance pathways.

xiv. **Taxation challenges**: A complex taxation system, High transaction taxes, and inconsistent property valuation practices.

3.3.2 Policy Measures

The following policy measures are suggested to significantly improve access to housing finance and ensure that solutions are inclusive, sustainable, and responsive to diverse housing needs, offering a promising outlook for the future.

A). Offering Diverse Loan and Non-Mortgage Products

i. Introduce flexible, small loans with affordable interest rates to support incremental home building or improvement.

ii. Micro-financing options tailored for low-income households through local NGOs and microfinance institutions with proven community-level experience.

iii. Fixed-term loans of 10, 20, and 30 years for long-term affordability.

iv. Reintroduce mark-up subsidies for low-cost and affordable housing, targeted strictly at verified low-income households through a credible database.

v. Prioritise first-time home buyers with affordable, low/fixed interest rate loans (10–30 years) and lower tax obligations.

vi. Support for community savings schemes and cooperative housing finance, where the government can provide matching grants or guarantees to amplify community-led initiatives.

vii. Committees (ROSCAs): The committee system, formally known as Rotating Savings and Credit Associations (ROSCAs). Elevate the committee system as the primary low-income finance mechanism, and formalise it through digital platforms, escrow management, and integration with micro-mortgage and incremental housing products.

viii. Introduce crowdfunding opportunities as a revenue source for affordable housing through digital platforms.

ix. Encourage site-and-services schemes with loan packages tied to land development and basic infrastructure, enabling families to build progressively.

x. Explore financing options for public/social housing initiatives, particularly at provincial and municipal levels, to build a stock of affordable rental housing.

B) Strengthening Housing Finance Institutions & Mortgage Mechanisms

i. Establish an Apex Housing Finance Institution to coordinate housing finance policies, regulations and programmes.

ii. Introduce mortgage bonds to improve access to long-term funding.

iii. Expand the role of microfinance banks, cooperatives, and non-profit organisations in housing finance delivery.

iv. Develop end-user financing models for apartment and community-based projects.

v. Require banks to allocate at least 10% of their private sector credit portfolio to housing and construction.

vi. Strengthen the Pakistan Mortgage Refinancing Company (PMRC) with budgetary support and collaboration for subsidised credit facilities.

vii. Develop a comprehensive risk management framework (e.g., mortgage insurance, takaful, credit guarantees) to protect lenders and borrowers.

viii. Real Estate Investment Trusts (REITs) – need to be strengthened as a capital-market tool. Particularly for PPP-backed affordable rental projects and mixed-use schemes, underpinned by government guarantees.

ix. Introduce innovative mortgage products catering to all income groups, including:

   a. Incremental housing loans
   b. Community-based housing pools (NGOs, cooperatives, groups)
   c. Subsidised rental housing schemes
   d. Takaful-based housing insurance
   e. Help-to-buy equity loans for first-time buyers
   f. Fixed-for-life mortgages
   g. Green mortgages
   h. Buy-to-let mortgages
   i. Offset mortgages (linked to savings accounts)

x. Collaborate with developers and cooperatives to integrate mortgage financing options directly into new housing projects.

xi. Develop digital mortgage platforms using blockchain for transparency and secure record-keeping.

xii. Develop digital platforms to leverage remittances from the Pakistani diaspora transparently.

xiii. Establish a Real Estate Regulatory Authority (RERA) to regulate the sector, monitor developers/agents, streamline approvals, and ensure consumer protection. RERA should also oversee financial practices to safeguard against predatory lending.

xiv. Introduce a standardised housing warranty system that obligates developers and builders to provide minimum structural and construction quality guarantees, ensuring consumer confidence in financed housing.

C. Inclusion of Marginalised Groups and the Extreme Poor

i. Develop tailored products to provide low-entry, low-risk housing pathways for the extremely poor.

ii. Link these approaches with the social protection programmes such as Benazir Income Support Programme (BISP) and Ehsaas.

iii. Customised housing finance products for marginalised and homeless groups. Consider extended transitional social housing finance for women-headed households, excluded communities and orphans.

D. Institutional Reform

i. Re-engineer the Pakistan Mortgage Refinance Company (PMRC) into an Apex Housing Finance Institution offering refinancing, standardised product design, and secondary mortgage market facilitation.

ii. Introduce risk-sharing guarantees to encourage bank participation. However, avoid directed lending quotas.

iii. Establish a Real Estate Regulatory Authority (RERA) to oversee and facilitate housing developers, estate agents, and housing finance practitioners. Ensure consumer protection and transparency.

E. Market Safeguards and Climate Alignment

i. Introduce Ex-Ante price impact assessment before introducing any credit or subsidy programme.

ii. Introduce anti-speculation measures such as holding periods and resale restrictions that must accompany subsidy-supported housing.

iii. Monitor the house-price-to-income ratio. Publish housing reports annually.

iv. **Standardised Housing Warranty System** – Mandate developers/builders to provide minimum structural and construction quality guarantees for all financed housing units. It will safeguard buyers against defects and improve consumer confidence in the formal housing market.

v. **Ring-Fenced Disaster Housing Fund** – Establish a dedicated, transparent fund to support housing recovery in the aftermath of natural disasters. This fund should be complemented by mandatory mortgage cover and long-term buyer warranties, ensuring families are not left without shelter or protection in times of crisis.

G. Post-Disaster Housing Finance and Risk Management

i. Concessional Finance Windows – establish a dedicated post-disaster housing finance (PDHF) window operation. Introduce a simplified and rapid approval strategy that can be managed through microfinance institutions and commercial banks.

ii. Climate-Resilient Standards – Link all disbursements to climate-adaptive and resilient construction standards. Ensure that housing rebuilding and construction aligns with 'build back better' rules. Provide application and technical support to households to meet these standards.

iii. Affordable Housing Insurance – introduce affordable housing insurance schemes. Include Takaful-based models, with integrated premium support for elderly, vulnerable and low-income households.

iv. Housing Recovery Reserve – create a federal-anchored, co-financed Housing Recovery Reserve. Provide support to provinces and local governments in injecting liquidity after declared disasters.

v. Institutional Coordination and Data Sharing – formalise a collaborative system between the National Disaster Management Authority (NDMA), Provincial Disaster Management Authorities (PDMAs), local housing authorities, and lenders. Improve transparency and accountability by introducing GIS-based verification systems and grievance redress mechanisms.

H. Climate Sensitive - Green Finance

i. Mandate and pilot Green Affordable Mortgages to support and incentivise eco-friendly and energy-efficient

ii. Introduce finance for low-cost alternative materials and sustainable construction technologies.

iii. Link subsidies to resilient and energy-efficient standards for compliance.

3.3.3 Influential Initiatives Undertaken by the Current Government

In line with proposed policy measures to address housing finance challenges, the current government has launched notable initiatives, such as the ***Prime Minister Apna Ghar Program: Ghar Hoto Apna***, officially inaugurated by the Prime Minister on April 30, 2026. This program is the central Federal Housing Finance Instrument. It provides affordable housing loans of up to Rs. 10 million, with a subsidised markup and flexible repayment options for first-time homebuyers in Pakistan. The Federal Government is also pursuing several initiatives to support the construction industry, builders and developers in expanding the housing supply. **Annex IX** outlines additional details and key features of these initiatives**.**

3.4 Theme 4: Construction Services, Technology and Building Materials

3.4.1 Introduction

Housing construction services, technology, and building materials vary by region, material availability, climate, and other related factors. National Housing Policy aims to provide a framework for developing affordable, sustainable, high-quality housing in Pakistan. This policy promotes self-sufficiency by reducing reliance on imported materials, technologies, and services by adopting locally sourced building materials, indigenous construction techniques, and home-grown innovations. Importantly, the policy emphasises income-sensitive benchmarks to ensure regulations do not exclude low-income households, while promoting inclusivity, gender sensitivity, and community-based solutions. By enhancing efficiency in construction services, encouraging climate-resilient technologies, and strengthening the local supply chain, the policy seeks to lower housing costs, minimise environmental impact, and improve structural durability. Additionally, it aims to build a skilled workforce, enforce strong regulatory mechanisms, and incentivise private sector participation, ensuring a resilient, self-reliant, and inclusive housing sector that meets the needs of present and future generations.

The following paragraphs discuss various aspects and issues and suggest policy measures relating to the theme.

3.4.2 Affordability

3.4.2.1 Issues:

High housing costs make accessing adequate housing complex for low- and middle-income groups. The reliance on expensive imported materials, outdated construction techniques, and costly labour contributes significantly to these expenses. Inefficient construction processes and high land costs further exacerbate affordability challenges. Cost-saving strategies in material selection, construction methods, and service delivery are needed to make housing more accessible. Additionally, overly stringent or poorly balanced standards may exclude low-income households and push them into informal housing solutions; income-sensitive benchmarks and supportive regulations are needed to safeguard affordability while ensuring safety and sustainability without forcing households into informality.

3.4.2.2 Policy Measures:

i. Promote cost-effective and locally available construction materials through government incentives and research investment.
ii. Promote the use of Building Information Modelling (BIM) and digital tools for cost efficiency.
iii. Promote community participation in infrastructure development and building construction.
iv. Support community-based cooperative construction models that lower costs and improve access.
v. Prioritise technical assistance to support sustainability and building code compliance
vi. Implement a progressive property tax system based on house size and occupancy, with additional revenues directed toward affordable housing initiatives.

3.4.3 Sustainable and Climate-Resilient Building Practices

3.4.3.1 Issues:

Construction practices in Pakistan often rely on energy-intensive materials and inefficient building techniques, leading to significant environmental impacts and increased vulnerability to climate change. Traditional brick production, for example, relies heavily on Fixed Chimney Bull's Trench Kilns (FCBTKs), which emit large amounts of carbon dioxide and air pollutants, contributing to poor air quality and greenhouse gas emissions. To address these challenges, it is essential to integrate sustainable construction practices in the housing sector that prioritise energy efficiency, low-embodied-energy materials, and climate-resilient design to ensure long-term environmental and economic sustainability.

3.4.3.2 Policy Measures:

i. Prioritise sustainable materials such as recycled and low-embodied-energy alternatives.
ii. Implement regulations and provide financial support to upgrade brick kilns to cleaner technologies like Zigzag Technology.
iii. Encourage sustainable cement production by promoting alternative low-carbon cement, improving energy efficiency in manufacturing, and supporting research on eco-friendly cement alternatives.
iv. Integrate energy-efficient technologies such as insulation, passive cooling, and solar panels with some incentives (Financial & Regulatory).
v. Mandate climate-resilient building techniques to withstand extreme weather events.

vi. Promote modern building technology through import substitution and by establishing industries in Economic Processing Zones.

vii. Regularly develop and update the building code through the Pakistan Engineering Council.

viii. Create a nationally recognised green certification program for buildings that meet specific sustainability criteria.

ix. Establish a monitoring and reporting system to track the adoption of sustainable construction practices, ensuring that developers comply with incentive programs and sustainability guidelines. Regular reports on the uptake of these practices help identify gaps, bottlenecks, or barriers, allowing adjustments to the policy framework.

x. Provide tax exemptions and financial incentives for the adoption of sustainable construction technologies. These incentives can reduce the high initial costs associated with green building practices, making them more accessible and attractive.

xi. Establish dedicated research funds to support the development of climate-responsive and energy-efficient building technologies. This would encourage innovation in locally sourced, sustainable materials and methods better suited to the region's climate and environmental challenges.

xii. Organise awareness campaigns and capacity-building programs to educate developers, builders, architects, and other stakeholders about the financial and environmental benefits of sustainable construction practices.

xiii. Provide training on available incentives, green technologies, and climate-resilient construction methods to ensure the industry is well-equipped to meet sustainability targets.

xiv. Provide technical assistance and capacity building to ensure small-scale builders and communities can comply with sustainability standards.

3.4.4 Promotion of Locally Sourced Building Materials

3.4.4.1 Issues:

Heavy reliance on imported materials increases construction costs and carbon footprint. Despite the availability of local resources, there is significant potential to expand the use of locally available materials in construction.

3.4.4.2 Policy Measures:

i. Strengthen collaboration between professional bodies, environmental agencies, and academic institutions to establish guidelines for sustainable construction.

ii. Support research on alternative, low-impact building materials through government funding and industry-academia collaboration.

iii. Prioritise indigenous materials such as gypsum, lime (choona), stone, mud bricks, and compressed stabilised earth blocks.

3.4.5 Advancement of Construction Technologies

3.4.5.1 Issues:

Traditional construction methods in Pakistan often lead to inefficiencies, higher costs, longer timelines, and more material waste. These outdated practices hinder productivity and limit the potential for sustainable development. Modern technologies like prefabrication, modular systems, and Building Information

3.4.5.2 Policy Measures:

i. Balance labour-intensive and modern construction technologies to improve efficiency while preserving employment opportunities.

ii. Incentivise prefabrication and modular systems to improve cost and material efficiency.

iii. Promote BIM and digital construction tools to improve planning and reduce waste.

iv. Encourage green building technologies for enhanced thermal performance.

v. To reduce costs, introduce prefabricated, uniform building elements such as windows, ventilators, doors, bathroom accessories, kitchen accessories, sanitary and electrical fittings, etc.

3.4.6 Development of Skilled Labour and Workforce

3.4.6.1 Issues:

A gap in specialised training programs leaves workers without the expertise to embrace emerging construction techniques and sustainable practices. This leads to continued reliance on outdated methods, which hampers productivity, sustainability, and innovation. The shortage of skilled labour further restricts the adoption of advanced technologies like prefabrication, modular construction, and energy-efficient practices. As the demand for sustainable, resilient, and cost-effective solutions grows in response to rapid urbanisation, housing needs, and environmental challenges, the role of a well-trained workforce becomes even more critical. Without a strategic focus on upskilling and reskilling, the industry will face persistent inefficiencies and struggle to integrate innovative and sustainable practices.

3.4.6.2 Policy Measures:

i. Establish technical training programs for traditional and modern building technologies.
ii. Study successful global models as case studies, adapt them to local needs and implement tailored training programs to address workforce gaps in traditional and emerging building technologies.
iii. Strengthen collaboration with universities and vocational institutions.
iv. Develop construction sustainability, resilience, and safety guidelines through professional bodies like PCATP and PEC.
v. Initiate skilled labour force certification programs for the construction industry in collaboration with government and private training institutes. Make certification mandatory after an initial preparatory period of 3 to 5 years for practice in construction fields like masonry, plumbing, electrical work, HVAC, shuttering, floor fixing, etc.

3.4.7 Strengthening Building Codes and Standards

3.4.7.1 Issues

The lack of stringent building codes and weak enforcement results in unsafe, energy-inefficient, and non-resilient housing. Many buildings are constructed without proper adherence to safety regulations, leaving them vulnerable to natural disasters such as earthquakes and floods. Furthermore, the absence of strong codes leads to inefficient use of materials and energy, contributing to higher operational costs, increased carbon emissions, and environmental degradation.

3.4.7.2 Policy Measures:

i. Adopt a minimum achievable set of regulations to avoid exclusionary standards.
ii. Link building size limits and design standards with affordability and inclusivity benchmarks.
iii. Conduct systematic reviews of existing building codes, design guidelines and policies to ensure gender equity, addressing accessibility, inclusivity and safety for women, children, and other marginalised groups.
iv. Enforce updated building codes for sustainability, safety, durability, energy efficiency and gender inclusivity.

v. Implement special regulations for earthquake- and flood-prone areas

vi. Establish a national quality control system for construction materials

vii. Enforce international best practices for mid- and high-rise construction

viii. The regulatory bodies like PEC, PCATP, EDB, etc., are to be tasked with preparing and updating the codes where desired

ix. Give local climate due consideration while preparing building regulations

x. Provide assistance and capacity building to ensure small-scale builders and communities can comply with Building Codes and Standards

3.4.8 Enhancing Construction Supply Chains and Infrastructure

3.4.8.1 Issues

Inconsistent supply chains and the lack of locally manufactured, high-quality materials and building components contribute to construction delays and inflated costs. These supply-chain inefficiencies undermine affordability and limit material availability, further delaying project completion. The construction sector's reliance on imported materials increases vulnerability to external market fluctuations, leading to unpredictable costs and supply shortages. A comprehensive policy approach is recommended to strengthen local supply chains, encourage domestic production of high-quality materials, and enhance transportation infrastructure to ensure timely, cost-effective material delivery.

3.4.8.2 Policy Measures:

i. Invest in strengthening local supply chains to ensure steady and cost-effective material availability

ii. Incentivise local industries to manufacture high-quality materials, building components and assemblies

iii. Improve transportation infrastructure for efficient material delivery

3.4.9 Waste Management and Circular Economy in Construction

3.4.9.1 Issues

The construction sector in Pakistan generates large amounts of waste, with limited systems for effective recycling and reusing materials. Inefficient waste management practices contribute to environmental degradation, increase construction costs, and deplete valuable resources. The lack of infrastructure and technology to handle construction waste properly limits the adoption of circular economy principles, hindering the sector's potential to minimise waste, reduce costs, and incorporate sustainable building materials.

3.4.9.2 Policy Measures:

i. Develop a national strategy for recycling and reusing construction waste.

ii. Establish Monitoring and Compliance Frameworks, including audits, reporting mechanisms, and penalties for non-compliance. The introduction of green certifications and incentives for developers who meet sustainable construction targets should further reinforce adherence to waste management practices

iii. Encourage markets for recycled materials through financial incentives and regulatory support.

iv. Encourage collaboration among key stakeholders, including construction companies, material suppliers, research institutions, and universities, to drive innovation in sustainable materials and waste management technologies

v. Develop specialised training programs for industry professionals, including architects, engineers, contractors, and workers, to build capacity in sustainable construction practices, reusing and recycling techniques, and the use of eco-friendly materials

vi. Promote planning for circularity from the beginning of housing projects

3.4.10 Vertical Living: Ensuring Safety and Sustainability

3.4.10.1 Issues

The increasing demand for vertical housing in Pakistan's urban centres can outpace the integration of essential safety, infrastructure, and material resilience measures. As a result, many high-rise residential developments may be constructed without proper attention to critical factors such as fire safety, disaster resilience, and sustainable design. The lack of fire-resistant materials, inadequate emergency response systems, and insufficient disaster preparedness in these buildings can expose residents to significant risks. Additionally, the growth of vertical housing may overlook the need for energy-efficient designs, climate-resilient construction, and robust materials that can withstand natural disasters like earthquakes and floods. This highlights the need for comprehensive policy measures to ensure that vertical developments prioritise safety and sustainability in their design and construction.

3.4.10.2 Policy Measures:

i. Establish regulations requiring fire-resistant materials, advanced emergency response systems, and innovative safety technologies in medium and high-rise buildings.

ii. Introduce and implement building codes that mandate energy-efficient designs, materials, and earthquake-resistant structural systems tailored explicitly for vertical living.

iii. Ensure fire safety measures meet international standards and are adapted to local conditions. This can include automatic sprinkler systems, smoke detection and alarm systems, and fire-resistant facades and materials.

iv. Establish a robust monitoring framework to track the implementation of safety, sustainability, and resilience standards in vertical developments. Conduct regular inspections and audits to ensure compliance with building codes and safety regulations, particularly in fire safety, disaster resilience, and material quality.

v. Invest in and develop specialised firefighting infrastructure, such as high-rise firefighting equipment and personnel training, tailored to the unique challenges of vertical housing.

vi. Upgrade municipal infrastructure, including water, electricity, and waste management, to support the increased demand from vertical housing developments.

vii. Promote water conservation strategies to reduce the wastage of clean and fresh water. Introduce wastewater recycling in multi-storeyed buildings. Encourage rainwater harvesting in all buildings. Provide water-recharging wells to recharge aquifers and raise the underground water table.

Theme 5: Slums/Katchi Abadis and Squatter Settlements

3.5.1 Issues:

Slums/Katchi Abadis and Squatter settlements, commonly observed in major cities in Pakistan, signal the unavailability of affordable housing. Unfortunately, their number is rising over time. Over 50% of the urban population is estimated to reside in slums or informal settlements known as Katchi Abadis. Even in Islamabad, Pakistan's capital and a well-planned city, approximately 63 slums remain underserved. Their existence is vivid evidence of malady and disorder in urban and regional development policies and management.

3.5.2 Policy Measures

3.5.2.1 Urban renewal and urban regeneration

These are two planning approaches to address slums and squatter settlement issues sustainably. They effectively tackle not only the physical upgradation of the area but also promote its social, economic, and environmental development.

3.5.2.2 High-rise with Mixed Land Use Development

The concerned city governments, particularly in large cities, must launch urban regeneration and renewal initiatives in existing slums and squatter settlements. This is about efficiently utilising precious land occupied by slum dwellers. Instead of evictions, displacement, and relocation, development projects must adopt an urban regeneration approach that includes constructing mixed-use (commercial and residential) high-rise apartment buildings and providing planned infrastructure and urban services. Selling the first 3-4 storeys of such buildings for commercial use will help generate enough financial resources to cross-subsidise residential apartments to accommodate the original residents of slums/Katchi Abadis (See, for example, **Annex – VI:** Conceptual Case Study of Urban Regeneration and Slum Upgradation in Islamabad)

However, slums and Katchi Abadis developed in disaster-prone areas must be relocated under a well-conceived resettlement plan for affected residents. The new settlements must be located within 10 km of the city centre and workplaces, interlinked with an efficient transportation system. Moreover, formulating the Urban Regeneration Act at the Federal and Provincial levels is imperative for implementing urban regeneration measures.

3.5.2.3 Land/Apartment Ownership Rights

Long-term residents of upgraded/regenerated areas must be granted land/apartment ownership rights to ensure their social, economic, and environmental sustainability.

3.5.2.4 Preference for Apartment Buildings

It is imperative to increase the housing stock to meet demand driven by the accelerated pace of urbanisation, particularly for low- and middle-income groups. It is the need of the hour to adopt an approach that prioritises constructing more apartment buildings over low-density single- or double-storey bungalows. City regulatory authorities should adopt a policy of earmarking a reasonable percentage of residential areas in public and private housing schemes for apartment buildings, with cross-subsidisation achieved through inflated prices for low-density bungalows.

3.5.2.5 Slums Rehabilitation

Slum rehabilitation, a traditional planning approach, is particularly suitable for small cities. It upgrades existing slums by improving basic infrastructure and providing essential facilities, making them better places to live. This approach is also applicable in areas within large cities where mid- to high-rise mixed-use development is not feasible based on cost-benefit analyses.

Also known as slum upgradation and slum improvement, Slum rehabilitation encompasses improving services, securing tenure, creating economic opportunities for residents, improving conditions for social inclusion, and empowering local communities through active engagement.

3.5.2.6 Enhance Public-Private Partnership

To curb the emergence of slums and squatter settlements, Public-Private Partnerships (PPPs) must be enhanced, particularly for low-cost and affordable housing close to the city centre/business district.

3.6 Theme 6: Affordable/Low-cost, Rural, and Rental Housing Including Housing for the Marginalised and Disadvantaged Population

3.6.1 Introduction

The Population and Housing Census of 2023 shows that there are 38.3 million houses in the country, with 60.7% in rural areas and 39.3% in urban areas. The housing stock comprises 20% kacha houses, 12.5% semi-pukka houses and 67.5% pakka houses. The inadequate quality of housing for low-income groups is reflected in Katchi Abadis, squatter settlements, shanty towns, and slums in urban areas. Studies also show that about 50% of the population in urban centres lives in slums/katchi Abadis. Unfortunately, the situation in rural housing is also not rosy. Historically, rural housing has received scant attention partly due to a lack of an adequate institutional set-up for dealing with rural housing problems and partly because of diversity.

3.6.2 Issues Relating to Demand for Affordable Housing

i. Low savings for down payment to purchase or for long-term debt payments
ii. Low acceptance of low-cost housing due to poor location and quality
iii. The unwillingness of families to accept alternative building materials that would be lower cost and more sustainable
iv. Low financial literacy and limited access to organised finance
v. Accessibility issues - Jobs far from affordable housing - Auto-dependence in housing development - spatial fit does not match their needs
vi. The majority of the target group doesn't have formal income sources, particularly rural Population
vii. Differential Origination Rates for households of low-income status
viii. Poorly serviced by infrastructure networks and public services

3.6.2.1 Issues Relating to the Supply of Affordable Housing

i. Investor uncertainty due to unpredictable macro-political pressures
ii. Scarcity of affordable land near city centres with access to services, jobs, schools, etc
iii. Lack of financial incentives for the private sector and developers
iv. Lack of R & D in the affordable housing sector and market data to plan

v. Lack of professional housing developers specialised in affordable housing.
vi. Mega housing projects without budgetary resources for long-term implementation
vii. Lengthy regulatory processes
viii. Availability of critical raw materials
ix. High energy prices
x. Limited risk sharing by the state
xi. High infrastructure deficiencies

3.6.2.2 Issues Relating to Financing of Affordable Housing

i. Fragmented and uncoordinated funding sources, policies, and priorities
ii. Unaffordable mortgage loans
iii. Hesitation of financial institutions to provide loans to developers for projects meant for low-income housing
iv. Discrimination in credit lending
v. Rising costs of homeowners' insurance

3.6.3 Policy Measures for Affordable/Low-Cost Housing

3.6.3.1 Making Land Available for Affordable Housing

i. The provincial/local government departments, in collaboration with other concerned regulatory bodies, shall identify and make land parcels available for development subject to the condition that proportionate subsidy is passed on to the "target groups", i.e. the low-income group, poor and needy and the rural population
ii. Part of the sale proceeds of valuable public land shall be set aside to provide plots for low-income housing and housing for the poor and needy at concessionary rates
iii. The land identified for low-cost housing shall be physically accessible, preferably near the city centre, socially acceptable, economically affordable and environmentally resilient

3.6.3.2 Facilitating the Affordable Housing Initiatives

i. Local government departments, urban councils, development authorities, and developers shall provide prospective home builders with standard and cost-effective designs and plans
ii. A dedicated approval window for affordable housing must be launched.

iii. All building construction elements, such as doors, windows, and ventilators, shall be standard sizes throughout the region and manufactured in bulk to reduce construction costs

iv. The building plans approval process shall be simple, fast, and cost-effective, with reduced fees.

v. Infrastructure for housing, such as water supply, sewerage, and drainage, shall be provided before the low-cost housing scheme is developed, and community participation shall be promoted to reduce the cost of development

   a. Low-cost houses shall be allowed to use up to 25% of the house for commercial activity to help the family earn a livelihood at home, without compromising the local environment.
   b. The minimum size of the house shall not be fixed
   c. The government needs to launch solar and wind energy schemes, keeping local conditions in view.
   d. Relaxation on registration charges, transaction taxes and stamp duties must be allowed
   e. Use of advanced technologies such as Geographic Information System (GIS) and Remote Sensing (RS) must be incorporated
   f. Slums /Katchi Abadis upgradation and regeneration must be carried out

vi. `**Annex VII** showcases inspiring international best practices in affordable housing, while **Annex VIII** spotlights TOKI, Turkey's Mass Housing Administration, as a standout success story. Together, they offer real-world case studies that have made a difference worldwide.

3.6.4 Rural Housing

Rural housing development in Pakistan requires a comprehensive policy integrating economic, social, and environmental factors. Current housing challenges in rural areas include limited financial resources, geographical barriers, policy gaps, and a lack of skilled labour.

3.6.4.1 Policy Measures for Rural Housing

Addressing these challenges necessitates a multi-sectoral approach that enhances affordability, sustainability, and inclusivity.

a. ***Affordable and Sustainable Housing***

To ensure affordable and sustainable housing, introduce subsidies and incentives for low-cost housing, encourage public-private partnerships for financing, and support microfinance initiatives tailored for rural residents. Promote locally sourced, sustainable materials, such as compressed earth blocks and recycled timber, to minimise environmental impact.

b. *Infrastructure and Services Integration*

Infrastructure and services must be integrated into rural housing projects by ensuring access to clean water, sanitation, electricity, and internet connectivity. Comprehensive land-use and zoning policies should be developed to optimise land allocation for housing, schools, and healthcare facilities. Establishing community-based organisations contributing 10-20% of development costs can enhance project sustainability.

c. *Disaster-Resilient Housing Solutions*

Rural housing must be designed to withstand natural disasters. In Sindh and Punjab, prioritise flood-resistant housing with elevated foundations and waterproof materials. In Khyber Pakhtunkhwa and Gilgit-Baltistan, earthquake-resistant designs with reinforced mud walls and lightweight roofing are essential. At the same time, Balochistan requires fire-resistant materials to counteract extreme heat and drought-related fire hazards.

d. *Gender-inclusive and Community-Centred Housing*

Housing policies should also be gender-inclusive and community-centred. Schools should be established closer to villages to improve girls' education, while better street lighting and safer pathways can ensure women's secure mobility. Engaging local communities in housing planning and execution will help incorporate traditional architectural styles and cultural preferences.

e. *Strengthening Rural Housing Finance*

Expanding access to housing loans and mortgage products with fair credit terms, partnering with NGOs and cooperatives, and providing grants or low-interest loans for home renovation and maintenance will improve financial accessibility for rural residents.

f. *Innovative Construction Techniques*

Innovative construction techniques should be promoted to reduce costs and construction time. Modular and prefabricated housing models, training rural youth in modern and traditional construction methods, and integrating renewable energy solutions like solar panels and rainwater harvesting will ensure sustainable development.

g. *Policy and Institutional Strengthening*

Policy and institutional strengthening is necessary to enforce NDMA guidelines for disaster-resilient housing across all provinces. Aligning rural housing policies with agricultural, health, and education strategies will foster holistic rural development, while simplifying building regulations and offering prototype housing designs can ensure cost-effective and efficient construction.

h. Multi tiers/levels of Planning

A broader regional plan should be prepared first at the district level. Regional plans should give broader guidelines and cover every corner of the region. Urbanisation control and promotion areas should be identified in Regional Plans using a "Bottom-up Approach". Then, union councils should prepare their plans in light of the regional plan policies. Tehsil Municipal Administrations should prepare their plans based on the recommendations of the Union Councils and in the light of the policies of the Regional Plan. A vast publicity campaign to encourage public participation should be ensured, and the plans should be finalised. Strict implementation should be ensured once the plans are finalised and backed by a strong legal framework. Revision of the plans should be made after each decade. TMA should coordinate and bridge the Union Council and District Council levels, and the TO (P&C) in each TMA should be empowered to do so.

3.6.5 Rental Housing

Rental housing is a much-neglected option for most developing countries' low-income population.

The Population and Housing Census 2023 reveals that Pakistan has 15,023,689 households in urban areas. It also shows that the majority of urban households (10,669,829), i.e., 71.02% of total urban households, live in owned houses, while 23.82% live in rented houses. In comparison, only 2.03% (304,943 live in government houses. The data clearly shows an overwhelming trend toward owning housing units rather than living in rental housing. The data also suggests more room for the private rental housing market in urban areas of Pakistan.

There are two main types of rental housing: public and private. This section describes the issues and policy measures related to each type.

3.6.5.1 PUBLIC RENTAL HOUSING

The most common form of public rental housing in Pakistan is typically provided by government departments that offer subsidised accommodations to their employees. In Pakistan, however, there is a significant lack of public rental and social housing options for the general population, with the only exceptions being found in a few attractive tourist destinations that provide short-term accommodations for visitors.

Issues:

i. The public sector is no longer investing in subsidised public housing on a rental basis for poor and needy citizens because of very high costs and widespread mismanagement.
ii. High construction costs and scarce financial resources have also led to a decline in the construction of government accommodation for employees.
iii. A similar trend has been observed in semi-government/autonomous bodies. For example, most universities, except a few large public ones, spend the least on producing accommodation for faculty members and students hailing from other cities.
iv. Currently, no specific department or organisation in Pakistan has complete records and up-to-date information on the number of rental housing units and rental values in various parts of a city.

Policy Measures

i. The government sector needs to increase the supply of public housing by allocating a substantial budget to build houses and apartments for government employees.
ii. Provide adequate accommodation for low- and middle-income public sector employees.
iii. Automation and the application of information and communication technology (ICT) must be integral to the work environment of estate management departments, as they help promote efficiency and transparency.
iv. A government employee who owns a house in his name or the name of his spouse in the duty station should not be allowed to live in the official accommodation in that particular city.
v. Labour colonies near industrial/commercial hubs need to be built to provide rental housing for labourers/workers.

3.6.5.2 Private Rental Housing

Private rental housing plays a key role in urban areas of Pakistan in providing accommodation to most inland migrants, particularly students, labourers, and workers. However, most private organisations, including industries, universities, and commercial trade businesses, do not provide accommodation to their employees, who have no choice but to rely on private rental housing.

Issues:

i. Exorbitant rental values beyond the paying capacity of most prospective tenants
ii. Less incentive for the investment made in private rental housing
iii. Lack of proper urban services/utilities and proper building maintenance
iv. Unregulated private rental housing market

v. Lack of planned and healthy living environment

Policy Measures

i. Establishment of Real Estate Regulatory Authority (RERA) to regulate private rental housing
ii. The corporate sector must be encouraged and facilitated to play its vital role in providing rental housing/labour colonies to its workers/employees in the context of corporate social responsibility and corporate citizenship.
iii. Tax rebates should be offered to attract private investment in rental housing.
iv. NGOs/CBOs should be encouraged to take part in providing rental housing to people in need and the poor
v. Private developers and investors should be extended subsidised and preferential access to housing finance for the construction of apartment buildings to be used for rental housing for low-income strata of society.

3.6.6 Housing for Marginalised and Disadvantaged Population

Persons with disabilities, female-headed households, transgender, and internally displaced persons due to natural and artificial disasters are among the marginalised and disadvantaged groups. They urgently need immediate and special treatment to access housing.

3.6.6.1 Policy Measures:

i. Marginalised and disadvantaged groups of people should be given priority for easy access to housing finance
ii. Financial institutions, particularly in regions with a high proportion of marginalised and disadvantaged populations, play a vital role in addressing housing needs. They should allocate a certain percentage of housing finance to these groups.
iii. The NGOs should be encouraged to provide low-cost and affordable housing to this segment of the population
iv. All the low-cost and affordable housing projects should reserve 1-5% of housing units for the marginalised and disadvantaged group of population
v. The National Disaster Management Authority (NDMA), in collaboration with provincial disaster management authorities, must identify disaster-prone areas and prepare emergency disaster management plans. These plans are crucial for handling housing-related emergencies and ensuring the safety of marginalised groups

3.7 Theme 7:Institutional and Legal Framework

3.7.1 Issues:

The housing sector's existing institutional and legal framework is fragmented and complex, with limited policy vision and overlapping functions among multiple federal, provincial, and local government institutions. For example, the Naya Pakistan Housing Authority and Federal Government Employees Housing Authority at the federal level; Housing and Town Planning Agencies/Departments, and Government Employees Housing Foundations at the provincial level; Development Authorities at the major city level; all these organisations have been established under different acts, powers and mandates for the provision of housing. It is essential to bring institutional and legal reforms in the housing sector's public institutions at all three tiers of government in the shape of rationalising the roles of such institutions, eliminating duplication of functions, promoting decentralisation and pro-active roles of the concerned local institutions, and developing strategic/policy/legislative linkages with the strengthening of existing city and regional planning system all across the country.

3.7.2 Policy Measures:

The following sub-sections present specific policy recommendations for the three tiers of government:

a) ***Federal Government Level***

i. The Ministry of Housing & Works (H&W) should establish a permanent coordination mechanism to take a strategic lead role in implementing the National Housing Policy 2026. This would involve active collaboration with Provincial Housing Ministries and other stakeholders.

ii. Amend relevant legislation to ensure that access to adequate and affordable housing is a legal right for every Pakistani citizen. The Federal and Provincial Governments should take necessary measures to materialise this right within their respective jurisdictions.

iii. Introduce legislative and policy reforms to rationalise the role of federal housing agencies, including merging similar federal institutions.

iv. Provide strategic support to provincial governments in resource mobilisation, allocation of finances for affordable/low-income housing, alternative technology transfer, climate change-resilient housing construction, and provincial-level policy research.

v. Under the National Housing Policy 2026, a 3-Year National Housing Action Plan should be formulated through the requisite implementation of desired policy/legislative/institutional reforms, integrating and streamlining ongoing housing programs at the federal/provincial/local government levels, identifying new housing programs for provincial/district governments as per identified needs, and initiating urban renewal/slums/squatters improvement programs all across the country.

vi. The Ministry of H&W should establish an evaluation and monitoring system, in collaboration with provincial housing ministries, to oversee implementation of the national housing policy and analyse the performance of provincial governments, particularly their housing-delivery targets.

vii. The Ministry of H&W, in coordination with provincial housing ministries and local governments, should contribute to establishing national, provincial, and district-level housing data banks to strengthen the evaluation and monitoring system for the housing sector at these three levels. The Data Banks should be updated continuously to make data available for informed decision-making on housing demand/supply at the district/city scale, monitor/regulate land/housing values, control illegal housing schemes, promote subsidised low-income housing, ensure availability of housing finance, construction subsidies, and infrastructure investment to address bottlenecks in the housing market.

viii. The Ministry of Housing & Works has already taken the initiative to establish a Federal Govt. Real Estate Management Authority, and its approval is awaited from the Cabinet Division.

b) Provincial Government Level

i. Introduce strategic/policy/legislative reforms for the housing sector to clearly define the role of policy institutions, executing institutions and regulatory institutions at the provincial level. Such reforms should also eliminate duplication of functions and the multiplicity of public housing institutions operating at the provincial level.

ii. Introduce legal reforms to ensure property rights/tenure security and simplify land titling and inheritance procedures.

iii. In line with the National Housing Policy 2026, provincial governments should formulate and implement the Provincial Housing Policy through active collaboration with local governments and all other concerned stakeholders.

iv. All provincial governments should promulgate Spatial Planning Acts and establish Spatial Planning/Development Control Authorities to ensure implementation of land use master plans and deter informal and unregulated urban expansion. The Authorities shall create a spatial databank through mandatory digitisation of the cadastre, existing and proposed land use plans, and real-time monitoring of land-use change/urban growth. The Authorities shall also develop an online spatial decision support system to regulate urban expansion.

v. All provincial governments should enact Multi-Storey Buildings Acts to facilitate the construction of vertical housing and address issues related to strata title, responsibilities for shared spaces, operation, and maintenance, among others.

vi. Establish a Real Estate Regulatory Authority (RERA) to regulate the real estate sector, including real estate agents, builders, and developers. It will maintain real estate/housing transaction data for all stakeholders through an online portal/single platform and regulate issues such as land documentation, departmental NOCs, environmental clearances, duties, and taxes, thereby bringing transparency to the sector. Monitoring real estate agents, builders, and developers would also be possible and practical with the creation of RERA, which would encourage builders and developers to finance their projects through the formal banking sector.

vii. Develop a provincial-level monitoring system and key performance indicators (KPIs) to keep analysing progress against provincial housing programs and delivery targets.

viii. Arrange funding from the Federal government and international donor agencies (e.g. the World Bank) for providing affordable housing to low-income households.

ix. Build the capacity of Spatial Planning Authorities/Development Authorities and Housing and Town Planning Agencies to implement the National Housing Policy

x. Enhance coordination among relevant provincial departments/agencies and other stakeholders to expedite implementation of provincial housing programs.

xi. Promote regulatory frameworks that increase public-private partnerships and enhance the private sector's role in delivering climate-resilient, affordable housing construction projects and programs across the provinces.

xii. Ensure appropriate quality and pricing structures to promote region-specific use of local building materials and indigenous housing construction techniques.

c) Local Government Level

i. Capacity building of town planning departments within development authorities/local governments should be carried out to facilitate the preparation and implementation of Master/Regional Plans through local multi-stakeholder participation.

ii. Develop and implement district-, metropolitan-, and city-specific housing action plans/programs to address regional or local housing shortages and improve the quality of existing housing stocks through urban renewal/slum/squatter improvement plans.

iii. Identify and designate land in the Site Development Zones Structure Plans/Land use Master Plans for affordable/low-income housing purposes at all levels of local governments, and facilitate appropriate housing delivery systems.

iv. Upgrading squatter settlements and slums (urban renewal) should be given priority attention in the Master/Regional Plans.

v. Create policy/plan implementation units in all development planning and controlling authorities/agencies and local governments.

vi. Promote private sector participation in housing and establish a monitoring system to ensure private housing schemes are developed in accordance with approved plans/planning standards, as well as the timely possession of developed plots/constructed dwelling units.

vii. Ensure online processing/approval of applications for housing schemes/mixed-use projects.

viii. Establish land record automation and create district-level housing data banks/housing market information systems in coordination with RERA.

3.7.3 Planning, Zoning, and Building Regulations

Pakistan's fragmented city and regional planning system is a fundamental reason for unregulated urbanisation and the unchecked growth of informal settlements and urban sprawl across the country. The sustainability of urban environments in Pakistan is currently threatened by the absence or poor implementation of spatial/master plans for urban areas. The inordinate poor-quality growth of the housing sector and its associated speculation in the housing market are also linked with the poor functioning of the spatial planning system in the country. Land use zoning and building regulations did not account for the realities of 21st-century living and could not contribute to effective development control at various scales of urban settlements in Pakistan.

3.7.3.1 Policy Measures

The following are proposed strategic/policy/legislative measures to improve land use zoning and building regulations.

i. The preparation and implementation of Master Plans/Regional Plans for urban and rural areas across the country should prioritise providing low-income housing, necessary infrastructure, and public amenities in their respective areas. Master Plans/Regional Plans should also be reviewed every five years.

ii. To arrest urban sprawl and promote densification, the Zoning Regulations should be replaced with Form-Based Coding (FBC), which varies with the requirements of numerous potential sub-zones or specific built-up urban areas within a city.

iii. National/Provincial/Local level building by-laws and regulations, as well as the National Reference Manual on Planning and Infrastructure Standards, should be updated/revised in line with 21st-century requirements and the latest urban planning frameworks. For example, functional building codes/regulations imported from the West must be replaced with local climate-sensitive building codes/regulations.

iv. The current Land Use Plan (Classification, Re-Classification, and Redevelopment) Rules primarily include five land use classes: Residential, Commercial, Industrial, Agricultural, and Notified areas. Parks/open spaces/recreational land use and institutional/public buildings should be included as separate land use classes.

v. Building regulations and planning standards should be revised to permit incremental development and lower planning standards, making relocation, resettlement, redevelopment, and upgrading of squatter settlements and slums cost-effective for low-income groups.

vi. Correlate the land revenue system with the approved land use plan of the respective jurisdiction, requiring a mandatory NOC to ensure compatibility with the proposed land uses before a change in ownership of land parcels.

vii. Specify site development zones and procure land for banking and low-income housing.

viii. Create specific zones for transit-oriented development (ToD) and prepare regulations for urban regeneration/high-density mixed-use ToD projects.

ix. Introduce fiscal and procedural incentives for private developers to undertake urban regeneration/ToD projects (e.g., a 50% rebate in the land use conversion fee and plan approval fee if a mixed-use building provides 80% of its aggregate floor space area for residential use/apartments for low-income households.

x. Lower planning standards for housing schemes in small cities and peri-urban areas (e.g. min. street width: 20 ft., no graveyard within the scheme)

xi. Private housing scheme regulations should encourage apartments and smaller dwelling units rather than larger-than-one-kanal serviced plots. The proportion of apartments could be adjusted based on housing demand and the city's size.

xii. New regulations should be formulated to provide Home-Based Enterprise Housing in peri-urban and rural areas.

xiii. Grant a waiver of the scheme plan approval fee for private developers who provide built houses/apartments in a minimum of 40% residential area of a housing scheme

xiv. Permit sponsors of private/cooperative housing schemes with 80% clear ownership to submit their LOPs to the regulatory bodies for approval. Development Authorities/Local Governments may be authorised to compulsorily acquire the remaining 20% of small pockets within municipal limits by declaring it "public purpose" land, preferably on a land-sharing basis. Holders of such pockets may be offered 15-20% more compensation than the market rate. Sponsors who avail themselves of this compulsory acquisition model must reserve a proportionate number of affordable plots for low-income groups in their schemes, which the government will subsequently allot to low-income shelter recipients on a no-loss, no-profit basis.

3.7.4 Mushroom Growth of Housing Schemes and Associated Challenges of Malpractices and Corruption

Pakistan has witnessed an unprecedented surge in investment in housing schemes, driven by land speculation, which underscores the need for transparency to build trust among stakeholders. The proliferation of hundreds of illegal, unapproved housing schemes across urban and rural areas can erode confidence in the sector and must be addressed.

A massive demand for housing and tremendous investment in real estate for earning high profits through land speculation has also plagued the housing sector with a variety of fraud, corruption and malpractices such as:

i. Launch and marketing of fraudulent and illegal housing schemes with unclear land titles. Attractive marketing advertisements lure ordinary citizens into investing in and purchasing plots in such schemes. Soon, such schemes face land title disputes and unending court cases, and their development rarely materialises, causing the wastage of hard-earned money and lifelong savings of ordinary people.

ii. Revenues from down payments and instalments for sold plots are misappropriated by the bad-intentioned owners of the housing schemes or by the management committees of cooperative housing societies, causing financial losses to ordinary citizens who purchase plots in such societies.

iii. Selling more plots than are planned in the layout plan (LOP) is another form of corruption commonly observed.

iv. The sale of a single plot to multiple persons

v. Ambiguity in the authenticity of the approved layout plans of housing schemes available with the real estate agents

vi. Sale of or encroachment on the amenity plots reserved for public welfare, such as parks, schools, hospitals and community facilities

3.7.4.1 Policy measures

To effectively address the rise of illegal housing schemes, it is essential to implement robust policy measures that target malpractices and corruption within the housing sector.

i. The regulatory authorities, such as city development authorities and local governments, along with the proposed Real Estate Regulatory Authority (RERA), must demonstrate accountability by proactively preventing illegal housing schemes through strict enforcement, application of information technology tools such as GIS & RS, and media bans on the advertisement of illegal/unapproved housing schemes

ii. Approved layout Plans (LOPs) should incorporate QR/Bar codes for authenticity, and these must be accessible on official websites, ensuring transparency for regulators and real estate agents alike.

iii. Regulatory authorities must issue QR/Bar-coded allotment letters to the owners/management committee of the housing scheme. Security-feature-enabled allotment letters will be handed over to plot purchasers. The number of allotment letters must be in accordance with the number of plots shown in the approved Layout Plans (LOPs)

iv. A third-party-supervised ESCROW account must be made compulsory for every housing project before approval and before any funds are collected from the general public.

v. Violations of amenity plots must be declared a criminal offence with explicit penal provisions. Breaches of amenity plots must be rectified, and their land use must be maintained for the approved use.

3.8 Theme 8 - Green, Energy Efficient and Climate Resilient Housing

The National Housing Policy 2026 envisions providing adequate, affordable, and sustainable housing for all. One critical theme for achieving this policy goal is providing green, energy-efficient, climate- and disaster-resilient housing. The concepts and policy recommendations under this theme are described as follows:

3.8.1 Green Housing

The Concept:

Given the challenges of climate change, emerging trends in green housing need clearer articulation, and action-oriented approaches should be adopted by involving the ultimate beneficiary strata of the population, i.e., ordinary citizens. Improving overall quality of life (QoL) and ensuring environmental sustainability while providing affordable housing remain fundamental components of the National Housing Policy (NHP). The objective of green housing may be achieved through community-based smart urban farming initiatives that integrate effective use of urban spaces and engage residents in green initiatives such as producing vegetables and herbs for daily use at the household level.

In addition to incorporating the concept into individual housing units, the initiative requires integrating blue and green infrastructure into the overall housing project's planning system.

3.8.2 Policy Measures

Compliance with the following codes prepared by the National Energy Efficiency & Conservation Authority and the Pakistan Engineering Council (PEC), with the help of all relevant stakeholders, and backed by the Govt. of Pakistan must be made mandatory:

- Energy Conservation Building Code (ECBC-2023)
- Green Building Code of Pakistan (2023)
- Rainwater Harvesting Provisions for Building Code of Pakistan (2023)
- Building Code of Pakistan (2021)
- Building Code of Pakistan - Fire Safety Provisions (2016)
- Pakistan Electric and Telecommunication Safety Code (2014)
- Building Code of Pakistan (Energy Provisions - 2013)
- Building Code of Pakistan - Seismic Provisions (2007)

3.8.3 Climate and Disaster Resilient Housing

The Concept:

The National Housing Policy prioritises climate and disaster-resilient housing as a key objective, emphasising the development of energy-efficient homes designed to withstand natural disasters such as floods, earthquakes, and extreme weather events linked to climate change. This vision aims to create durable, sustainable housing to safeguard vulnerable populations in both urban and rural areas.

3.8.3.1 Issues:

The previous housing policy approach is significantly lacking, as it lacks policy measures to integrate crucial elements such as renewable energy systems, water management practices, climate-- and disaster-resilient housing approaches, and retrofitting strategies for existing housing stock. A comprehensive program that includes these elements is essential to realise climate-resilient housing initiatives.

3.8.3.2 Policy Measures:

The regulatory regime and the concerned development authorities and city governments need to ensure the following:

i. Introduce mandatory climate vulnerability assessments for housing projects. This ensures designs align with local climatic conditions, enhancing the resilience of the housing stock and reducing the risk of damage from extreme weather events.

ii. Offer targeted subsidies or tax incentives for climate-resilient construction, including renewable energy systems, water management technologies, and efficient building designs.

iii. Create climate resilience funds to help low-income households and small-scale developers adopt green housing practices.

iv. Mandate renewable energy solutions like solar panels, microgrids, and energy storage systems in government-supported housing projects

v. Promote public-private partnerships to co-fund housing projects that incorporate sustainability and resilience principles.

vi. Actively involve local communities in designing, planning, and maintaining resilient housing and infrastructure. This fosters ownership and responsibility and ensures housing solutions are tailored to each community's specific needs and conditions.

vii. Promote urban farming and green initiatives at the household and neighbourhood levels, fostering food security and environmental awareness

viii. Utilise GIS-based platforms to map climate vulnerabilities and monitor compliance with resilience standards.

ix. Leverage digital tools for awareness campaigns, stakeholder coordination, and transparent reporting on project progress.

x. Establish SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals to reduce greenhouse gas emissions, improve energy efficiency, and minimise disaster risks.

3.9 Theme 9: Capacity Building and Knowledge Sharing

Capacity building and knowledge sharing play a key role in development and growth. It is always essential to keep abreast of the latest knowledge and modern techniques. They empower people, groups, and communities by improving skills, helping them work smarter, and sparking new ideas. Together, these two things create an environment where people keep learning, can adapt when needed, bounce back from setbacks, and ensure long-term success. However, there is hardly any platform in Pakistan from which up-to-date, authentic housing data can be obtained. The current state of affairs calls for establishing a data hub for housing-related knowledge sharing and capacity building of the most relevant stakeholders.

3.9.1 Policy Measures:

Keeping in view the best international practices relating to housing, the following policy measures are suggested for capacity building and knowledge sharing:

i. A national data bank/repository relating to housing, in collaboration with relevant provincial organisations, needs to be established in the Ministry of Housing and Works at the federal level, as well as in relevant provincial ministries. The data bank should encompass housing statistics, housing surveys, future trends, supply and demand assessments and case studies of best practices

ii. Empower citizens with knowledge through awareness campaigns and mobile applications about housing rights, available subsidies, and financial literacy to make informed decisions

iii. Provide free online courses on sustainable housing models and policies to educate communities and professionals. Highlight affordable, eco-friendly construction techniques to promote green and cost-effective housing solutions.

iv. Establish specialised information technology (IT) wings in the regulatory and monitoring authorities to ensure the integration of real-time intelligent monitoring systems to enhance housing management and efficiency

v. Offer tax incentives to companies that contribute their expertise in housing finance and sustainable development.

vi. Promote the utilisation of geospatial data and Artificial Intelligence (AI) analytics to design more innovative, more efficient urban housing projects

vii. Establish national housing academies to train policymakers and developers in smart, sustainable urban planning.

viii. Partner with universities to advance research in urban planning and housing policies. Promote adoption of Building Information Modelling (BIM) standards to improve construction efficiency, lower costs, and use data-driven insights to develop innovative and sustainable housing solutions for the future

ix. Provide specialised training for housing professionals on climate adaptation and building disaster-resistant homes, ensuring safer and more resilient communities.

x. Encourage sustainable urban development by offering incentives and subsidised loans to developers who prioritise eco-friendly, community-focused projects.

xi. Involve local communities in planning and managing housing projects to ensure their needs are met.

xii. Promote cooperative housing with shared ownership to make homeownership more affordable. Establish community-managed housing governance models to give residents a voice in decision-making and foster a sense of belonging.

CHAPTER 4: IMPLEMENTATION, MONITORING, EVALUATION, AND REVIEW

4.1 Introduction:

An implementation, monitoring, evaluation, and review mechanism is crucial for ensuring the success of housing policy in achieving its goals and objectives.

4.2 Issues:

i. Lack of reliable data and a data management system
ii. Ambiguity in roles of regulatory departments for implementation, monitoring and evaluation of the housing policy
iii. Lack of skilled personnel to conduct monitoring and evaluation
iv. Limited financial resources
v. Low community involvement

4.3 Policy Measures:

The provincial housing departments, city development authorities, and local government departments, in collaboration with the federal Ministry of Housing & Works, are entrusted with implementing the housing policy. A collaborative effort will synergistically accomplish the desired objectives. The existing housing deficit of 10-13 million housing units and the recurring demands by 2050 will be met through a phased implementation of the annual targets set by each province and federally administered area.

The following measures are suggested for having a pertinent system for implementation, monitoring, evaluation and review mechanism:

i. The housing and urban planning departments at the provincial levels, in collaboration with the Ministry of Housing and Works at the federal level, will lead the policy implementation and identify the most pertinent departments/authorities for the tasks.
ii. An independent Real Estate Regulatory Authority (RERA) should be established at the federal and provincial levels to monitor, evaluate, and ensure adherence to the provisions of the housing policy, in letter and spirit, in all private and public housing initiatives.
iii. Develop pertinent indicators for monitoring, evaluation and review of housing policy-related projects.

iv. The Ministry of Housing and Works at the federal level, through its attached departments, may identify the available pieces of land in provinces and federally administered areas to launch pilot projects for affordable housing

v. Concerned provincial and local governments must allocate financial resources to streamline the development of the housing sector in accordance with the approved national housing policy.

vi. The concerned federal and provincial housing-related ministries should launch awareness campaigns as a regular and permanent feature to sensitise all key stakeholders.

vii. Well-qualified professionals must be engaged with the monitoring and evaluation agencies/authorities.

viii. A midterm review must be conducted after 05 years.

ix. Every ten years, the policy must be comprehensively reviewed to measure its accomplishments and, if necessary, realigned.

Setting timelines and identifying the stakeholders responsible for taking action on various components of the crafted housing policy framework becomes crucial for the following reasons:

i. It provides a clear direction and keeps activities on track.

ii. It improves coordination among relevant stakeholders because roles and responsibilities are clearly defined, along with time-bound tasks to be accomplished.

iii. It helps facilitate monitoring and evaluation.

iv. It also enhances time management and increases accountability.

4.4 Action Plan for the Implementation of the National Housing Policy 2026

The following pages include a matrix outlining the action plan for implementing the housing policy. This theme-based plan covers all nine policy themes and lists key objectives, activities, responsible leads, supporting entities, timelines, key performance indicators, and expected outputs.

The ‘Action Plan’ serves as a broader framework, allowing the concerned provincial organisations to develop implementation plans tailored to their local contexts, needs, and priorities.

Action Plan for the Implementation of the National Housing Policy 2026

Theme 1: Land for Housing

Key Objectives:

- Make land available for affordable housing.
- Promote efficient land use through compact, mixed-use, medium- to high-rise development that supports Transit-Oriented Development. This will help curb urban sprawl and conserve arable land.

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
Identification of state-owned and privately held vacant or inefficiently-used land parcels within city as well as nearby the city limits in the peri-urban area suitable for affordable housing	Federal Ministry of Housing & Works, Capital Development Authority & Concerned City Development Authorities and local Govt. departments in provinces	0.5 to 1 year after approval of the housing policy	• a working committee for the taskhas been formulated • - schedule for the fortnightly meetings to monitor the progress • An initial version of a map indicating land parcels	Geo-referenced and Geo-tagged maps available for further action
Launch of affordable housing projects (low to mid-rise apartments) on the state-owned land parcels	M/H&W, FGEHA, PHAF, CDA, City Development Authorities, concerned provincial and local government departments	2-3 years after identification of land parcels	Identification of JV partners or Public Private Partnerships (PPP) for launching the project Process for procurement of services initiated and a contractor/ supplier selected	Construction Work commenced on the site/s
Introduce a policy for anti-speculation measures such as plot holding periods, high taxes on holding vacant plots, and resale restrictions on subsidy-supported housing.	Federal Ministry of Housing & Works, Capital Development Authority & Concerned City Development Authorities and local Govt. departments in provinces	1.5 -2 years after approval of the housing policy	• Committee formed for the formulation of anti-land speculation policy • Schedule of quarterly meetings • Fines/taxes justified for holding vacant plot after a certain period	anti-land speculation policy readily available for implementation

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
Preparation of Master plans/Outline development Plans of cities and towns, including: i. Demarcation of city boundaries/Growth boundaries along with green belts ii. Land use plan iii. Site development zones iv. In-depth transportation surveys and feasibility studies for the provision of mass transit in future v. Determination of Transit-Oriented Development Zones	CDA at the federal level and concerned development authorities, and local governments at the provincial level	2 to 3 years after approval of the housing policy	• Consultant hired for carrying out the task of updating master plan/outline development plan • A schedule of monthly meetings of the concerned officers/officials with the concerned consultants and key stakeholders • Submission of updated master plan for approval	Updated Master /Outline Development Plans/Site Development Zones of cities/towns

Theme 2: Planning and Development of Intermediate & Secondary Towns

Key Objective: Plan the development of Intermediate and Secondary Towns to support inclusive, balanced, and sustainable urban growth.

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
Identification of potential intermediate and secondary (I &S) towns in each of the province	Concerned city development authorities/departments and local governments at the provincial level	03-06 months after approval of the policy	• Formulation of a working group of professionals • Schedule of fortnightly meetings • Literature review and field visits	Intermediate and Secondary Cities/towns identified for planning & Development
Preparation of Outline Development Plans/Structure Plans of potential I & S towns including: 1. Specific raw material for development of specific industries including value addition 2. Diversify the economic base of the city/town for creation of more jobs 3. Planning for provision of quality health and education facilities in the city	CDA at the federal level and concerned city development authorities/departments and local governments at the provincial level	1-3 years after identification of potential intermediate cities & towns	• A timeline prepared for carrying out the task of Structure plan/ODP • funds allocated for the task RFP floated for hiring of consultants • Contract agreement signed by the consultants and the procuring agency	Approved Structure Plans/Outline Development Plans of the intermediate & secondary cities/towns
• Identification of uncultivable land suitable for industrialization in the peri-urban area of the city/town • Identification of Govt. owned land parcels within city limit and in the peri-urban area suitable for affordable housing	CDA at the federal level and concerned city development authorities/departments and local governments at the provincial level	1-3 years after identification of potential intermediate cities & towns	• A timeline prepared for carrying out the task of Structure plan/ODP • funds allocated for the task • RFP floated for hiring of consultants • Contract agreement signed by the consultants and the procuring agency	Uncultivable and Govt. Owned land parcels identified in the approved Structure Plans/Outline Development Plans of the intermediate & secondary cities/towns

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
Launch of affordable housing projects on the state-owned land parcels Identified in ODP/Structure plans	CDA, relevant provincial departments, city development authorities and local government departments	2-3 years after approval of the Outline Development Plan/Structure plan	• Identification of JV partners or Public Private Partnerships (PPP) for launching the project • Process for procurement of services initiated • A contractor/ supplier selected and contact agreement signed	Construction Work commenced on the site/s
• A plan for acquisition/purchase of uncultivable land ahead of time on annual basis (i.e. land banking) in the peri-urban areas while keeping in view the future growth trend of the city/town for launching affordable housing schemes in the future • A plan for auction of industrial plots and tax incentive for establishment of industries in a given time frame	Relevant provincial departments, city development authorities and local government departments	3-4 years after approval of the Outline Development Plan/Structure plan	• MOUs signed with the legal land owners • Land purchase formalities completed • Process for procurement of services initiated • contractor/ supplierselected and contact agreement signed • Process for auction of industrial plots initiated	projects for affordable housing and establishment of industrial units launched

Theme 3: Housing Finance

Key Objective:

- To enhance housing finance systems, making them more affordable and accessible for ordinary citizens and developers
- To carry out taxation reforms to encourage affordable and sustainable housing initiatives

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
Introducing Real Estate Investment Trusts (REITs) for Housing Finance	FBR, MoHW, Law Division, CDA, and Public Private Partnership Authority, SECP	By the end of the year 2026	• Formulation of a committee for the purpose • Schedule of fortnightly meetings	Affordable housing projects launched through REITs
Approval of a policy for flexible and small loans with affordable interest rates for fixed-terms of 10, 20, and 30 years	Federal & Provincial Cabinets, State Bank of Pakistan, Finance Ministry, Law Ministry & Ministry of Housing & Works	1-2 year after approval of the policy	• Formulation of a committee for the purpose • Schedule of fortnightly meetings	approved policy for housing finance for fixed terms of 10, 20, and 30 years ready for implementation *NB: (Prime Minister Apna Ghar Program: Ghar Hoto Apna, has been officially launched by the Prime Minister on April 30, 2026. It is the central Federal Housing Finance Instrument)*
Approval of a policy requiring banks to allocate at least 10% of their private sector credit portfolio to housing and construction	State Bank of Pakistan, Finance Ministry, Law Ministry & Ministry of Housing & Works	1-2 year after approval of the policy	• Formulation of a committee for the purpose • Schedule of fortnightly meetings	approved policy for allocation of 10% of credit portfolio to housing & construction
Mechanism for transparency in disbursement of housing finance through IT-based modules	State Bank of Pakistan, SECP, concerned federal ministries and provincial departments, SECP-registered REITs	1-2 year after approval of the policy	• Formulation of a committee for the purpose • Schedule of fortnightly meetings	approved mechanism for disbursement of small loans at affordable interest rates
Publication of annual report regarding disbursement of housing finance	State Bank of Pakistan and each of the	At the end of each	• A dedicated team assigned with the task	published annual report on housing finance disbursement

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
	relevant commercial Banks	financial year	• Data collected on regular basis and analyzed	
Approval of a policy for financing public/social housing initiatives, particularly at provincial and municipal levels, to build a stock of affordable rental housing	State Bank of Pakistan, SECP-registered REIT companies, concerned federal ministries and provincial departments	1-2 year after approval of the policy	• Formulation of a committee for the purpose • Schedule of fortnightly meetings •	Approved policy for financing public/social housing initiatives through REITs and other options
Develop tailored products to provide low-entry, low-risk housing pathways for the extremely poor.	State Bank of Pakistan, Law Ministry, Finance Ministry, Ministry of Housing & Works and concerned provincial departments	1-2 year after approval of the policy	• Formulation of a committee for the purpose • Schedule of fortnightly meetings	Approved policy to be implemented to provide low-entry, low-risk housing pathways for the extremely poor.
Taxation Reforms for Construction Sector including: 1. Reduce property transaction taxes 2. Standardize and simplify real estate taxes, duties and tariffs 3. Simplification and Standardization of Taxes	FBR, MOF, National Tariff Commission	By the end of the financial year 2026-2027	• Formulation of a committee for the purpose • Schedule of fortnightly meetings	Approved Taxation Reforms for Construction Sector
Carry out Mortgage Reforms to: 1. Ensure amendment/ enforcement of foreclosure laws for effective property recovery 2. Strengthen PMRC to provide subsidized credit for housing loans 3. Draft Condominium Law to Unlock Bank Financing in Vertical Housing 4. Introduce Green Mortgages and Takaful-	M/o Finance, M/o Law, AGP, State Bank, M/o H&W, FGEHA, PHAF	By the end of the Year 2026	• Formulation of a committee for the purpose • Schedule of fortnightly meetings • Minutes of the meetings	• Approved and notified Mortgage Reforms • Condominium law approved and notified

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
based Housing Insurance to promote sustainable housing finance				
Promoting Digital Housing & Crowd-funding Platform for: providing investment opportunities to common citizens in housing projects leveraging the remittances of Pakistan diaspora for affordable housing projects transparency in hosuing investment-related transactions	Ministry of IT (Lead), SECP, SBP, Overseas Pakistanis Foundation, M/O H&W	By the end of the year 2026	• Formulation of a committee for the purpose • Schedule of fortnightly meetings • Minutes of the meetings	Work has commenced on a number of affordable housing projects

Theme 4: Construction Services, Technology, and Building Materials

Key Objectives:

1. Promote self-sufficiency by reducing reliance on imports through the use of local materials, indigenous construction techniques, and domestic innovations.
2. Enhance construction efficiency by adopting climate-resilient technologies and strengthening the local supply chain.
3. Develop a skilled workforce, enforce robust regulations, and incentivise private sector participation.

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
• Formulating detailed guidelines and incentives for promoting locally sourced building materials, prefabricated and modular materials, and climate-resilient technologies • Development and upgradation of the building codes	Ministry of Housing & Works, State Bank of Pakistan, Finance Ministry, Law Ministry, PEPRA, PEC, PCATP, and concerned provincial departments	1-2 years after approval of the housing policy	• Formulation of a working group for preparing the guidelines and incentives for promoting locally sourced materials • Schedule of monthly meetings for brainstorming	Approved guidelines and incentive policy ready to be followed
Offer 3 to 6 moths compulsory hands-on trainings to enhance the capacity of workforce to employ climate-friendly and efficient modern construction designs and technologies	Ministry of Housing & Works, PEPRA, PEC, PCATP, National Skills University and Concerned federal, provincial technical education boards, ABAD (Association of Builders and Contractors)	• 1-2 years after approval of the policy. • A continuous activity to be carried out to impart skills to technical workforce	• Formulation of a Taskforce for the purpose • Schedule of monthly meetings • Announcements for offer of admission to hands-on technical trainings	skillful workforce for modern, energy-efficient and climate-friendly construction technology

Theme 5: Slums/Katchi Abadis and Squatter Settlements

Key Objectives:

Promote efficient land use through urban regeneration in built-up areas, including slums, Katchi Abadis, and informal settlements.

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
Preparation of detailed master plans, designs and cost estimations for the action plans either for upgradation, regeneration on the same site or relocation, to be taken in each of the identified slums, katchi abadis	City Development Authorities, provincial departments, local govt. departments with the participation of the local community	1.5-2 years after approval of the housing policy	• Process initiated for hiring the services of consultants • Consultative meetings with the residents and other key stakeholders • Prepation of detailed designs and cost estimation	Approved Master Plans and Action Plans along with details of available financial resources
Commencement of Physical interventions in accordance with the action plans	City Development Authorities, concerned provincial and local govt. departments, International Development Organizations, International NGOs, Private Developers	1to 1.5 year after the approval of the master plans	• Call for EOIs/Tenders for the execution of the projects • Selection of the contractors/developers	Developers mobilized and execution started
Award of final ownership rights to original residents of the Katchi Abadis	City Development Authorities, concerned provincial and local govt. departments	01 year after completion of the projects	• Date announced for the award of ownership rights after completion of the project • Ownership award documents prepared	Ownership documents handed over to the original residents of the Katchi Abadis

Theme 6: Affordable/Low-cost, Rural, and Rental Housing Including Housing for the Marginalised and Disadvantaged Population

Key Objectives:

- Promote affordable and low-cost housing for urban and rural populations.
- Enhance affordable housing opportunities for marginalised and disadvantaged populations to encourage inclusivity.

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
• Approval of a Policy encompassing: • mortgage financing and subsidized housing finance opportunities for low-income people living in urban and rural areas • Provisions of 5% quota in mark-up subsidy policy for the marginalized, and hazard affected population • promote the role of NGOs in provision of affordable housing to marginalized and disadvantaged • allocation of 7-10% of plots/dwelling units of affordable housing schemes to marginalized people • loan facility on priority basis to developers for the development of affordable housing schemes	M/H&W, State Bank of Pakistan, Finance and Law Ministry, INGs/IDOS	0.5 to 1 year after approval of the housing policy	• Formulation of a taskforce • Schedule of monthly brainstorming meetings	An approved policy for mortgage financing and subsidized housing finance
Approval of a Policy to Promote the role of trusted and well-established NGOs in provision of affordable housing to marginalized and disadvantaged segment of the society	M/H&W, City Development Authorities, concerned provincial departments and the concerned local govt. departments	1-2 years after approval of the housing policy	• Committee formed for the task • Identification of trusted NGOs • Allocation of resources to support the initiative of the NGO for	Policy approved and readily available for implementation

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
			provision of affordable housing facilities • Areas/locations identified for the intervention of the NGOs • Key action plan prepared	
Identification of disaster-prone areas and preparation of emergency disaster management plans including the housing needs of the affected population	Federal and provincial disaster management authorities, concerned federal, provincial and local govt. departments	1-2 years after approval of the housing policy	• Formulation of committee for the tasks • Identification of hazard prone areas • Schedule of monthly meetings for reviewing the existing management plans, • updating the existing one or preparing the new plans	Updated disaster management plans readily to be implemented

Theme 7: Institutional and Legal Framework

Key Objectives:

- Enhance coordination among relevant entities to ensure effective implementation of housing policy and action plans.
- Resolve overlapping functions among entities.

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
Approval of a policy to strengthen the role of Ministry of Housing & Works in providing support, coordination to provincial governments and maintaining a data base relating to housing initiatives taken at federal and provincial levels	M/H&W, Federal & Provincial Cabinets, CDA, Law Ministry, Finance Ministry, concerned provincial and local govt. departments	0.5 -1 year after approval of the policy	• A policy formulation process initiated to strengthen the role of the M/H&W to support and coordinate with provincial departments for housing initiatives • Formulation of a steering committee comprising members from federal govt. and concerned provincial departments • A schedule of quarterly meetings of the steering committee	• National Housing Data Bank Established in the MH&W • Enhanced role of MH&W in coordination, policy formulation and technical trainings
Establishment of Spatial Planning Authorities at federal and provincial level	Ministry of Housing & Works, Law Ministry, Finance Ministry, CDA, Provincial departments	1.5- 2 years after approval of the housing policy 2026	• Notification of a committee to work on the establishment of Spatial Planning Authority • Schedule of fortnightly meetings with key stakeholders	Spatial Planning Authorities Established
Formulation and promulgation of Spatial Planning Act at the federal and Provincial level	M/H&W, Federal & Provincial Cabinets, CDA, FGEHA, PHAF, Pakistan Engineering Council(PEC), Pakistan Council of Architects & Town Planners(PCATP)	1-2 years after approval of the housing policy	• A steering committee formed for the formulation of Spatial Planning Act • Schedule of monthly meetings for brain storming sessions	Approved Federal and Provincial Spatial Planning Acts

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
Establishment of Real Estate Regulatory Authority (RERA) at Federal and Provincial levels	Ministry of Housing & Works, Law Ministry, Finance Ministry, CDA and concerned provincial departments	Within the financial year 2026-2027	• Availability of organogram of the Authority • Approval of financial resources for the employees • Hiring/induction of concerned staff • Process initiated for office buildings at federal and provincial level	RERA functional at federal and provincial level
Promulgation of Condominium Act in Punjab, Baluchistan and KP (already promulgated in Sindh and Islamabad)	Concerned department in KPK, Baluchistan and Federally – administered areas	1-2 years after approval of the housing policy	• Formulation of a committee to work on condominium act • Schedule of fortnightly meetings	Approved Condominium Act for Baluchistan and Khyber Pakhtunkhwa
03 Years Action Plan relating to provision of affordable housing, prepared by provinces in the light of National Housing Policy 2026	Concerned Provincial and local govt. Departments, MH&W for coordination	2-3 years after approval of the policy	• Task assigned by the concerned provincial secretariats to each of the concerned departments at provincial and local government level for the formulation of action plans for housing initiatives • Committees formed and fortnightly meetings schedule issued	Housing projects launched in the light of 03 years ‘Action Plans’
Capacity building of technical staff (town planners, building inspectors, engineers) at the local government level	Concerned Provincial Departments to launch capacity building training on regular basis	0.5-1 year After approval of the housing policy	• Identification of resource persons for the capacity • Identification of relevant officers/staff for the trainings • building trainings • Schedule of training programs • Identification of training venues	Technically knowledgeable and sound town planners/building control officers to launch and manage sustainable housing projects at provincial and local government levels

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
Establishment of Federal Govt. Real Estate Management Authority (REMA)	Cabinet Division, MoHW, Law Division, and public private partnership authority, M/O H&W		• Availability of organogram of the Authority • Approval of financial resources for the employees • Hiring/induction of concerned staff • Process initiated for office buildings at federal and provincial level	FG REMA functional
Preventing illegal housing schemes	Regulatory authorities, such as city development authorities and local governments, along with the proposed Real Estate Regulatory Authority (RERA), PEMRA, Press Council of Pakistan (PCP)	On regular basis	• SOPs for strict scrutiny of documents submitted for approval of housing scheme/s • Mechanism for vigilant monitoring byadequate staffing and employing IT tools such as GIS & RS • SOPs for banning the advertisement of unapproved/illegal housing schemes • Updated information about legal/approved, and illegal/unapproved housing schemes available on the website of the concerned regulatory authorities • SOPs for opening of Escrow account for each housing project • Official layout Plans of the legal/approved housing schemes available on the website of the regulatory authorities • QR/Bar Coded LOPsof the approved housing schemes	End of the illegal housing schemes

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
checking the practice of duplicate allotment letters	Regulatory authorities, such as city development authorities and local governments, Real Estate Regulatory Authority (RERA),	Right away after approval of the policy	• SOPs regarding allotment letters • Constitution of a committee to perform the task • Schedule of weekly meetings	QR coded allotment letters
Checking the practice of sale/purchase of open file system	Regulatory authorities, such as city development authorities and local governments, Real Estate Regulatory Authority (RERA), BoRs (Board of Revenues) in provinces	Right away after approval of the policy	• Formulating a policy to ban the practice of open file system • constitution of a committee • Schedule of weekly meetings	Notification banning the buying/purchasing of open files

Theme 8 - Green, Energy Efficient, and Climate Resilient Housing

Key Objectives:

- Provide green, energy-efficient, climate- and disaster-resilient housing.
- Ensure compliance with codes and guidelines from regulatory authorities and professional bodies, including the National Energy Efficiency & Conservation Authority, PEC, and PCATP.

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
Mandatory compliance with the codes prepared by National Energy Efficiency & Conservation Authority, PEC and backed by the Govt. of Pakistan including: • Energy Conservation Building Code (ECBC-2023) • Green Building Code of Pakistan (2023) • Rainwater Harvesting Provisions for Building Code of Pakistan (2023)	CDA, FGEHA, PHAF, PIDCL at federal level, City Development Authorities, and Local Government Departments at provincial and local levels	Right away after the approval of the NHP 2026	• The requirement for compliance with the codes is clearly mentioned in EOI, bidding documents floated by the concerned authorities for housing construction projects • the code-related requirements truly reflected in the design drawings and in the descriptive reports	Housing projects developed in line with the PEC codes relating to green, energy efficient, climate resilient and sustainable buildings and construction practices
Mandatory compliance with the codes prepared by National Energy Efficiency & Conservation Authority, PEC and backed by the Govt. of Pakistan including: • Building Code of Pakistan (2021) • Building Code of Pakistan - Fire Safety Provisions (2016) • Pakistan Electric and Telecommunication Safety Code (2014) • Building Code of Pakistan - Energy Provisions (2011) • Building Code of Pakistan - Seismic Provisions (2007) • Pakistan Green Taxonomy	CDA, FGEHA, PHAF, PIDCL at federal level, City Development Authorities, and Local Government Departments at provincial and local levels	Right away after the approval of the NHP 2026	• The requirement for compliance with the codes is clearly mentioned in EOI, bidding documents floated by the concerned authorities for housing construction projects • the code-related requirements truly reflected in the design drawings and in the descriptive reports	Code Compliance Certificates issued by the relevant development at federal and provincial levels

Approve a policy for Climate Sensitive - Green Finance, including: i. Mandate and pilot Green Affordable Mortgages to support and incentivize eco-friendly and energy-efficient housing ii. Introduce finance to low-cost alternative materials, sustainable construction technologies. iii. Link subsidies to compliance with resilient and energy efficient standards	Federal/Provincial Cabinets, State Bank of Pakistan, Law Ministry, Ministry of Housing & Works, and concerned provincial departments, International Development Organizations, International NGOs	1-2 year after approval of the policy	• Formulation of a committee for the purpose • Schedule of fortnightly meetings	Approved policy to be implemented for Climate Sensitive, Green Finance

Theme 9: Capacity Building and Knowledge Sharing

Key Objectives:

- Raise public awareness about ownership rights, housing finance subsidies, and related topics.
- Enhance workforce skills to employ innovative construction technologies and achieve sustainable building goals.
- Ensure authentic, up-to-date data on federal and provincial housing initiatives is readily available.

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
Dissemination of national housing data to all stakeholders	M/H&W at Federal Level, Housing & physical planning-related provincial departments, International Development Organizations	0.5-1 year after approval of the housing policy	Budgetary allocation for the establishment of data banks Technical staff hired to run and update the data banks	Online Information available through the National Housing Data Bank Established in the M/H&W
Launching of awareness campaigns for the general public about housing rights, available subsidies, and financial literacy	M/H&W, CDA, FGEHA, PHAF, concerned Provincial and local govt. Departments, Pakistan Engineering Council(PEC), Pakistan Council of Architects & Town, NGOs	Right away after approval of the housing policy	• Availability of the information on websites of the concerned departments • Availability of the information through social media • Conferences & workshops for awareness of the stakeholders	Well-informed stakeholders about the housing-related initiatives/policies/subsidies etc.
Schedule specialized trainings for housing professionals in the relevant federal and provincial departments on climate change adaptation and building disaster-resistant homes, use of modern tools such as Building Information	M/H&W, CDA, FGEHA, PHAF, concerned Provincial and local govt. Departments, Pakistan Engineering Council(PEC), Pakistan Council of Architects & Town Planners(PCATP)	Quarterly training programs for the concerned Govt. employees, even before and after the approval of the policy	• Number of training sessions conducted in each quarter of the years • Number of Govt. Employees trained in such workshops/trainings	Implementation of energy efficient, cost-effective, climate friendly and hazard resistant sustainable Building designs integrated into housing projects

Key Activities	Responsible Lead and Supporting Entities	Timeline	KPI (Key Performance Indicators)	Output
Modelling (BIM) in housing designs & implementation				
Publish annual Housing Sector Performance Report	MOH&W (National housing council Secretariat)	Annually	• Nomination of a committee for the task • Quarterly meetings for updating housing-related initiatives	Published Online Report on housing sector for public disclosure
Mid-term and comprehensive review of the policy	Federal Ministry of Housing & works, in collaboration with concerned provincial departments and other key stakeholders	• Midterm review after 5 years • comprehensive review after 10 years	• committee notified for mid-term review and comprehensive review • Schedule of quarterly meetings	Published mid-term and comprehensive review regarding implementation of the policy and objectives achieved
Establishment of a housing data bank/repository at provincial levels in the housing-related departments	Housing & physical planning-related provincial departments	0.5-1 year after approval of the housing policy	• Budgetary allocation for the establishment of data banks • Technical staff hired to run and update the data banks	The most up-to-date information relating to housing initiatives, on-going housing projects, completed housing projects available online for the common citizens

Annex-I

GOVERNMENT OF PAKISTAN

Ministry of Housing and Works

A ‘Working Group’ to review and update the “National Housing Policy 2001” is constituted with the following composition:

1.	**Mr. Waseem Hayat Bajwa, Director General, Ministry of Housing and Works, Islamabad**	**Chairperson**
2.	Dr. Malik Asghar Naeem, Chief Planner, Federal Govt. Employees Housing Authority (FGEHA), Islamabad	Coordinator/Secretary
3.	Javed Akbar Sheihk, Director Policy & Planning Wing, Ministry of Housing and Works, Islamabad	Member
4.	Muhammad Anwar Hussain Chaudhary, Senior Chief (Technical), Ministry of Planning, Development & Special Initiatives	Member
5.	Dr. Amin Khan Durrani, Director Policy and Planning Wing , Ministry of Housing and Works , Islamabad	Member
6.	Mr. Iqbal Ahmed, Deputy Chief, Physical Planning & Housing (PPH) Planning Division.	Member
7.	Representative of Estate Office (not below BS -19)	Member
8.	Representative of PCATP	Member
9.	Mr. Usman Faisal, Poverty Alleviation Expert, Ministry of Poverty Alleviation and Social Safety	Member
10.	Dr. Fariha Tariq, Dean/Professor, University of Management and Technology, Lahore	Member
11.	Dr. Abdul Rahman, Director Punjab City Improvement Program Funded Project of Local Government Department of Punjab	Member
12.	Khurrarn Farid Bargatt, Managing Director. Sheher Saaz Pvt. Limited.	Member
13.	Mr. Mian Rizwan Director (Planning), FGEHA	Member
14.	Mr. Kashif Hameed, Chief Executive Geo-Green (Pvt) Ltd.	Member

Annex-II

GOVERNMENT OF PAKISTAN

Ministry of Housing and Works

The "Experts' Group", comprising national and international experts, to review and update the "National Housing Policy 2001" is constituted with the following composition:

	NATIONAL EXPERTS	
1.	Dr. Tariq Habib Malik, Prof. (r) Department of City & Regional Planning, UET, Lahore	Member
2.	Imtiaz Ahmed Vohra, Former Chief, Physical Planning & Housing (PP&H) , Pakistan Planning Commission, Islamabad	Member
3.	Dr. Shaker Mahmood Mayo, Prof. and Chairman Department of City & Regional Planning, UET, Lahore	Member
	Dr. Ghulam Sarwar Sandhu, CEO M/s. Multi Node Planners and Consultants (Pvt.) Ltd. Isb.	
4.	Dr. M. Atiq Ur Rahman, Professor & Chairman City & Regional Planning Department, Lahore College for Women University (LCWU), Lahore	Member
5.	Dr. Obaidullah Nadeem, Professor, Department of City & Regional Planning, UET, Lahore	Member
6.	Dr. Abdul Waheed, Professor, HOD, Urban & Regional Planning Department, NUST, Islamabad	Member
7.	Dr. Zafar Iqbal, Zafar, Director General Planning, Capital Development Authority (CDA), Islamabad	Member
8.	Ar. Dr. Waqas Ahmed Mahar, Professor, School of Art, Design and Architecture (SADA), NUST, Islamabad	Member
9.	Mubushar Husssain, Manager DDR & DRF, National Disaster Management Authority (NDMA), Islamabad	Member
10.	Muhammad Saleem Baluch, CEO Urban Community Housing (Pvt.) Ltd.	Member
11	Jawed Ali Khan, UN-Habitat Program Manager, Pakistan	Member
	INTERNATIONAL EXPERTS	
12.	Dr. Muhammad Imran, Professor, School of People, Environment & Planning, Massey University, New Zealand	Member
13.	Dr. Abdul Rauf, Assistant Professor, Department of Architectural Engineering, United Arab Emirates University, UAE	Member
14.	Dr. Asad Jalal Sindhu (Affordable Housing & Housing Finance Specialist),AJS Consulting, United Kingdom	Member
15.	Dr. Arshad Ali Javed, Senior Lecturer – Property Studies, Director – Real Estate Analysis Unit (REAU), School of Economics & Finance, Massey University, New Zealand	Member
16.	Prof. Dr. Tabassam Raza, Executive Director, Planning and Development Research Foundation (inc.) Philippines	Member

Annex-III

GOVERNMENT OF PAKISTAN

Ministry of Housing and Works

The initial draft of the National Housing Policy was shared with the following key provincial stakeholders for their valuable feedback/suggestions, and suggestions, which led to the finalisation of the NHP2026

1.	Secretary Housing, Urban Development & Public Health Engineering Department, Govt. of Punjab, Lahore, Pakistan
2.	Secretary Planning & Development, Punjab, Pakistan
3.	Secretary Local Govt. & Community Development Department, Government of Punjab, Pakistan
4.	Project Director, Project Management Unit (PMU), LG&CD Department, Government of Punjab, Pakistan
5.	Secretary Public Health Engineering & Rural Development Department, Govt. of Sindh, Pakistan
6.	Chairman Planning and Development Board, Govt. of Sindh, Pakistan
7.	Local Government, Housing & Town Planning Department, Govt. of Sindh, Pakistan
8.	Secretary Housing Department, Govt. of Khyber Pakhtunkhwa, Pakistan
9.	Urban Policy Unit, Govt. of Khyber Pakhtunkhwa, Pakistan
10.	Secretary Communication, Works, Physical Planning & Housing Department, Govt. of Baluchistan, Pakistan
11.	Secretary Local Govt. Department, Govt. of Baluchistan, Pakistan
12.	Secretary Planning and Development, Govt. of Azad Jammu & Kashmir, Pakistan
13.	Secretary Physical Planning & Housing, Govt. of Azad Jammu & Kashmir, Pakistan
14.	Secretary Works Department, Govt. of Gilgit Baltistan, Pakistan

Annex-IV

GOVERNMENT OF THE PUNJAB

PUNJAB AFFORDABLE HOUSING PROGRAM (PAHP)

World Bank-funded Punjab Affordable Housing Program (PAHP), organised a webinar on 13th April 2025 to discuss, review, and seek recommendations on the draft National Housing Policy 2026 (NHP 2026). The webinar brought together leading policy experts, urban planners, architects, engineers, developers, and government officials to incorporate perspectives from all sectors and provinces of Pakistan, which greatly helped in finalising the National Housing Policy 2026. The following is the list of contributors.

1.	Mr. Imran Ali Sultan, Project Director, Punjab Affordable Housing Program, Govt. of Punjab
2.	Mr. Waseem Hayat Bajwa, DG Planning & Policy, Ministry of Housing and Works, Islamabad
3.	Dr. Nasir Javed, Urban Policy Expert & Ex-CEO the Punjab Urban Unit
4.	Dr. Noman Ahmed, Professor and Acting Vice Chancellor at NED University
5.	Mr. Nadir Ali Shah, Senior Urban Planner at Local Government and Community Development Department presented Punjab's perspective
6.	Mr. Yaqoob Khan, Director at Planning & Development, Khyber Pakhtunkhwa
7.	Mr. Waqas Ahmed Mahar, an Architect, currently working in NUST, presented Baluchistan's Perspective
8.	Mr. Muhammad Shoaib, Chief Executive of Spatial Logics presented Architectural & Planning firms' perspective
9.	Mr. Babar Mumtaz, Housing Policy Advisor

Annex-V

ESSENTIAL HIGHLIGHTS OF THE FEEDBACK RECEIVED FROM THE INTERNATIONAL DEVELOPMENT AGENCIES

The essential highlights of the feedback on the draft of the National Housing Policy 2026 received from the international development agencies such as the World Bank, Asian Development Bank (ADB), UN-Habitat and JICA, comprise the following:

i. ***Urban Extension:*** enable well-justified urban extensions or land swaps for affordable housing, and urban containment boundaries need to be tied to annual housing targets

ii. ***Green Buffers:*** make green buffers legally enforceable and complement them with Transit-Oriented Development. Where green preservation is considered, focus on radial approaches (instead of circular) to ventilate urban cores.

iii. ***Rezone with density/infill incentives***: Promote density and mixed-use growth within urban boundaries; incentivise redevelopment and reuse

iv. ***Establish monitoring systems:*** Track land prices, vacancy rates, and new housing construction across segments (e.g., geographic boundaries, ownership vs rental, low vs mid-market).

v. ***Avoiding mandating percentage:*** While encouraging higher density is beneficial, mandating that 40-50% of residential areas be reserved for apartment buildings and cross-subsidised through a 30-40% price increase is counterproductive.

vi. ***Defining housing affordability***: The traditional method of measuring housing affordability is the percentage of income spent on housing (less than or equal to 30% of income spent on housing is considered affordable); however, on account of its limitations, the most reliable methodology for measuring housing affordability, i.e. REM –Residual Expenditure Methodology, should be used.

vii. ***Public rental housing:*** There are good reasons why the public sector should not build public rental housing. Issues like failed rent collection amid high capital costs are unfeasible for Pakistan, given the high level of public debt.

viii. ***New Legislation vs Amendments:*** New Acts should be drafted in a selective and consultative manner, and be taken up only if amending the current Acts is not possible

ix. ***Housing vs Habitat:*** the issue should not be addressed solely at the level of individual housing units, but rather within the broader context of the surrounding Habitat. For example, implementing green-blue nature-based solutions such as sustainable storm water management and tree planting that mitigate flood and heat risks and reduce energy costs for cooling are primarily functions of the larger habitat/planning framework.

x. ***Regulation of interest rates***: Avoid suggestions for government regulation of interest rates. For low-income borrowers, access to loans is a key concern; higher interest rates may lead households to adopt shorter, faster investment cycles. A lack of loan availability can be a more significant barrier.

xi. ***Interest Rate Subsidies.*** Proposing interest rate subsidies as a housing finance solution is not in line with the best international practices. Costs associated with interest rate subsidies can balloon out of control, considering Pakistan's rather volatile macro economy.

xii. ***Periodic reviews of monetary policy***, local taxation, fee policies, and related measures are needed to assess their impacts on land markets.

xiii. ***Rental Housing:*** The government sector needs to increase the supply of public housing by allocating a considerable budget for building houses and apartments for government employees. The words 'considerable budget' need to be replaced with a stated figure, for instance, as a percentage of the allocated budget.

xiv. ***Prioritised/phased implementation plan:*** split the target of 10 million housing units into achievable phases by 2050. Start with federal-led pilot projects in each province to demonstrate scalable models (e.g., slum upgrading, redevelopment, rural housing). Ensure each phase aligns with available financing, provincial/local capacity, and NHP (Federal role could be leading on overall phasing strategy, ensuring alignment with NHP)

xv. ***Clear institutional roles*** to avoid overlap; primary responsibility should be assigned for each strategic theme:

- Federal may lead: Theme 3 (housing finance), Theme 5 (slum upgrading), Theme 7 (harmonised regulations), Theme 8 (resilience/energy efficiency), and Theme 9 (data & capacity)
- Provincial/Local may lead with federal support: Theme 1 (land use & land banking), Theme 2 (balanced growth), Theme 4 (construction modernisation), and Theme 6 (rural & rental housing)

Conceptual Case Study of Urban Regeneration and Slum Upgradation in Islamabad, Pakistan

Adequate housing supply is directly linked to rapid urbanisation and institutional and professional inadequacies in implementing sustainable housing strategies and managing fundamental resources, such as land and finances. Urban regeneration and renewal are well-thought-out, sustainable approaches to urban development planning that efficiently manage low-cost/affordable housing resources.

2. In Pakistan, various programs have been launched for the improvement of slums and low-income housing, and state approaches mostly entail forcibly shifting to the outskirts or, more generously, awarding ownership rights to the dwellers. These strategies for moderating housing stock are mostly government-funded and lack community involvement, resulting in greater complications, such as enlarged grey footprints, insecurity, social isolation, and inadequate urban services. These initiatives have not improved living standards or alleviated poverty [DAWN, 2022]. Thus, comprehensive slum upgradation is more relevant for creating equal opportunities for slum dwellers to achieve social and economic growth, provide tenure security, and improve access to urban services.

3. Conceptual Case Study of Slum Upgradation in Islamabad

Like other metropolitan cities, Islamabad faces the challenge of slums and unregulated, indecent development in the suburbs. Slum upgradation in Islamabad relies on government approvals from the Prime Minister (1995), the Chief Executive of Pakistan (2001) and the Cabinet (2004). Slum upgradation in Islamabad involves:

1. Rehabilitation at the existing location
2. Shifting to the Model Urban Shelter Project

The project execution strategy included awarding ownership rights and site development; therefore, these initiatives have become liabilities to the public purse. This situation warrants a comprehensive city planning approach and sustainable urban development planning strategies. City planning practitioners, town planners in CDA, and residents of adjoining areas supported the concept of providing decent housing to the dwellers of this slum in an appropriately developed and convenient location and transforming the slum site into a sustainable, profitable, and environmentally friendly development.

This slum upgradation project is focused on principles including decent housing for the neglected poor, environmental improvement, optimum utilisation of precious land, revenue generation, funds for cross-subsidised community facilities, rainwater harvesting, and urban flood control.

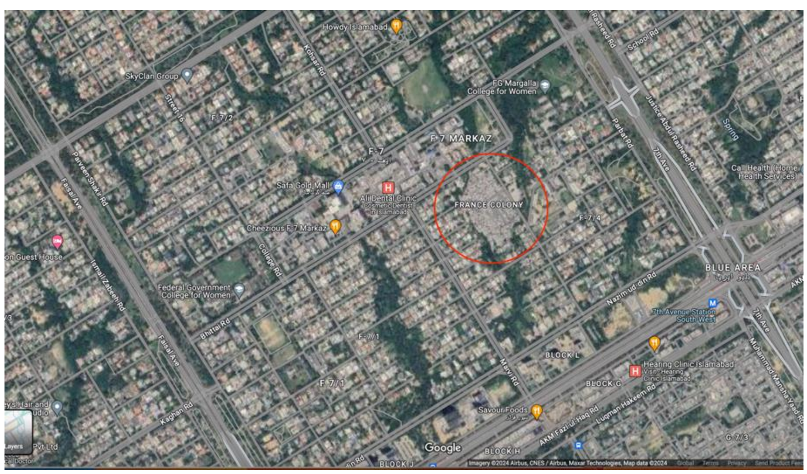
4. **Description of Case Study Area**

This urban renewal project involves re-planning and redeveloping two squatter settlement sites in sectors 'F-7 and G-7', each measuring approximately 67000 sq. yds and 145000 sq. yds, respectively. It focuses on efficient land use, enhancing housing space, providing adequate infrastructure, community facilities, and promoting environmental improvement.

4.1 Project Site F-7

This site measures approx. 67000 sq. yards and comprises approximately 900 dwelling units. It is one of the squatter settlements recognised for the award of property rights of dwelling units built before a survey conducted jointly by CDA and UNDP in 1992-1993. However, due to official complexities, the number of housing units has increased. For a sustainable urban development planning project, clearing the site and providing decent housing for slum inhabitants are essential components of the project strategy.

PROJECT SITE SECTOR F-7



The project planning strategy entails a comprehensive household survey to ascertain an accurate number of dwelling units, identification of a site for the relocation of dwellers of the project area, topographic survey, land use planning, infrastructure development, consultative discussions with the potential beneficiaries, community leaders and management of civic body, land owner and custodian of the project, consultation with town planning practitioners, residents of adjoining communities and sale/land management and project management after execution.

Project site F-7

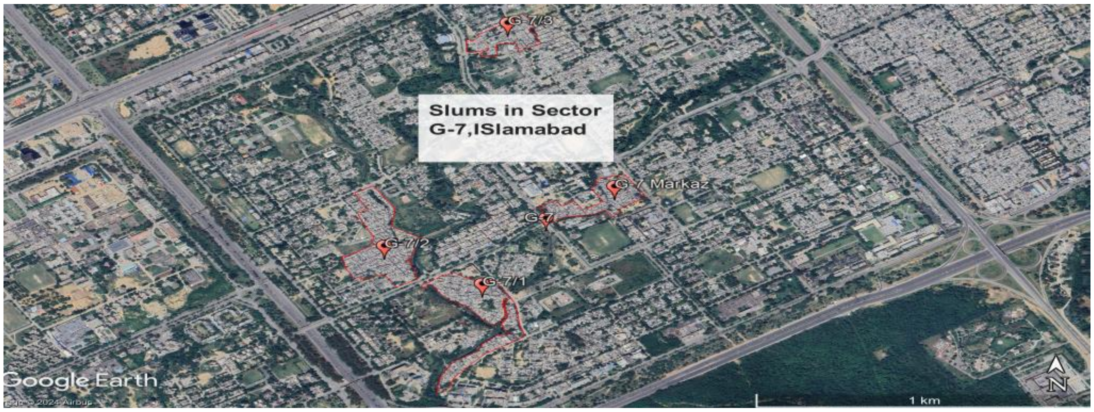
Site Land Use Planning

The project site has been divided in a ratio of 60:40 for mixed-use development and multilevel parking and other amenities, respectively 40000:37500 sq. yds). Proposed land uses include mixed-use, shopping malls, hotels, hospitals, apartment buildings, community facilities, multilevel parking, mobility corridors and environmental spaces. A Floor Area Ratio (FAR) of 1:12 has been proposed for this project; thus, the estimated built-up area comes out to 480,000 sq. yds/4320,000 sq. ft. Thus, the net sale proceeds are estimated to be RS. 72,000 million at a rate of Rs.1.8 million / sq. yd as of 2022.

4.2 Project Site G-7

This part of the case study project site is presently a complex of three squatter settlements in sub-sectors G-7/1 (58000 sq. yds), G-7/2 (63000 sq. yds), and G-7/3 (24000 sq. yds). The dwelling units are small, predominantly double-storey structures on irregular, narrow streets. These three squatter settlements comprise approximately 2000 dwelling units. Land measuring 145000 sq. yds under these squatter settlements is proposed to be transformed into low-rise (4/four storey) apartments to accommodate approx. 3500 dwellers of the squatter settlements.

PROJECT SITE SECTOR G-7



Land Use Planning of the Site in Sector G-7

All three sites currently under squatter settlements are located along natural water streams, designed for rainwater drainage, and are served by essential services such as water supply, drainage, sewerage, and roads at the periphery. The site is proposed to be primarily used for low-rise (4/four-storey) apartments over an area of approx. seventy per cent (70% - 100000 sq. yds.) and thirty per cent (30% - 45000 sq. yds.) for allied facilities and circulation. The project site is planned to provide 4,500 apartments, each of 800 sq. ft., to meet the requirements of 3,000 residents to be relocated from Sector F-7 (1,000) and 2,000 residents of three squatter settlements in Sector G-7. Apartments would be allotted to slum dwellers at subsidised prices in easy instalments over 20 years. An additional 1,500 flats would be made available for sale to the general public at a competitive price, generating funds for housing construction for slum dwellers. Although the commercial area and other facilities are already close to the project site, the land use plan proposes educational, healthcare, and community facilities, as well as places of worship.

This project of reuse of underutilised valuable land in the posh sector of Islamabad and slum upgradation is coupled with several benefits:

Social Benefits

The project's social benefits include providing decent housing for approximately 2,000 neglected low-income families engaged in sanitary services, as well as adequate infrastructure and amenities for people experiencing poverty. It also aims to create a neat and clean living environment, foster comfortable community interaction, and ensure convenient access to health, education, and workplace facilities.

Economic Benefits

The project's economic benefits include job creation for skilled and unskilled labour and professionals, optimal utilisation of underutilised land, fund generation, institutionally sound financial health, adequate funds to reinforce ageing infrastructure and community facilities, and large-scale economic activity.

Environmental Benefits

Environmental benefits of urban development projects include neat and clean development with ample landscape spaces in place of dirty, unhygienic and smelly settlements; environment-friendly redevelopment of highly polluted water streams, eradication of environmental inconvenience to the nearby communities, more spacing for mixed-use developments – less grey area leaving bounteous open spaces, community walking tracks and rainwater harvesting.

Project Sustainability

Project sustainability is the fundamental element of the project strategy. The project aims to tap the site's revenue potential, provide decent housing, amenities, and community facilities to people experiencing poverty, and engage key stakeholders.

Replicability of the Project

Given the social, economic, and environmental benefits of the project approach, as well as its financial sustainability, there is considerable potential for replicating the project concept to achieve sustainable urban development. There are over fifteen slums in the sectoral area of Islamabad, which are probable sites for technically and financially sustainable urban growth, in line with the principles of comprehensive city planning, as well as the regeneration/redevelopment of unregulated urban sprawl in the suburbs of Islamabad. Further, the unregulated horizontal development pattern of urban agglomerations throughout the country provides ample space to launch sustainable urban development initiatives.

5. Conclusion and Recommendations

Slums in Islamabad, in the aftermath of rapid population growth, pose enormous challenges similar to those faced by other fast-growing urban centres in Pakistan. On the one hand, these slums congest the city; on the other, they occupy valuable land that could be used efficiently for multifaceted, gainful projects. Therefore, upgrading these slums should be the preferred option over alternatives involving displacement and demolition. The aforementioned methodologies are comprehensive and can help address diverse challenges related to slums. Such slum upgradation strategies and plans will enhance city efficiency and stimulate economic prosperity and growth in the long run. In the case of suburbs, applying sustainable and compact urban development strategies is a top priority for sustainable urban growth. The proposed development model, which encompasses stakeholder participation, financial sustainability, public-private partnerships, social upliftment, and environmental considerations, has considerable potential for replication in Islamabad and other urban centres.

For further technical sophistication in the application of sustainable urban development planning approaches, suggested ways forward include:

1. Regular periodic review of the enforcement of development plans
2. A high-level advisory committee of city planning professionals may review and suggest remedies.
3. Public-private partnerships should be a top priority for urban regeneration and renewal projects.
4. Vertical compact/mixed-use development should be incentivised regarding approval and fees charged by the CDA.
5. The approval process for such projects needs to be simplified and standardised for developers' convenience.

Glimpses of International Bet Practices Relating to Provision of Affordable Housing

A. Indonesia: The National Affordable Housing Program (2017-2023)

- Launched in March 2017, the National Affordable Housing Program used a US$450 million World Bank loan to expand access to affordable housing for low-income households in Indonesia.
- ***The government sought*** to reduce the housing backlog and improve conditions for the lowest 40% of the population, focusing on those below the poverty line.
- ***Mortgage-Linked Down Payment Assistance:*** First-time homeowners and informal sector workers received down payment support and access to subsidised mortgages, especially those previously excluded.
- ***Home Improvements*** The program offered subsidised loans to households below the poverty line for home improvements.
- ***Technical Assistance***: The program supported policy development, institutional reforms, and improved standards in the housing sector.
- ***Challenges:*** Despite World Bank support, the program faced constraints such as COVID-related disruptions, land acquisition delays and costs, budget limitations, and difficulties verifying informal-sector eligibility.
- ***Despite these challenges, the program helped approximately 260,000 people***.
- ***Lessons Learnt:***
- Affordable housing programs are most effective when combining demand-side subsidies, such as down payment or mortgage support, with supply-side improvements like repairs or upgrades.
- Maintaining quality standards and assurance is essential for resilience, safety, and durability, particularly in areas prone to natural disasters.
- Focusing on low-income households and informal workers advances social equity.
- Engaging the private sector through appropriate financing mechanisms is vital for program success and should be actively supported.
- Consistent use of digital tools and monitoring enhances transparency and ensures compliance with standards.

(**Source:** The World Bank Group Internal Research)

B. Singapore: A Case of Successful Affordable Housing Model

- At independence in 1965, Singapore faced a severe housing shortage, with overcrowded slums and squatter settlements. Only 10% of residents lived in formal public housing.
- The Housing Development Board (HDB), established in 1960, took charge of mass housing, delivering over 50,000 flats in five years and rehousing slum residents.
- The government owns 90% of the land, acquired under the Land Acquisition Act of 1966.
- State land ownership controls prices and ensures land is available for priority uses.
- Over 80% of Singaporeans live in HDB-subsidised flats, and the homeownership rate is about 90%.
- Subsidised flats were sold to eligible buyers based on income and family structure.
- Affordability increased as citizens could use compulsory savings from the Central Provident Fund (CPF) to purchase apartments.
- The Urban Renewal Authority (URA) was established to provide amenities such as shopping centres, open spaces, and community centres near the flats.

Key Lessons learnt from the Singapore model are:

- Firm and sustained political will is essential for successful affordable housing provision and must be maintained.
- Integrating open spaces, community centres, and shopping centres into housing developments enhances livability.
- Combining government subsidies with compulsory savings increases housing affordability.

(**Source:** The World Bank Group Internal Research)

C. Thailand: Baan Mankong Housing Program

- This program is a leading example of successful community-driven slum upgrading and affordable housing.
- Thailand, like many developing countries, faced widespread urban slums.
- Community participation is central to the model. The Community Organisations Development Institute (CODI) introduced a radical approach focused on empowerment, bottom-up planning, and execution.
- The Baan Mankong program was launched in 2003.
- Funding was provided directly to communities, rather than to contractors or developers.
- The program significantly improved infrastructure, sanitation, and community facilities.
- Partnerships were established with local government, NGOs, professionals, and universities. Land tenure was secured through land purchase, lease, land banking, and pooling techniques.
- Over 1,000 communities were upgraded across more than 300 cities. 0,000 households benefited from the program.

Lessons learnt:

- Community: Trusting and engaging communities is essential for successful slum upgrading and affordable housing; their central role should be maintained. Land tenure encourages residents to invest in their homes and should be prioritised.
- Partnerships and networking build community social capital, which is vital for bottom-up planning and execution.
- Flexible standards and implementation methods are key to addressing informal settlements and should guide action.

(**Source:** The World Bank Group Internal Research)

D. Chile's Market-Driven Approach for Affordable Housing

Chile was among the first countries to adopt a market-driven approach to affordable housing.

Key features include:

- Subsidies to low-income families
- Incentives to private developers
- Flexible urban regulations
- The policy shifted focus from building more houses to creating better neighbourhoods and cities.
- The government shifted to enabling and facilitating housing construction, rather than directly providing or executing it.
- The private sector funded low-cost housing projects, promoting transparency and fair competition among developers to deliver quality, affordable units.
- Targeted subsidies supported low- and middle-income citizens.

Chile's Vertical Housing:

- This model effectively transforms informal settlements into planned communities.
- Each planned unit has a 36 sq. meter (387.5 sq. feet) ground floor, which can be incrementally extended with first- and second-floor additions.
- The government provided a $7,200 subsidy per unit, with each household contributing $300.
- This serves as a practical example of in situ slum upgrading.

Lessons Learnt:

- The government should facilitate and enable affordable housing, rather than provide it directly.
- The private sector requires incentives to fund and deliver low-cost housing projects and should receive appropriate support.
- One-time demand-side subsidies should be carefully targeted to improve low-income households' access to affordable housing.

(**Source:** The World Bank Group Internal Research)

E. Morocco's Villes Sans Bidonvilles (Cities Without Slums) Program

- 'Cities without slums' was a major urban policy program launched by the government in 2004 with World Bank support.
- Key features included resident relocation, public-private partnerships, subsidies for low-income households, and a participatory approach.
- Multiple housing agencies were consolidated into a single authority.
- Two mortgage guarantee funds were launched: one for low-income and informal settlements (FOGARIM), and the other for public servants (FOGALOGE).
- Ten separate housing agencies were merged under Al Omrane Holdings, overseen by the Ministry of Housing. It was initially funded by government funds, but has now become financially independent & a profitable entity.
- The program includes in situ upgrading, relocation to serviced plots, and relocation to low-cost apartments.
- A unique feature involved partnerships between two families and an investor to build a four-story apartment building.
- The two families occupy the third and fourth floors, while the investor uses the first floor for retail and the second as an apartment, receiving rent from both.

(Source: The World Bank Group Internal Research)

F. INDIA's PMAY (Pradhan Mantri Awas Yojana)

a. This is a key housing program launched by the government in 2015.

b. The program uses multi-dimensional approaches to address both demand- and supply-side issues in existing slums and new housing projects.

c. Key approaches include:

- ***In-situ slum redevelopment***: Slum dwellers receive free apartments in high-rise developments, funded by cross-subsidising commercial areas and market-rate flats.

- ***Credit-linked subsidy scheme:*** Commercial banks and building finance companies offer housing loans.

- ***Affordable housing through partnerships:*** The government launches projects through public-private partnerships.

- ***Beneficiary-led construction**: **Subsidised*** loans support self-help construction or repairs for economically weaker households in slums.

- ***Affordable rental housing: The government launched projects*** near workplaces for low-income individuals through public-private partnerships.

* These flagship projects improved over 11.8 million housing units.

(**Source**: The World Bank Group Internal Research)

G. Government of Shandong (China) Cheap Rental Housing (CRH) finance program

* States implement central government policies based on local needs.
* CRH financing sources include central government allocations, land lease income, bank loans, government bonds, profits from affordable housing, and developers' capital reserves.
* Land leasing schemes require at least 10% of net income from land use rights to be allocated to CRH capital reserves for basic costs.
* Local governments manage land directly, reducing bureaucratic delays and operational costs.
* The Housing Provident Fund (HPF) is a savings scheme requiring employees and employers to contribute, providing a financing source for CRH.

A Snapshot of 'TOKI – The Mass Housing Administration of Turkey' A Successful Model

- TOKI is a government agency in Turkey, established in 1984, that provides affordable housing solutions for low- and middle-income families. It has been playing an active role since 2003.
- TOKI acquires public land and develops housing projects in partnership with private construction firms
- The program offers flexible payment plans ranging from 10 to 20 years.
- TOKI – the government agency was given more power and authority for the successful processing and implementation of the projects
- TOKI transforms slums and shanty towns into liveable areas, thus helping improve the quality of life of the residents
- It has also played a crucial role in post-disaster reconstruction by delivering affordable housing and ensuring disaster resilience.
- Local government institutions work hand in hand with TOKI and play a critical role in identifying the target population, implementing projects, and delivering housing units to the targeted segment of society.
- The Turkish Ministry of Environment and Urbanisation (MoEU) published the Urban Renewal Strategy in 2019 with the following basic design principles to be employed in urban renewal projects:

  - ✓ Evaluate the risks of disaster and ensure the security of citizens' lives and property
  - ✓ Horizontal development and low-rise construction
  - ✓ Disability-friendly construction for easy accessibility to buildings and other areas
  - ✓ Preservation of neighbourhood culture
  - ✓ Preservation of historical and cultural heritage in areas of urban renewal

- One of the most critical factors that accelerated social housing production was the authority given to the administration for land acquisition.
- The monthly instalments for low-income groups are determined according to the public sector wage index or the consumer price index specified by the Turkish Statistical Institute (TurkStat)

Influential Initiatives Undertaken by the Current Government

A. The Prime Minister Apna Ghar Program: Ghar Ho Tu Apna

The Prime Minister officially inaugurated the Apna Ghar Program on April 30, 2026. It helps people across Pakistan buy or build affordable homes. The program covers buying or building houses up to 10 Marla in size or apartments up to 1,500 square feet, and also supports construction on land already owned by applicants. The program addresses Pakistan's housing shortage and helps renters become homeowners. Here are the salient features of the program:

- ***Eligibility:*** Only first-time homebuyers with a valid CNIC and no other home in Pakistan can apply.
- ***Loan Tenure***: Up to 20 years.
- ***Financing Limit***: Get up to Rs 10 million in a loan. Pay 5% fixed interest for the first 10 years, then the market rate (KIBOR plus 3%) for the next 10 years.
- ***Scope:*** Buy or build a house (up to 10 Marla or 2,720 square feet) or an apartment (up to 1,500 square feet).
- ***Loan-to-Value Ratio***: The loan covers 90%, and you pay 10% yourself.
- ***Participating Banks***: You can apply at commercial banks, Islamic banks, microfinance banks, and HBFC.
- ***Processing Charges***: No processing fees and no prepayment penalties.
- ***Financing Mode***: For Islamic financing, the program utilises the *Diminishing Musharakah model*, in which the bank and customer jointly own the property. The customer incrementally acquires the bank's share through periodic payments, ultimately attaining full ownership.
- ***Risk Sharing:*** The government covers 10% of the bank's loan risk.
- ***Total Subsidy***: Rs 3,219 billion over 20 years, including Rs 2,819 billion of interest help and Rs 400 billion for risk coverage.
- ***Implementing Partners***: Pakistan Housing Authority Foundation (PHAF) and the State Bank of Pakistan.

Key Benefits

- Subsidised mark-up ensures affordable, predictable monthly payments.
- Repay over flexible terms up to 20 years.
- Accessible through multiple participating financial institutions.
- No hidden charges, processing fees, or prepayment penalties.
- Supports the purchase of new housing units or the construction of homes on land already owned by the applicant, provided these fall within the specified size limits.

B. Housing & Construction Industry Relief Package

The Housing and Construction Industry Relief Package, provided by the current government, is a series of policy measures, tax reliefs, and housing finance schemes aimed at reviving the construction and real estate sectors.

Its details are described below:

- Clarification issued on Double Taxation (7F & 236C) (Removed Tax ambiguity and reduced disputes on property transactions).
- Clarified Refund of Advance Tax (Fast-track refund of advance tax).
- Reduced tax rates for Naya Pakistan Certificates (Easier tax processing supports housing-related investments).
- Introduced Online Non-Resident Certification System (Digital Certification system to reduce delays and physical visits of NRPs).
- Initiated Non-Resident Declaration Regime (Overseas Pakistanis can be treated as filers through simple declaration).
- Streamlined Currency Transfer Reports (CTRs) & Suspicious
- Transaction Reports (STRs) through the Financial Monitoring Unit (FMU).

C. Initiatives In Process

- Abolition of Section 7E of the Income Tax Ordinance, 2001 — removal of deemed tax on certain immovable properties to ease the burden on the real estate sector and encourage property transactions/investment.
- Reduction in 236C (advance Tax on property seller) to 1.5% from 4.5%.
- Reduction in 236K (advance Tax on property buyer) to 0.25% from 1.5%.
- Property Insurance @ 1% through State Life for property transactions.
- Promulgation of Foreclosure Laws to help banks recover loans.
- Establishment of Real Estate Regulatory Authority to regulate and standardise the Sector.
- Strengthening of Pakistan Mortgage Refinance Company (PMRC) to provide subsidised credit for housing loans.
- Simplification and Standardisation Review of SBP Prudential Regulation for Housing Finance- 2017.
- Real Estate Investment Trust (REIT), Market Expansion.
- Integration of Punjab Green Certification
- Introduction of Green Mortgages and Takaful-based Housing
- Insurance (Promoting sustainable housing and Sharia-compliant protection).

GLOSSARY

Affordable Housing
Generally, housing is considered affordable if the monthly rent or mortgage instalment does not exceed 30% of household income, so that essential needs such as food, education, and health are not compromised. However, one of the most reliable methodologies for measuring housing affordability is REM –Residual Expenditure Methodology. It is a measure of housing affordability which assesses whether a household's 'non-housing expenditures' (i.e., expenditures after paying for housing) fall below a minimum socially acceptable standard. If the residual (non-housing) expenditures are less than the established minimum standard, the household is considered to be experiencing unaffordable housing conditions.

Climate and Disaster Resilient Housing
Housing structures specifically designed and built to resist damage from extreme weather events, natural disasters, and long-term climate risks through the use of robust materials and adaptive designs.

Compact Development
A land-use strategy that promotes higher-density, mixed-use neighbourhoods with pedestrian-friendly environments to reduce sprawl and infrastructure costs.

Energy-Efficient Housing
Housing designed to consume minimal energy through features such as insulation, efficient windows, natural ventilation, and energy-saving appliances.

Green Housing
Housing constructed using environmentally sustainable materials and technologies that reduce energy consumption, limit carbon emissions, and support efficient use of water and other resources.

Household
A household consists of all those persons who usually live together and eat from the same kitchen.

Household Size
The number of people living in a household

Housing Backlog
The stock of housing shortage that has accumulated from previous years due to insufficient construction, population growth, or deterioration of existing housing stock.

Housing Deficiency
Housing deficiency refers to the current shortfall in adequate housing, capturing both the quantitative lack of housing units (i.e., households without their own dwelling) and the qualitative inadequacy of existing units (i.e., substandard, overcrowded, unsafe, or lacking basic services).

Informal Settlement
Informal settlements are housing units built on land that inhabitants occupy illegally or to which they have no legal claim, or as dwellings that are not in compliance with planning and building regulations.

Kacha / Semi-Pakka / Pakka Houses
Kacha houses are made from temporary materials like mud and bamboo. Semi-Pakka houses combine temporary and permanent materials. Pakka houses are built entirely from durable materials such as brick, concrete, or cement.

Katchi Abadis
Lower-standard residential areas developed without legal rights to the land or permission from authorities.

Land Banking
Land banking is the practice of aggregating parcels of land for future sale or development.

Land Hoarding and Speculation
Land hoarding is the retention of undeveloped land by owners to profit from future price increases.

Land Speculation
Speculation is the purchase of land primarily for resale at higher prices without development.

Low-Income Group
The federal government's minimum wage in Pakistan is PKR 37,000 per month for the 2024-2025 fiscal year. This figure is important because it serves as a benchmark for wage policies. In Punjab and Sindh provinces, the minimum wage has been set at PKR 40,000 per month, effective from July 1, 2025. Therefore, low-income individuals can be categorised as those having an income from PKR 37000 to PKR 40,000 per month. However, this value will change over time in accordance with the changes made by the government.

Public-Private Partnership (PPP)
A formal arrangement between a government entity and a private firm to develop, finance, or operate housing projects, with shared responsibilities and risk allocation.

Rental Housing
Housing occupied by tenants who pay rent to landlords under a formal or informal agreement, with the rental arrangement potentially regulated by tenancy laws.

Site Development Zones
Geographic areas officially designated for planned development, equipped with infrastructure and utilities, intended for structured residential or mixed-use projects.

Slums
A slum is an urban area that lacks one or more of the following conditions: durable housing, sufficient living area, access to clean water, proper sanitation and secure tenure.

Spatial Planning
The method of managing land use by coordinating the spatial distribution of people, activities, and infrastructure to promote orderly and sustainable urban and regional development.

Squatter
A squatter settlement is a residential area that has developed without legal claims to the land and/or permission from the concerned authorities to build; as a result of its illegal or semi-legal status, infrastructure and services are usually inadequate.

Subsidized Housing
Residential units provided to eligible households at below-market costs, supported by government contributions such as financial assistance, land waivers, or tax benefits.

Transit-oriented development (TOD)
A planning strategy that aims to concentrate jobs, housing, and services around public transport stations.

Urban Regeneration
The process of revitalising deteriorated urban areas through redevelopment and improved infrastructure, housing, and public spaces, while aiming to prevent resident displacement.

Urban Sprawl
Uncontrolled and spread-out growth of cities into rural areas, often characterised by low-density development, car dependency, and inefficient land use.

Vertical Housing
Multi-storey residential buildings developed to maximise housing density within limited land areas, commonly used in urban and peri-urban locations.