



## **No clear policy or legislation on housing: RAA**

### **Draft human settlement policy 2015 still not adopted**

Bhutan does not have a legislation specifically for housing development, the Royal Audit Authority observed in its performance audit.

Most issues relating to housing development, therefore, have roots in legal and policy inadequacies.

The performance audit report on housing development- adequacy and affordability, 2018 revealed that the only document that is in force is the National Housing Development Policy 2002. However, it does not have legal teeth with limited relevance.

Although the policy came into force in 2002, today, the policy is out of date with the changes that took place in the country in terms of institutional systems, RAA pointed out.

“Various provisions of the policy are obsolete and outdated including the mandates and responsibilities of regulating and implementing agencies,” the report states. “There is a lack of a strategic focus on housing development at the policy level.”

There is no national-level strategic plan for housing development with clear mandates and goals, the report states. The NHDCL’s mandate is to take care of the residential housing needs of the civil servants. There is no agency mandated to come-up with housing for the rest of the population comprising of employees from corporate and the private sector.

“Even if there are entities that contribute to housing development in the country, they work in silos and the functions are scattered without a sense of direction.”

For instance, it observed that apart from NHDCL, NPPF is taking housing development as its investment avenue, the financial institutions provide housing loans as a lucrative credit option to increase returns while the private real estate developers are also concerned about their bottom-line.

“Individual home builders are small and cannot construct at scale. This look is haphazard from a macro-economic perspective.”

This is why the report urgently suggested the need to review housing development policy. The report also called upon the need to implement the draft National Human Settlement policy, 2015.

Although the human settlement policy was drafted since 2015 and submitted to the cabinet, the policy is still not adopted and the works and human settlement ministry claims that the revision of housing policy has started. It is not complete.

According to the report since there is no legal handle, the housing policy is not likely to be implemented, which is why the draft human settlement policy has proposed for a “spatial planning Act.”

If the spatial planning is enacted, this would govern the overall human settlement planning and housing. However, housing development still merits separate legislation given the current situation, the report states.

“There is an impending need to expedite the review of housing policy 2002 and adopt the draft human settlement policy 2015,” the report states. “The draft settlement policy also needs to be harmonised with extant policies, as current housing issues require policy intervention.”

It was also revealed that both the policies neither designate nor define a clear direction to achieve a common goal of housing development. Although the works and human settlement ministry is the principal implementing the agency, in practice, the ministry does not even have a dedicated division for housing development.

If adopted, the human settlement policy, 2015 would create an enabling an environment for home-ownership, preservation and promotion of indigenous architecture and heritage sites and environment protection, according to the report.

“The policy should also be harmonised with respect to provisions of other policies like revised draft housing policy.”

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