

Building Property Inclusivity: A report on Sector Evolution & Opportunities for funders



Key takeaways

- Property holds enormous economic, social, and symbolic relevance, especially for marginalised communities in India. However, systemic issues inhibit sustainable access to property for such groups.
- Omidyar Network India has been at the forefront of enabling an ecosystem that ensures property inclusivity. In line with this vision, they commissioned a study, undertaken by Sattva, to understand India's property inclusivity landscape - its evolution from 2011 and 2021 and areas of opportunity.
- Sattva adopted an exploratory and qualitative approach for the study - developing a sector maturity LNEMT framework ('Latent', 'Nascent', 'Emerging', 'Mainstream', and 'Transformed') to track the degree of the ecosystem's maturity in confronting systemic issues pertaining to property inclusivity.
- Currently, the sector is at the 'Emerging' stage, which indicates recognition of property inclusivity challenges by the ecosystem. These challenges arise from the myriad interactions of individuals/communities from different socio-economic contexts with immovable property.
- Advancing to the 'Mainstream' stage entails building the scale of existing solutions and expanding their adoption at the last-mile. Building a shared agenda with funders from adjacent sectors will be key in enabling cross-sectoral outcomes.

In India, property – particularly land and housing – has the potential to catalyse socioeconomic mobility, improve development outcomes across interrelated areas (financial inclusion, gender empowerment, healthcare, migration and urban development) and restore autonomy over resources for marginalised communities.

However, the proportion of rural households in India that were marginal or landless rose from ~80% in 2002 to ~85% in 2018 (Ministry of Statistics and Programme Implementation, GOI, 2019) and according to the Ministry of Housing and Urban Affairs (MoHUA), the urban housing shortage across India was at ~19 million houses between 2012-2017. Moreover, discrimination against gender and other minorities remains predominant in rental markets. Systemic issues such as misaligned incentives among market and state actors, an overburdened land administration system, and varying legislative frameworks across geographies make it difficult for marginalised and vulnerable communities to own, inherit, or productively leverage different kinds of immovable property.

1. Client Brief

Investing in an enabling ecosystem that is equipped to unlock the aforementioned opportunities for every Indian has been at the heart of Omidyar Network India’s (ONI) Property Inclusivity portfolio for over a decade. The organisation partners with bold and purpose-driven entrepreneurs who are working to improve the lives of India’s Next Half Billion.

The project, therefore, aimed to study India’s property inclusivity landscape, focusing on the evolution, areas and enablers of progress, and opportunities in the sector. In addition to this evolution mapping, the project also aspired to retrospectively assess the client’s impact in this landscape and on the different actors involved, including social startups, non-profits, think tanks, research organisations, and so on.

2. Sattva’s Approach

Sattva adopted an exploratory and qualitative approach to define the property inclusivity landscape, track its evolution between 2011 and 2021, and measure the client’s impact on the landscape and its actors.

The evolution of the landscape was examined through a five-stage framework - ‘Latent’, ‘Nascent’, ‘Emerging’, ‘Mainstream’, and ‘Transformed’ (LNEMT); with each stage indicating the degree of an ecosystem’s maturity in confronting systemic issues.

Latent	Nascent	Emerging	Mainstream	Transformed
Ecosystem is unaware of the existence and extent of the challenge	Early conversations among experts to highlight the challenge	Recognition of the challenge but diverging priorities; limited/early solutions	Mainstream awareness of the challenge & targeted solutioning at-scale	A system with solutions that have obviated the challenge

To document the complexity of the landscape, interviews were conducted with sector-level experts (from the government, civil society and private sector) and the client’s grantees. Variations across states and in the experiences of different population groups were examined by triangulating data from resources such as existing landscape studies, private

databases, news articles, and white papers.

3. People and Expertise

The team's extensive experience in research was integral in designing the appropriate frameworks and capturing the relevant information to identify trends and insights about the landscape's evolution and the client's impact.

Rathish Balakrishnan, Co-founder and Managing Partner brought his expertise to the engagement as an advisor, while the project was led by Senior Consultant - Lekhya Reddy. She was supported by Consultants, Abhineet Nayyar and Sadhana Sanjay, who are adept at research and data analysis and also carry knowledge in the areas of financial inclusion, livelihoods and the laws and legislation of India's land and property landscape.

4. Beneficiary Profile

a. Geography covered

The project focused on the client's work across all states and UTs in India

b. Relevant demographic markers

Property access, ownership and security are strongly determined by the social and economic context of the individual/community. Hence five socio-economic indicators - **gender, caste, religion, geography, and economic standing** - were incorporated to capture the myriad challenges experienced in accessing and leveraging property.

5. Methodology

a. Technical details of how the project was executed

- i. Firstly, Sattva developed the sector maturity LNEMT framework that tracked the ecosystem's response to different challenges in the property inclusivity landscape
- ii. Primary and secondary information was then leveraged to track the landscape across the different stages of this maturity framework, and subsequently map all the challenges across them
- iii. Parallely, a systems' impact mapping framework was also developed and used to track the effect of the client's investments on the landscape and on the key ecosystem actors
- iv. An expert-led steering committee validated the project's findings multiple times during its course and provided critical feedback at key junctures.

- b. Duration and footprint** - The team conducted online conversations with 45+ experts over 11 months and the final report was released in March 2023.

6. Key Takeaways

- a. **Currently, property inclusivity is at the “emerging” stage**, indicating policy-level progress, widespread recognition of challenges and the emergence of early solutions (state schemes, legislations, on-ground community building). However, this stage is also characterised by high geography and community-level variances, with some vulnerable communities and geographies excluded from the ambit of existing solutions. Implementation gaps, limited last-mile access to solutions and lack of community capacity have led to siloed impact.
- b. **Advancing the sector from “emerging” to “mainstream” requires addressing 12 key challenges - caused by interlocking factors** including entrenched social norms, limitations in individual and state capacity, infrastructural constraints, a stagnant policy landscape and misaligned incentives.

PROPERTY INCLUSIVITY DETERMINANTS		CHALLENGE
 Succession and Ownership		Exclusion from inheritance
		Disenfranchisement from land ownership
 Renting and Leasing		Unavailability of affordable rental housing
		Discrimination while renting
 Usage and Transfer of Property		Restrictions on usage and transfer of property
		Forced evictions and acquisition of land
 Quality of Property		Suboptimal liveability of property
		Unresilient disaster construction
 Enabling Structures		Inefficient housing market
		Inaccurate and inaccessible record-keeping
		Exclusion from housing finance
		High incidence & pendency of property disputes

Certain challenges including ‘Inaccurate and inaccessible record-keeping’ or ‘restrictions on usage or transfer of property’ - have seen steady progress due to concerted efforts and initiatives of the government and civil society. Challenges that need to be further addressed include ‘unavailability of affordable rental housing’, ‘Exclusion from housing finance’, and ‘High incidence and pendency of property disputes’.

c. **These challenges are often more significant for some vulnerable groups** – women, farmers, transgender people, and tribal communities – than others, which underscores the need to study the sector by centering communities to enable an inclusive, equitable, and sustainable property landscape going forward

d. **Moving the sector from “emerging” to “mainstream” will entail** - Scaling feasible, sustainable solutions through **long-term**

incubatory capital, tailoring last-mile solutions to reach vulnerable communities and geographies, and building a **self-sustaining community of actors** with diverse and long-term funding support.

- e. **Building a shared agenda with funders from adjacent sectors** and across multiple stakeholder groups will be key in enabling cross-sectoral outcomes

7. Project Deliverables

The project culminated in a research report which was launched at a closed-door roundtable in Bangalore. There were over 30 leaders from property technology startups, civil society organisations, research institutes, think tanks, and a range of funding organisations that focus on areas such as gender, livelihood, and healthcare at the launch event. In addition to this, Sattva prepared a supplementary report, which carried specific insights for the client's work in the sector.

8. Impact of project/Sattva's assistance

The project led to a 'State of the Sector' report for the property inclusivity landscape and provided the client with key learnings and recommendations for their future investment strategy in this sector.

9. Highlights

Based on the project's learnings and the insights from the closed-door roundtable, Sattva and ONI are currently researching innovative and collaborative funding opportunities to accelerate the progress of the landscape in the coming years.