Social Housing in South Africa
A feasible option for low-income households?

Astrid Wicht
Architect
Development Action Group, Cape Town, South Africa

Introduction
South Africa is nearing the end of its first 5-year period\(^1\) under a new democratic lead by the African National Congress (ANC). This is after centuries under colonial, and post colonial white minority rule. The harsh laws of deprivation, armed struggle, exile, political imprisonment, assassinations, and the military occupation of the black townships has taken its toll. The struggle for a democracy based on the will of all the peoples of South Africa has been waged since the beginning of the century.

To redress the great imbalances of the past, many laws and policies have undergone radical change and have required redrafting to reflect the demands of the people that provide for fundamental basic human rights.

There have been major strategic shifts in housing policy and provision from the segregationist apartheid\(^2\) urban approach to an integrated urban development framework, as well as from the shift of the state as the provider to the private sector and the individual. This has entailed the restructuring of all levels of government and developing an enabling framework.

This process has been time consuming, and as new policies are being implemented for the first time, policy deficiencies have emerged, as the realities on the ground are not being addressed in line with expectations.

This problem is particularly pertinent to the newly introduced housing policies and particularly the social housing policy.

The paper will assess Social Housing as a particular approach to affordable housing. Based on the strength of a group or collective ownership, social housing seeks an institutional approach in accessing and managing affordable housing for low-income earners. The intention of the social housing approach is to provide low-income households with an affordable housing option, incorporating both rental and ownership tenure, as well as a host of other services which provide community development and empowerment benefits and promote a lifestyle conducive to community living.\(^3\)

The objectives of the paper are:
- To outline the Social Housing Policy under the current political and socio-economic context
- To raise questions regarding the available enabling environment and the viability issues of affordability and sustainability
- To highlight its impact on the low income housing program in Netreg, Cape Town, and
- To make recommendations in regard to the general policy and required prerequisites for the implementation and replicability of the project.

This will be based on official documents, available literature and current critiques, and fieldwork data.

General Background

The South African and Cape Town Metropolitan contexts

Figure 1: South Africa showing the nine provinces and the location of the Cape Metropolitan Region

South Africa

Geography
South Africa is the most southern country on the Africa continent. It has a land area of 1,2 million km\(^2\), and has a range of geographical and climatic conditions.

Administration
There is a national government elected every 5 years. The country is divided into nine regions, each with a Provincial tier of government.

Population
The census of 1997 puts the population at 37.8 million but is estimated at over 42 million, with a functionally

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\(^{1}\) As at April 1999, the second democratic elections are scheduled for June 1999

\(^{2}\) Apartheid was the policy of separate development enforced by the National Party in 1948 where all the different race groups were culturally, spatially and economically divided

\(^{3}\) Report of the Task Team on Social Housing, January 1998: Current Status of Social Housing in South Africa
urbanised population of 66%. With an annual growth rate of 2.27% the total population will increase to 48 million by the year 2000.

South Africa is comprised of many diverse cultures and traditions, made up of indigenous peoples, slaves from the East, and colonists from Europe. There are eleven official languages.

Political changes
Because of the apartheid policies, the international community applied pressure on South Africa by using isolation and sanctions tactics. The struggle by the mass based organisations to overthrow the racist regime intensified in the 1970s up until 1990 when the popular political parties were unbanned, Nelson Mandela and other political prisoners were released, and the exiles allowed to return.

The struggle for a democratic and social order that addressed the needs of the majority of the people and corrects the imbalances of apartheid practices was based on the Freedom Charter. This was translated into the Reconstruction and Development Program (RDP) which originated in civil society and was adopted by the ANC in 1994 as its election manifesto and the central program of the democratically elected government. The RDP reflected the demands and aspirations of the disenfranchised, a program that aimed at meeting basic needs, developing human resources, building the economy and democratising the state.

Socio-economic context
The pressures of re-entering the global economy, with a massive foreign debt and links to the World Bank’s structural adjustment programs, and the rise of a new comprador class began to erode the basic social program and a new thrust in the form of a macro-economic policy was formulated. By 1996, the RDP had been subsumed within the Growth, Employment and Redistribution (GEAR) policy.

GEAR’s principle strategies are to establish a set of macro-economic targets, which will create confidence and stability in the economy. This would then lead to increased foreign direct investments, higher domestic saving effort, greater industrial competitiveness, a tighter fiscal stance, ...., accelerated public investment, efficient service delivery. The key areas and indicators are increased job creation and economic growth, targeting an annual growth rate of 6% and 400,000 new jobs each year. Jobs in the formal sector are decreasing forcing greater numbers into the survival informal economy. An average of 3% growth rate has only been achieved since GEAR’s inception.

South Africa has a well-established industrial base in mining, agriculture and manufacturing. There is also a strong unionised work force.

With the richest 10% earning more than 50% of the annual income and the poorest 40% earning less than 4%, leading to a massive increase in the rates of crime and violence, which have plagued the social fabric and stability of the country. In excess of 40% of all households have a joint household income of less than R800 per month.

Because of apartheid education policies, there is a high level of illiteracy amongst African adults, with the most skilled being the white and then coloured peoples.

The Cape Town Metropolitan Area

Geography
Cape Town is situated on a peninsula, which is bounded by mountains to the east, the sea on the south and west, with only limited expansion opportunities toward the north, which is agricultural land producing grains. The eastern outer metropolitan region is under intensive fruit and wine producing farms.

Figure 2: The Cape Town Metropolitan Zone indicating density of human settlement

Administration
Cape Town, situated in the Western Cape Province is the legislative capital of South Africa, as well as the seat of the provincial tier of government.

Of the nine provinces in South Africa, it is one of two provinces that are not governed by the African National Congress. The National Party, the political organisation that governed by apartheid rule from 1948 until 1994, governs the province. This has had great impact on the rate of change that has occurred in the provincial and local levels of governance and the will to implement changes in line with the vision of a new South Africa.

The Cape Town Metropolitan Council (CMC) is responsible for the overall management and development of the area. It is divided into six municipalities.

Population
The Cape Metropolitan Region (CMR) has a population of approximately 4 million inhabitants comprising of 50% coloured, 27% African and 23% white. The people possess high levels of technical and vocational expertise in comparison with the rest of South Africa.

Socio-economic context
Cape Town was the first colonial settlement in South Africa, established in the 17th century as a refuelling station for the Dutch East India Company on the shipping route between the East and Europe.

The CMR has a diverse economic base in agriculture, property and financial services, manufacturing, construction tourism and the public sector.

However, unemployment is pegged at between 20 – 25%, with the informal sector contributing the largest proportion to GDP.
The South African Housing Context

The National Context
A key component of the RDP was the provision of adequate housing and the creation of viable safe living environments that would contribute to economic growth and job creation.

However, the housing problem in South Africa is reflected in, and contributes to the international housing context of 100 million homeless and 1 billion underhoused. The problem is enormous – not only in numbers but also in quality.

- Approximately 61% of all urban households live in urban formal housing or share with other families.
- Approximately 1.5 million urban informal housing units exist.
- An estimated 5.2 million households reside in hostel accommodation.
- Approximately 13.5% of all households live in squatter housing.

South African townships are racially segregated and located on the periphery of urban areas. They are characterised by sprawling low-density poor quality mass delivered houses with minimal social facilities and poor infrastructure. Squatter settlements with no services abound. This resulted from the apartheid urban and housing policies, which are reflected, in the following:

The Native should only be allowed to enter urban areas, which are essentially the white man’s creation, when he is willing to enter and minister to the needs of the white, and should depart therefrom when he ceases to minister.

The role of housing policy in apartheid meant that: What housing there was, was about control. It was about excluding people from urban areas. It was about regimentation. It was about the administration of deprivation.

Apartheid laws determined and governed where black people should live and work. The Land Act of 1913 allocated 13% of the land in South Africa to 80% of the population. All legal rights of black people were to be exercised in special areas. Bantustans were created in low productive rural areas for the different ethnic African groups. These were to provide pools of labour for the white urban industrial and rural agricultural markets.

Influx Control legislation controlled the movement of black people from rural to urban areas and were only permitted to enter an urban area if they had employment. Job reservation policies denied black people access to jobs on the open market – black people were relegated to unskilled jobs. Education in black schools was inferior and only geared to providing students with knowledge and skills for the being labourers.

The Group Areas Act determined where people could live and divided the cities into racially distinct sections – the whites enjoying the best land and proximity to all social, cultural and economic facilities while the coloured and African people were settled on the peripheries. No ownership rights were granted to blacks in the urban areas – they could only own their rural home.

Different forms of tenure rights have been adopted over time depending on the political balance of forces. Tenure has changed from no tenure and only rental – here in the city to minister to the needs of the white man, to 99-year leasehold, to only ownership – a stake in the system after rent boycotts and the destruction of township property.

The state was the main provider of black low income housing from the early 1950s to 1967 when there was a freeze on urban black housing for 12 years.

There is an estimated national housing shortage of 2.4 million units, while approximately 220 000 homes need to be built each year in South Africa to meet the needs of the population growth.

As the urban population rapidly increases through natural growth and by the migration from the impoverished rural areas, the stress on and demand for urban housing is reaching crisis point. Every available open piece of land in the townships, whether suitable for housing or not has a shack. Many people do not have access to the basic services – piped potable water, sanitation, electricity, nor socio-cultural facilities.

The Cape Town Metropolitan Urban and Housing Context
The physical layout is characterised by apartheid planning. The white residential areas are located on the

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9 Urban formal housing = houses, flats, townhouses, retirement homes with a structure that has a life span of more than 20 years
10 Urban informal housing = serviced site with ownership tenure
11 Squatter housing = invaded land, no services, no tenure
12 Township is the term used for the residential areas established by the apartheid government for the separate race groups.
13 Under the migrant labour system, men were allowed to enter into urban areas only if they had permanent employment, and they had to carry a pass book with them at all times. Massive single sex hostels were built to house these migrant workers.
14 Women were denied access to the cities and were expected to maintain the rural home.
15 South Africa, 1922: Transvaal Local Government Commission, Pretoria, South Africa
16 Slovo, Joe: address at the Housing Summit, Botshabelo, 1994
18 Bantustans or homelands were small rural areas allocated to the different African ethnic groups under self-governance or in some cases ‘independent’ rule.
most favourable land, then the coloured and Indian areas providing a buffer strip between the white and African communities. The African townships are located on the periphery of the city.

35% of people are housed in informal squatter settlements, 34% in site and service schemes, and only 31% area adequately housed.

Figure 3: Urban development along racial segregation policies

The Cape Metropolitan Region will have to accommodate almost double the population by the year 2020. The CMC recognised that if it is going to meet the challenges of sustainable urbanisation, a framework to guide the form and location of physical development needed to be provided. There are six key principles:

1. Sustainability: development depending on the balance between conflicting interests – economic growth, social justice and environmental protection.
2. Containing urban sprawl: 7 700 ha of agricultural land were lost to urban development; sufficient land exists to accommodate urban development.
3. Urban integration and denser urban structures: providing affordable and appropriate housing areas close to existing economic, social and transportation opportunities; a mutually supportive mix of residential, recreational, commercial and employment opportunities.
4. Redressing imbalances: addressing the legacy of the past racial and economic segregation.
5. Quality urban environments: to encourage personal social and economic development from the macro to the micro urban scale.

Social Housing Policy in South Africa

As social housing is one of the options offered under the governments subsidy program, it is necessary to first contextualise it within the overall South African Housing Policy.

The New Housing Policy

The Constitution of South Africa states that:

Everyone has the right to have access to adequate housing and that in order to realise this right the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

Hence new legislation and other measures have been required to provide policy and strategy guidelines to ensure the delivery of programs that enable the access to adequate housing.

Objectives

The overall objectives the government’s housing policies are to:

- Stabilise the housing environment
- Support the housing process to enable communities to, on a continuous basis improve their housing circumstances
- Mobilise private savings (whether by individuals or collectively) and housing credit at scale
- Subsidise, to alleviate affordability constraints to disadvantaged individuals and groups
- Rationalise institutional capacities in the housing sector
- Facilitate the speedy release and servicing of land
- Co-ordinate and integrate the public sector investment and intervention

Strategies

The major shift in housing policy has been from public sector driven mass housing to developer driven incremental housing which aims to attract the participation of the formal financial institutions.

Under the new political dispensation, urban and housing policies have radically shifted from the apartheid mindset to recognising that the dysfunctional and unsustainable urban areas need to be addressed with urgency. An integrated urban development framework has been established which:

- Is spatially and socio-economically integrated, free of racial and gender discrimination and segregation
- Are centres of economic and social opportunity
- Are centres of democratic, accountable urban governance, in close co-operation with civil society
- Are environmentally sustainable
- Is planned for in a highly participative fashion
- Is marked by good housing, infrastructure and effective services for households and business
- Integrates industrial, commercial, residential, information and educational centres
- Is financed by government subsidies and by mobilising additional resources through partnerships

The new housing policy is an attempt to address one of the greatest challenges facing the government. The extent of the challenge derives not only from the enormous size of the backlog and the desperation and impatience of the homeless and poorly housed, but stems also from the extremely complicated bureaucratic, administrative, financial and institutional framework inherited from the previous government.

The government has set a target of 1 million houses in 5 years and is complementary to the Masakhane campaign, which have the following key foci:

1. Housing and economic empowerment
2. Sustainability and fiscal affordability

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19 Social housing is termed Institutional Housing in the Government’s Subsidy Scheme


21 Masakhane is a campaign to change the mindset of non-payment for rates and services due to rent boycotts – a tactic of the mass democratic movement in the 70s and 80s to cripple the state
3. Hostels
4. Special needs housing
5. Urban and rural balance
6. Housing and the Reconstruction and Development Program (RDP)
7. Consumer protection and education
8. Accountability and monitoring

This is an attempt to provide an environment that addresses all the problems from the rural/urban imbalances to the disparities evident in the different types of housing in urban areas, in a manner that minimizes corrupt practices.

A key aspect of the housing strategy has placed an emphasis on economic empowerment which:

- Promotes the participation of affected communities
- Maximises job creation in the construction and allied sectors
- Builds programs for skills transfer, capacity building in the housing field
- Favours small and intermediate enterprises in the housing construction,
- Stimulates entrepreneurial development in creating new housing
- Supports the role of women in the housing delivery process

Given the severe affordability problems of the lower end of the market, the provision of end user subsidies is seen to be a vital part of the government’s approach to the housing challenge.

Coupled to subsidies is the Peoples Housing Process which maximises beneficiary input into the housing delivery process by utilising the labour of family members or mutual self-help groups instead of engaging a developer and employing a builder.

Within fiscal constraints, the government remains committed to a subsidy approach favouring width over depth. However, the housing budget in the years since 1994 has decreased from 3.4% to 1.6% of the national budget. This is indicative of the decrease in social spending, a condition of all structural adjustment budgets. This is indicative of the decrease in social spending, a condition of all structural adjustment budget. This is indicative of the decrease in social spending, a condition of all structural adjustment budget.

The following different types of subsidies are granted:
1. Project linked greenfield
2. Individual consolidation
3. Institutional (Social Housing)

The subsidy is granted to South African citizens and permanent resident holders if:

- You are a first time home owner
- You are over 21 years old
- You are married or living with a long term partner
- You have never received a housing subsidy before
- You are single, you must have dependents
- You are legally competent to contract

- Your combined household income does not exceed R3 500 per month.

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<tr>
<th>If you and your wife / husband / partner earn per month between:</th>
<th>You can get a government subsidy of:</th>
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<td>R0 – R1 500</td>
<td>R16 000</td>
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<td>R1 501 – R2 500</td>
<td>R10 500</td>
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<td>R2 501 – R3 500</td>
<td>R6 000</td>
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The subsidy amounts are made available for the acquisition of land, and building the basic infrastructure as well as the house. If the area has already been serviced, then people earning R1 500 and less are able to access a subsidy of only R8 500 per household. An additional 15% is added to the subsidy if adverse geo-technical conditions exist i.e. steep slopes or additional foundation strength is required.

Social Housing Policy

Background

Social housing is a relatively new concept within formal housing policies even though it is not a new approach in South Africa. From as early as the 1920s, social housing has been pursued formally and informally. It was used to address the issues of poverty that had arisen as a result of war conditions.

The new housing policy which rejects the elevation of individualised private home-ownership above all other forms of secure tenure has in practice not given much attention to the needs for rental and collective ownership accommodation. This has been consistently raised and is underscored by international research, which indicates that in order for the housing sector to function effectively, 30% of housing stock should be made available for rent.

The Social Housing Foundation was tasked by the Minister of Housing to review and make recommendations around the development of policy, strategy and its implementation processes.

Objectives

A key objective was the need to provide security of tenure rather than pursue any particular form of tenure. This means that the focus of housing delivery shifted from individual ownership to a range of tenure options that

22 Greenfield is a term used to describe a housing development on new undeveloped land
23 A consolidation subsidy is granted to site and service areas where the basic infrastructure is already installed and the beneficiary intends to upgrade their housing from informal to formal
24 Cross-checked against the National Register

26 The Social Housing Foundation, an independent organisation was established to assist in providing capacity building and technical support, particularly to housing institutions and other organisation involved in the delivery of social housing.
could include collective ownership, rental and leasehold.

The Strategy
The following definition has been proposed and accepted as a basis for policy formulation and implementation processes and procedures:

Social housing is a value-based or normative approach to housing, implying affordable, suitably located, quality housing, and accommodation within a legal entity. The residents of a social housing project are meaningfully incorporated in the management of their housing and living conditions, and have significant legal rights in the institution through which their social housing stock is provided. Social housing can be defined in terms of three components, namely:

1. The social housing approach, which:
   - Is based on a long-term commitment to the provision of housing on a sustainable basis
   - Involves residents in the financing and management
   - Provides a framework which empowers residents to exercise their rights
   - Addresses broader “quality of life” needs

2. The social housing product:
   - Is primarily residential housing
   - Is subsidised with the government’s subsidy
   - Meets suitable quality standards
   - Provides secure tenure to its residents
   - Is suitably located to all socio-economic opportunities

3. The social housing institution:
   - Is legally constituted and registered
   - Conforms to criteria in the implementation guidelines
   - Is financially viable and sustainable
   - Is structured to address the ongoing housing provision
   - Involves community participation and incorporating residents
   - Provides for the relevant training of its members

Actors
The government within the different tiers has different roles and responsibilities where the national, provincial and local government shall:

- Promote the establishment, development and maintenance of socially and economically viable communities;
- Promote the empowerment and participation of all the relevant stakeholders in the housing development process;
- Maximise the involvement of the community in a way that leads to the transfer of skills and the empowerment of the community;
- Creates an environment in which all role players meet their respective obligations.

1. National government
   The new housing policy is premised on central government withdrawing from housing provision and being responsible for enacting laws that meet the intention of the Constitution of South Africa, and the formulation of policies that establish frameworks and guidelines for implementation. Budget allocations in line with the policies need to be provided that ensure the effective institutional capacity, resourcing and management, as well as providing a subsidy to meet the needs of the lowest income households.

2. Provincial government
   Provincial government is the regional regulator and allocator of funds. The Provincial Government is responsible for the implementation of the housing policies. The National Budget is allocated proportionately to the provinces depending on the development needs. A key function is the approval of housing project applications, disbursement of subsidies, and the monitoring and evaluating of housing delivery.

3. Local government
   Local government has a specific and demanding task to provide an enabling framework that will create and maintain a public environment conducive to viable housing development. A key responsibility is facilitating the implementation of housing delivery.

4. The community
   The government is committed to high levels of civil society participation in and accountability of all levels of governance. However, the responsibility begins to rest entirely on the low-income households for their own housing provision.

5. The Non-governmental Organisations
   NGOs have played and continue to play a key role in broad range development programs in South Africa. During the apartheid years, there was a rapid rise in the number of NGOs that provided support to the mass democratic movement (MDM) in its struggles against the racist regime. NGOs part of the MDM were well funded by foreign donors in their support for change.

   There are a number of NGOs who provide support, training, technical expertise and other resources to communities active in the housing sector.

Problems and Perspectives
Assessment of the Housing Policy
The key objective of the housing policy is to address:

- The poverty and vast disparities in wealth, and the distribution of and access to resources
- High levels of functional exclusion in all sectors
- The lack of quality living environments

27 Cited in Marais, H: The Voluntary Sector and Development in South Africa
28 Social Housing foundation: The current Status of Social Housing in South Africa
29 South African Housing Bill of 1996
30 MDM was an alliance of all the progressive forces that struggled to make the racist government ungovernable.
The inefficiencies of our towns and cities

A campaign of constructing 1 million houses in 5 years.

Careful consideration should be taken as to the opportunities and constraints of the particular period in which any strategies are designed and implemented. Strategies have to be matched with the financial and human will and the capacity to implement them.

Housing strategies should not be premised only on beating the backlog with speedy delivery—the numbers issue, but should also be critically addressing the quality of life, capacity building and maximising participation.

No mechanisms have been put in place to prevent downward raiding, particularly in areas where infill and new housing is well located and has provided better access to jobs, shops etc.

The rapid release of land has not been actively or creatively addressed. This strategy remains within the realms of policy discussion only.

The complex process and constantly changing guidelines inhibits communities accessing subsidies and makes them reliant on developers or NGOs for support.

The rapid construction of thousands of matchbox houses does not address the right to environments, which are not detrimental to our health and well being nor which promote the establishment, development and maintenance of socially and economically viable communities.

**Affordability**

Little attention has been given to the limited consumer affordability to build a formal house, let alone the cost of loan financing. The subsidy amount requires top-up financing in order to produce housing that is not a "varkhok". This is an inhibitor of large-scale market delivery of housing.

The subsidy amount has not been increased since it was implemented—cost of living increases and inflation have increased dramatically over the last five years. The subsidy therefore sees the production of smaller and smaller units each year.

The financial institutions have not met their commitment to making loans available to the lowest income households and have continued to redline areas.

No effort at intervention in the construction, materials and developer sector to uphold its commitments to making a contribution to the housing problem—profits are seen to be too small, and therefor not a viable activity area.

The public and private sectors have not made funding available to build capacity to ensure capable partnerships, and the necessary skills required to implement and manage large-scale housing delivery.

The slow rate of processing applications within the Provincial Housing Boards decreases the size of the unit that is able to be built due long periods of waiting, which in turn increases the material and construction costs.

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**Key Issues, Opportunities, Problems and Constraints of Social Housing Policy**

The strategic intention of social housing is to provide another tenure option for low-income households beside the one plot, one house ownership approach. It also is a vehicle for facilitating the urban regeneration of inner city densities, as well as an attempt to meet the needs of the poor who are flocking to the cities.

However, since the institutional subsidy became available in November 1995, approximately 3000 subsidies have been approved (but not awarded), while approximately 350 subsidies have been awarded to existing institutions.

The slow development of the social housing industry has been hampered by the following four factors:

- The policy, regulatory and financial framework is currently inadequate to facilitate the emergence of a vibrant social housing sector.
- Social housing organisations require extensive capacity building in the very early stages of their initiatives, so that they can access the various resources, which exist. Insufficient mechanisms exist to facilitate this process.
- The lack of consensus on a definition for social housing means that there is no single groundswell of activity. The variety of initiatives currently underway has meant that a "social housing model" in the South African context has not been developed.
- The policy focus on ownership as the favoured tenure option has meant that other forms of tenure such as rental have historically received less policy support.

A great opportunity for social housing in South Africa presents itself in that it is still very new and little precedent has been established. This allows for the exploration of the feasibility of a variety of options and models, unhindered by too tight controls.

**Community Perceptions**

Social housing has been poorly marketed as another option of housing able to be accessed via the go vernments housing subsidy scheme. This has fallen short not only with communities but also with institutions involved in the delivery of housing.

Because apartheid deprived black people of home ownership, the perception remains that any form of tenure other than private ownership short-changes the occupant. State-owned black rental housing stock was seriously neglected and has therefore developed a stigma around rental.

**Administrative**

There is a need to shift perceptions away from public rental housing being the example of social housing, which was administered in a very poor way resulting in deteriorating slum conditions.

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31 Downward raiding—when people of higher income access housing for the lower income market and then speculate.

32 'varkhok'—Afrikaans for pigsty

33 This is due to bureaucratic backlogs and insufficient capacity of the housing institutions.

34 Social Housing Foundation: The Current St atus of Social Housing In South Africa
Housing Association management expertise and skills are critical aspects for the success of social housing and if capacity is not developed from the outset similar slum conditions will result. Institutions that are able to provide training need to develop appropriate programs, as well as the training being built into the project cycle from an early stage.

**Legal Regulatory Framework**

In South African law there is no legal vehicle known as a “housing association”. Therefore, a housing association can take a number of legal forms:

- A public company with shareholding
- A private company
- A co-operative
- A section 21 company
- A communal property association

The laws, which form a regulatory framework for social housing organisations, are consequently not housing association specific. However, there does exist a collection of policy guidelines, credit criteria of the government established National Housing Finance Corporation (NHFC), and laws which impact on housing institutions. These include:

- The institutional housing subsidy guidelines
- Credit criteria laid down by the funders (particularly the NHFC)
- Enabling legislation in terms of a housing institution being established
- Tenure legislation
- Tax legislation

This does enable the exploration of new options or enhancing existing forms of associations. Collective or co-operative housing associations do not require such high management and administrative costs.

Social housing that provides rental as an option will also go a long way in providing much need rental stock for young families, as well as addressing the migrancy issue – people who own homes in the rural areas, their traditional home and who come to the city to work. The criterion for subsidies does however exclude single or groups of single people like students.

**Financial Mechanisms and Affordability**

For social housing organisations, finance is a critical aspect for the initial start-up and pre-start phases of the project cycle. Without any finance, a track record on finance management cannot be established – a catch 22 situation arises. The availability of surplus capital for collective housing savings is limited, and requires some years to build up a sufficient sum.

From a financial perspective, social housing is still a new concept and traditional financial institutions are inexperienced with low-income housing finance. Appropriate credit instruments need to be developed. As experience of social housing associations has not been established, the perceived element of risk is high.

The main players in the financial framework are the National Housing Finance Corporation (NHFC) and its Housing Institution Development Fund (HIDF), the National Urban Reconstruction and Housing Agency (NURCHA), the Home Loan Guarantee Fund and the Social Housing Foundation. Each provides different components of funding from grants for capacity building to providing guarantees. In order for housing institutions to access funding, they are required to prove a high level of organisational capacity.

Finance is not equally accessible for the different stages in the housing project cycle. Where finance for the building and construction phase is available, it is difficult to secure funds for the pre-start up, conceptualisation processes, for capacity building and training and for ongoing management. This mitigates against an integrated approach where the beneficiaries are able to be adequately equipped to be part of the program at all stages and establishing a longer term sustainability.

The availability of and mechanisms to access and mobilise additional financing is still difficult. However, loans are more easily accessible through an institutional approach than for individual low-income families but with the high interest rates, it impacts on the financial viability.

The Institutional Subsidy does provide the full subsidy of R16 000 for income earners up to R3 500 joint income per month and differential allocations are not made according to the different income bands. Additional finance however is required to be added either through loans or savings.

Rental is an important form of tenure in developing countries because falling real income, rising costs of building materials, combined with the increasing scarcity and rising prices of well located land has made the ownership option unaffordable for many households. Rental housing should provide low-income households an affordable entry point into the housing market.

If innovative methods for cross subsidisation, additional subsidies, and affordable loans are not sort, then social housing will only have a future for the upper low and middle income groups.

**Land Issues**

Land availability is not specific to social housing only but low-income housing in general. Many laws have had to be repealed and new laws passed in order to overcome the obstacles of the apartheid laws in terms of access to land and rights of ownership in relation to land.

Apart from the legal aspects relating to land, the two critical factors, which need to be addressed, are the availability and the cost of land. No comprehensive registers existed. Mechanisms exist where land can be expropriated but the cost is determined at the market value. The cost of suitably located land close to jobs and other social facilities is therefore very high and impacts on the ability to deliver housing at affordable levels.

Land audits and rapid land release programs need to be addressed with urgency.

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35 Social Housing Foundation: The Current Status of Social Housing in South Africa

36 Pikholz, Rental housing: the internal experience – an overview
Design Issues
An important characteristics of social housing is its concern with the social aspects of providing physical living environments that enable the achievement of social goals. The design needs to suit the needs of the residents.

With the subsidy amount only being able to provide a starter / incremental type house, additional finance is a pre-requisite to providing adequate housing.

Where new housing is provided via the housing subsidy scheme, there is considerable resistance to units, which are not free standing. While social housing is not by definition high density, the restrictions on finance and affordability would necessitate higher densities for social housing. A big challenge is changing attitudes towards a higher density type of housing.

Many complex design considerations need to be considered, including:
- the scale of the project, modes of access and circulation,
- spatial layout of the housing area – maximising collective space, orientation, etc,
- spatial layout of individual units – maximising internal space, thermal efficiency, etc,
- levels and quality of finish – short term capital cost savings against long term maintenance costs.

All of the above must be considered to keep the unit costs within a very tight budget.

The Netreg Housing Project

Introduction
It is then within this context that a sustainable program for the delivery of affordable housing and community upgrade, an increase in economic opportunities and the development of new skills and capacity for the Netreg residents needs to be developed.

The Netreg Civic Association’s Housing Project has initiated a program but it is still at the beginning of the feasibility phase, where the goals still need to be developed which meet the needs of the whole community.

Location and Physical Description
Netreg is situated on the Cape Flats, a sandy low-lying area that links the peninsula to the mainland. The Western Cape is a winter rainfall area and with a high water table, the Cape Flats buildings have a problem with rising damp. It is very exposed to mist and the prevailing summer south-easterly and winter north-westerly winds.

Figure 4: Locality of Netreg in the Cape Metropolitan Region

Netreg is a well located centrally in the inner Cape Town Metropolitan region. It was established in the 1960s as part of a new coloured township after the forced removals under the Group Areas Act of black communities from the centre of the city.

Figure 5: The local physical context of Netreg
Figure 6: A view of Netreg

Netreg is bounded by and locked in by the N1 national highway (Settlers Way) to the south, a regional distributor road to the west and north (Modderdam Road), and a suburban railway line to the east. Access to the area is by a single entry road under the Modderdam Road bridge, which in turn is accessed by a circuitous route through the neighbouring township of Bonteheuwel. There is no pedestrian access across the two main roads to reach neighbours, schools, transport or shops.

Housing Conditions
Netreg is a typical residential township in its layout and house type. It was built by the Cape Town Municipality as rental stock. It has 248 formal housing units - 56 single storey row house units of 4 dwellings each, 12 newer infill double storey duplexes of 2 units each.

Almost all plots have a single backyard shack, with some having two and more, approximately 150 of these backyard shack are sublet to non-family members.

The row houses are 36m² on 225m² plots with 3 rooms and a kitchen with an external toilet facility. Each house is electrified and has an internal water point in the kitchen. The duplexes are 42m² with a lounge, kitchen and bathroom on the ground floor and 2 bedrooms on the first floor. These were built in 1980s to provide additional housing in the area.

There is one formal shop, two church buildings, a primary school, and a small community hall. Recreation facilities are limited to a children’s park with poorly equipped and maintained play equipment, an undersized soccer field and a netball court.

The majority of households is in rent arrears and have not been able to take up the option of private ownership. Only 30 households have taken private ownership with the new capital subsidy scheme. This transfer is only possible if all rent arrears have been paid in full.

The area is characterised by rundown houses, and low service maintenance – unrepaired roads, sand filled gutters and streets, and consequently blocked stormwater drains. Household refuse is collected only once a week – garbage which now looks like a dump.

37 Rent and service costs boycotts have been a powerful political tool used since the 1970s due to the highly politised issues of housing.
38 The Capital Subsidy Scheme is part of the governments’ program to assist people living in rental housing to acquire ownership.
39 All rental stock are supposed to be maintained and repaired by the Local Authority.
Socio-economic Context
Netreg reflects the prevailing conditions of all working class areas in South Africa. Household occupancy rates range between 5 to 8 people. Extended families lack privacy, and coupled with overcrowding, it creates volatile living conditions.

Because of the scarcity of housing and the long waiting lists, the majority of families have been in the area from since 19960. Houses are passed onto the next generation. Despite the dislocations caused by forced removals, new social networks have been re-established.

There is a high unemployment rate and people have to enter into the informal sector to survive – vegetable and fruit hawking, home based sewing, the recycling sector, catering, and spaza shops. Shebeens, prostitution and being a member of a gang are becoming better options as they provide a regular income. The sale of drugs, and laundering guns and stolen goods are a norm in the daily life of the area.

Part time domestic work and piecework provide little job security. Those who are employed work in low paid public sector jobs, the textile, and the construction industries. The majority of households earn less than R1500 joint income per month, and many families depend on income from backyard tenant’s rents, and state grants.

Social dysfunctionalities prevail. Family violence, rape and incest are rife. Alcoholism and drug abuse is high. Access to guns on the black-market is easy and cheap.

But despite the discriminatory practices and policies of the past and the current stressful environment, the community has mobilised and organised around their needs and demands, and translated these into programs of action.

Figure 7: Housing conditions in Netreg

Development of the Netreg Housing Project

History
Netreg Ratepayers Association began to address the shortage of housing as far back as 1988 when they approached the Cape Town City Council to assist them in accessing the vacant portion of land, zoned road reserve, to the west alongside Modderdam Road.

The Council prepared a layout plan for 78 single dwelling units on 150m² plots and consulted with the various Provincial and Local Governments around land acquisition and project financing.

With the political changes occurring at the end of the 1980s and early 1990s, and some corrupt practices in the Netreg Ratepayers Association, the project was shelved. The Ratepayers Association was disbanded.

In 1992 the Netreg community took a resolution to form the Netreg Civic Association, a South African National Civics Organisation (SANCO) affiliate.

Many different issues around the community infrastructure and environment were raised in a mass meeting:

- overcrowded and insufficient housing stock;
- poor maintenance of the rental houses, roads, and stormwater system;
- lack of a pedestrian access to transport points, shops and schools;
- no security fence around the area;
- and minimal and badly maintained play parks and recreational facilities.

The Netreg Civic then also formed different subcommittees pertinent to their needs, concerns and demands, one being the Netreg Civic Housing Project to co-ordinate the housing development program

Strategy
The main objective of the Netreg Housing Project is to access the piece of land adjacent to the existing area and construct new housing for 150 backyard shack dwellers.

Their strategy was to engage the services of a local housing and development NGO, Development Action Group (DAG) to assist in accessing the governments’ subsidy, and provide organisational and technical training and support.

Through a workshop program, members of the community were informed of what is available in terms of subsidies, the options and shortfalls, house types and costs, the financial implications, and the requirements, roles and responsibilities of the different stakeholders.

An initial feasibility assessment of the project and its capacity, the community conditions and risks, needs and demands, and an initial socio-economic survey were conducted.

Meetings were set up with the Tygerberg Local Authority (LA), Netreg and DAG to establish the process required to proceed with a project of this nature.

The housing committee restructured itself and formed three subcommittees - organisational education and training, technical, and finance.

Meetings were also held with the local sports club to discuss the relocation of the soccer field as it is located on land that is better suited to housing.

Current Status of the Netreg Housing Project
The LA was not prepared to address the issue of land release on the basis that the housing program would not be financially viable, and that there was available

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40 Spaza shops are home based cafes selling general produce, or often specialising in a particular items i.e. butchery.
41 Shebeens are home-based pubs and games rooms

42 SANCO is a national federation of community based civic structures which organise around issues specific to each community – housing, health, security etc
43 the financial viability was determined on the basis of the 78 single dwelling plots at the cost estimated in 1989 x the inflation rate over 9 years
housing in Delft. Members of the community stood their ground and were adamant that they would not to be moved yet again, disrupting their well established social networks, and having to carry the extra costs of transport from the periphery to points of work, shops, schools and friends.

A decision was therefore taken by the Netreg Housing Project to prepare an alternative plan and house design that would be costed to test the financial feasibility of the new housing development, and in so doing hope that the LA would then consider the release of land. The community selected the Social Housing option as it provided an opportunity to:

- take control and manage their own housing and community more collectively
- to access the maximum subsidy for all families earning less than R3 500

The community also realised that the subsidy was merely start-up capital and it would not be sufficient to provide a house to accommodate their needs. A decision was taken to start a community based savings club that would be managed by the finance sub committee. Members contribute what they can on a weekly basis.

In order for the entire project to proceed effectively, new knowledge, capacity and skills are required. A training program was drawn up and members attended a range of courses and workshops that included: setting up and running a community savings group, organisational development, leadership and negotiation skills, roles and responsibilities of committees.

### The Design Proposal

Without land it was clear to the community that there would not be a project. And as the project is still in the feasibility phase and is exploring the financial viability of the new housing development program, consultative workshops were held to derive a brief from which an initial proposal could be prepared. An initial layout plan was prepared, and higher density type of cluster units designed to test the densities and construction costs.

As land fill and infrastructure costs are high, the proposal located all the units alongside the existing periphery roads in order to maximise the linking into existing services. The housing layout plan provided 152 units of two-storey cluster housing types.

The housing units were placed to create a three-sided courtyard to provide enclosure and street visibility. Basic building materials, finishes and standard components were used to minimise costs.

The following were considered in the design:

- Land slope and location of units to minimise fill
- Minimising roads and service lengths
- Rerouting the open channel storm water system
- The relocation of the soccer field
- The highway and noise factors
- Environmental greening
- Security of the housing areas
- The creation of safe play areas
- The orientation of the units to maximise passive thermal capacities
- Long term maintenance
- Thermal efficiency of the units

The design was completed, a civil engineer and a quantity surveyor contracted at risk.

Reports and costs were prepared and presented to the community. The initial estimated costs of R7 103 per unit for the infrastructure development was well within the feasibility range of between R7000 and R9500, leaving a residual of between R8000 and R9500 for the ‘top structure’.

The provisional cost estimates for the cluster units were not so favourable, based on a rate of R1600/m² - a 2-bedroom unit of 40m² would be R64 000 and a 1 roomed unit of 28m² R44 800, excluding the cost of land and infrastructure development. This puts the affordability well beyond the reach of low-income households where the subsidy is only R17 500. This requires a monthly rental in excess of R500 per month.

At the time of writing, a report has been prepared and a request to the LA to set up a meeting to present the infrastructure development proposals to unlock the land.

### Actors

At the project level, it is essential that all role-players contribute in a co-ordinated and an integrated manner, with clearly defined roles and responsibilities.

1. **Provincial Government**

At the project level, the provincial government is responsible for approving all applications for government subsidies in line with the guidelines, and allocates funds to an account administrator. Implementation is then monitored and evaluated.

2. **Local Government**

As part of the new political dispensation, metropolitan municipalities were rationalised, restructured and boundaries redrawn to address the imbalances of the past and exclusion of African townships in the municipal boundaries.

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44 Delft is an example of the worst resolution to mass housing delivery laid out in row upon row of urban monotony, are 20m² with one room and a small bathroom with no fixtures, and very poorly built. The contractor has been taken to court over the quality of construction. It is situated on the urban periphery.

45 A participatory design workshop will be facilitated only once land has been made available.

46 For construction by medium to large scale contractors

47 A technical term used when coupled with infrastructure

48 An Accounts Administrator is an approved accountant, bookkeeper or lawyer who manages the finances on behalf of the project.
structures. Within the strategy of decentralisation, the local authority is responsible for being more actively involved in the facilitation of housing delivery projects and providing an enabling framework.

Netreg now falls under the Tygerberg Municipality, which previously managed only a white group area. It is divided into a further 5 sub regions, each having sub departments, which then have local housing offices, which are responsible for the management and maintenance of their communities.

The restructuring and establishment of relevant new departments like housing has taken time and as of March 1999 posts are still vacant.

The Housing Department falls under the Department of Community Liaison and Development. All communities wishing to take up issues with the LA are required to process their requests through this department. Requests are then routed to the relevant departments.

The main areas inhibiting the formation of an enabling environment within the LA to meet the challenges and the demands of communities are:

- The lack of capacity and sufficient resource allocation to manage the new decentralised roles and functions
- The task of formulating new policy and the establishment of frameworks
- An old-guard conservative bureaucratic mindset
- Poor coordination internally and externally, networking with other LAs
- Housing projects have to engage with the a complex range of departments.

3. The Non-governmental Organisations

Development Action Group (DAG) is one of a number of NGOs working in the housing development sector in Cape Town.

DAG is an NGO working with communities and their democratically elected committees in the area of housing and development in the Western Cape. It works with community-based organisations primarily in the metropolitan region. Its mission and goals are to generate and promote creative, people-centred housing and development projects and processes that:

- build peoples skills in planning and running projects
- facilitate the redistribution of resources to people who need them most
- promote democracy

A project cycle has been developed to provide a framework for the housing delivery projects.

1. The Community

The community is not homogenous with all the same interests and goals. The Netreg Civic Association Housing Project has a difficult task to provide leadership that translates the demands, needs and the will of the people into an appropriate development program.

2. The private sector

Once the project has demonstrated its feasibility, and prepares to implement, a range of other key actors from the financial institutions, engineers, quantity surveyors, the construction industry, building materials suppliers, and training institutions will either become part of the project team or provide essential services.

Lessons Learnt

Through this process, many issues began to emerge that indicated that a broader approach would need to be considered and developed.

Members of the community that were not resident in backyard shacks but living in overcrowded conditions began to raise a problem as to their exclusion from the process.

It was also realised that if the backyard shack dwellers were to be re-housed in the new housing area, new tenants would just replace them, therefore not resolving the problem.

If land is to be released, the affordability issue will have to be addressed. Innovative cross-subsidisation will have to take place as it is evident from the building costs that it is beyond the abilities of the lowest income families only to be housed in the new development.

The challenges for the project is gaining access to the land, which is zoned road reserve, developing a viable plan, and addressing the waiting lists. More problems emerged during this process beyond the initial objectives and brief:

1. Land, housing and infrastructure

- insufficient housing to relieve the overcrowding in both formal and informal housing
- poor condition of existing housing
- lack of social facilities
- the blockages to accessing and information on adjacent vacant land the land

2. Organisational capacity and resources

- lack of organisational capacity and skills to manage a program of this scale and complexity
- lack of LA capacity
- inability and unwillingness to form partnerships
- mobilisation and active participation of community members beyond a core group

3. Financial

- high levels of unemployment
- low affordability levels
- slow rate of savings capacity

4. Partnerships

- unwillingness of the LA to forge a partnership around addressing these issues
- lack of focus and extended timeframe due to project overload, and insufficient skill and human resource capacity within the NGO

With this new understanding, the housing program needs to be developed such that it goes beyond addressing

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49 African townships were governed and regulated at the provincial level.

50 Housing waiting lists were established by the different local authorities for the allocation of houses to people in an attempt at fair allocation.
numbers only and provides an example of an alternative, innovative approach. The opportunity presents itself to implement a pilot program that is replicable in its principles but flexible to meet the specificities of different contexts and conditions.

The housing problem of a community of this nature – the small scale, land locked and distinct, requires to be addressed as a whole, and planned in phases that are achievable. This will provide the opportunity to build on the existing economic necessities – income from rental, the provision of physical spaces for new income generating opportunities and not disrupt the existing social fabric.

Social housing under the current constraints of high interest rates and high cost of construction is not affordable for the lowest income households where a maximum of 25% of income can be budgeted toward housing costs.

Training programs need to be developed that address the limited experience that exists amongst low-income households of the complexities of the housing market. The social housing policy affords the opportunity that is collectively controlled allowing for the exposure to and knowledge of the housing market to increase.

This however is not an easy task, particularly in a context where amongst many hindering factors, popular expectations have been high, and dependencies created, responsibilities for community development abdicated to the state, and crime and violence a pervasive element of fear that splinters and immobilises the community.

A process like this, recognising the potential for conflicts amongst the disparate groups and interests can, if well designed and facilitated, also be an opportunity for the building of a cohesive community and thereby providing a valuable model.

Recommendations

Social Housing Policy
Assessing the current housing and social housing policies it is clear that:

- Social housing provides an alternative option to only ownership, and within social housing the choice of rental only or rental to ownership. All types have their pros and cons and communities need to be clearly informed as to enable the appropriate choices to be made.
- A development approach that is SMART and effective, and has people centred development as a core goal needs to be developed that challenges the profit driven market forces.
- The constant amendments to policy and guidelines does not allow the appropriateness, applicability and implementation to be evaluated.
- The complex procedures and processes need to be made more accessible.

Smart stands for sustainable, measurable, appropriate, resourceful, and time bound

The opportunities at this juncture are open for housing associations, local authorities, and support organisations to explore viable alternative options, as few precedents have been set.

Policy formulation requires a more consultative and participatory process, particularly from civil society. Accountable and transparent monitoring and evaluating systems need to be established.

Policy guidelines should provide a framework and not be prescriptive which inhibits flexibility and innovative solutions.

Land audits for the rapid land release land program needs to be speeded up and new land made available.

Marketing and information dissemination to ensure greater public awareness of the options needs addressing to create an informed housing market.

Strategies
The challenge to move from policy rhetoric to effective implementation programs is the real test of appropriate strategies.

Finance and affordability:
- Both the financial institutions, and the private developers and large construction contractors are driven by high profits and need to uphold their commitment to seeking solutions. Possible incentives need to be explored.
- An innovative tenure system that allows the continued income of rents from tenants
- Cross subsidisation, income generating opportunities, and the lease and rental of commercial property and land will need to be factored into the design to provide income for the ongoing operational costs of the housing associations
- Land needs to be subsidised rather than sold at market forces.
- Mixing different income levels in a housing association alleviates the single class neighbourhood.
- The feasibility of affordability levels needs to address short and long term household budget constraints.
- As loans require secure employment the creation of economic opportunities are essential.
- Savings prior to construction would shift to loan repayments minimising the ability to for surplus capital to continue the incremental house process.
- Other forms of credit need to be explored as well as extending subsidies to infrastructure.
- Easier access to start-up grants for training are essential for a good foundation in terms of preparing communities to take control of decision making processes and capacity to manage the entire delivery and post construction process.

Integrated development
- An holistic development program that addresses the entire communities housing problems in an integrated and phased approach needs to be considered – not only new housing but an upgrade of the existing and the infill
densification process that will upgrade the backyard shacks into formal adequate houses.

- A comprehensive socio-economic survey and needs assessment needs to be conducted in order to provide accurate base data on which to plan a viable program.
- To conduct a needs assessment to determine expectations, and evaluate needs against what is possible
- The building of capacity to provide marketable skills in housing program planning and management, construction skills, leadership and civic capacity would all contribute to bottom up processes.
- NGO capacity, and skills for large scale development need to be enhanced, and integrated project teams built
- The need to explore and encourage self-help and mutual group construction processes
- Education with production labour intensive processes should be used employing local labour in skills and job creation programs
- The project cycle process specific to social housing needs need development

**Participation**

- There is a need to mobilise, inform and involve all sectors and members of the community to minimise conflict.
- The LA, the NGO and other professionals need to seek better partnership processes.

**Roles of Different Actors**

The Netreg Civic Associations has a critical function of leading the community driven housing process. In a highly politicised nation, power struggles are a constant threat to organisations. Accountability and transparency are key areas to be developed. Engaging all members at all phases encourages high levels of participation in seeking solutions to their own problems.

Community based organisations are key to pushing the state at all levels to perform in line with the demands of the people.

Unlocking bureaucratic bottlenecks at the provincial and local levels are key to a higher turnover time of project cycles.

The NGOs survival is still dependent on donors and determined by their programs. NGOs shift to cost recovery requires innovative cross subsidisation approaches so as to not further exploit low-income households.

The development approach of NGOs should be based on a participatory people-driven process that collectively determines goals and programs, and is not prescriptive.

To provide education and training programs that prepare the committee and community to manage a housing delivery process in all its complexities, particularly conflict.

**Design requirements**

- In order for appropriate housing to be designed that suites the needs of the community a detailed socio-economic survey need to be conducted that provides information on existing cultural spatial uses.
- A skills audit to determine the available skills in housing management and construction will assist in integrating capacities into the program
- To explore the impact of higher densities changes in the community
- The need to develop participatory house design processes that involve the whole
- To provide a phased development for the provision of new, and infill densification, as well as the upgrade of existing housing.
- To integrate economic and environmental issues at the outset rather than as an add on – greening, environmental and waste management, security, safe playing areas, sport and recreation, social facilities, economic opportunities.
- To design for the provision of spaces that can be used for income generation – either as part of the household or as separate spaces.
- To maximise passive solar design, and design for and specify thermally efficient materials
- To design units to modular standards to minimise waste.

**Summary**

As the policy has shifted from the state as the provider to the market (who are not interested due to low profits), the individual household has had to assume greater responsibilities for and involvement in the provision and financing of their homes.

To achieve this, housing projects require new capacities to manage and implement housing development programs.

As low-income communities enter into the housing market for the first time, a facilitating and enabling environment must be created to nurture this. Currently the provincial and particularly the local governments have not achieved this goal. This is inhibiting projects that are prepared to take the challenge and actively participate in the provision of housing and the development of their communities.

An integrated development program therefore requires to be formulated that is able to build on the positive elements, and at the same time, challenge the shortcomings of the housing policy and practices in general and social housing in particular.

However, programs for integrated development become increasingly more difficult to implement, as communities become less trusting and more dysfunctional as the scramble for minimal resources increases.

The units as they are currently planned will not be affordable to the lowest income households. A key challenge to architects is to design higher density housing that is able to grow incrementally over time, as additional finance becomes available to families.

Financial institutions need to commit themselves to developing mechanisms for low-income households to
access loans at affordable rates. The complex arrangement of funding mechanisms and the large numbers of financial institutions inhibits easy access. The process needs simplification.

In order for social housing to be sustainable in the long term, the capacity of the housing project and the development of skills to manage the future housing association are going to be critical. Training and education programs need to be developed for the CBOs, the LA and for the NGOs or other institutions engaged in the training. Leadership skills and negotiating skills are key components of this in order to deal effectively with power struggles within the community, the public sector, land, professionals and the construction industry.

A project cycle that is specifically geared to social housing and not housing delivery in general needs to be developed. It should engage the whole community in the key decision making processes, which builds a strong leadership and develops a core group that is able to manage the day to running of the program.

The opportunities at this juncture are open for housing associations, local authorities, and support organisations to explore viable alternative options, as few precedents have been set.

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