

Government in race to meet housing demand

Compiled by the Government Communication and Information System

1 June 2012

Source: 7thSpace.com

Pretoria - The government has remained upbeat that it will meet its housing delivery commitments amid a soaring demand for houses in the country.

A Mid-Term Review report, released by Minister in the Presidency responsible for Performance Monitoring and Evaluation Collins Chabane on Friday, indicates that South Africa's nine provinces have since 2009 delivered 83 412 serviced sites for the relocation of households living in informal settlements.

In addition, the report says, 19 of the 45 priority municipalities, identified by the Human Settlements Department, have upgraded, established or formalised informal settlements in their areas.

However, there were significant technical capacity constraints in provinces and municipalities, with concerns about whether the targets for upgrading the country's informal settlements are going to be met by 2014.

In 2009, the Department of Human Settlements committed itself to improving the quality of life of 400 000 households through upgrading informal settlements in 45 priority municipalities. A target was also set to stimulate growth in affordable home ownership and the rental market. To enable more integrated planning of human settlements, officials said 27 municipalities would be accredited to carry out the housing function.

But, the report on Sunday points to systematic failures in the delivery of housing in South Africa with concerns that delivery was not meeting the expectations of the poor.

It said despite the delivery of approximately 2.8 million subsidised housing opportunities since 1994, 2.3 million households remained inadequately housed in 2009. There were still 1.2 million households in more than 2 500 informal settlements, and 1.1 million in overcrowded and underserviced conditions.

It highlights the fact that between 400 000 and 600 000 households did not qualify for the subsidy and could not access housing finance. The state's new housing investment of about R62 billion in the built environment since 1994 had also been unable to create more socially integrated neighbourhoods and overcome dislocation of the poor from economic opportunities. Urban sprawl and low densities continued to contribute to unproductive and inefficient cities.

Despite the challenges, the report says a total of 15 545 private, public rentals and social housing units have been built, forming 19% of the target.

About 1 329 hectares of well-located, state owned land is in the process of being transferred to the Housing Development Agency (HDA). A further 1 066 hectares of government-owned land has been released to municipalities for housing, offering major potential to trigger urban integration.

Authorities say households had been growing at 3% per annum against a population growth of 1% since 2002, and this, coupled with rapid urban migration, resulted in a sharp increase in housing demand and informal settlement growth.

"Early limits to the size of the subsidy pushed projects to the cheapest land on the edges of cities. Improvements in the quality of the houses built and settlement design since 2005 inadvertently resulted in a decline in the number of houses delivered per annum," says the report.

It goes on to note that the affordable housing market remained incapable of producing at significant scale due to a lack of affordability and product availability, as well as supply-side limitations of land and infrastructure, and delays in planning approvals and township establishment.

It recommends that the department develops plans for all informal settlement upgrades in the 45 priority municipalities in the next four to six months.

"A full informal settlement upgrading implementation support programme has to be negotiated between national government, provinces and the 45 municipalities and be finalised in the same period.

"Each municipality should establish interim service levels and put in place dedicated management arrangements to interface with communities. In addition, the plans for delivering integrated human settlements in rapidly growing towns must be aligned to the informal settlement upgrading plans in the 45 priority municipalities," says the report.

Reported by: South African Government News Service