

Opportunity for low-income earners to own property

23 April 2012
Cape Business News

Lower-income South Africans who are struggling to secure their first [property](#) because their income is either too low to apply for a mortgage or too high to qualify for RDP housing, can now access affordable housing options at Stellendale Village in the Western Cape.

The next phase of this innovative and secure complex, situated between Stellenbosch and Tyger Valley, is being launched this month. A further 600 units will soon be built at Stellendale Village, of which 127 are aimed at lower-income families wanting to get a foot onto the proverbial [property](#) ladder. Stellendale Village is a joint venture agreement between International Housing Solutions, the South African Workforce Housing Fund and Visual International.

Amidst this 1,500 unit development in the northern suburbs of Cape Town, 10% of the properties will be sold at discounts of more than R90,000 below the other units. These 'GAP houses' as they are commonly referred to, are to attract first-time buyers who generally fall short on the income criteria for units at market prices or unsubsidised units, yet who's income is too high for government-subsidised RDP housing. To qualify, the monthly household income of a typical GAP buyer would be between R3,500 and R14,000.

"In this segment of the market, demand for affordable housing outstrips supply" says Peter Grobbelaar, Project Director of Visual International, when talking about their vision behind creating GAP homes in their award-winning development at Stellendale Village. He continues, "These GAP units are similar to, and interspersed between, the other homes and apartments thus promoting an integrated society and providing real social upliftment."

Included in the balance of the units to be built are the 127 GAP homes and apartments costing between R299,000 and R399,000 as well as 600 units which will be marketed to middle-income earners, in the price range of R489,500 and R629,000.

Property developers Visual International, together with International Housing Solutions, hope to inspire the private sector to provide opportunities for low-to-middle income families to step onto the [property](#) ladder as a result of more public-private partnerships and investments in the local affordable housing sector.

Visual International also entered into a development agreement with the Department of Local Government and Housing of the Western Cape Provincial Government, whereby the department made a portion of state land, immediately adjacent to Stellendale Village, available for incorporation into Stellendale.

In the President's State of the Nation address in early February, Jacob Zuma spoke to the low-to-middle-income potential [property](#) buyers and announced that as of April 2012 people earning between R3,500 and R15,000 a month will be able to obtain a subsidy of up to R83,000 from provinces, to enable them to obtain housing finance from an accredited bank.

“Of the broader SA real estate market, housing is the only sector of the market where demand outstrips supply, particularly for homes priced under R600,000. In addition to providing quality living options to people who would otherwise struggle to find decent [accommodation](#), this sector is also a huge job-creation vehicle, providing much needed employment opportunity in the communities where affordable housing development takes place,” says Grobbelaar.

Stellendale Park, a telecommunications [business](#) precinct, will also be built adjacent to Stellendale Village in the next few years, thus providing thousands of jobs in the area.

In ensuring that Stellendale Village contributes positively to the environment, caution has also been taken that the carbon footprint of the project is reduced through carefully considered energy and water consumption, insulation, landscaping and [transport](#) to the village. This includes the use of energy efficient streetlights, channeling of rainwater and thermal ceiling insulation.

Stellendale Village is also a solid long-term investment opportunity with good rental yields due to its central location on the Stellenbosch Arterial, plus views of Table Mountain and the Helderberg Mountains. With quality finishes, a well-developed security system and a fully walled perimeter with electric fencing, plus wide open roads, generous landscaping, green corridors, safe playing parks and common areas between homes and apartment buildings, Stellendale Village is one of a kind.