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Large scale shift in housing supply through small-scale rental

In spite of various attempts at resolution over the years, South Africa still has a housing shortage. A new research report offers a radical alternative solution which promises to dramatically improve the supply of affordable housing.

While often ridiculed as so-called 'Granny Flats' or even 'Backyard Shacks', small-scale rental is one of the most successful and efficient housing delivery systems in South Africa. According to the report, of the 2.4 million South African households that rent their primary accommodation, 850 000 (35%) occupy small-scale rental units. This equates to approximately 10% of all South African households.

Not only is small-scale rental successful in terms of quantity delivered, it also offers other benefits such as rapid delivery at little cost to the state, and a decreased burden on transport infrastructure by increasing population density.

The key challenge to changing national policy is the strategy upon which it is based. Such a strategy needs to promote the supply of affordable small-scale rental, while at the same time ensuring that basic standards and levels of service are met. This strategy (based on credible research) provides the basis on which policy about what people build in their back yards (or their front yards) might be reviewed.

The strategy, to be launched on Thursday, identifies three essential conditions for increasing the supply of small-scale rental housing. Firstly, small-scale rental can only be effectively supported on sites with recognised legal ownership and surplus space. Secondly, infrastructure such as water supply and sanitation is essential to support the increased densities allowed by small-scale rental. And thirdly, for small-scale rental to be successful, it requires a landlord with the necessary motivation and access to resources (capital or materials) to build good quality accommodation.

The strategy sets out how small-scale rental can be facilitated and outlines the critical role that coordination across all spheres of government will play, including how the business sector needs to be involved.

The report entitled "Small-scale Private Rental: A strategy for increasing supply in South Africa" will be available at the launch on the 11th of February 2010. The press and other interested parties are invited to attend.

Time: 4:00pm – 7:00pm

Venue: Arts on Main, corner Berea & Fox, Johannesburg CBD

Who are the SHF and Urban LandMark?

The Urban Land Markets Programme (or “Urban LandMark”) is a think tank dedicated to making urban land markets work better for poor people. We aim to influence policies and practice in southern Africa by investigating and promoting sustainable ways to access affordable urban land.

As the Custodians of Social Housing in South Africa, SHF offers a range of strategic services to everyone active in the sector. SHF’s mission and mandate is to develop a vibrant and sustainable social housing sector for South Africa.

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For attendance please RSVP: Taahirah Chothia at taahirahc@shf.org.za or Fax: 011 642 6808 by 5 February 2010.