

Innovative thinking vital for continued effectiveness of SA's affordable housing sector

By [Leanne Govender](#)

29 Jan 2018

SA's high and increasing levels of poverty and unemployment, and still very low average household income, mean that a disproportionate number of individuals and families across the country are unable to participate in the housing market. The heightened socio-economic challenges facing the country in recent years have exacerbated this issue and are placing increasing pressure on government to urgently provide access to affordable housing, particularly within the so-called gap market which caters for households earning an income of up to R15,000.



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Of course, while the current economic issues are certainly limiting the country's economic momentum, they cannot be seen as an excuse for SA's public and private sectors to reduce their focus on the all important provision of affordable housing opportunities for all South Africans. When the country achieved true democracy, national government made a constitutionally binding commitment to progressively realise the rights of all citizens to adequate housing. And economic setbacks or political challenges can never be allowed to diminish or remove those basic rights.

Apartheid housing legacy must be addressed urgently

As importantly, the country's fiscal challenges must never be permitted to change the focus that has been placed over the past two decades on transforming the concept of social or affordable housing. One of the many troubling legacies of apartheid-era spatial planning was that it led to a belief that low cost housing meant a basic shelter located wherever space permitted – which was usually on the urban periphery with little or no access to basic services, social amenities, transport, or employment opportunities.

In recent years, the recognition has grown within local governments that this apartheid housing legacy must be addressed as a matter of urgency. As a result, the focus of affordable housing is now on delivering dignified housing in a way that enhances the quality of life of its occupants and, most importantly, gives them access to schools, healthcare, retail establishments, community areas, transport and employment opportunities.

While this is a very welcome paradigm shift, it presents a number of challenges to those involved in delivering this appropriate social housing, not least of which are a shortage of available, well-positioned land and the significantly higher

costs involved in developing that land properly. In an already challenged economy like the one currently facing the country, the higher cost factor can be particularly limiting in terms of government's ability to deliver on its social housing promises. The highly regulated nature of social housing also demands specialist expertise to structure an approach that accommodates its very specific risks.

More impactful partnerships needed

The solution, of course, is for much more impactful affordable housing partnerships to be established between the country's public and private sectors. In recent years, a number of these strong partnerships have evolved and they are undoubtedly having a very positive impact on the country's affordable housing situation. Many of the participants in these partnerships – like the Social Housing Regulatory Authority (SHRA), The Housing Impact Fund South Africa (HIFSA), the Centre for Affordable Housing Finance in Africa, and International Housing Solutions (IHS), to name a just a few, are succeeding in demonstrating how much can be achieved through a committed, innovative, partnership-driven approach to social housing delivery.

As a commercial property finance provider, Nedbank CIB has had the privilege of partnering with many of these housing organisations and authorities and we have witnessed, first hand, the transformative impact that effective and appropriate social housing can have – not just on the beneficiaries of these housing opportunities, but on the sustainable economic growth of communities and SA as a whole.

Ultimately, access to housing is, and always will be, a vital cornerstone of SA's success in socio-economic advancement, effective redress, and real opportunity creation for all. As such, it is encouraging that government recently prioritised social housing delivery and has set a medium-term target for social housing stock of 27,000 units. While this represents a step change in fiscal commitment to the social housing industry, the public and private sector - including property financiers, developers and investors – need to work together to find solutions to accelerate the mobilisation of this key segment of the market to ensure its continued growth, and maximise its effectiveness as a transformation lever that helps create better futures for all South Africans.

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