

Leadership in Local Government – Building Globally Competitive Cities

Housing and Human Settlements in South Africa: An overview

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national treasury

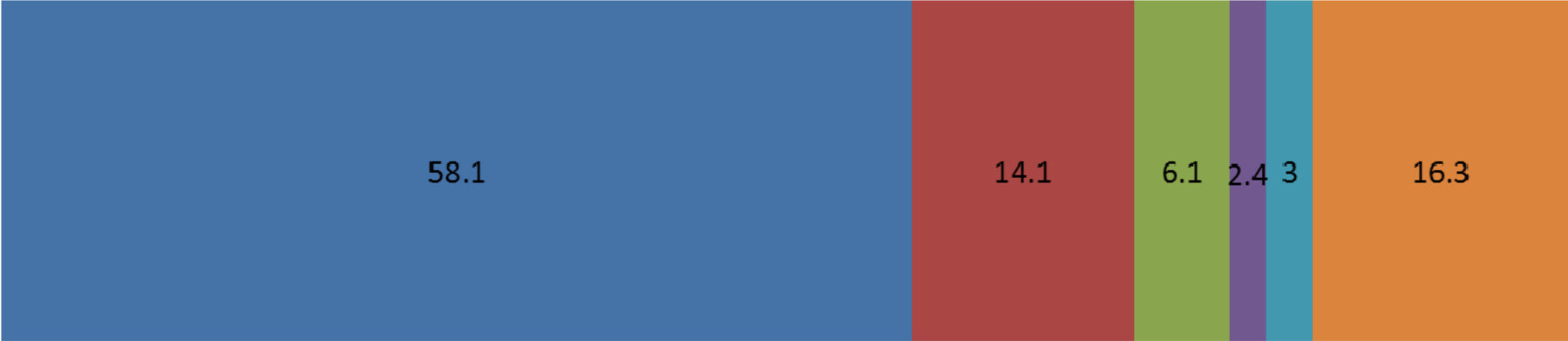
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Outline

- Where we are
 - South African Household Profile
- Why it matters
 - Impact of subsidy programme
 - Performance of subsidy houses as assets
- How can we improve
 - Informal settlement upgrading
 - Policy interventions

Households by income group

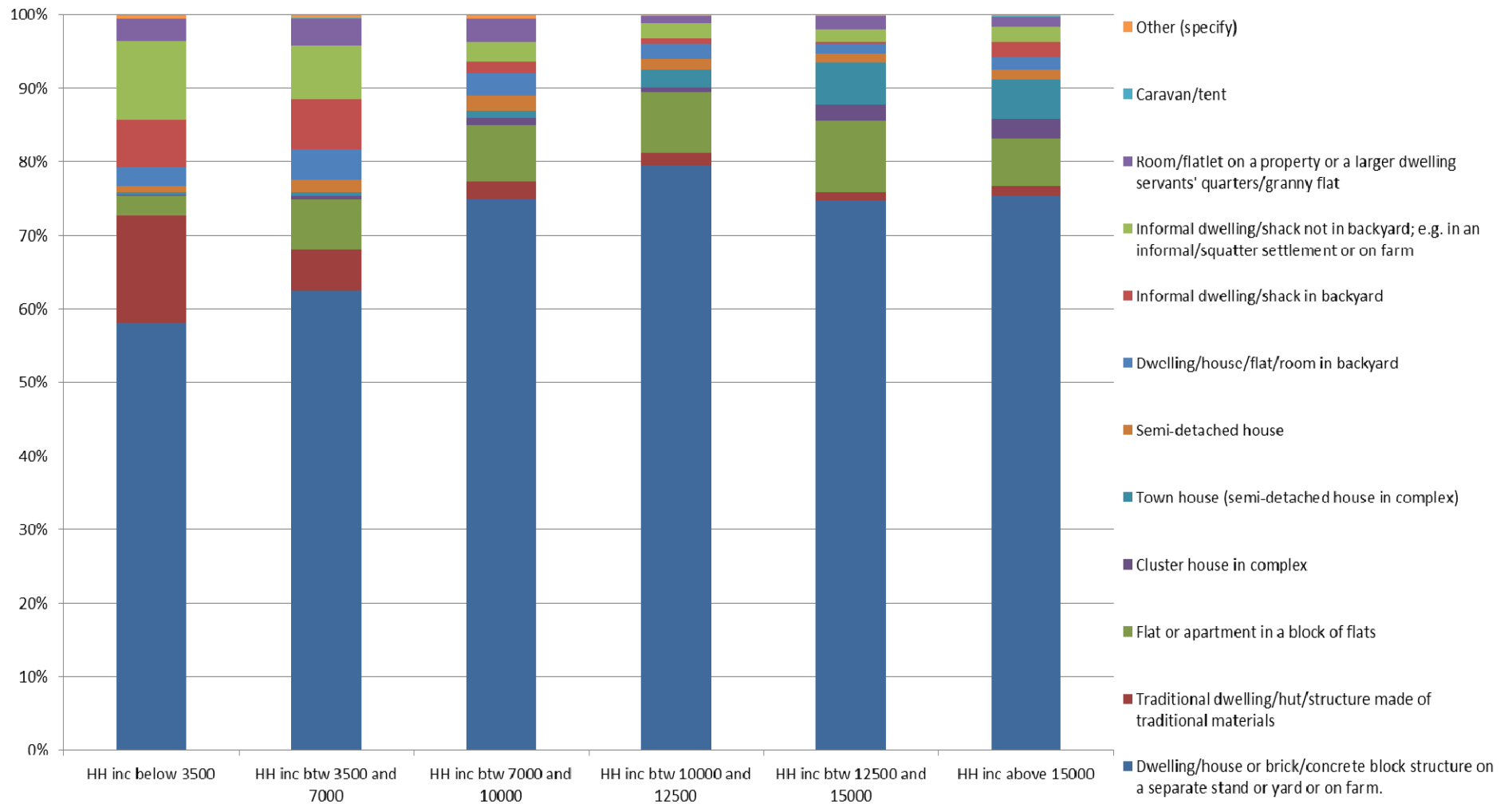
83.7% of HHs qualify for some form of assistance from government
58.1% of HHs qualify for free housing



- HH inc below 3500
- HH inc btw 3500 and 7000
- HH inc btw 7000 and 10000
- HH inc btw 10000 and 12500
- HH inc btw 12500 and 15000
- HH inc above 15000

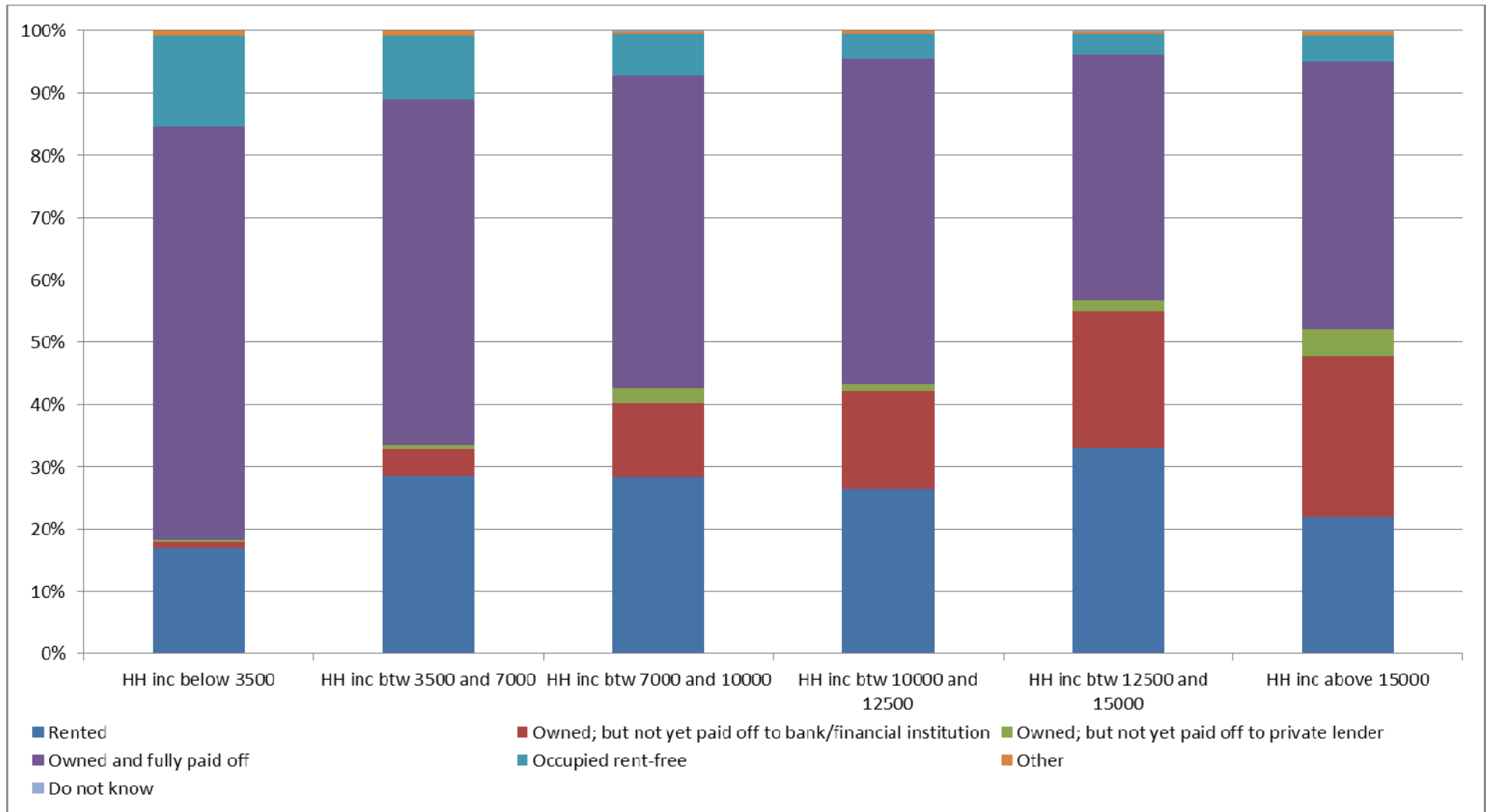
Source: Statistics South Africa, 2010 General Household Survey

Households by income and dwelling type

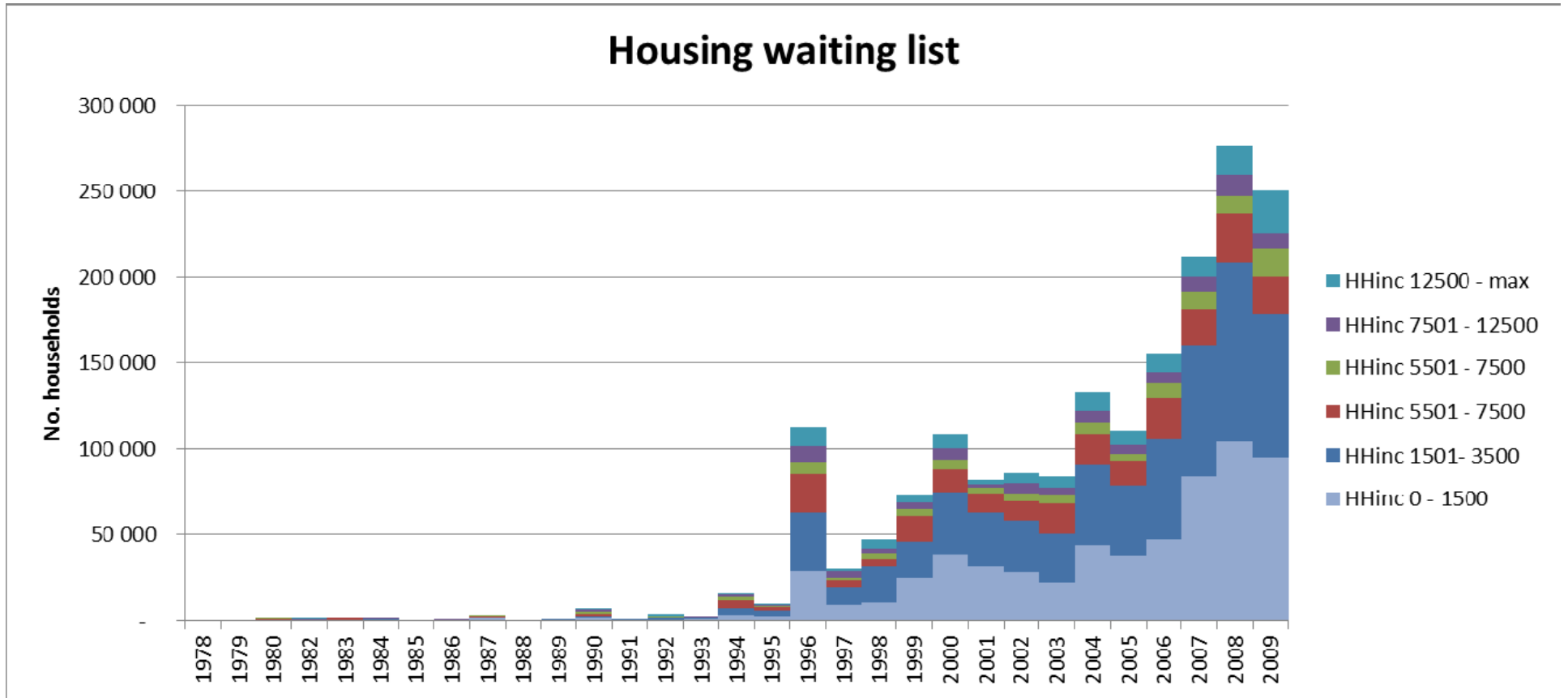


Source: Statistics South Africa, 2010 General Household Survey

Home ownership by income

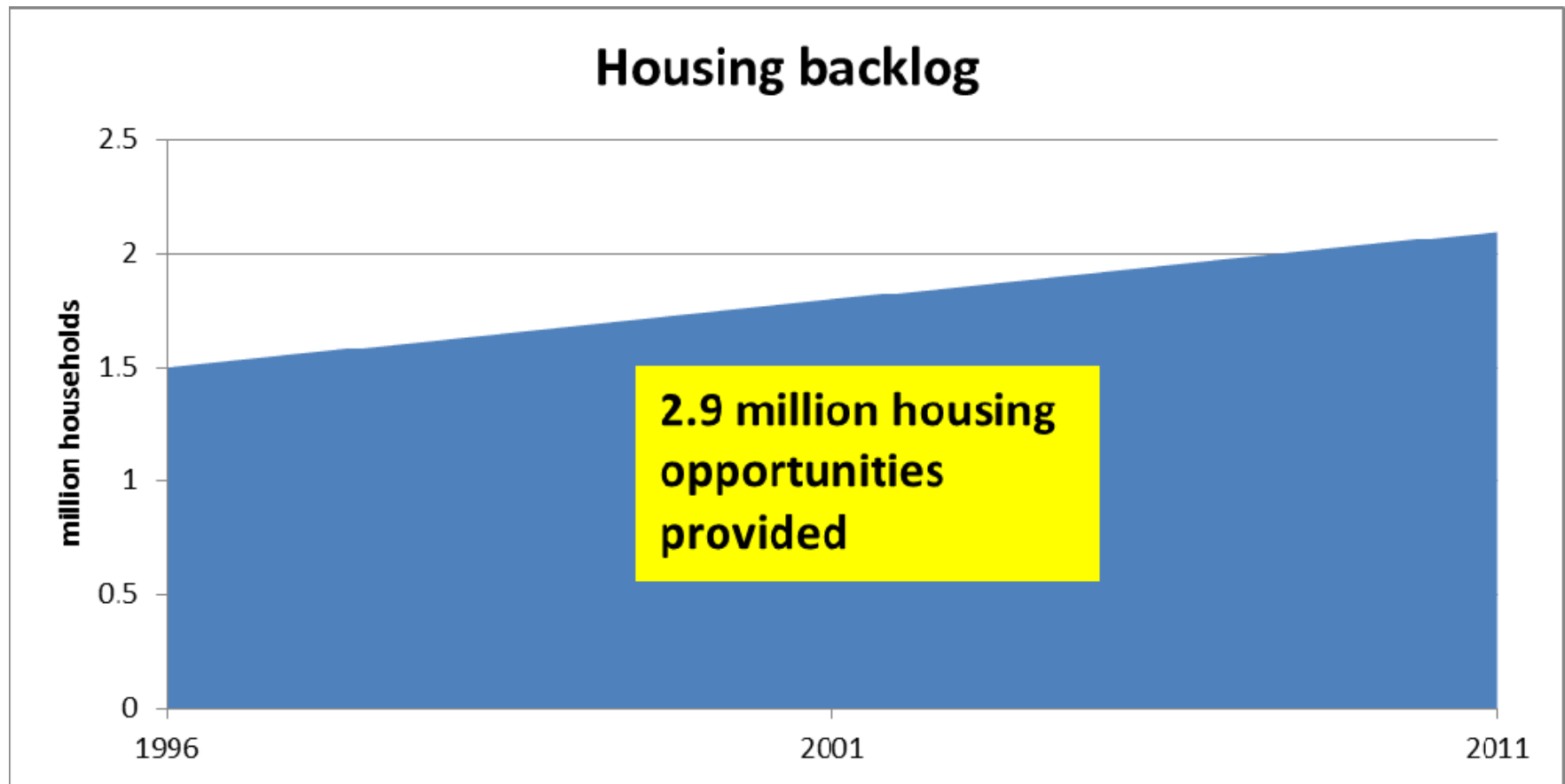


Housing waiting list



Source: Statistics South Africa, 2009 General Household Survey

The impact of the housing subsidy programme



Source: FFC, 2011

Performance of subsidy assets (Shisaka, 2011)

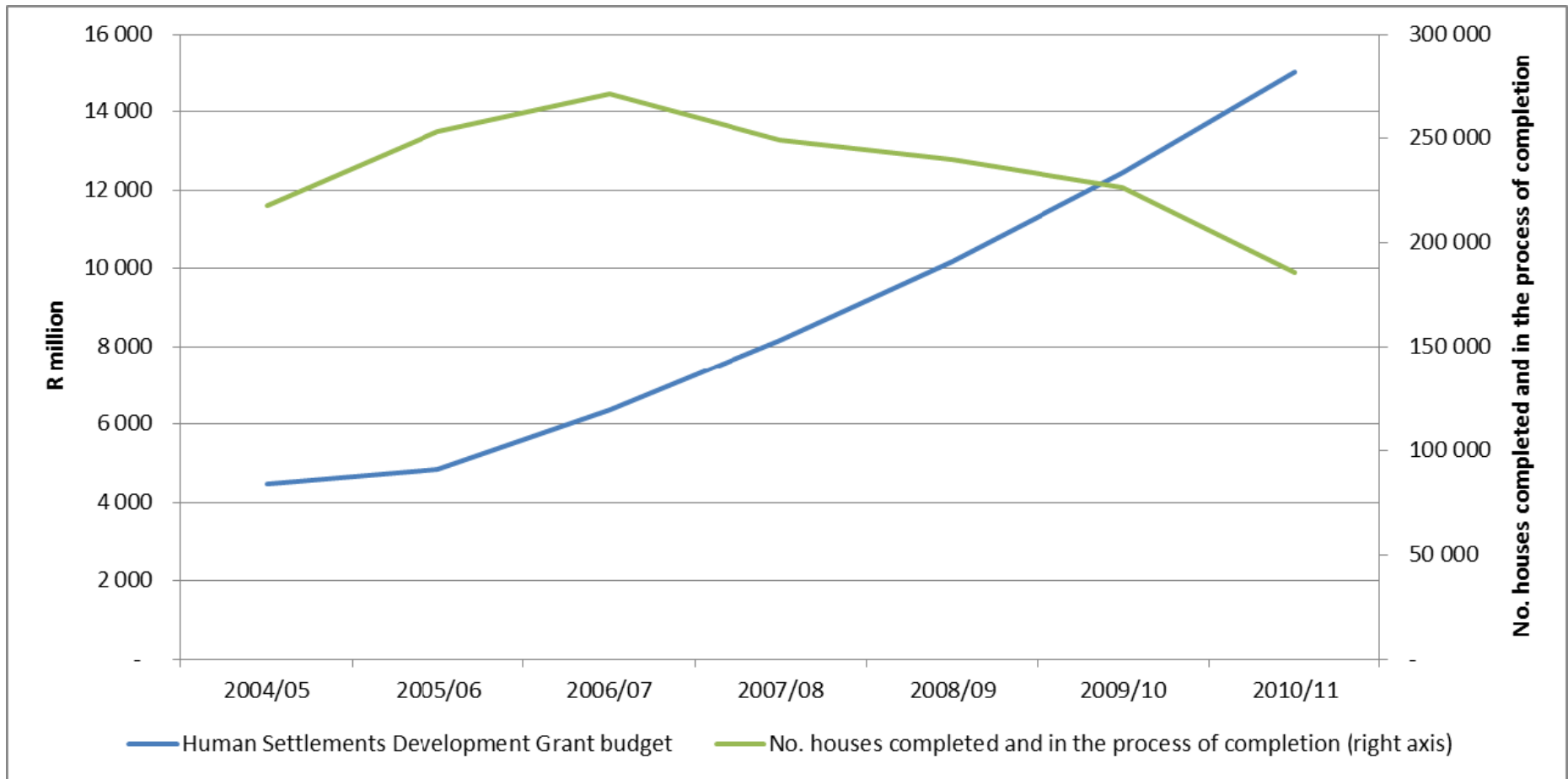
- 3 million houses built and under construction, 1.44 million on deeds register = 24% of all properties on deeds register
- 49% of registered subsidy houses are located in the eight metropolitan cities of South Africa
 - Highest no. registrations in Ekurhuleni (141,104), Cape Town (130,300) and the City of Johannesburg (130,121)
- 6% of subsidy houses formally transacted between 1994 and 2009
- Subsidy houses work effectively as a social and economic asset but less effectively as a financial asset
- Households invest in improvements almost immediately

Cost of current programme

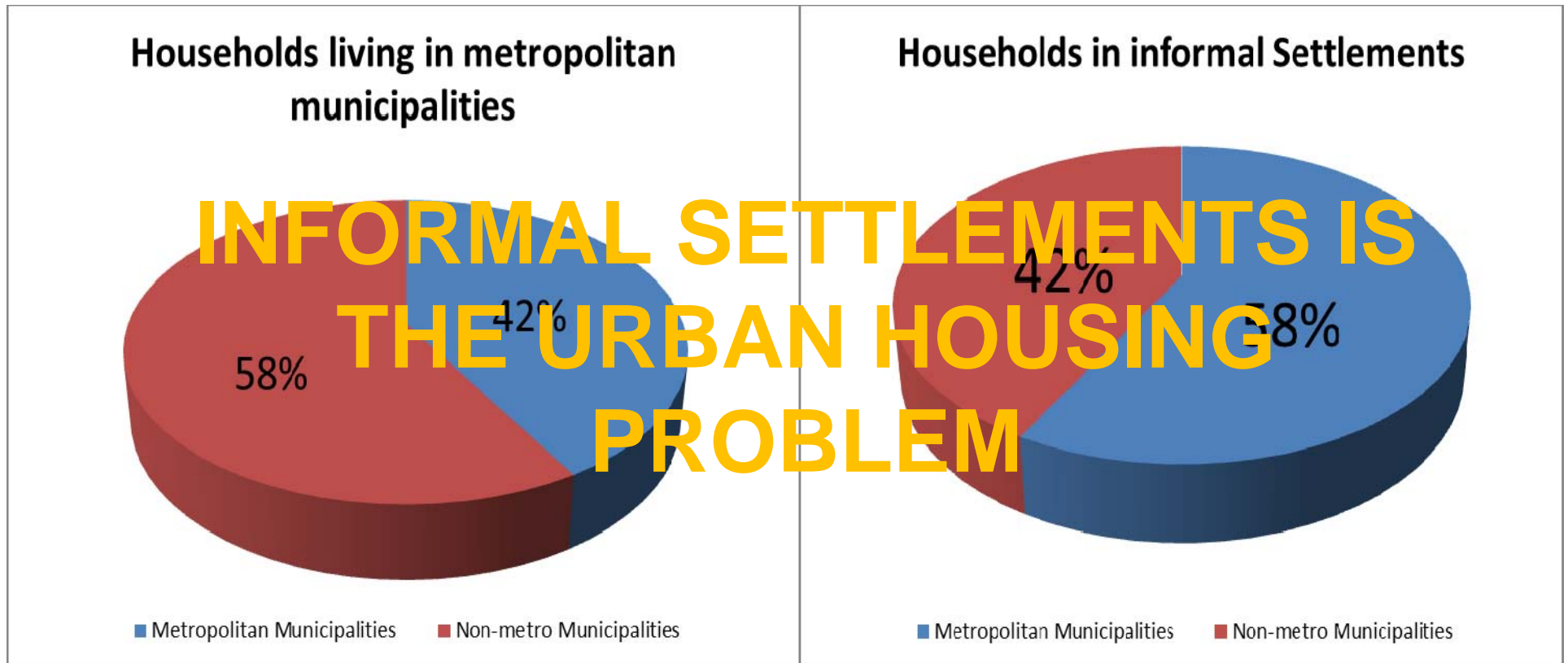
Backlog	2 100 000
Subsidy Value (Rand)	84 000
Budget requirements (Rand)	176 400 000 000
Land in subsidy	250m2
Land requirements (Ha)	52 500

- PV of current programme, excluding bulk, public transport and community services R176 billion
- With current allocation, *ceteris paribus*, take 7 years to eradicate backlog

Housing Delivery vs Budget

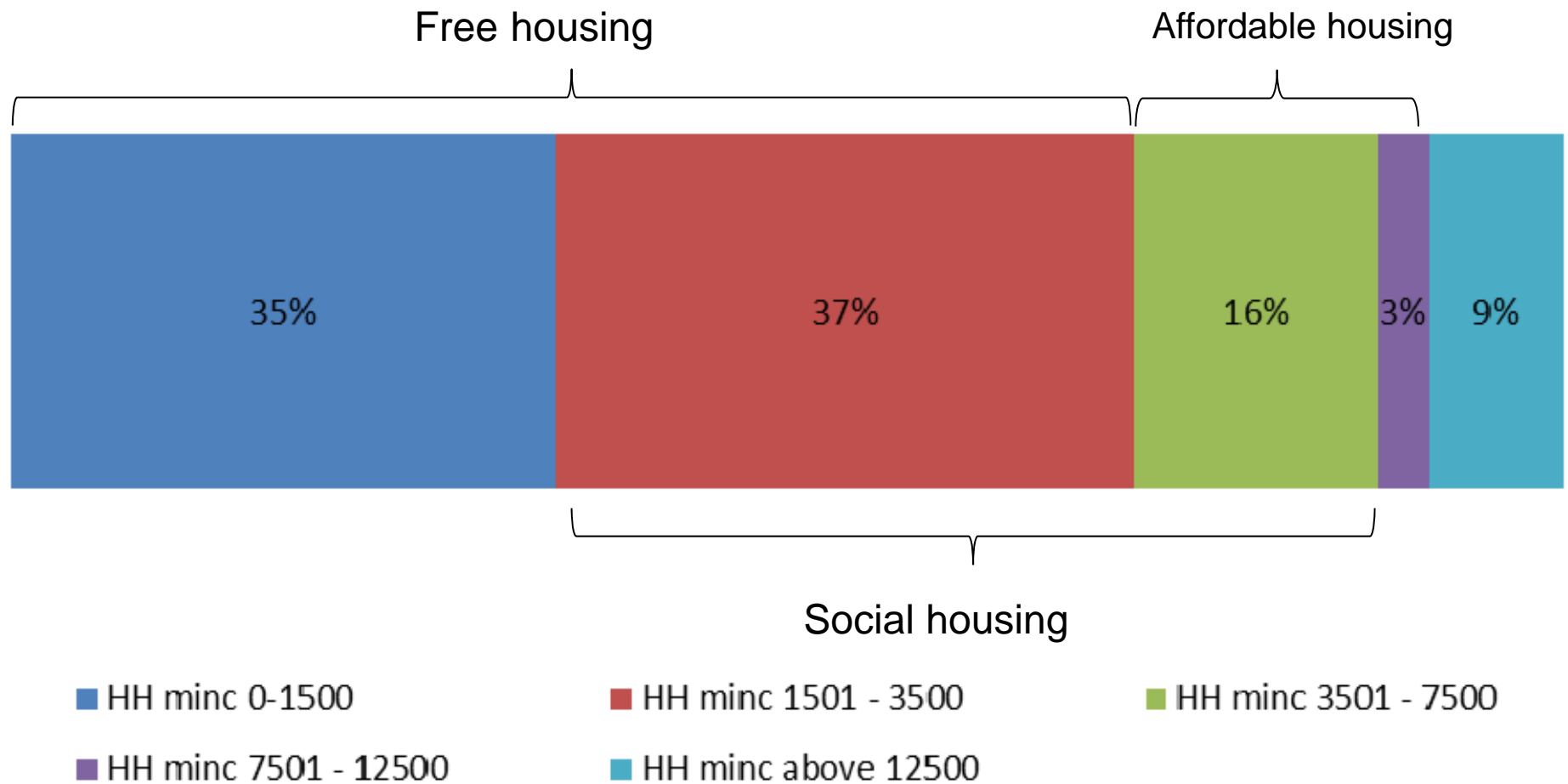


Households in metropolitan municipalities

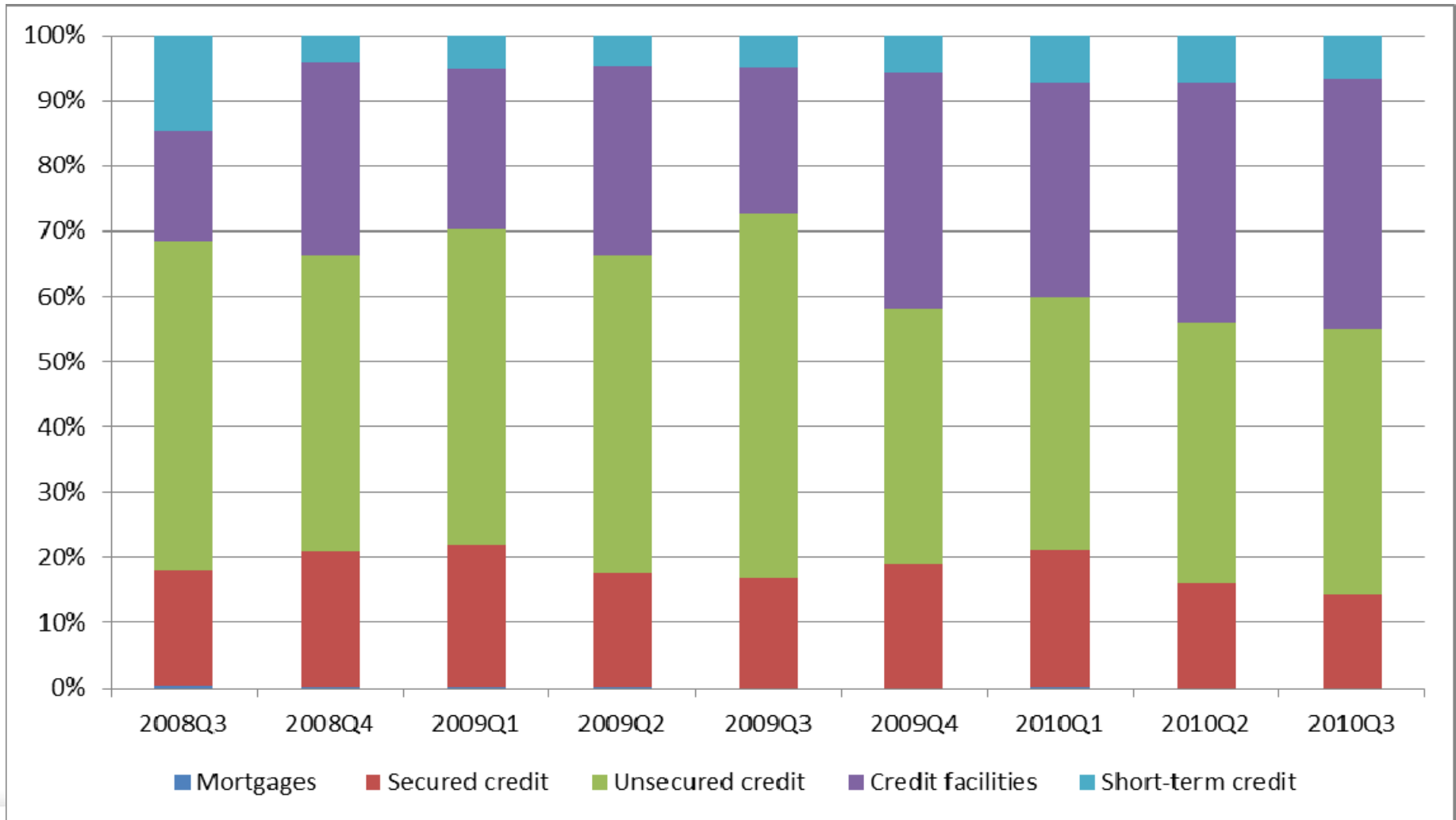


Source: Statistics South Africa, 2007 Community Survey

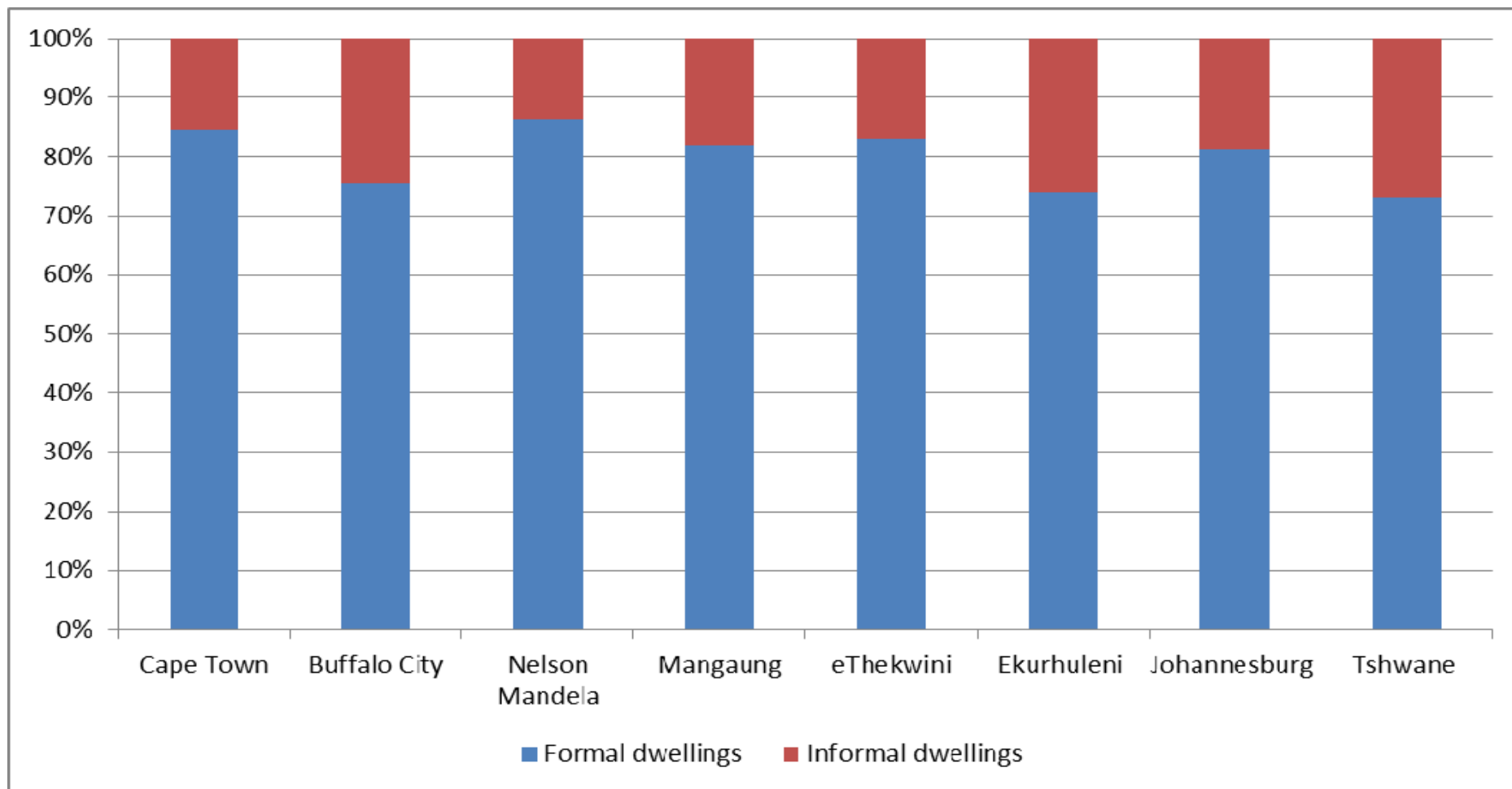
Households in informal dwellings



Households below R3500 pm credit patterns

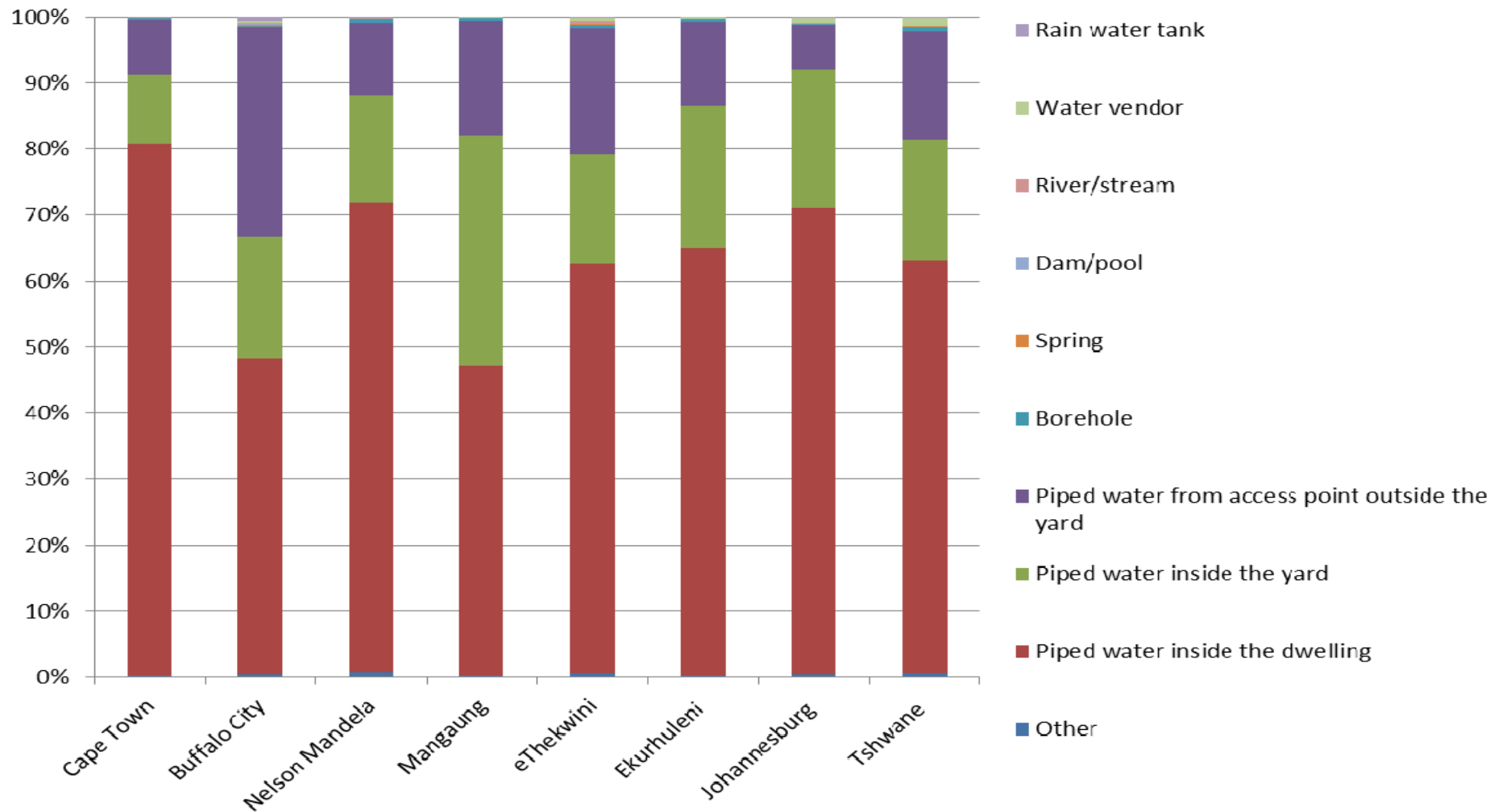


Informal dwellings per municipality



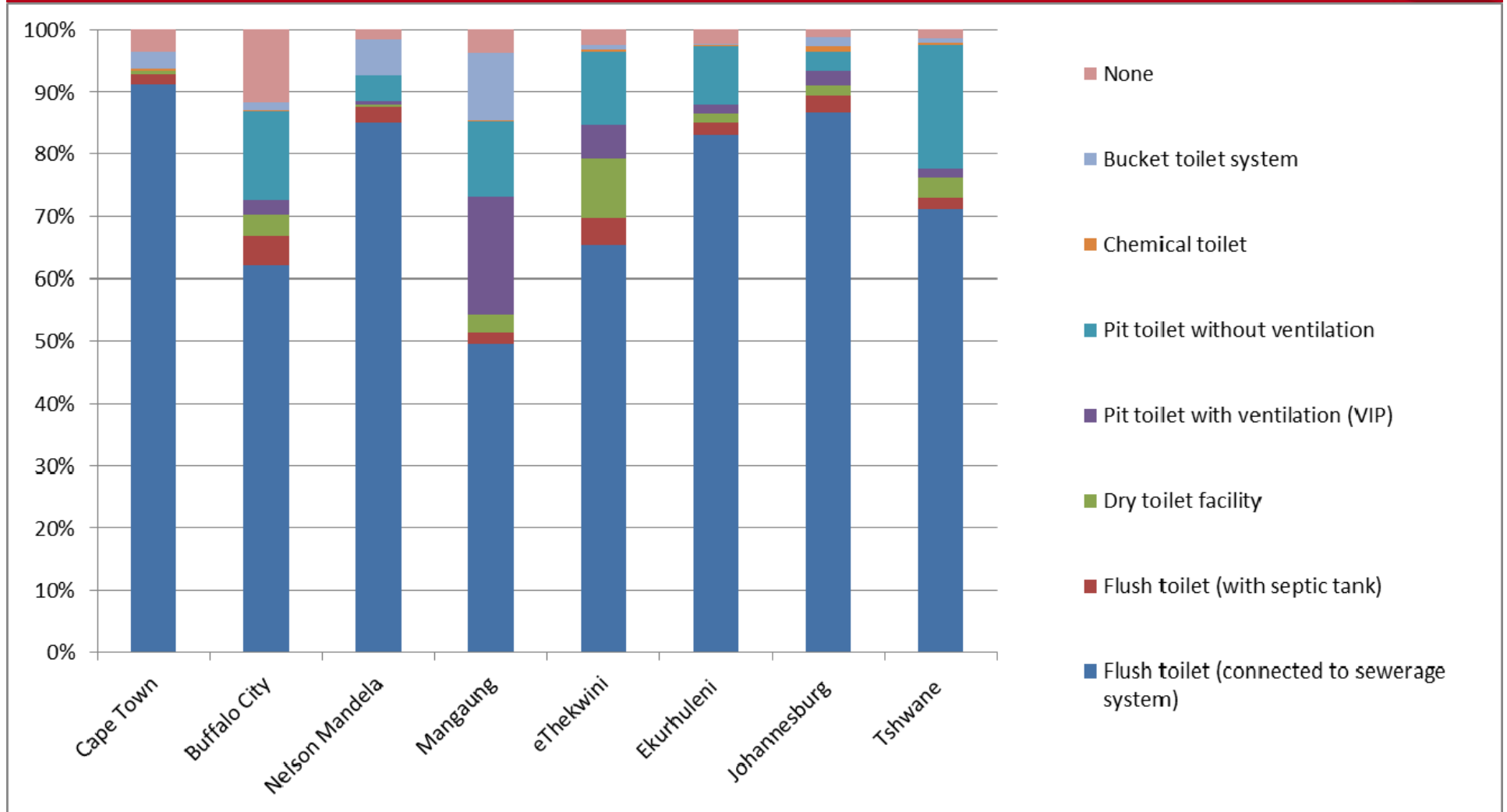
Source: Statistics South Africa, 2007 Community Survey

Access to water per municipality



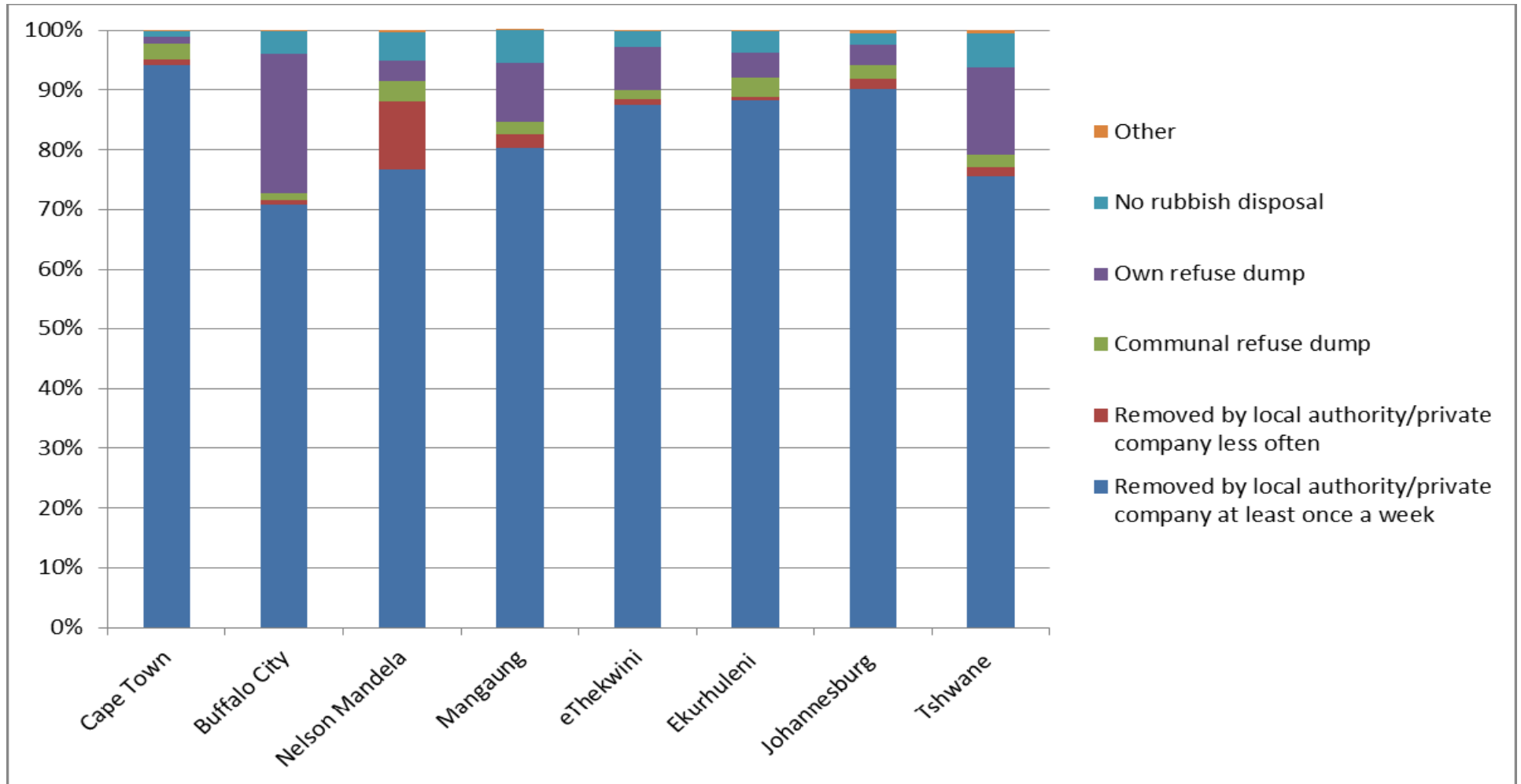
Source: Statistics South Africa, 2007 Community Survey

Access to sanitation per municipality



Source: Statistics South Africa, 2007 Community Survey

Refuse removal per municipality



Source: Statistics South Africa, 2007 Community Survey

Policy interventions

Secure tenure and land regulation

- Township proclamation
- Title registration as catalyst to household investment
- Regulation for incremental improvements to housing

Public investment in public infrastructure

- Municipal services and densification to improve location choices

Household investment in housing

- Incentives to invest vs. incentive to wait
- Trade-off between higher housing costs and lower transport and services costs
- Design incentives and mechanisms to allow for incremental improvements