



DAY 1 FEEDBACK: HOUSING FINANCE OPTIONS ANALYSIS – MAIN THEMES AND ISSUES DISCUSSED

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For an Equitable Sharing of National Revenue

DAY ACTIVITIES (1) – SABELO MTANTATO

- First housing finance public hearings in Oct 2011 to
 - Better understand dimensions of housing finance and delivery challenges
 - Engage stakeholders and design ‘shared’/’informed’ problem statement
- Need for options analysis where various alternatives to housing finance frameworks are
 - Scrutinised, costed and modeled and
 - Alternative paradigms for housing delivery explored

DAY ACTIVITIES (2) – EDDIE RAKABE

- Models and evaluates various housing alternatives and options for South Africa
- Undertaken using financial modeling:
 - Resources required (cost, funding, land, etc) and
 - Impact of different options that can be applied to alternative housing circumstances
- Not intended to formulate specific housing strategy but inform on
 - Implications of various S&D interventions and
 - combining these interventions in different ways

DAY ACTIVITIES (3) – CATHERINE CROSS

- Presentation focused on
 - urban functionality for in-migrant rural poor and urban peripheries
 - How do young people find/get access to jobs? (“Bringing people to jobs”)
 - Role of spatial structure / spatial mismatch (segregation, transport, housing etc.)
 - Role of finding employment in household formation (especially in informal sector and informal settlements where poor youth are)
- What can governments do to help poor youth?
 - Necessity to get interventions right on city to city basis
 - Role of “informality” in allocating jobs / facilitating job search. Is that always a bad thing, or are they simply providing a service that the government is not offering?
- Need for sub-city data, and surveys that can capture “fuzzy” information

DAY ACTIVITIES (4) – ULRIKE RWIDA

- SA housing profiling shows significant gains (GHS 2010)
- Need to better understand
 - **Housing Demand** = f(Demographic profile, Location, Tenure, Price)
 - **Housing Supply** = f(Land, Finance, Infrastructure, Regulation, Construction)
 - **True value** of government investment in housing via public finance lens
 - Addressing market failure and public goods provision
 - Contribution to Fixed Investment, Consumption and Welfare (Well being)
- Effective Policy Response?
 - Subsidy policy to respond to demand
 - Secure tenure and land regulation
 - Public investment in public infrastructure
 - Household investment in housing

HIGHLIGHTS FROM FLOOR DISCUSSIONS (5)

- Modelling
- Finance
- Planning
- Land
- Cross Cutting: Informality and employment

HIGHLIGHTS FROM FLOOR DISCUSSIONS (5)

- **Modelling**

- Unpack interventions/scenarios and check realism: Are they contestations rather than complements?
- Extend model to capture broader benefits beyond just the household e.g., extend to developers
- Include “renting to buy” as an option
- Strengthen rural dwelling component and proposed interventions
- Data: Census 2011 as next project

HIGHLIGHTS FROM FLOOR DISCUSSIONS (5)

- **Finance**

- 2 way relationship with finance and planning/regulation--impact of land policy and regulation on housing finance
- Macroeconomic environment on housing finance—
Less spending for housing?
- How to get people/private sector to finance housing —
appropriate incentives
 - Landholding costs, Procurement
 - Maintenance and bulk infrastructure
 - Certainty around uptake

HIGHLIGHTS FROM FLOOR DISCUSSIONS (5)

- **Planning**

- Understanding processes that lead to household formation and development
- Improve upgrading models taking into account:
 - household contribution to projects and cost recovery;
 - long term funding of projects;
 - relationship with economywide systems;
 - institutional arrangements for programming, planning and implementing projects

HIGHLIGHTS FROM FLOOR DISCUSSIONS (5)

- **Land**
 - Understanding the performance of citywide land markets
 - Improving current knowledge on facilitating access of the poor to land, taking into account the role of:
 - Landholding costs including taxation
 - Land regulation
 - Governmental budget programs
 - Property rights

HIGHLIGHTS FROM FLOOR DISCUSSIONS (5)

- **Cross cutting issues**
 - Mind your language – avoid intimidating terms
 - Government's role in employment generation programs, versus helping to increase access to housing
 - Seeing the informal sector as a resource that should be encouraged to thrive and create jobs, rather than as just a nuisance
 - Role of infrastructure (incl. transport) in job search

THE TAKE AWAYS FROM DAY 1 (6)

- There have been some gains, but
- It's bad and may worsen
- We (think) we know what works (at least some of it)
 - Supply side options that mobilise household and private firm responsibility seem effective
 - Demand side interventions show promise (housing voucher)
 - Investment Incentives (using tax rebates) are generally quite effective
 - **Combinations of supply and demand side interventions are more efficient**
- Get ready to engage

GANGNAM STYLE!!!



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THANK YOU.

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