



Group 2

Understanding Supply-side and sustainability and Challenges in South African Housing Sector

Housing Finance
Public Hearings

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Current Challenges

- Government does not have full understanding of the demand side (type e.g. traditional dwelling be done away with).
 - Supply side intervention does not link to demand
 - The policy does not address the age shift/life transition of individuals in the housing demand
 - Creation of vibrant secondary market to allow them to move into the higher the housing ladder as their income increase
- Roles and responsibility in terms of policy (unfunded mandates)
- Shortage of (Strategic)Land state and private and its impact on cost
- Development planning and regulation take time and increase cost



- Financing of developers and their relationship with the financing institutions

Current Challenges..

- Transport where people are located far from economic activities
- Security of tenure versus densification specific to service sites
 - Backlogs in title deeds
- The cost structure of the subsidy needs to be reviewed to take account of land value
- Lack of clear definition of backlogs hinder proper costing

Current Challenges..

- There are signs of policy failures in the system given the discrepancies
 - Public investment in housing seem not to reduce poverty.
 - progressive realisation “human right” of this right. e.g. 40 to 50 years horizon projected
- People do not understand the value of the asset created for them by government.
- How do we use the same money as a catalyst for development.

Key Principles

- Clear rules for all the role players –the role of the state should be to invest in public goods
- There is a need to create an enabling environment .eg. Creation of security of tenure
 - Government should allow people to have an option to contribute their housing
- Cost structure
 - The cost of the housing unit should include the value of the land over time
- The use of technology in assessing and using the value of the land as an indicator
 - The role of innovation to contain supply cost
- There is a need to have a much more demand responsive policy

Principle

- Need for a new culture and paradigm shift to ensure sustainability (Move from ‘free concept’)
 - Subsidy versus free for all
- Government needs to create flexibility to cater for migration.
- There is a need to develop housing opportunity/solution for all.
 - Tenure : subsidy structuring to properly target the poor versus a higher income earning market

Knowledge Gap/Areas of Research

- There is a not enough work done in understanding what people need.
 - We do not know enough about people's housing demands
- There is a gap in the knowledge where government have not intervened, short term accommodation in cities/towns backyards
- There is a need to use performance data so as to get a fuller picture of the demand to promote accountability and transparency
- Understanding of Land acquisition, release and land use
- Gaps around appropriate land use management options use for South Africa (public land assembly-whole land production framework)