

# Research papers

## Authors

Andreas Scheba

Ivan Turok

Justin Visagie

## Coordination

Irène Salenson

## The role of social housing in reducing inequality in South African cities

FEBRUARY 2021  
No. 202





# Agence française de développement

---

## Papiers de recherche

---

Les *Papiers de Recherche de l'AFD* ont pour but de diffuser rapidement les résultats de travaux en cours. Ils s'adressent principalement aux chercheurs, aux étudiants et au monde académique. Ils couvrent l'ensemble des sujets de travail de l'AFD : analyse économique, théorie économique, analyse des politiques publiques, sciences de l'ingénieur, sociologie, géographie et anthropologie. Une publication dans les *Papiers de Recherche de l'AFD* n'en exclut aucune autre.

Les opinions exprimées dans ce papier sont celles de son (ses) auteur(s) et ne reflètent pas nécessairement celles de l'AFD. Ce document est publié sous l'entière responsabilité de son (ses) auteur(s).

---

## AFD Research Papers

---

*AFD Research Papers* are intended to rapidly disseminate findings of ongoing work and mainly target researchers, students and the wider academic community. They cover the full range of AFD work, including: economic analysis, economic theory, policy analysis, engineering sciences, sociology, geography and anthropology. *AFD Research Papers* and other publications are not mutually exclusive.

The opinions expressed in this paper are those of the author(s) and do not necessarily reflect the position of AFD. It is therefore published under the sole responsibility of its author(s).

## **The role of social housing in reducing inequality in South African cities**

### **Auteurs**

#### **Andreas SCHEBA**

Human Sciences Research Council

#### **Ivan TUROK**

Human Sciences Research Council

#### **Justin VISAGIE**

Human Sciences Research Council

### **Coordination**

Irène SALENSON

### **Abstract**

Social housing is a powerful tool to integrate divided cities by providing decent rental accommodation for low- and moderate-income working families. It can bring communities together in dense urban areas with plentiful opportunities, and revitalise run down inner cities. Success depends on several enabling conditions: capable social housing agencies, viable subsidy levels, well-located land, support across government, private sector involvement and determined implementation. The paper maps the spatial distribution of all social housing projects built in South Africa's seven largest cities since the 1990s. It reveals a steady 'spatial drift' of new projects from inner urban areas towards outlying areas. This contradicts the objectives of urban restructuring and social integration. The dispersal trend has been driven by the high cost of private land and the failure to make surplus public land available. Recommendations are offered to steer social housing schemes back towards well-located areas.

### **Résumé**

Le logement social est un outil puissant pour unifier les villes divisées en offrant des logements locatifs décentes aux familles de travailleurs à revenus faibles et modérés. Il peut réunir des communautés diverses dans les zones urbaines denses qui offrent de nombreuses opportunités et peut également revitaliser des centres-villes en déclin. Le succès dépend de plusieurs conditions favorables : des organismes de logement social compétents, des subventions adéquates, des terrains bien situés, un soutien de l'ensemble du gouvernement, la participation du secteur privé et une mise en œuvre active. Cet article cartographie la répartition spatiale de tous les projets de logements sociaux construits dans les sept plus grandes villes d'Afrique du Sud depuis les années 1990. Il révèle une "dérive spatiale" récurrente des nouveaux projets depuis les centres-villes vers les périphéries. Ceci entre en contradiction avec les objectifs de restructuration urbaine et d'inclusion sociale. Cette tendance à l'éloignement est imputable au coût élevé des terrains privés à la difficile mise à disposition de terrains publics vacants. Des recommandations sont proposées afin de réorienter les programmes de logement social vers des zones mieux situées.

**Keywords**

Social housing, integrated communities, urban regeneration, well-located public land

**Mots-clés**

Logement social, communautés intégrées, rénovation urbaine, bien public bien situé, Afrique du Sud

**Acknowledgements**

This project is part of the European Facility for a research program on *Inequalities in Developing and Emerging Countries*, which is coordinated by the AFD. The authors are grateful to the funders for their support. We would also like to thank SHRA for sharing their data with us, Malcolm McCarthy for comments on an earlier draft and several SHIs for sharing their insights and experience.

**JEL Classification**

R23, R31, R38, J15

**Original version**

English

**Accepted**

January 2021

# Introduction

South Africa is undergoing a process of urbanisation that has the potential to accelerate socio-economic development if it is managed effectively. However, the legacy of apartheid and inertia in the built environment mean that the spatial form of cities is extremely segregated and fragmented. This worsens unemployment, poverty and inequality by imposing high transport costs on poor households. It also undermines economic productivity and job creation by imposing a transport burden and agglomeration constraints on firms. Many national and local plans advocate a shift to more compact and connected urban development, including higher residential densities in city cores and along selected transport corridors. Yet, shortcomings in government policy and implementation mean that progress in overcoming the inherited apartheid geography has been slow. Indeed, current patterns of development in urban areas are tending to reinforce the spatial and social divisions of the past.

The National Development Plan (2012) and the Integrated Urban Development Framework (2016) (both approved by the Cabinet) recognise that part of the problem is the lack of effective policy instruments and organisational capabilities to implement widely-agreed objectives and principles: “many of the challenges are not a result of a vacuum in policy, but rather insufficient institutional capacity, a lack of strong instruments for implementation and a lack of coordination” (National Planning

Commission, 2012, p. 267). The government’s social housing programme is the only housing tool that is explicitly aimed at restructuring the form of cities and towns and encouraging higher density housing in well-located areas (NASHO, 2018; National Treasury, 2018). It therefore has the potential to perform a unique role in the repertoire of housing and social policies in the country. The main objective is to give low paid workers closer access to job opportunities and important services such as education and healthcare. It achieves this by constructing affordable rental stock that is protected and maintained for low income households by being retained in social ownership in order to avoid gentrification and displacement by higher income groups.

Social housing is generally defined as government-subsidized rental housing provided by local authorities or third sector organisations, with the rent set well below market levels. In South Africa the focus has been on the latter, with increasing efforts made to finance, regulate and support the development of an independent social housing sector. Dwellings are allocated to tenants on the basis of their relative need, and not simply their ability to pay. This gives low-income households access to better quality accommodation and a more stable living environment than they could otherwise afford, with consequent benefits for their general well-being, health, safety and productivity. Many social housing organisations also provide

supplementary services, such as childcare, financial advice and assistance for people seeking employment.

The broad objective of this study is to assess whether social housing has lived up to its promise. Has it helped to disrupt entrenched patterns of inequality in the urban land market and in the labour market? How effective have the government's efforts been to reduce social and spatial divisions in the major cities through the provision of well-located social housing? The analysis is undertaken at two levels – the city/neighbourhood and the household. The first aspect focuses on the location of social housing projects within the seven largest cities, Johannesburg, Cape Town, Ekurhuleni, Tshwane, eThekweni, Nelson Mandela Bay and Buffalo City. It examines whether projects are well-located in relation to economic opportunities and public transport facilities, and how this has changed over the last two decades. It also considers the impact on economic and social integration, urban regeneration and spatial transformation. The second aspect focuses on households and considers how they have benefited from social housing. It examines the impact on employment, personal safety, education, healthcare and public transport.

This is the first of two papers that document the study findings. The purpose of this paper is to present a review of the existing research and evidence, and to provide a preliminary analysis of secondary data on social housing projects in South Africa. We

provide evidence on the cumulative scale, composition and location of the social housing projects built since the social housing programme was introduced in the mid-1990s. It draws on a unique dataset of all social rented housing projects created for this study. The paper also describes the development of social housing policy in the country, documents the challenges it has faced over time, and explains the various dilemmas facing social housing organisations and practitioners as they juggle conflicting objectives and responsibilities.

The most important conclusion of this first part of our work is to reaffirm the importance of location. The fundamental rationale for the social housing policy was to disrupt the inherited apartheid geography of SA cities in order to give low income groups better access to opportunities and to promote social integration. This objective remains as important as ever because there are sound reasons for seeking to change locational patterns. However, the paper finds that the original spatial logic of the social housing programme is under threat from various factors and forces, including the cost of well-located land, the failure of government to make surplus public land available, and the pressure to spread available public resources and accelerate delivery, bearing in mind the scale of housing need. We point out the risk that if the policy's spatial objectives are compromised it could jeopardise its very existence.





# I – Background and questions

---

## 1.1. The aspirations for social housing

---

Social housing is often held up as a remedy for many of the problems facing cities and towns in South Africa, sometimes even a cure-all. This is apparent from many recent policy documents and ministerial statements (e.g. DHS, 2015; SHRA, 2017; Mfeketo, 2018; National Treasury, 2018). For example, social housing is seen as a potent means of promoting economic inclusion and upward mobility by offering people a safe and supportive living environment close to jobs. It is seen as a stepping stone which families will move through and into the private housing market as their economic circumstances improve, thereby releasing space for other needy households to occupy and advance over time. This makes it a valuable public asset that needs to be managed for the long-term by robust organisations with an enlightened agenda of supporting personal development, building socially-mixed and vibrant communities, and facilitating social and economic progress. The government also believes that many social housing organisations should be black-owned and controlled, and that women and young people should benefit from the jobs and other opportunities afforded by the growth of the sector (e.g. in property maintenance, security, gardening and cleaning) (SHRA, 2017).

Social housing is also intended to serve a broader purpose in restructuring the segregated and fragmented spatial form of cities and towns. Indeed, it is the only policy instrument that is explicitly designed to support higher density housing in well-located urban areas (NASHO, 2018; National Treasury, 2018). This makes it quite distinct from the government's other housing programmes, which are mainly concerned with large scale provision at relatively low cost. The social housing capital subsidy is larger per dwelling unit than the other housing subsidies, and expected to be aligned with efforts by municipalities and other public bodies to release and accelerate the development of vacant and under-used land in conducive locations. This is intended to help knit-together the disjointed urban fabric and improve the viability of public transport services by increasing ridership on key corridors that connect central cities to outlying townships and suburbs. A more compact and consolidated urban form should reduce the costs of public infrastructure and service delivery and moderate traffic congestion (National Treasury, 2018). It should also yield more functional human settlements and more productive cities that attract additional private investment and create more jobs. The government has a further expectation that social housing organisations should be involved in rehabilitating run-down inner-city buildings, which will generate positive externalities in surrounding areas and create beneficial economic, social and environmental outcomes (SHRA, 2017; NASHO, 2018).

The Minister for Human Settlements captured the breadth of these aspirations in her foreword to the recent State of the Sector report (SHRA, 2017). She also referred to increasing confidence in the sector, widening tenure choice for households, creating sustainable and integrated human settlements, and attracting external investment to fast-track production and meet the growing demand for affordable rental housing in good locations. There was no acknowledgement of any tensions or dilemmas facing the

providers of social housing, nor much clarity about the government's top priorities for the sector:

"Social housing is ... a key component of government's commitment to ... address structural, economic, social and spatial dysfunctionalities in South African society ... Social housing is pivotal for ... spatial transformation, public transport efficiency and urban inclusivity ... critical for urban consolidation and redevelopment ... unlocking private sector investment ... offering social services and security ... (and building) social capital" (SHRA, 2017, pp. 2-3).

---

## **1.2. Core propositions for investigation**

---

Clarity of purpose is important for any policy to be effective and enduring. It is not credible for policy-makers to 'have it all' in practice. Loosely-specified policies with lengthy objectives tend to get diluted over time and they lose whatever distinctive contribution they might have made if they had adhered to their original purpose.

The goal of this study is to interrogate two particular propositions that lie at the heart of prevailing ideas about social housing. These propositions can be seen as constituting part of a 'theory of change' underpinning social housing policy. They have not been articulated in this form before, although there have been other theories of change formulated for social housing (e.g. DPME, 2016; Genesis Analytics, 2019). The propositions outlined here draw different strands together into a coherent set of ideas that resonate with the conventional wisdom about the role of social housing. One centres on the development of urban land and the other relates to the development of people.

First, social housing is widely seen as a way to reverse apartheid spatial planning and post-apartheid residential sprawl by enabling urban integration through higher density, well-located housing. The proposition is that a concerted intervention in the land market can undo historic patterns of race-based population settlement. Such action can also counter prevailing property market trends which tend to distribute low income households to the urban outskirts, where land is cheap and plentiful. The policy requires identifying and acquiring strategic land parcels in places that are reasonably close to economic centres, social amenities and connecting infrastructure. Once the affordable (subsidised) housing is developed it needs to be protected and maintained for poor households to avoid gentrification and displacement by higher income groups. This is why rental housing is so important, and why it needs to be owned by the state or a non-profit organisation with broader objectives than maximising income.

The core assumption is that the cost to the state of acquiring this land and property is not prohibitive because it is a worthwhile long-term investment considering the wider benefits to be gained from creating mixed communities living at higher densities, instead of segregation and sprawl. A related assumption is that social housing projects will spur further changes in the surrounding built environment and local economy through demonstration effects and tangible spillover effects. The new investment in social housing will boost confidence in the locality and raise land values, attract investment in shops and

consumer services, and encourage property renewal and redevelopment at higher densities. This might also require complementary investment in the area's infrastructure by other government entities.

The simplest approach to launch this process of land-use intensification and regeneration is to focus on land that is already in public ownership to avoid the cost of acquisition, although maintaining a pipeline of land supply will require periodic acquisitions of new sites. It may also be advantageous to target inner urban areas characterised by current uncertainty and risk, where property values are depressed but there is scope for uplift. This would include run-down areas with vacant infill sites and existing buildings which are old and somewhat neglected, such as former industrial and warehousing districts in the zone of transition surrounding many CBDs. The lower cost of property acquisition would improve the financial viability of social housing projects. Over time a valuable asset would be created that could be leveraged to raise additional funding for new projects.

The second proposition is that social housing is a means of lifting people out of poverty by providing them with decent accommodation and support services in places that are accessible to economic opportunities and social facilities (such as good schools and hospitals). This kind of intervention in the labour market may improve people's chances of obtaining and retaining employment in two ways: (i) By moving closer to economic opportunities they will be better placed to compete for available jobs. They should be more attractive to employers because they will be more punctual and reliable, and they will be more motivated because they will save considerable commuting costs and time. (ii) Safe and supportive living environments will enhance their skills, social networks and awareness of job opportunities and employer expectations. Job-search support, childcare, financial advice and other supplementary services provided by social housing organisations should help to provide a stable foundation for people's economic circumstances to improve.

In addition, some tenants may take advantage of their new living environment to start their own enterprises by providing goods and services to meet the demands of the expanding community and improving local economy in the surrounding area. Group of tenants may also come together to form community organisations of various kinds (covering cultural, religious, recreational, sports and other activities) which further raise morale, develop capabilities, strengthen social ties and give rise to other constructive, income-generating initiatives.

The selection of tenants for social housing is important to this proposition. They should be able to afford the rent but not have sufficient income to afford accommodation in the private housing market. Their position in the labour market is also important. At least one member of each household should be economically active in order to benefit from the locational opportunities. Some might also have ambitions to enter self-employment or to initiate a small business. In the interests of fairness and creating a mixed or balanced community, a minority of tenants might be retired, disabled or focused on bringing up children. Projects should also comprise mixed income groups and people from diverse racial backgrounds.

These features of social housing are very appealing in the context of high unemployment, persistent racialised poverty and entrenched inequality. They offer a vision of a more inclusive and prosperous urban future. Hence it is not surprising if social housing has considerable symbolic attraction and is sometimes portrayed as a panacea. However, there is little consideration of the necessary conditions for promoting social housing on a large scale, the various risks and dilemmas faced, and the inevitable trade-offs associated with this form of housing. For example, can one assume that accessible urban land is available to develop medium-density housing at a viable financial cost? Such land is often in high demand from multiple users, even if it is in public ownership. Public bodies will have to sacrifice a financial windfall if they are to transfer their surplus land to social housing organisations at low cost. There are sometimes legal reasons why this is difficult and they may not support the logic of regenerating run-down areas through social housing. They may not have the resources to maintain a pipeline of land supply for social housing. There may also be substantial economies of scale associated with building larger numbers of social housing units on cheap peripheral (greenfield) land. Experience suggests that building on brownfield sites is a slower process subject to more complex negotiations, regulatory hurdles and bureaucratic procedures.

The second proposition plays down the general lack of demand for low-skilled labour and the intense competition for available jobs in economic nodes. Moving people closer to these opportunities will not necessarily transform their chances of obtaining work or better paid jobs, especially if they face other barriers to employment, such as limited skills, disabilities or onerous domestic responsibilities. In these cases, huge costs may be incurred in accommodating households in better living conditions, but without the economic spinoffs of upward mobility and recycling the rental stock. Many more households could perhaps have been offered better living conditions if the project had been located on cheaper land? This is a serious consideration for political decision-makers, given the social and political pressures arising from the large housing backlog and desperation of hundreds of thousands of people for improved accommodation.

---

### **1.3. The underlying problems**

---

A simple elaboration of the scale and nature of the urban housing challenge in South Africa is helpful to understand what lies behind the social and political pressures on the state to accelerate delivery. The high level of need or demand for housing partly reflects the growing urban population, combined with a decline in the average size of households over time. The number of households requiring accommodation is growing faster in cities than elsewhere because of rural-urban migration. Between 2001 and 2016 there were an estimated 210,000 new urban households each year as a result of migration (National Treasury, 2018). People are moving to the cities in search of jobs and livelihoods because of the dearth of opportunities in the rural areas and small towns. Most of the individuals and families requiring housing in the cities have low incomes. They cannot afford private housing in the formal market and private developers cannot afford to supply these households with proper homes because the cost of provision exceeds what they could afford to pay. Consequently, many of these households find shelter in the informal sector

or they move in with family or friends. Most informal dwellings are insecure, unsafe, overcrowded, unregulated (in terms of rentals) and lack basic services, such as decent sanitation, clean water, refuse collection and electricity. The unsatisfactory nature of these solutions explains why many people look desperately to the state for assistance in providing affordable (subsidised) housing.

The issue of location lies at the heart of the urban housing challenge. Apart from the history apartheid spatial planning, this is partly because the majority of low cost housing built by the state since the 1990s has been on the periphery, far from economic opportunities and social facilities. This reflects the steep land gradient in the city and the attractiveness of cheap land on the outskirts. Many of these settlements have been built at densities that are too low to support public transport and other important amenities. The subsequent growth of informal settlements in and around these townships, and of backyard dwellings within the townships, has reinforced the problem of poor accessibility to jobs and livelihoods. The 'spatial mismatch' between these overcrowded and underserviced residential areas and the areas of economic opportunity has increased the burden on poor households forced to travel long distances to work or to seek work. Up to 40% of their disposable income is absorbed by transport and up to 3-4 hours a day may be diverted from more productive uses, such as education, parenting or additional income generation. This undermines self-reliance, inhibits upward social mobility and deepens household dependency.

Selected statistics from the situation in Cape Town help to illustrate the housing problem in other major SA cities. To begin with, there are only 10 formal houses in the city for every 17 households, resulting in a housing backlog estimated to be about 350,000 (CAHF, 2017; City of Cape Town, 2018). This is made up of 144,000 households in informal settlements, 75,000 in backyard shacks (both based on 2011 statistics) and the remainder in overcrowded or otherwise unacceptable housing conditions. The city council estimates that 35,000 housing units need to be built each year for the next 20 years to eradicate this backlog and also to cater for new demand that will emerge over this period (CCT, 2018). Between 1996 and 2007, the average number of formal houses built each year was 16,000, i.e. almost half the number actually required. The private market supplied 60% of these and government programmes 40%. However, over the last decade only 7-10,000 formal houses have been built each year (ibid). This reflects the economic slowdown, higher unemployment, credit constraints and the government's main housing programme running out of steam. At the current rate of delivery using conventional methods, the CCT estimates that it will take more than 70 years just to eradicate the current backlog.

The gap between formal housing supply and demand has been filled by informal housing in freestanding shack settlements and in backyards. While 'only' a third of the new housing provided in Cape Town in the 2000s came from the informal sector, this has since risen to about half. Interestingly, many backyarders are employed and pay a reasonable rent (between R 500 and R 2,500 per month). They constitute a natural source of demand for social rented housing because they fall into a gap between eligibility for RDP/BNG housing and qualifying for a formal bond from private financial institutions to buy their own homes. Moving to a well-located and more supportive social rented unit would free up valuable

time and resources and might provide a major stimulus to advance their position in the labour market and enable them to move further up the housing ladder.

---

#### **1.4. The core research questions**

---

The broad purpose of this study is assess the effectiveness of government efforts to reduce poverty and inequality in the major cities through the provision of well-located housing. The study can be divided into two core research themes at the programmatic and project levels:

##### **1.4.1 The contribution of social housing to spatial transformation**

The first is an assessment of social housing at the city-level. This involves a programmatic evaluation of the design, coordination and implementation of social housing in achieving spatial transformation across three cities (probably Johannesburg, Cape Town and Durban). The assumption is that market forces tend to reinforce spatial inequalities, therefore, determined efforts are necessary to invest in affordable housing in places that are accessible to business nodes, industrial areas and transport hubs. The study will examine the various financial, regulatory, attitudinal and other obstacles to the development of affordable housing in well-located areas.

The main research questions are:

- What is the cumulative scale, composition and location of social housing projects in the major cities?
- What factors have enabled and constrained the provision of affordable housing in well-located areas? (e.g. financial model and subsidy levels, availability of cheap land, neighbourhood attitudes, leverage of private investment, planning and regulatory issues, institutional capacity constraints, municipal leadership, fragmented government)
- What impact have these projects had on other investments in and around the same areas? For instance, have they helped to spur other public or private investments, or at least coincided with the provision of other types of housing?
- What difference has the Built Environment Performance Plan (BEPP) and associated procedures made to the most recent social housing projects? For example, has it helped to expedite progress, or to align other investments in infrastructure to the social housing schemes? What other types of public and private housing are being/have been developed in the Integration Zones, and which segments of the population have benefited?

##### **1.4.2 The contribution of social housing to upward mobility**

The second is an assessment of social housing on livelihoods at the household level. The assumption is that access to employment is an important determinant of job prospects and life chances, and that property market forces will tend over time to displace low income households from convenient locations. Rental housing is less susceptible to

displacement and gentrification than ownership because the asset remains under the control of the Social Housing Institutions (SHI). Therefore, social housing should facilitate access to employment and social mobility for low-income households who may eventually move upwards and out of the programme.

The main research questions are:

- Who has benefited from social housing projects in terms of household composition, socio-economic status, race, gender and age? What impact has the rent level had on the beneficiaries?
- What impact has living in the social housing had on their employment status, income and general well-being (defined in terms of quality of the housing stock (size of units, internal facilities and amenities within the precinct)? What is the extent of social mobility among tenants, and what explains this high/low mobility?

The purpose of this paper is to review existing research and evidence, and to provide a preliminary analysis of secondary data on social housing projects in SA.

## **II – Social housing policy and impacts: a global review**

---

### **2.1 The importance of housing policy to poverty and inequality**

---

Governments around the world face many challenges of providing adequate housing that everyone can afford. The global urban affordable housing gap is currently estimated to be 330 million households, and it is expected to grow to 440 million, or 1.6 billion people, by 2025 (King *et al.*, 2017). The housing crisis is particularly acute in much of the developing world, where about one third of the urban population lives in informal dwellings with limited access to basic services, insecure tenure and far from urban economic opportunities and social amenities (*ibid.*). Living in such precarious conditions is both a consequence of and a contributor to urban poverty and social inequality. Sub-standard housing affects personal health and well-being and constrains socio-economic development. The rising number of people living in poor conditions presents a serious challenge to governments in achieving the sustainable development goals (UN-Habitat, 2012).

Most governments formally recognise citizen's right to adequate housing, as part of ratifying the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights. This political and legal commitment to reducing housing poverty and inequality places important responsibilities onto the state (Clapham, 2019). In addition, there are many social, economic and political benefits from improving people's housing conditions. Clapham (2019) distinguishes between three overarching goals of public housing policy: (i) to reduce harm to households, (ii) to correct externalities where the costs and benefits of individual producers and consumers do not reflect societal interest and (iii) to accommodate particular groups of the population neglected

by market processes. Governments devise housing policies, defined as “any action taken by any government or government agency to influence the processes or outcomes of housing” (Clapham, 2019, p. 11), to address one or more of these goals.

While households with higher incomes usually access housing through the formal private market, which is reasonably responsive to household preferences, many low-income households depend on government assistance to obtain adequate accommodation. Housing policy gives governments important powers to mitigate urban poverty and reduce socio-economic inequality. States differ considerably in the type of housing assistance provided, which is informed by the political-economic and socio-historical context of the country. The most common interventions include the provision of social housing, housing subsidies, tax incentives and vouchers, low-interest financing, and land, infrastructure and planning concessions to affordable housing developers (Clapham, 2019; Lund, 2017).

Several factors influence the impact of housing on poverty and inequality. Location is one of the most important (Chetty and Hendren, 2018; Ryan-Collins *et al.*, 2017; Turok, 2016). Good public policy integrates housing into well-located, human settlements in order to promote economic development and upward mobility. On the one hand, successful government interventions are about place-making and delivering houses in areas with social and economic infrastructure. On the other hand, it is about supporting households with more than a roof over their heads, i.e. with skills development, job searching and other active labour market measures. Related to this is a life-cycle view of housing, which recognises the different housing needs of households during their lifetime, including the option to choose between rental and ownership tenure. From this developmental perspective, well-located adequate housing can lift people out of poverty and contribute to more prosperous societies (Turok, 2016; UN-Habitat, 2012). Given that housing is an important element of personal wealth, and a major driver of social inequality, interventions in the housing market can promote equality and social justice in the city (Madden and Marcuse, 2016). At the same time, housing policy that treats housing merely as shelter and fails to consider its multiple socio-spatial dimensions can have limited or even detrimental effects on poverty and inequality (Turok and Scheba, 2018). Although housing is important in its own right, for its benefits to improve health, dignity and social protection, the issues of location and the labour market are fundamental in its contribution to economic development (UN-Habitat, 2012). The rest of this section considers these issues in the particular context of social housing.

---

## **2.2 Social and public housing**

---

Social housing is an important pillar of housing policy in many countries. However, the sector is enormously diverse. Its main objectives, institutional arrangements, tenure forms, beneficiary eligibility criteria and social impacts vary widely in different places. Accordingly, there is no single, simple definition of social housing. Social housing is generally defined as government-subsidized rental housing provided by local authorities or non-profit organisations with the rent set well below market levels. Dwellings are allocated to tenants on the basis of their relative need rather than their ability to pay. This



gives low-income households access to better quality accommodation than they could otherwise afford, with consequent benefits for their general well-being, health, safety and productivity. Despite the enormous diversity of social housing in different places, there are at least two common elements across all contexts.

First, social housing is not delivered by the market, but allocated based on eligibility criteria that take into account income and other household characteristics (e.g. age, disability, ethnic group). Social housing as a broad category is thus equivalent to non-market housing and performs an important welfare function in society. Hence, social housing is often promoted as a kind of safety net that provides poor households with a secure and dignified living environment. Social housing can be built and managed directly by the state or by non-governmental organisations or for-profit housing companies. In the case of direct state provision, it is often called public housing.

Second, social housing benefits from supply side subsidies in the form of grants to public or private developers to provide housing at a reduced rent or purchase price to the dweller. Government subsidies make the construction and management of social housing viable and allow landlords to charge rents below market price. This ensures affordability and allows low- and middle-income households to access decent housing despite their limited spending power.

In some countries, social housing includes ownership or the option of buying the housing unit after a certain period. Social housing is usually restricted to rental as this is considered cheaper for low-income households and keeps the asset in public hands. In most instances, social housing is fundamentally about providing a welfare service to low- and medium-income households, rather than promoting economic mobility or urban restructuring. As such, its key objective is to provide permanent affordable rental accommodation. Whether this welfare service is targeted at the most vulnerable or wider segments of the population varies between countries and over time (Clapham, 2019; Scanlon *et al.*, 2015).

In countries such as Germany, Austria and the Scandinavian nations, it caters for large parts of the population. Here social housing is viewed positively as a tool that can help to achieve a wide range of societal objectives: higher quality housing stock, more affordable housing, social integration and neighbourhood development, compact urban form, environmental sustainability and social justice. In other countries, like the UK or Australia, it has evolved into a small residual sector that functions as the 'tenure of last resort'. Here it is often viewed negatively and associated with it an inefficient, wasteful and counter-productive way of spending government money that patronises the poor and concentrates them into segregated neighbourhoods. The marked differences in experiences and perceptions of social housing in diverse contexts make generalisation and objective evaluation difficult (Clapham, 2019; Scanlon *et al.*, 2015; Forrest, 2014).

Different forms of social housing entail different degrees of government influence, depending on the mode of delivery and governance arrangements. A recent study found that in countries with a small proportion of social housing stock (less than 10% of the total)

the state tends to administer it, while in countries with large housing stocks, non-profit companies or housing associations are more dominant (Genesis Analytics, 2019). In cases where the state directly provides public housing, it has full control over the rate of house-building, the physical quality of the stock, the rent levels and rules governing the allocation of accommodation to households in need. Yet, public housing has tended to become somewhat ossified over time and unresponsive to household needs and aspirations. Second, public housing has become a bigger financial cost to governments over time, and a bigger managerial burden. In an era of fiscal restraint and pressure for a leaner public sector, many governments have reduced direct provision of public housing and supported other organisations to deliver social housing (Clapham, 2019; Scanlon *et al.*, 2015).

Social housing that is built by non-governmental organisations has emerged as the dominant alternative, with both positive and negative consequences. Governments still accept key responsibilities, such as to underwrite finance, provide a subsidy, release land and infrastructure, provide social amenities, expedite planning approvals and regulate landlord-tenant relations. Yet smaller and more flexible housing institutions can be more nimble and responsive to household needs and aspirations. They can also be more enterprising and package funding from different sources, thereby saving government funding. At the same time, there are concerns over their growing dependence on private commercial lending and the consequences this has on the nature of housing provision (Forrest, 2014). These issues are explored in more detail in the next section.

---

### **2.3 Social housing in the Global North**

---

Social housing has a long history in Europe (Scanlon *et al.*, 2015). Its roots date back to the latter half of the 19th century, when the English government enacted the Housing of the Working Class Act of 1885 to close down unhealthy, slum-like settlements, and replace them with better quality, serviced alternatives. The first large-scale social housing project was built in London in 1900, sparking growing interest and support in other city councils. During and after the First World War, health concerns dominated the construction of social housing in the UK. Thousands of social housing units were built as part of the “Homes Fit For Heroes” campaign, which specifically targeted the health of urban conscripts (Clapham, 2019). In France, the Siegfried Act of 1894 founded the social housing policy and created la Société Française des Habitations Bon Marché (HBM, “cheap housing”). However, the scale of social housing remained limited until the 1950s, after which it gained increased government attention that accelerated delivery (Lambert, 2019).

Social housing underwent a massive expansion across the developed world after the Second World War. In Europe it became a crucial part of the welfare state and the social contract between government, citizens and business (Scanlon *et al.*, 2015). Significant government resources were spent on the sector, and in some Northern European and Scandinavian countries, social housing accounts for a sizeable share of the total housing stock – 32% in Netherlands, 24% in Scotland and 24% in Austria in 2011. Its significance is even greater in particular cities, e.g. more than 60% of Vienna’s residents currently live in social housing (Forrest, 2018). In France, the social housing stock comprises 4.8 million dwellings in

2017, which is one in six dwellings. It accommodates 10.7 million people and consumes almost half of total housing subsidies (Lambert, 2019).

In these countries social housing is a mainstream tenure catering for a wide spectrum of people from low- and middle-income backgrounds. It enjoys a strong popular support and there is a wide consensus among policy-makers regarding its necessity (Scanlon *et al.*, 2015; Forrest 2014). Nevertheless, the sector is not spared from challenges. In France, demand far exceeds supply with 2.1 million applications outstanding. In addition, the sector is faced with declining state subsidies, rising construction costs, aging housing stock, increasing residential segregation, declining economic mobility and a growing migration crisis. Many initiatives have been taken over the past 30 years to address these shortcomings, but they have usually fallen short of solving the problems (Lambert, 2019).

In some countries, social housing is reserved for the poorest groups, which has further contributed to their marginalization, segregation and stigmatization. This has been particularly the case in the UK, where privatization, marketization and liberalization of the social housing sector since the 1980s resulted in substantial downscaling, disinvestment and growing challenges with maintenance and management. Pressure to reduce public spending, restrict direct government support and promote home-ownership led to the large-scale sale of units through right to buy agreements as well as prohibiting new construction in the sector (Clapham, 2019). These policies dramatically changed the nature and composition of social housing. For instance, the share of households in the top decile income distribution living in social housing plummeted from 20% in 1979 to close to zero in 2004-05 (Hills 2007 in Ryan-Collins *et al.*, 2017). Social housing has a similar residual character in the USA and Australia.

---

## **2.4 Social housing in the Global South**

---

A more positive picture of public/social housing is emerging in the global South, where governments of several countries have expanded the sector to accommodate more people. One of the best known and most admired is the Singaporean public housing system, which accommodates some 90 per cent of the population, almost all now as homeowners. Hong Kong is another exceptional example of public housing provision. The country known for its 'freewheeling capitalist image' has some 30 per cent of its population living in public rental accommodation, and the sector continues to receive substantial government investment and popular support (Forrest 2014; Chiu 2010). Social and public housing have expanded in other parts of Asia including South Korea, Malaysia and Vietnam. In contrast to European societies, housing became a central element of an 'asset' or 'property-based' welfare state of some developed Asian economies (Ronald and Doling, 2010).

In Latin America, social housing programmes are most prevalent in Brazil, Colombia and Mexico, where governments in collaboration with the private sector and financial institutions built millions of homes for low- to middle-income households with formal jobs and permanent income. While these programmes have been successful in supplying a substantial number of new homes, most of them have been in peripheral urban locations

with inferior access to employment, social amenities and social networks (Molina *et al.*, 2019; Monkkonen, 2018). The peripheral location of social housing projects has contributed to rather than mitigated against the concentration of urban poverty and spatial inequality (Libertun de Duren, 2019). A recent study of three social housing projects in three cities in Brazil, Colombia and Mexico found that location had a significant impact on the benefits and burdens to beneficiaries. The units located in the periphery recorded 40% lower housing values and 50% lower rental values than similar central units. Peripherally located households spent about twice as much money, three times as much time commuting to jobs and had fewer opportunities to access social networks and services (such as childcare). In addition, peripheral social housing projects suffered from social isolation, segregation and a lack of diversity (Libertun de Duren, 2019). There are many similarities to state-subsidised (RDP/BNG) housing in South Africa.

---

## **2.5 Current international developments**

---

In recent years, the social housing sector has undergone important changes in many countries. Central and local governments have increasingly moved away from directly provision of social housing units. Non-profit housing associations have become important deliverers and managers of social housing projects (Murphy, 2019; Fields and Hodkinson, 2018; Wetzstein, 2017; Aalbers *et al.*, 2017). In some contexts, the regulatory conditions and growing reliance on private finance have encouraged these organisations to employ market-like practices (Murphy, 2019). This trend influences the management of the housing stock and landlord-tenant relationships, which to replace a social developmental approach with a more contractual approach with less support to tenants that are increasingly being cast as clients (*ibid.*).

Some analysts argue that the increasing marketization and financialisation of social housing creates tensions between meeting financial obligations and delivering on their social mandate, which requires them to “reconcile often incompatible sets of rules” (Jacobs and Manzi, 2019, p. 9). Fields and Hodkinson (2018, p. 2) argue that “Whereas social housing once counterbalanced the failings of the private market and effects of recession, its funding model now both subjects social housing to market volatility and makes it likelier to intensify such volatility”. Critics of this trend predict a growing policy-outcome gap between social housing policy objectives and the actual outcomes for society (Fields and Hodkinson, 2018; Wetzstein, 2017).

To conclude, social housing remains one of the most common government interventions to mitigate housing challenges, urban poverty and inequality, but the extent to which it achieves these objectives varies across contexts and depends on various factors, including location. Social housing is essentially a non-market, subsidised form of housing that is delivered to segments of society based on eligibility criteria that vary in different contexts. Institutional designs, tenure forms and delivery mechanisms also vary greatly. Recent years have seen important changes to the sector (with exceptions), most importantly the decline of direct state provision, a growing role of non-profit social housing institutions and their increased reliance on private funding due to public funding constraints. Social housing is often considered to perform an important welfare function in

society, by providing low and middle income households with secure and decent accommodation, but there is growing recognition of the potential economic benefits of well-located social rental housing. These may be undermined if housing projects are not planned and implemented sensitively. The next section discusses the contribution of social housing to poverty reduction and social inequality in the context of South Africa.

### **III – South Africa’s social housing policy**

This section reviews the development of social housing policy in SA and distils key themes concerned with the scale, quality, location, targeting and management of social housing. There have been recurring tensions and trade-offs between rental housing versus home ownership; the quantity versus quality of provision; short-term delivery of additional stock versus building of durable institutions to manage assets effectively; and housing as shelter versus its wider contribution to poverty reduction, social change and urban integration. There have also been continuing uncertainties and unresolved debates about the appropriate roles and responsibilities of national and local government, the private sector and communities themselves.

---

#### **3.1 Housing policy post-apartheid**

---

Housing was a priority of the first democratic government, which recognised its significant role in transforming a deeply divided society (Jones and Datta, 2000). The apartheid government segregated people according to race and confined the black population to substandard dwellings in overcrowded townships and informal settlements far from jobs. Meanwhile, whites were subsidised to live in well-serviced suburbs with generous space standards and good public facilities (Lanegran and Lanegran, 2001; Mackay, 1999; Wilkinson, 1998). Providing decent housing for the poor was a prominent election promise of the African National Congress (ANC) and became a central plank of its overarching Reconstruction and Development Programme (Jones and Datta, 2000). The challenge was formidable with a housing backlog of 1.5 million units, growing at 200,000 new households a year, plus 450,000 households in hostels that required upgrading. This was aggravated by the need to transform the unjust and inefficient policies and institutions that the government inherited (Department of Housing [DHS], 1994).

The government’s first housing policy was released two months after the 1994 election. The Housing White Paper (DHS, 1994) followed two years of negotiations within a multi-party National Housing Forum. This brought together stakeholders from the public and private sectors and civil society to formulate solutions to the housing crisis. The new policy emphasised partnerships between spheres of government, the private sector and communities as a “fundamental prerequisite for the sustained delivery of housing at an unprecedented level” (DHS, 1994, p. 4). An enabling environment had to be created “conducive to attracting the necessary private investment, both of the household as well as that of the institutions” (ibid., p. 4). Recognising the difficult economic context (low growth and high unemployment) and high inequality, the policy called for ‘people-

centred' development with housing seen as a way to grow the economy and restructure society. Given the high levels of need and limited state resources, support would focus on the poorest households, and sizeable contributions would be expected from people themselves, the private sector and financial institutions.

The White Paper recognised that housing is more than shelter: "A housing programme cannot be limited to housing, but needs to ... give meaning to the goal of creating viable communities" (DHS, 1994, p. 10) and "government strives for the establishment of viable, socially and economically integrated communities, situated in areas allowing convenient access to economic opportunities as well as health, educational and social amenities" (ibid., p. 19). The policy also identified the important role of land and integrated planning in creating sustainable communities, arguing that a new approach was required to make this a reality: "Efficient assembly and release of appropriately located land for housing is critical to achieving the desired rate of delivery of housing" (ibid., p. 29).

Specific interventions were proposed to stabilise the housing environment and support poor households to get better accommodation. The principal component was the introduction of a project-linked capital subsidy, which became the cornerstone of housing policy (Charlton and Kihato, 2006; Huchzermeyer, 2001). This was paid to private developers to build small housing units for people earning under R 3,500 per month. According to the Housing White Paper, the projected monthly household income distribution was as follows (DHS, 1994, p. 8):

**Table 1. Projected monthly household income distribution figures in 1995**

Source: DHS, 1994

<b>Income Category</b>	<b>Percentage</b>	<b>Number of Households</b>
R 0 – R 800	39.7 %	3.30 millions
R 800 – R 1,500	29.0 %	2.41 millions
R 1,500 – R 2,500	11.8 %	0.98 million
R 2,500 – R 3,500	5.6 %	0.46 million
R > 3,500	13.9 %	1.15 million
TOTAL	100.0 %	8.3 millions

The subsidy was supposed to vary on a sliding scale depending on household income. Some argued that the objective was to increase property ownership among the black population, and create an asset-based society linked to the financial sector (Marais and Cloete, 2017; Mackay, 1999). Some National Housing Forum (NHF) participants argued for a mass rental housing programme as well, but this was rejected because of concerns over the administrative and financial burden on the state (Lanegran and Lanegran, 2001; Tomlinson, 1999; Watson and McCarthy, 1998). Local authorities were already struggling to manage their existing rental housing stock because of rent boycotts, capacity constraints and perceptions of unfair beneficiary selection (Tomlinson 1999). Rent boycotts had become an important resistance strategy under apartheid (Watson and McCarthy, 1998). There was also popular pressure for home ownership as a way to create wealth among blacks (ibid).

The Housing Act was passed in 1997, bringing housing policy in line with the new Constitution, which enshrined access to adequate housing as a socio-economic right. Meanwhile, the ANC government set a bold target to build a million houses in its first five years. The resulting preoccupation with quantity had a profound effect on the way the new housing policy was implemented. The Housing Act recognised multiple dimensions of the right to housing and sustainable neighbourhoods, but the political pressure to deliver large numbers favoured mass provision of uniform units on cheap peripheral land, thereby relegating other forms of housing tenure and neglecting the importance of location. The consequences for entrenching urban inequality and creating new poverty enclaves have been profound (Turok and Scheba, 2018; Huchzermeyer and Karam, 2016; Charlton and Kihato, 2006).

Between 1994 and 2003, more than 1.5 million housing units were constructed (Gardner, 2003 in Tissington, 2010). This rate of delivery was unprecedented internationally, but criticisms soon emerged over the quality, location and socio-economic impacts (Hendler, 1999; Rubenstein and Shubane, 1996). Instead of creating sustainable communities, the scheme created monolithic dormitory settlements on the outskirts, which reinforced the dysfunctional form of South African cities and exacerbated spatial inequalities (Turok, 2016b; SACN, 2016; NPC, 2012; Tissington, 2010). Community participation was limited and the houses contributed little to lifting people out of poverty beyond the shelter and security aspects (CDS, 2015). Very few people obtained mortgage finance to invest in improving their properties (Marais and Cloete, 2017). The unfavourable location and high transport costs also prevented people from gradually upgrading and consolidating their homes, and resulted in many selling or renting them out, thereby creating an informal secondary market where sale prices were often well below construction costs (Huchzermeyer and Karam, 2016; Charlton and Kihato, 2006; Jonas and Datta, 2000). The limitations of the Reconstruction and Development Program (RDP) programme led eventually to policy revisions, discussed in section 3.3.

---

### **3.2 The institutional subsidy: the beginning of post-apartheid social housing**

---

While public debates and government policy squarely focused on promoting homeownership, a small group of housing experts began to advocate for rental as an important alternative form of tenure. A concept note was developed, which laid the basis of the institutional subsidy that was introduced together with the individual and consolidated subsidies in 1995. The institutional subsidy provided funding to institutions to develop and manage affordable housing with forms of tenure other than immediate ownership (i.e. rental, instalment sale, shareblock and cooperative)<sup>1</sup>. The subsidy was given to institutions, but it allowed people to take effective ownership of the unit after renting it

---

<sup>1</sup> Rental agreements did not automatically lead to ownership, but purchase agreements could be set up after a lease period of minimum four years. Instalment sales model required the beneficiary to pay off the purchasing price and interest via monthly instalments over a period of no less than four years. If the institution was a shareblock company, the beneficiary purchased a share block in the share capital of the institution to conclude an exclusive use agreement for the property the shareblock is linked to. In the case of cooperative model, the co-operative owned the property and co-operative members collectively owned the institution through the shares they hold in it (SHF, 2004).

for a minimum of four years. This marked the beginning of social rental housing after 1994, albeit the focus was still on promoting individual ownership (Rust, 2006; Wicht, 1999).

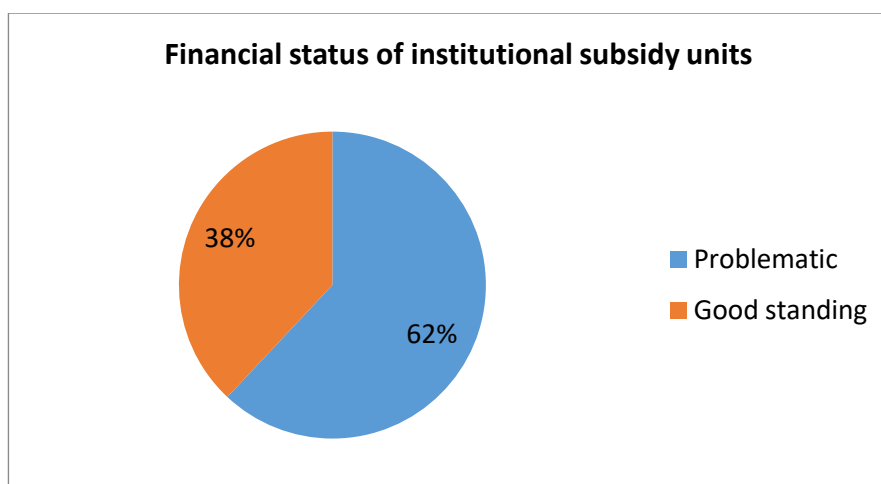
The Housing White Paper developed in 1994 had acknowledged the importance of social housing: "Government believes that it has a significant role to play in actively developing and supporting new and innovative approaches to social housing, especially where these provide for the self-management of housing stock within the ambit of such institutions" (DHS, 1994, p. 40). Nevertheless, there was no effort made to formulate a social housing policy, and critical issues were not addressed, including defining the specific role of social housing, developing an institutional and regulatory framework, identifying ways of managing the housing stock and devising suitable funding instruments. There was also no strategy put in place to implement social housing projects (Cloete *et al.*, 2009). The government introduced the institutional subsidy, due to pressure for some kind of rental support from housing experts, without establishing a strong institutional and policy framework regulating the social housing sector.

Despite the policy vacuum, not-for-profit organisations began to use the institutional subsidy to develop social rental housing project-by-project. Many combined the subsidy with loan funding from the National Housing Finance Corporation (state-owned finance institution) and overseas donor funds (especially from the European Union; Dutch and Canadian governments) to ensure viability. Some schemes focused on regenerating inner-city neighbourhoods through affordable renting, especially in Johannesburg (Mackay, 1999). Other social housing institutions (SHIs) saw the subsidy as a stepping-stone to individual homeownership. Households were expected to obtain mortgages from banks after the first four years of renting. The SHIs saw this period as helping low-income households overcome the barriers to mortgage finance by demonstrating a track record of monthly payments (Scheba and Turok, 2018). However, many projects failed to link people to banks, so most of the stock remained in SHI ownership. They retained responsibility for property maintenance, ongoing management and rent collection. This created many problems in due course, resulting in bankrupt SHIs and decay of the housing stock (Scheba and Turok, 2018). For example, many projects encountered serious financial difficulties, caused by rent boycotts, poor governance and/or inadequate subsidy arrangements. Others suffered from inexperienced management, political interference or inadequate policy support. Research by the Social Housing Regulation Authority (SHRA) found that 12,168 of the 19,630 units built between 1996 and 2006 failed, were in distress or were not viable (they had to be supported by municipalities or donors). This was 62% of all the units financed through the institutional subsidy (Scheba and Turok, 2018).



**Figure 3.1. Financial situation of institutional subsidy units produced between 1996-2006**

Source: Scheba and Turok, 2018. Data from SHRA based on research conducted in 2014



The need for a comprehensive social housing framework to address these shortcomings became increasingly apparent in the late-1990s (NASHO, 2016; Wicht, 1999). In 1997 the Social Housing Foundation was created out of the development arm of the National Housing Finance Corporation (NHFC) to build capacity and provide technical assistance to existing and emerging SHIs (NASHO, 2016). The Foundation also pushed for a coherent social housing policy. The formation in 2002 of the National Association of Social Housing Organisations (NASHO) as the representative body of many SHIs was also important. These and other bodies helped to develop a more serious social housing policy, which became a reality after national housing policy was overhauled in 2004.

---

### **3.3 Breaking New Ground: A new era for social housing**

---

The government's new housing policy was called Breaking New Ground (BNG). BNG reflected on the first decade of housing delivery, and supposedly drew upon extensive stakeholder consultations and research, although some have disputed the extent to which evidence actually influenced the new policy (Charlton and Kihato, 2006). Nevertheless, BNG recognised a slowdown in RDP house-building, the inadequate quality and location of the housing, limited impact of housing on poverty and inequality, the changing nature of housing demand and the limited contribution from the financial sector. The negative effects of peripheral location of subsidised housing were highlighted early on in the document:

"The lack of affordable well located land for low cost housing resulted in the housing programme largely extending existing areas, often on the urban periphery and achieving limited integration. Post-1994 extensions to settlements have generally lacked the qualities necessary to enable a decent quality of life" (DHS BNG, 2004, p. 4).

In response to these shortcomings, the policy announced a more holistic, progressive and responsive approach to create 'sustainable human settlements'. Housing was to have an explicit role in promoting more compact, efficient and equitable cities and towns. BNG stressed the importance of:

- housing quality over quantity,
- a variety of tenure options,
- community participation in the design and implementation of projects,
- a greater role for local government and the private sector,
- the need for social and economic infrastructure linked to housing, and
- the role of housing in social integration and urban restructuring.

It stated:

"The new human settlements plan moves away from the current commoditised focus of housing delivery towards more responsive mechanisms which addresses the multi-dimensional needs of sustainable human settlements. This approach is intended to provide maximum flexibility and will ultimately enhance the mobility of households" (DHS BNG, 2004, p. 8).

The new policy aimed to expand government's mandate to cover the entire residential housing market to support poor and lower middle-income households. It called for new approaches to spatial planning, land-use management and private-sector contributions to deliver sustainable human settlements. Integrating previously excluded groups into the city was viewed as essential to develop sustainable human settlements. The policy encouraged densification coupled with fiscal incentives and residential development permits (basically an inclusionary housing policy), alongside more decisive intervention in land markets and the creation of a single overarching planning authority. The policy recognised the "slow and complex process" of identifying, acquiring, assembling and releasing state-owned and private land for housing. It announced the development of a new strategy to fast-track the release of well-located public and private land for municipalities at no or reduced costs, funded through a separate funding mechanism. BNG also gave more emphasis to upgrading informal settlements and integrated residential development projects. However, many of the policy's recommendations have not been followed through in practice, which means that well-known problems continue to persist (Turok and Scheba, 2018; Huchzermeyer and Karam, 2016).

BNG highlighted the critical role of social housing in achieving sustainable and integrated human settlements. The policy envisaged a strong role for social housing in contributing to urban restructuring and supporting inner-city regeneration. According to the policy: "Social Housing ... may make a strong contribution to urban renewal and integration. Social housing interventions may also be used to facilitate the acquisition, rehabilitation and conversion of vacant office blocks and other vacant/dilapidated buildings as part of a broader urban renewal strategy" (DHS BNG, 2004, p. 15). BNG recognized the potential of social housing to reducing poverty and inequality by "enhancing flexibility and mobility" of people and creating a "non-racial, integrated society" (DHS BNG, 2004, p. 19). The policy

acknowledged the need for strong social housing institutions that hold social rental accommodation in public hands so that more than one generation can benefit. It announced the creation of a new funding instrument and an intention to scale up social housing delivery to 110,000 units over the following four years. It also promised measures to build capacity in the sector and establish a regulating authority to administer and monitor accreditation of SHIs.

The Social Housing Policy was announced in 2005, providing a dedicated institutional and regulatory framework for the sector for the first time. The Housing Code was passed in 2007 (revised in 2009) and the Social Housing Act in 2008. This made the new national subsidy programmes compliant with BNG. These laws formed the new social housing policy framework, which aimed to fill the policy vacuum and address the many shortcomings that previously existed in the sector. The new policy supposedly presented “an aggressive and bold indication of government’s commitment to making the social housing sector work because of the benefits that it brings to the country” (DHS, 2008 p. 7). In developing this framework, the government drew on international funding and expertise, e.g. from Europe and Canada (NASHO, 2016). There were many laudable intentions and progressive aspirations expressed, but the devil was in the detail of its content and practical implementation, as we shall see. A visual overview of the social housing institutional environment is provided in Appendix 1.

---

### **3.4 Social housing policy and programme**

---

#### **3.4.1 Definition and key objectives**

The social housing policy defined social housing as “a rental or co-operative housing option for low income persons at a level of scale and built form which requires institutionalised management and which is provided by SHIs in accredited social housing projects in designated restructuring zones” (DHS, 2008). Rental was made the explicit tenure choice, excluding immediate ownership by tenants. However, it allowed for collective forms of ownership through housing cooperatives. While BNG encompassed other rental programmes (the Institutional Housing Subsidy Programme and the Community Residential Programme), the Social Housing Programme was the only instrument specifically designed to reduce spatial inequalities through urban restructuring. It had two primary objectives:

- To help restructure society in order to address structural, economic, social and spatial dysfunctionalities, thereby contributing to an economically-empowered, non-racial and integrated society living in sustainable human settlements.
- To improve the overall functioning of the housing sector, particularly rental, insofar as social housing can widen the range of housing options available to the poor.

The first objective aimed to make cities and towns more efficient and equitable by providing excluded groups with affordable, decent and medium-density rental accommodation in well-located areas, which the policy considered “likely to be urban or inner-city areas” (DHS, 2005, p.10). As the only state-subsidised form of low-income

housing with higher densities, social housing was vital for the restructuring of SA's spatially segregated cities. The policy argued that social housing "can contribute strongly towards the achievement of urban restructuring and urban renewal through urban integration and impacting positively on urban economies" (DHS, 2005, p. 7). Social housing projects of good location, integration and viability were expected to generate positive impacts on low-income beneficiaries and their surrounding environments. The key imperative behind the restructuring objectives was to ensure that "poor are not pushed farther and farther to distant and marginal locations" (DHS, 2005, p. 7) and enable them access to job opportunities, markets, public transport and social amenities. This objective was reiterated when the minister announced revisions to the programme in 2017, saying that it should be "providing housing opportunities close to transport, places of work and economic activities" (SA News, 2017). Urban restructuring was expected to deliver many benefits, which the policy grouped into social, economic and spatial:

- social (promoting integration across race and class; combating crime; providing support services to tenants, creating sense of belonging, stabilising household members and support new leadership roles for tenants in the wider community),
- economic (improved access to economic opportunities, job creation and economic revitalization of areas) and
- spatial (enabling poor and previously disadvantaged groups to live in places of opportunity where they have limited or inadequate access to accommodation).

The second objective of the policy was to improve the functioning of the housing market, especially the rental sub-market. The lack of affordable rental housing in well-located urban areas was recognised and the aim was to provide low- and medium-income households with affordable and good quality public rental stock. The policy wanted to contribute to a healthy balance between ownership and rental tenure options, especially in urban areas. Additional objectives mentioned were local economic development, financial contributions to local authorities through rates and services, social stabilisation, good governance, democracy and citizenship.

It is evident that the policy envisaged social housing to play an important role in restructuring cities by providing low income households with affordable rental in well-located areas. Social housing was seen as a key mechanism to achieve social, spatial and economic integration that would generate additional public benefits. The significance of social housing to urban renewal and revitalisation is frequently mentioned, as is its contribution to stabilising the rental housing market. However, the policy is ambiguous on whether it gives more priority to mobility or permanence for tenants. It is also unclear about the progression of tenants into other types of accommodation. On the one hand it views social housing as a way to promote flexibility and social mobility, and thereby help people move up the housing ladder. On the other hand, it aims to create security, a sense of belonging and active citizenship in the local community, which suggest more permanency. The policy also lists a whole range of targeted household types and structures, encompassing people with very different housing needs and rental timeframes.

### 3.4.2 Target market and product types

The policy explicitly promotes cross-subsidisation and socio-economic integration in projects. While the aim is to reach deeply into the market (thus catering for the poor), social housing projects also need to achieve an income mix, with middle-income beneficiaries ideally coming from different racial backgrounds. It defined eligible households as those earning between R1500 and R7500 per month, which represented approximately 45% of all African and Indian/Asian households, almost 50% of all Coloured households and nearly 20% of all White households in 2005/2006 (StatsSA, 2006). Those earning R1500 to R3500 were the primary target and those earning between R3501 and R7500 were the secondary target<sup>2</sup>. To ensure participation of poor households, between 30% and 70% of the units had to go to the primary target group, with subsidies increasing in line with the proportion of these units. The policy also encouraged the inclusion of non-subsidised units to be rented to higher income households. There was great optimism that different income and racial groups would like to live and share common spaces together, perhaps not sufficiently recognising the tensions and prejudices that still exist in SA society today.

Recognising that social housing caters for a wide variety of household types and needs, the policy envisaged a broad range of product types including rooms with shared facilities, communal housing, short stay accommodation, group housing, apartments and multi-unit dwellings. The policy suggested that “rental units of different quantity/quality levels could be injected into the marketplace at rents affordable to the income mix targeted”. Rents were not supposed to exceed 33.3% of monthly income. The policy assumed that lower rentals are associated with lower quality units, but it also advocated for ‘vertical equity’, which requires that “proportionately larger subsidies should go to poorer people” (DHS, 2005, p.15). It called for ‘delicate engineering’ to keep the interdependent relationship between rent, type and quality of housing, quantity and subsidy amount in balance. Furthermore, it advocated for well-designed housing environments with attractive common spaces that benefit all of the residents and contribute to neighbourhood development.

### 3.4.3 Financing, delivery and quality assurance

In order to ensure financial sustainability of social housing projects, the policy promoted cross-subsidisation and government grants, while recognising that payment of rental is a central element of the model. Beneficiaries were thus limited to people who can demonstrate regular income and are able to pay a deposit equal to three month’s rental. Recognising the challenge of inflation, the policy allowed for rents to be increased each year (at Consumer Price Index Inflation rate, CPIX), but said this must occur through well-defined processes. It saw rent escalation as necessary to maintain financial sustainability and to keep rent levels broadly comparable across the sector. In addition, the policy calls for a regular adjustment of the upper income band to maintain financial sustainability. It

---

2 Recognising the problems with income-based eligibility approach (rigidities arising from fixed thresholds), the policy advocates for greater discretion (self-targeting) and periodic auditing of rents that SHIs or projects charge. This goes in line with a shift from providing subsidies linked to individuals to entire projects, which shall allow for greater flexibility in accommodation types and consequently the rentals charged.

acknowledged that evictions would be necessary where residents could not afford the rent. However, given the long history of rental boycotts and significant political value of housing, the policy did not elaborate on ways to ensure high rates of rental collection. As a preventative measure, it suggested charging higher rents at the beginning and increasing them more gradually later, but this implied a bigger hurdle at initial entry and neglected the significant risks of political opposition and organised resistance.

Due to the substantial costs of providing social housing, the programme was never considered to result in mass provision. Nonetheless, the importance of scale was recognised: “In order to have impact in restructuring and to contribute to the rental sector, a substantial increase in the delivery of social housing units is required” (DHS, 2008, p. 41). The policy presented a three pronged approach to scale-up delivery. The first was to support and develop SHIs, via a greater focus on viable projects. The government envisaged SHIs becoming the main providers of social housing. They would be strong, independent entities tasked with developing and managing social housing units funded by government grants. They should not be seen as “short-term vehicles for providing housing to a specified market segment” but “robust, sustainable institutions, established to assist in providing the social housing option” (DHS, 2005, p.9). SHIs could include companies, not-for-profit organisations, cooperatives, communal property associations or trusts.

The second component was the use of public private partnerships for large-scale projects where economies of scale could be harnessed. The third component was to support the private sector in delivering accredited social housing projects. Private companies were also encouraged to participate in providing social housing as so-called ‘other delivery agents’ (ODA), excluding provincial and municipal governments:

“The fact that the private sector is a major contributor toward the support of rental housing at present suggests strongly that the measures introduced to support social housing should not have the effect of squeezing them out, but should rather facilitate their involvement in the sector” (DHS, 2005, p. 19).

Quality was to be achieved through the accreditation of SHIs and projects. Accreditation was also meant to enable SHIs access to private-sector financing. According to the policy, accreditation will “ensure that their operational viability is safeguarded and will also provide a measure of comfort to any financial institution from which the SHI may wish to borrow for project development” (DHS, 2005, p. 57). SHIs were expected to invest equity in their housing projects, with other financing coming from state subsidies and loans (see Appendix 2 for an overview). However, this assumption neglected the fact that new SHIs generally do not have sufficient equity and other collateral required to access finance. The policy envisaged that the NHFC would be a key lender in the short to medium term, and commercial lenders in the long-term. This was based on the assumption that SHRA and government would regulate the sector effectively and provide capacity building and support to increase the number and quality of SHIs.

### **3.4.4 Location and integration**

Good location of social housing projects was critical to achieving urban restructuring and socio-economic integration. Economic integration/inclusion was the fundamental objective. This was not the same thing as urban regeneration. The two objectives often coincided, but economic integration could also be achieved in well-located areas where urban regeneration was not an issue, such as public transport corridors or economic nodes in outer urban areas. An innovative feature of the social housing policy was to link a portion of the funding to designated restructuring zones (RZs) which “are those geographic areas identified by local authorities and supported by provincial government for targeted, focused investment” (DHS, 2005, p. 10). According to the policy:

“these zones are intended to provide geographic focus for accommodation opportunities for low-income people close to facilities, amenities and income generating opportunities. Social housing developments must influence and be influenced by integrated development planning, and should therefore be in line with local Integrated Development Plans (IDPs) and other related plans created for the promotion of integrated development in urban areas” (DHS, 2005, p. 10).

The policy made it clear that RZs must be aligned with existing UDZs and urban development strategies, but the subsequent guidelines outlining the criteria for identifying RZs were very broad, resulting in very different types of area being designated. Provincial and local governments were responsible for identifying RZs and mobilising SHIs in their areas, but final accountability ultimately lies with the national Minister of Human Settlements. The important role of local government is frequently mentioned in the policy document, which suggested developing guidelines in collaboration with the South African Local Government Association (SALGA) and metropolitan municipalities to ensure buy-in and speedy implementation. There were many assumptions about different government departments, spheres and agencies working together to support social housing projects, which neglected the economic value of land, competing interests and the role of politics in decision-making. The policy saw making land available as a key contribution from local government, but it did not put any obligation on local government to do so. A final point of note is that access to the Restructuring Capital Grant (RCG) was also permitted outside restructuring zones in so-called ‘mega-projects’, despite the risk of this undermining the primary objective of achieving urban restructuring.

---

## **3.5 Recent policy reforms and sector developments**

---

Several important policy and legislative changes have affected the social housing sector in recent years, including the Presidency’s Outcome 8 delivery targets (2010), the National Development Plan (NDP) (2012) and the Medium Term Strategic Framework (MTSF) (2014). The MTSF set an ambitious target to deliver 27,000 social housing units between 2014–2019. This became a policy imperative driving accelerated delivery. Coincidentally, an evaluation of the Social Housing Programme carried out in 2014–2015 concluded that nearly 10,000 rental housing units had been built and that this represented value for money (DPME, 2016). The SHRA’s State of the Sector Report (2016) also stated that “the

sector is meeting its core critical objectives under the Social Housing Act”. However, it also acknowledged that it is:

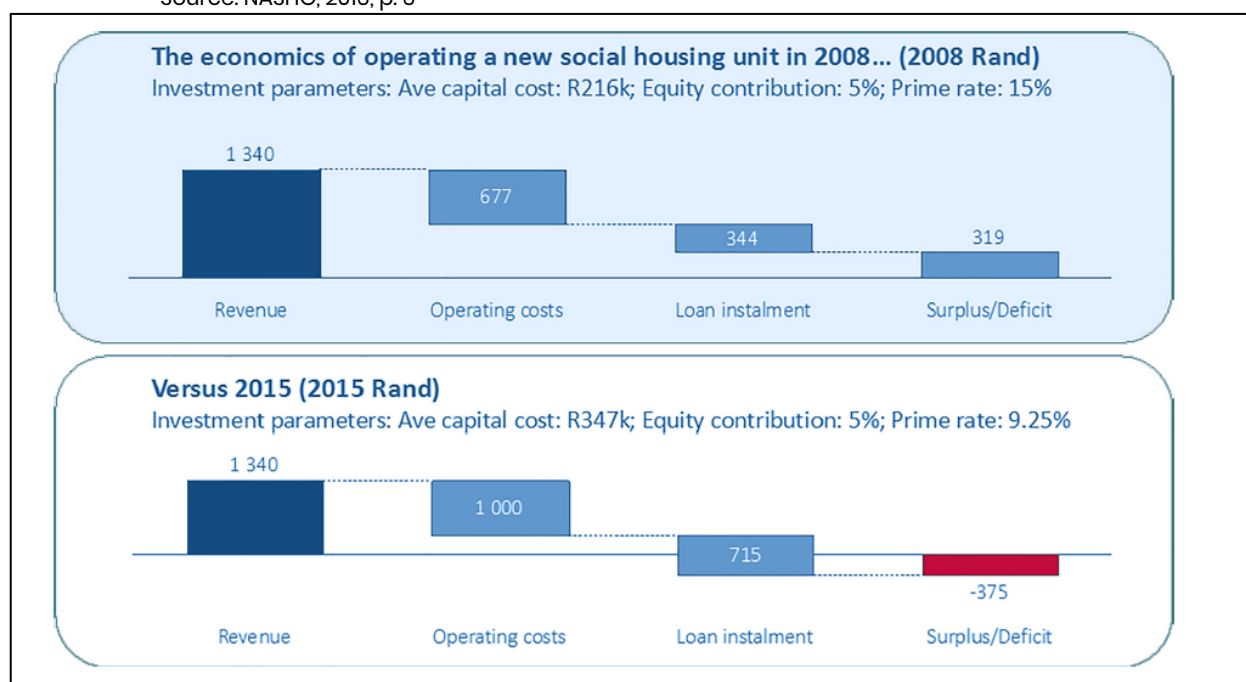
“falling short of the scale of delivery required to truly consolidate its gains and make a substantial and lasting contribution to the restructuring of the country’s urban landscape, and to the economic revitalisation of inner cities and urban nodes”.

This reflected a sharp fall in the rate of production after the first few years, partly because the value of the state subsidy had not kept pace with inflation in the costs of building. The resulting stagnation in delivery threatened the long-term viability and sustainability of the sector. Research by NASHO illustrated a sharp decline of project viability between 2008 and 2015 due to increasing costs but stagnant incomes, as shown in figure 2 below.

There were also serious problems with the limited oversight and support of SHIs provided by SHRA (DPME, 2016; NASHO, 2016). Furthermore, the Department of Planning, Monitoring and Evaluation (DPME) evaluation recommended that the restructuring zones be defined more narrowly so that the housing projects would have a more concentrated and therefore catalytic impact (DPME, 2016).

**Figure 3.2. The economics of operating a new social housing unit: 2008 and 2015 compared**

Source: NASHO, 2016, p. 6



During 2017, the Department of Human Settlements made four significant changes to the social housing programme to address the delivery crisis. First, they revised the income bands for beneficiaries to allow for inflation. The new upper income limits of the primary and secondary markets were raised to R 5,500 and R 15,000 respectively. So the social housing programme could now support households with incomes between R 1,500 and R 15,000 per month. Second, the RCG grant was raised from R 124,000 to R 155,000 per unit.



The Department also combined the institutional subsidy and RCG into a single funding stream – the ‘consolidated capital grant’ (CCC). The responsibility for administering the CCC was transferred to the SHRA. In announcing the revised income bands, the minister reiterated the supreme importance of ensuring low income households could access urban opportunities. She stated that the social housing programme should “continue its focus on including the primary target market in well-located projects, so that the poor are integrated into cities” (SA News, 2017).

Third, they added 138 additional restructuring zones (located within six provinces and 38 municipalities) to the 127 existing ones. This extended their coverage into intermediate cities and smaller towns (SHRA, 2017). The effects of this are discussed further below. Fourth, the SHRA underwent major restructuring, appointed new leadership and implemented far-reaching organisational improvements. It introduced new rules regarding the accreditation of SHIs and entered new partnerships with government bodies (e.g. Housing Development Agency, City of Johannesburg) and other sector stakeholders (e.g. NASHO and Canadian government) to improve the performance of the sector (SHRA, 2017).

The social housing sector also benefited from wider legislative reforms and policy changes that aimed to promote urban restructuring. The Spatial Planning and Land Use Management Act (SPLUMA) (2013) requires municipalities to promote the principles of spatial justice, inclusion and sustainability in planning and land-use decisions. The National Treasury introduced Built Environment Performance Plans (BEPP) as a requirement for metropolitan municipalities to align their capital budgets with their plans for urban integration and spatial transformation. The metros designate Integration Zones and Transit Oriented Development precincts in their BEPPs, which create opportunities to align with social housing restructuring zones and private sector investment. The metros are also obliged to identify catalytic land development programmes in their BEPPs. Meanwhile, the Department of Human Settlements required municipalities to identify social housing as part of new catalytic human settlements projects (also known as mega-projects).

Beyond this, the NDP and the Integrated Urban Development Framework (IUDF) identified social housing as an important mechanism to create more compact, efficient and equitable cities. At international level, the New Urban Agenda added political support to the provision of social housing. According to SHRA’s State of the Sector Report: “In arguing for greater and integrated investment in spatially well-located areas to increase urban amenity access by low and moderate-income households, the NDP and IUDF highlight the importance of rental housing and specifically, social housing” (SHRA, 2017, p. 32). Social housing is clearly attracting considerable support as a way to achieve important urban policy objectives. Many observers expect social housing to achieve even greater prominence in current government deliberations about the future direction of housing policy (SHRA, 2017).

In parallel to these policy developments, there has been growing civil society pressure in cities to deliver social housing, along with heightened media interest. Some of the media attention has been sparked by the resistance SHIs have faced from tenants in the context

of rising rent levels and occasional evictions for repeated non-payment. Other interest has been sparked by the broader issues of social justice and spatial transformation. In Cape Town, for example, the Reclaim the City movement has transformed public awareness and support for social housing in the inner city (NASHO, 2018). It has used all sorts of methods to advocate greater public investment in well-located affordable housing, including research, formal engagement with city officials and the private sector, symbolic protest action, occupation of vacant and under-used land and buildings, commentary in the mainstream media and social media, and legal action against public authorities and private developers. These pressures have had important political and practical consequences as well, including rifts and disagreements within the administration and delays in the commencement of new property developments because of physical and legal obstruction.

---

### **3.6 Key challenges and tensions**

---

The social housing sector faces many challenges and dilemmas in expanding its contribution to tackling the housing crisis. Five of the most important are outlined below.

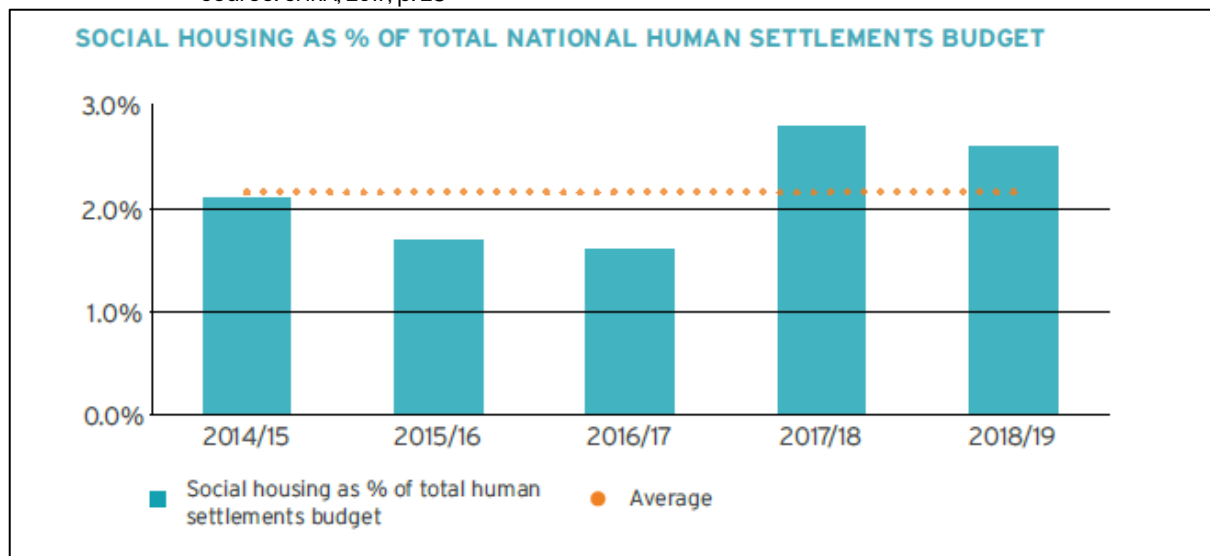
#### **3.6.1 Scaling-up delivery vs budgetary constraints**

One of the greatest challenges is to accelerate the delivery of housing units, specifically in areas of greatest demand. Over the MTSF period, 13,958 units have been delivered (including in 2018–2019), which falls far short of the target of 27,000 units (SHRA, 2019). It is also much lower than initial policy expectations of 50,000 units within the first five years of the programme. Some experts actually suggested that between 100,000 and 150,000 units were needed by 2020 to make a substantial impact (NASHO and AFD, 2011). While government implemented important legislative changes and sector reforms to boost delivery (including the increase of subsidy quantum, adjustment of income bands and reorganisation of SHRA), these actions appear to have been insufficient to create the conditions for sustainable growth of the sector. Even though the subsidy was increased to R155,000 in 2017, the additional amount was below actually incurred inflationary increases and, more importantly, was again not indexed to future inflation (SHRA, 2017). With construction costs increasing above inflation, the current benefits will have diminished in a few years' time, which is very likely to stop delivery again. Meanwhile, the allocated budget is not enough to fund the 27,000 units planned for this MTSF period.

Financial constraints are the main reason for government's hesitation to link subsidies to inflation and periodically adjust the income bands. Social housing is but one government mechanism aimed at mitigating the housing crisis in the country. The emphasis is still overwhelmingly on promoting homeownership through integrated residential development projects and mega-projects. Another increasingly important policy focus is informal settlements upgrading. The MTSF target of 27,000 social housing units is very small and only makes up 3.6% of the overall goal of creating 745,000 housing opportunities in this period. Similarly, social housing receives only 2% of the total human settlements budget. Worsening fiscal constraints and a reduced human settlements budget threaten the sustainability and growth of the sector (SHRA, 2017).

**Figure 3.3. Social housing as percentage of total human settlements budget**

Source: SHRA, 2017, p. 28



National government is hoping for the private sector to take a leading role in unlocking investment. Social housing institutions and other delivery agents are expected to develop new innovative public-private partnership models and enter into financing arrangements with commercial lenders to increase delivery. Mega-projects (catalytic human settlements projects) are increasingly being pushed to deliver social housing on a large-scale. The National Department of Human Settlements requires municipalities to identify catalytic projects that accommodate a mix of tenure forms, including social housing. Using different tenure options the department seeks to deliver “mega, high-impact integrated and sustainable human settlements that clearly demonstrate spatial, social and economic integration in close partnership/collaboration with provinces, municipalities and private sector partners” (SHRA, 2016, p. 39). Another prominent suggestion is to develop inclusionary housing policies to set aside affordable rental in new private-sector led developments. Evidence suggests that other delivery agents from the private sector are indeed becoming increasingly important in the delivery of social housing units (SHRA, 2017).

Until now, SHIs have been dependent on government grants and financing. Government subsidies in the form of RCG and IS (nowadays CCG) cover the majority of capital costs, on average 70%, and are thus vital for the viability of projects. Most SHIs do not have large equity to invest in the creation of new stock. Own equity contribution by SHIs is limited to 3% of total capital costs on average across the sector (SHRA, 2017). In addition, with a few exceptions, SHIs struggle to obtain loan finance from commercial banks (SHRA, 2017; DPME, 2016). Emerging SHIs find it extremely difficult to obtain commercial loans due to their inadequate track record and limited collateral (SHRA, 2017). Commercial lenders remain reluctant to invest in the sector due to following concerns: (i) no reliable funding commitment by government, (ii) a negative perception of the regulation of the sector; (iii) different sources of funding complicate managing the different funding streams; (iv) legislated limitations on transfer and disposal of social housing stock in terms of default; (v) rentals revert to the initial levels when tenants vacate the units eroding the real value of social housing rental income streams over time, and (vi) some SHIs are not deemed financially sound due to weak financial management controls (SHRA, 2017).

The bulk of debt finance is therefore provided by government-owned banks such as the NHFC and Gauteng Partnership Fund (SHRA, 2017). Growing the social housing sector requires government support in the form of grants, loan finance and capacity building. While fiscal constraints and budgetary realities are acknowledged, scaling up delivery to levels where it can make a larger-scale impact will require more substantial funding and commitment to periodically adjust subsidy amounts and income levels to inflation. Aside from the national department, provincial and local governments are called on to support SHIs by providing incentives and reductions in the cost of municipal services. Without public financial support, they will not be able to manage units viably, which is a key expectation outlined in the policy.

### **3.6.2 Scaling-up delivery vs urban restructuring**

The need to fast-track delivery seems to have contributed to the proliferation of restructuring zones (RZ), which increased from 127 to 265 in 2017, without increasing the budget commensurately. Restructuring zones now cover many smaller towns and cities, extending into all provinces. This reflects the political desire to spread public resources evenly across the country. However, it comes at the cost of diluting the funds available for investment in the areas of greatest economic opportunity. It also makes it more difficult to concentrate the housing investment in a way that stands a better chance of leveraging other (private) resources and achieving a more significant, transformative impact on the ground in a particular municipal area.

While RZs are supposed to promote social, economic and spatial restructuring, their delineation and application appears to have downplayed this important objective very substantially (SHRA, 2017b; DPME, 2016). Some RZs cover the whole or large parts of a municipality. There is uneven commitment to social housing and various degrees of specificity on RZs in the municipal spatial development frameworks (SDF) or integrated development plans (IDP) among municipalities (SHRA, 2017b). RZs are seldom linked to municipal economic development strategies. Municipal economic growth strategies usually pay little or no attention to restructuring zones or social housing projects (SHRA, 2017a). In the metros, the BEPP's integration zones have received heightened attention in influencing urban restructuring strategies (SHRA, 2017). SALGA argued that in some instances the availability of land has influenced the delineation of RZs. NASHO and HDA identified a 'spatial drift of projects', highlighting the increase of RCG funding allocation in outer-suburbs and grey zones and away from inner city and suburbs (NASHO and HDA, 2013).

Increasing property and building prices make it increasingly difficult to implement social housing in better located areas, unless public land is made available at a heavily discounted price (SHRA, 2017; NASHO and AFD, 2011). The social housing financing mechanism hampers the ability of SHIs to acquire well-located land because it assumes a land price of around R 30,000 per unit, whereas the actual price of well-located land is considerably higher than this. Some social housing projects are located outside of RZs in mega projects, which are large housing schemes combining market and subsidised

housing units of different quality, price and tenure forms. Although the national department published guidelines and criteria for the development of restructuring zones, the principles previously used vary among municipalities and there is no independent evaluation before they are designated. As a consequence of the unfocused implementation of RZs, SHRA has called for the removal of RZs and suggests a stronger emphasis on site-based assessments of projects and alignment with other municipal spatial investment instruments. In the case of metropolitan municipalities, social housing should arguably be linked to BEPP's Integration Zones, which are supported by existing local and national governance frameworks and "arguably more appropriate and relevant" according to SHRA (2017, p. 121).

### **3.6.3 Financial viability vs social impact**

The social housing policy envisages strong and viable social housing institutions that drive the growth of the sector, in conjunction with other delivery agents from the private sector. Because SHIs rely on debt funding, financial viability is key for them to become sustainable and grow their portfolios. In the most basic terms, this means their total revenues need to exceed total operating costs, preferably enough to generate a surplus to fund operating reserves, capital replacement maintenance reserves and to support new developments. A number of factors influence financial viability including the funding and financing arrangements, development costs, operational efficiency, tenant mix and management, other income generating activities. SHIs improve their viability by increasing their incomes and reducing costs, which causes tensions between financial and social objectives (Mosselson, 2018). This tension plays itself out in the type of accommodation that is created, the type of tenants that are being selected and the types of services that are provided.

The type of design and quality of social housing has considerable cost implications. The higher the specifications of the unit, the more expensive it is. Great variety exists among social housing projects, with costs varying between R 7,000 and R 12,000 per m<sup>2</sup> in 2013 (Pomeroy and Sager, 2014). In comparison, the average building cost per square meter for flats in the private market was R 8,163 in 2015 (StatsSA, 2016), which suggests that there is room for improvement in the social housing sector. The average annual cost per unit for primary and secondary markets were R 360,000 and R 400,000 respectively in 2017 (SHRA, 2017). Through provision of RCG and IS (now CCG), the government reduces the development costs of the social housing unit by between 60–70%, resulting in lower debt repayment costs for the SHI. However, rising construction costs force SHIs to explore cheaper project typologies (e.g. communal/shared rooms) and lower quality standards. Average unit costs increased at an average of 11% per annum between 2007–2008 and 2013–2014. Construction costs increased by an estimated 39% between 2013 and 2017. Meanwhile, inflation increased at an annual rate of 6.4% between April 2008 and March 2017 (SHRA, 2017). In the absence of inflation-based subsidy increases, some SHIs argue for more flexible standards (e.g. unit size) for the sector (SHRA, 2017).

Financial sustainability is also influenced by the operational efficiency of the SHI. Operating costs are not covered by government grants but by rental or other income generated.

They include expenses such as administration and management of SHI, utilities (electricity, water, refuse), staff salaries, taxes and levies, insurance and depreciation of the stock. SHRA calculated in 2017 that above R 1350 per unit per month it becomes inefficient for the SHI to operate. According to their latest State of the Sector Report, 68.2% of SHIs are operating above this benchmark. Furthermore, municipal-owned entities have significantly higher operating costs than other SHIs (R 4,031 compared to R 1,532 per unit per month) (SHRA, 2017). Insufficient operational surplus may curtail spending on maintenance, with serious long-term ramifications. Yet, increasing operational efficiency and generating a surplus can undermine the social objectives of the SHI. Some SHIs are less financially efficient because they provide more social support services to tenants or decide not to outsource operational activities to third party agents. There is a tension between offering holistic support to tenants and having a narrow client-service provider relationship (Mosselson, 2018). SHIs and private companies may deal differently with this tension, which could have significant impact on the reputation and impact of the sector. While non-profit SHIs may be more inclined to build strong relationships with their tenants and provide value added services, private companies tend to put commercial considerations first.

The key factor affecting financial viability is rent collection. Rent is often the only income for a SHI. Nevertheless, rent collection across the sector is below the benchmark of 95%. Rent collection among municipal owned entities (MOEs) is considerably lower (58%) than the average of 78% in the sector. This suggests that MOEs pursue a more lenient approach to defaults and evictions than other SHIs. While every SHI needs to periodically increase rentals to cover rising operational costs, tenants struggle to afford rising rents and utility costs. Rising costs in the context of unemployment and stagnant wages have pushed tenants' over their financial limits in several social housing projects. Some SHIs have introduced pre-paid water and electricity meters to restrict tenant's monthly expenditures. Others have installed access control mechanisms that deny tenant's access to the unit in the case of default (Mosselson, 2018).

Beneficiaries from the primary market segment, i.e. R 1500 to R 5500, tend to be the most vulnerable with the highest risk of default. The higher the share of primary target tenants, the greater the risk for the SHIs to run into financial difficulties. The growing pressure and difficulties to operate viably has caused SHIs to adjust their tenant mix and keep the primary market at the 30% minimum. There are real concerns that low-income households, especially those earning R1500 and above, will be increasingly priced out of social housing as rentals become unaffordable (SHRA, 2017; NASHO and AFD, 2011). Another consequence could be that they sub-let their accommodation to non-qualifiers at higher rents, which is illegal but often hard to detect by the SHI. This is another reason why some SHIs have installed access control mechanisms.

A few SHIs have started to diversify and engage in additional income generating activities to supplement their rental revenues. One established SHI has established a for-profit company that operates in the private rental market to cross-subsidise their social housing operations (SHRA, 2017). This seems an attractive idea at first sight, although the demands of managing the commercial stock (such as tenants expecting higher standards of

maintenance and responsive services) could subvert the social housing function over time.

#### **3.6.4 Increasing number vs capacity of SHIs**

The Social Housing Policy envisaged SHIs becoming the primary delivery agent for the sector. The number of accredited SHIs has grown significantly in recent years, which shows growing interest in the sector. The growth of SHIs may also be a consequence of more concerted efforts by the SHRA and government to streamline the registration process and transform the sector. However, less than one third of all accredited SHIs actually manage social housing stock at the moment. Four of the 22 SHIs that are managing stock are municipal owned entities (MOEs). The growth in accreditation of SHIs does not therefore mean increased capacity to deliver. Accreditation is not meaningful if the SHI is unable to access funding and develop social housing stock. Among some SHIs there is a perception that the accreditation approach used by the SHRA “does not ensure that new entrants are viable and sustainable” (SHRA, 2017, p. 55), which defeats its initial purpose of enabling access to funding and projects. Most SHIs are struggling to access funding or they lack the capacity to get projects off the ground. Others operate on a small scale and struggle to reach a critical mass (SHRA, 2017; DPME, 2016).

Until recently, SHRA has focused more on its regulatory mandates rather than building the capacity of new and existing SHIs. It has acknowledged that “the nature of capacitation and funding of SHIs to date has not resulted in the sector meeting its unit delivery targets” (SHRA, 2017, p. 18). There is growing recognition that SHIs need years of experience and support to become financially sustainable. Therefore, the expectations of SHIs need to be managed, recognizing the demanding nature of their endeavour. NASHO has argued that SHIs go through different stages of development, during which they have different needs and require different forms of support. The organization recommends a nuanced capacity development strategy, which offers greater support to emerging SHIs, while enabling more established SHIs to get greater access to commercial funding (NASHO, 2016). Furthermore, it is recommended that strategic partnerships and alliances are established between government, new and established SHIs, and the private sector to enable skills and knowledge transfer.

Although the need for capacity building was amply acknowledged in the Social Housing Policy, specifically explaining a shift in emphasis towards developing the capacity to run projects and to link ongoing support to performance, only limited achievements have been made since then. SHRA is actively exploring new support mechanisms for the sector, which include seed funding, interest free capital, support in accessing land, and funding and technical expertise. The fundamental objective is presumably to assist SHIs reach the point where they are financially viable and able to generate a capital surplus, which could then be invested in new social housing development projects. This would transform SHIs into dynamic, self-sustaining entities.

### 3.6.5 Local government's expected vs actual role

Local government has a crucial role to play in supporting the growth of social housing. The Social Housing Act says municipalities should create an enabling environment, help to establish SHIs, provide financial incentives and assist SHIs to access bridging finance (SHRA, 2017). Local government can also expedite the delivery of projects by making land available, simplifying administrative procedures and speeding up approvals. SHRA suggests that comprehensive municipal rental housing policies should be established to create an investment framework for SHIs. Municipalities also need to align their urban restructuring and housing objectives across their IDP, SDF and BEPP. No countrywide inclusionary housing policy, which would make a certain percentage of affordable housing mandatory in new development, exists. However, the City of Johannesburg has recently approved its own inclusionary housing policy and the City of Cape Town is in the process of developing one.

Unfortunately, local government commitment and capabilities differ widely across the country. Some municipalities lack the expertise and wherewithal to support SHIs in developing projects. The metros and some of the larger municipalities are better equipped to assist, but not to the extent that most SHIs really need. The provision of land is probably the biggest challenge. Municipalities (and other public bodies) are under increasing financial pressure and face a tough trade-off between using whatever surplus property they own to maximize the sales receipts in order to subsidise service delivery, and providing it at a discounted price for social housing. SHRA states that “well located, public and SOE-owned sites are still being held or sold on the open market without considering their utility for social housing or development inclusive of social housing” (SHRA, 2017, p. 100). While the legislative framework (such as GIAMA) exists for public land to be prioritized for social housing, progress depends heavily on local political leadership, commitment and partnerships with the social housing sector. At the moment, the “lack of a consistent local government approach to the sector is an area of frustration for many SHIs” (SHRA, 2017, p. 116).

## IV – Social housing impacts and challenges

---

### 4.1 Data and methods

---

There are two main challenges in reviewing the impact of the social housing programme to date. First, there is conceptual complexity contained within the three core objectives: spatial transformation (i.e. urban restructuring through compaction, integration and/or connectivity), social advancement (i.e. progress through upliftment, employment, access to services and/or racially-mixed communities) and economic revitalisation (i.e. urban regeneration through attracting private investment, stimulating small business development and reversing urban decay). There are differences of emphasis and subtle trade-offs between these objectives that impinge on which groups of tenants should be targeted, where projects should to be located, and the scale of delivery that is feasible.



The second challenge is one of practical measurement of the impact, given the imprecise and inconsistent nature of these objectives, and the need to collect and collate a wide range of socio-economic indicators at the level of the individual tenant, the housing project, the neighbourhood and perhaps even the city as a whole. This task is hindered by the uneven availability and quality of data across different metros, as well as major gaps in data for some core indicators. For example, the lack of systematic information on the spatial distribution of firms in SA cities makes it difficult to assess the proximity of social housing projects to jobs. Yet this is a fundamental objective of social housing policy.

A comprehensive evaluation of the nature and impact of social housing is beyond the scope of this paper. Instead, we provide a review of programme outputs and the location of social housing projects, drawing on available secondary sources. We begin by analysing programmatic information collected by the SHRA covering the last decade, which splits into two electoral terms (i) from 2008-2009 – 2013-2014 (linked to the strategic plan known as the Medium Term Strategic Framework (MTSF)) and (ii) from 2014-2015 – 2018-2019 (excluding the last two quarters of 2018-2019). This involves a review of some of the key features of projects delivered to date in terms of their size, budget, location and institution.

We then undertake a more detailed assessment of the spatial distribution of social housing projects across the metropolitan municipalities of Cape Town, Johannesburg, Ekurhuleni, Tshwane, eThekweni, Nelson Mandela Bay and Buffalo City. The first task was to compile a comprehensive database of relevant projects. We began with a curated dataset from the HDA/NASHO covering the period until 2016 and then updated and triangulated it against records reported by the SHRA. The database only contains social housing projects geared towards rental tenure, in accordance with the objectives of the social housing policy. It may be misleading to report on social housing stock which has long since been sold or otherwise transferred into the hands of private households. This means that even fairly recent rent-to-own schemes such as Morgans Village or Harmony Village as managed by the Cape Town Community Housing Company are not included in the database.

The final database we produced was reviewed by NASHO in consultation with their membership, which provided an additional layer of audit and quality control. Overall, we believe that the database is up-to-date and reliable although there may be a few discrepancies in geo-coding for smaller SHIs. In the interests of transparency, the database is included in Appendix 3. The database contains records of 185 projects in the metros as well as a few secondary cities which have also benefited from social housing, such as Sol Plaatje (Kimberley) and Msunduzi (Pietermaritzburg). This is a huge improvement on the database produced by the HDA/NASHO in 2013 which had geo-coded information on only 32 projects. NASHO is working with the SHRA to see how this database could get institutionalised in order that the records are continually updated.

A methodological issue is how to identify whether individual projects have contributed to the objectives of spatial transformation, social advancement and economic revitalisation, at least in terms of their geographical location. We build upon the classification systems

used in previous studies (see NASHO and HDA 2013; Genesis Analytics, 2019) to allocate projects in the geo-coded database into seven location types:

- **Core city:** The area within approximately 5km of the city centre. It maximises access to employment and related facilities such as training colleges. It includes older and somewhat neglected industrial and warehousing districts surrounding many CBDs, where property is cheaper. Social housing has the potential to help revitalise these areas through infill development on brownfield sites and rehabilitation of vacant, derelict and ageing buildings (especially in and around Johannesburg CBD). Major outlying business nodes are also included in this category if they are long-established and showing signs of significant decay.
- **Inner suburbs:** Predominately residential districts in the historic (and formerly white) parts of the city with good access to public services and public transport nodes in areas typically surrounding the core city. Inner suburbs are well-established areas of relative prosperity. They are potentially open to spatial transformation and a change in the social composition through social housing infill development (and perhaps more intensive land-uses, such as apartment blocks replacing free-standing houses) that provides greater tenure diversity and housing choice for low- and middle-income households.
- **Outer suburbs:** Predominately residential districts further away from the city centre with fewer public services and poorer public transport connections. They have limited potential for spatial transformation and social advancement because of their peripheral location, high cost of land and poor connectivity. Any projects are likely to be on greenfield sites.
- **Grey zone:** These are greenfield areas left vacant under apartheid or with marginal industrial development typically situated between historic 'white' suburbs and outlying 'black' townships. Their potential for large-scale development depends on concurrent investment in bulk infrastructure and transport connectivity to enable major 'new townships', often comprising mixed tenures and mixed income – everything from RDP/BNG units to rental apartments and freestanding open market bonded housing (e.g. Fleurhof in Johannesburg).
- **Greenfield mega-project:** These are undeveloped areas on the periphery requiring large-scale public investment in bulk infrastructure and transport connectivity. Cheap land is a key attraction, along with the ability to generate economies of scale in the production of mass housing. Some may be accessible to outlying industrial areas (e.g. Cosmo City in Johannesburg and Cornubia in eThekweni). There is little potential for spatial transformation and economic development may take many years to materialise.
- **Established township:** Former 'black' settlements generally located on the outskirts of the 'white' cities. They are generally far from economic nodes and their bulk infrastructure and other public services are often inadequate to cope with fast-

growing populations, many of which are in crowded backyard structures. Social housing may meet purely housing objectives, rather than spatial or social transformation or economic revitalisation goals.

The results of applying this typology to the social housing projects are shown in section 4.3 below. Observations are also made about the Restructuring Zones that municipalities have designated for social housing projects to qualify for Restructuring Capital Grants. The coding of locational typologies is open to interpretation and in some instances would require additional information about precise locations and boundaries. For example, some of the peripheral projects could just be an incremental extension to an existing township, or they could be part of a new mega-project, or even in a grey zone. However, we also provide maps which give a good impression of where social housing projects are spread across each metro.

The findings are useful, although they also reveal certain limitations of this approach. The categories are broad and it is not possible to compare the merits of different projects within the same category. A more sophisticated approach would be to develop criteria to enable each project to be assessed more systematically. This seems to be the direction preferred by the SHRA in advocating a movement away from predetermined restructuring zones towards site-specific assessments.

---

## **4.2 An overview of delivery**

---

A decade has passed since social housing was institutionalised in SA and the SHRA was established in 2008. This is an opportune time to reflect on what has been achieved so far, and to identify patterns and emerging trends in the scale, cost and spatial distribution of social housing units. The annual SHRA performance and financial reports provide a regular source of information on the development of the sector. The SHRA's self-reporting has improved steadily over the time and it has also added periodic 'State of the Social Housing Sector' reports to offer a wider account on the sector. These are positive signs of growing institutional capacity.

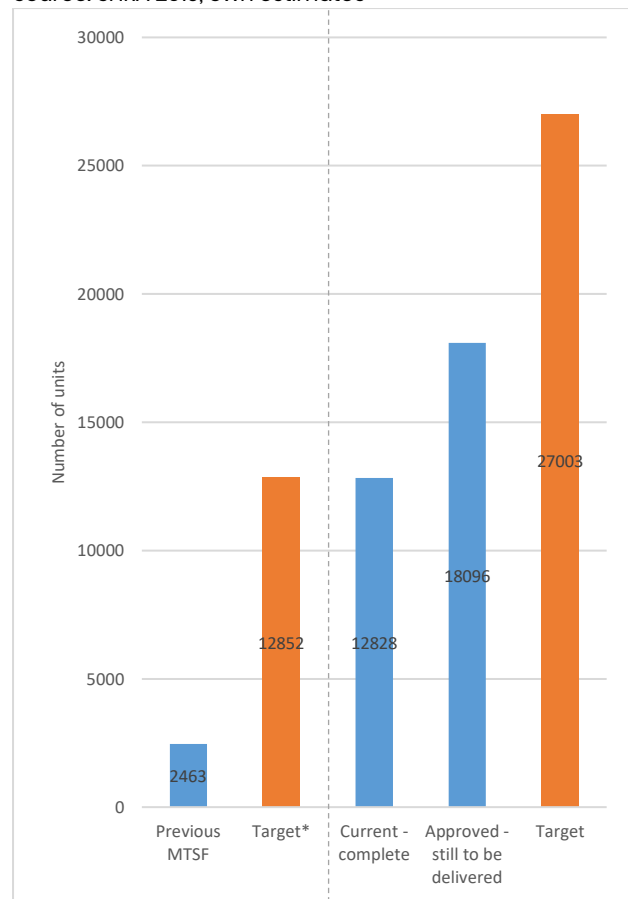
We offer an independent review of information released in such reports. Figure 4.1 shows that the construction of new social housing units during the 2008–2009 to 2013–2014 MTSF period initially fell well below expectations and achieved less than 2,500 units against a target of 12,800 units<sup>3</sup>. Delivery has since increased with more than 12,800 units constructed to date (end of 2018) in the latest MTSF (2014–2015 to 2018–2019). This is a considerable improvement, although the number of housing units delivered still falls below the target of 27,000. Although there are currently more than 18,000 units in the construction or planning phase, it is unlikely that these will be delivered by the end of the 2018–2019 financial year.

---

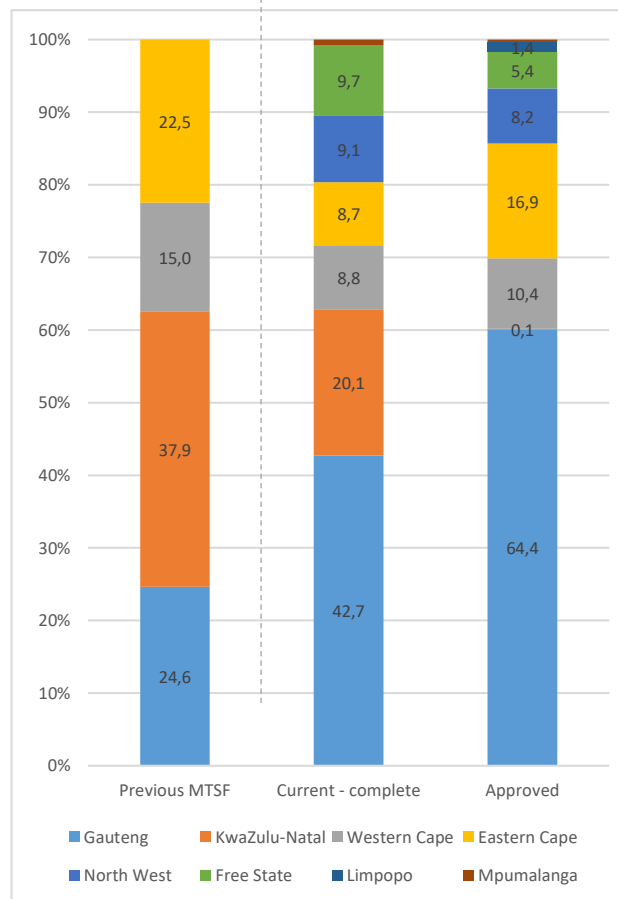
<sup>3</sup> This target is derived by summing the yearly targets as reported in the SHRA 2014–2015 annual report. Unfortunately, performance information is omitted in the 2009–2010 financial year and hence this figure is likely to be underestimated.

**Fig 4.1. Scale of delivery**

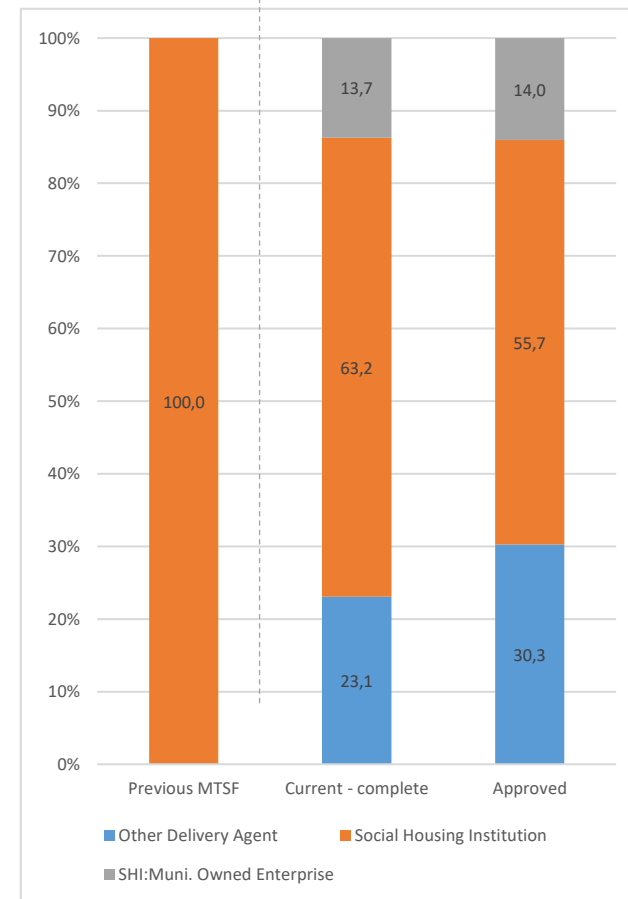
Source: SHRA 2019, own estimates



**Fig 4.2. Allocation across provinces (no of units)**



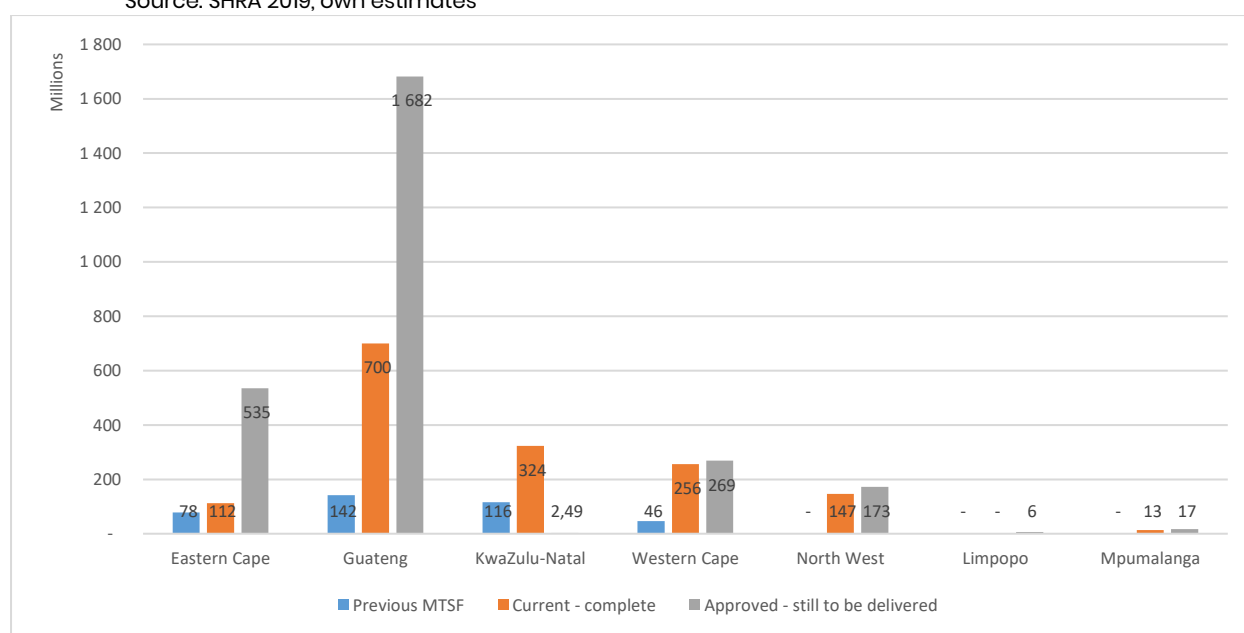
**Fig 4.3. Allocation across agents (no of units)**



Note: \*this target is estimated from the 2014/15 SHRA Annual Report which did not report on the 2008/2009 financial year

**Figure 4.4. SHRA grant disbursements (both RCG & CCG) by province (value in millions of ZAR)**

Source: SHRA 2019, own estimates



The SHRA annual report for 2018–2019 states that only 51% of the social housing units targeted in the 5-year MTSF were delivered (SHRA 2019, see table 2). The report does not explain this under-performance, but instead focuses on the incremental improvements in units delivered compared to previous periods.

The 2017 State of the Sector Report provides more information on the challenges. The slow pace of delivery is mainly attributed to the failure to update the state subsidy in line with inflation. The subsidy levels were based on benchmarks from 2007 and were only revised in 2017. The income bands were also updated, making it easier for SHIs to achieve the required tenant mix whilst remaining financially viable. The observed upsurge in planned projects in figure 4.1 suggests greater optimism as a result of the updating.

Figure 4.4 shows that capital grants were unevenly distributed across the country, with funding concentrated in Gauteng (Johannesburg, Ekurhuleni, Tshwane and Rand West), KwaZulu-Natal (Durban and Pietermaritzburg) and Western Cape (Cape Town). The latest tranche of funding for new building was also skewed towards Gauteng, although the Eastern Cape also received a sizable portion of new grant allocations. The construction of social housing units over time has followed this pattern (see figure 4.2), with Gauteng steadily increasing its share of units from 24% to 42% between the previous and current MTSF, and 65% of the units to be delivered in the future. Interestingly, KwaZulu-Natal's share of units has fallen over time with very few projects approved for the future.

There are many reasons for the differences between provinces. One is the level of capacity of the small pool of SHIs nationally. Another is the support from other stakeholders, particularly local and provincial government. Gauteng has benefited from preferential funding through the Gauteng Partnership Fund: "This confers a substantial advantage on eligible projects in Gauteng" (SHRA, 2017: 101). The unbalanced distribution of funding supports the argument that the SHRA needs to play a stronger developmental role

in capacitating SHIs, municipalities and provinces throughout the country – moving beyond institutional oversight and programmatic reform. Nevertheless, the dominant position of Gauteng is also justified by the extreme pressures on housing in the province, as South Africa's fastest growing and largest city-region. Gauteng nearly doubled in size between 1996 and 2019 with a total population size of 15.2 million compared to 6.8 million in the Western Cape (StatsSA, 2019). Of course, the demand for housing also outstrips supply in all the metros.

Table 4.1 shows the 10 largest SHIs involved in producing social housing in the current MTSF, summing up all units delivered and planned for the future. The top ten organisations together accounted for 44% of the total grant allocation and 45% of the total rental stock out of a total of 54 delivery agents in the SHRA's records. The Johannesburg Social Housing Company was the largest and six of the top ten had operations in Gauteng. JOSHCO is one of the longest-established and most capacitated SHIs in the country.

**Table 4.1. Top ranking SHI agents, MTSF 2014–2015 / 2017–2018**

Rank		SHI/ODA	Province	Units (planned and delivered)	% share total	Total Grant (millions)	% share total
1	JOSHCO	SHI	Gauteng	2 949	9.5	430.9	8.5
2	Innovative Strategic Investments Property	ODA	Gauteng/North West	1 883	6.1	236.5	4.7
3	Arrow Creek	ODA	Gauteng	1 590	5.1	199.7	3.9
4	The Housing Hub	ODA	Gauteng	1 480	4.8	337.5	6.7
5	DCI Holdings	SHI	Western Cape	1 235	4.0	328.4	6.5
6	Msunduzi	SHI	KwaZulu-Natal	952	3.1	119.6	2.4
7	Imizi	SHI	Eastern Cape	929	3.0	171.7	3.4
8	FRESCHO	SHI	Free State	917	3.0	87.5	1.7
9	Salamax	SHI	Gauteng	903	2.9	113.8	2.2
10	Instratin Properties	SHI	Gauteng	888	2.9	236.2	4.7
	Top 10 Combined Totals			13 726	44.4	2 261.8	44.6

Source: SHRA 2019, own estimates

Table 4.1 indicates a growing reliance on Other Delivery Agents (ODAs) (such as private companies) in the expansion of social housing projects. This is a deliberate strategy by the SHRA, which set a target for ODA participation of at least 15% of the total CCG in order to broaden involvement (SHRA, 2017). Three of the top four organisations were ODAs. This may reflect the importance of scale in attracting commercial interest. Figure 4.3 shows a steady increase in ODA participation over time – roughly a third of units planned in the next term will be delivered by ODAs. Their involvement deserves close monitoring to avoid dilution of the wider social objectives of the programme, including the intention to target well-located areas.

### 4.3 Analysis of spatial impacts

A neglected dimension of the regular reporting on social housing is location. This is surprising considering that the location of social housing is fundamental to achieving the explicit policy objectives of economic inclusion, spatial transformation and urban

revitalisation. The 2017 Sector Report mentions the goal of “spatial restructuring” or “spatial transformation” more than a dozen times, but provides no evidence at all on whether this is taking place.

An important study by NASHO and the HDA in 2013 was the first to indicate that the programme may be compromising on its original intentions to promote urban regeneration. The study sought to analyse where the bulk of funding was allocated using a spatial typology similar to our own (see section 4.1). Although the sample was limited to 32 projects, it was supplemented with key insights from qualitative interviews. The evidence suggested that social housing was moving away from the ‘urban core’ towards ‘outer suburbs’ and ‘grey zones’ because of the availability of land at the right price. The trend was also seen to be the result of the inconsistent application of restructuring zones, which were “becoming increasingly loose in its application by detracting from the original urban restructuring intent of the Social Housing Policy and national strategic programmes” (NASHO and HDA, 2013: 5).

A more recent evaluation of the social housing programme in 2019 undertaken by Genesis Analytics and commissioned by the SHRA also included a review of the spatial and socio-economic objectives. A major strength of the study was the large survey of 1 636 tenants over three provinces in 10 social housing projects. This showed measured but positive outcomes for tenants in terms of perceptions of affordability and safety. The outcomes for education and employment were also reported as positive although there are some problems with the way this information was captured and analysed. Evidence of urban regeneration looked at the impact of social housing on property data in the area. The result was fairly weak with “...no discernible trend in property prices and therefore is no observable impact of property prices” (Genesis Analytics, 2019: 55). The study was limited to 10 projects and did not discuss the challenges of finding well-located land for the social housing programme as a whole.

We provide a more comprehensive account of the way social housing policy has translated into locational outcomes by drawing upon our geo-coded dataset that includes 185 projects across the country. Figures 4.5 to 4.16 capture the distribution of social housing projects in the seven largest metros, along with the Restructuring Zone boundaries. A brief description of the evolution of social housing projects in each metro follows:

- **Johannesburg and Ekurhuleni:** The Restructuring Zones (RZs) in Johannesburg and Ekurhuleni are far too large to guide project location decisions in any purposeful manner. The zones cover as much as 70% of both metro territories. They are clearly designed to ensure that as much land as possible is included for eligibility. Ekurhuleni also extended its RZ further in 2017 to include an additional area around Boksburg, south of the airport.

Johannesburg has the largest stock of social housing, with 37% of all units in the country. Ekurhuleni is gradually building up its stock. Social housing in Johannesburg was initially concentrated in the inner city or in adjacent suburbs. Since the mid-2000s,

projects have moved away from the urban core and into townships such as Soweto and Protea Glen. Inner-city developments have slowed considerably, whilst there has been a notable increase in large 'mega-projects' on the periphery.

The locational pattern of development in Johannesburg is linked to the type of entity responsible for the project. With a few exceptions, SHI's are much more likely to develop projects in the inner city, whereas municipal entities (in this case JOSHCO) and ODAs are behind most of the projects in outlying areas. The reasons for this warrant further investigation. The price of land is clearly a major factor, especially as the ODAs are unlikely to be able to access subsidised public land and the social housing funding formula hinders development in well-located areas.

In Ekurhuleni there is no clear spatial pattern of development, apart from a cluster of projects around Germiston. There is a very large project of approximately 900 units under construction near Carnival City Casino.

- **Tshwane:** The RZs in Tshwane also cover an extensive area of the metro, including locations outside the core, such as Soshanguve township in the North. Many of these areas do not seem very suitable for promoting access to economic opportunities or for spatial transformation. In practice, the actual location of social housing projects in Tshwane is quite different in that they remain firmly centred on the CBD. There is only one development (near the entrance to Atteridgeville) out of 22 projects which is located away from the CBD. Tshwane is unusual among the metros in this respect. One of the reasons for this has been the availability of relatively low cost vacant buildings for conversion to social housing, as in Johannesburg.
- **Cape Town:** The logic behind the RZs in Cape Town is also not immediately apparent. They cover quite a small area of the city, which assists targeting. However, they incorporate a range of different types of neighbourhood, including some inner and outer suburbs as well as townships on the periphery, such as Mitchells Plain. Some are well-located on rail transport corridors, but not those in the north-east of the city. The RZs exclude the CBD, even though there is some vacant public property there. The area to the east includes Salt River and Woodstock, and is probably more viable for social housing because property prices are lower, although this is changing (NASHO, 2018). The RZs in Cape Town were not updated in 2017. This was apparently because the City of Cape Town wanted to designate the entire metro as an RZ and had therefore abandoned the idea of zoning altogether.

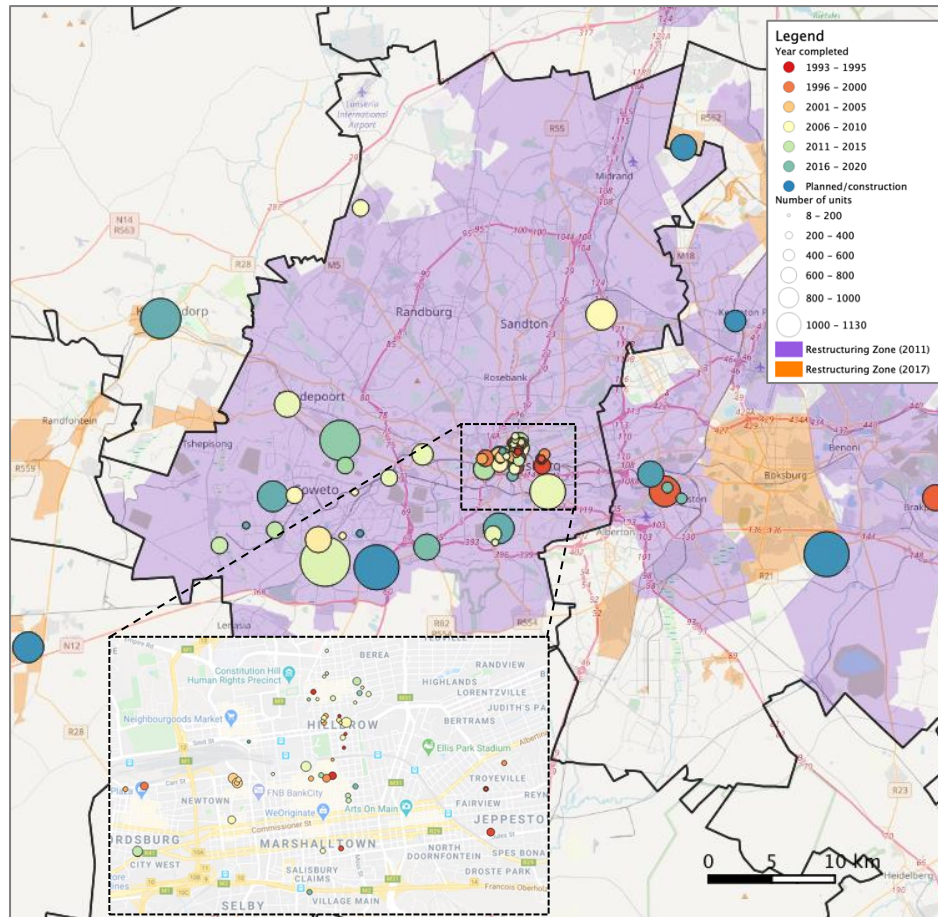
Cape Town has 22 social housing projects altogether, 12% of the national stock, despite being the second largest metro. Social housing has been almost completely provided by SHIs with no role for ODAs and no municipal housing entity. The reasons for this need further analysis, including the role of the municipality and province. The Cape Town Community Housing Company was formed by the municipality in the late-1990s. It was very active early on, and focused on rent-to-buy rather than pure rental. However, it incurred sizeable losses and may have fallen out of favour subsequently.



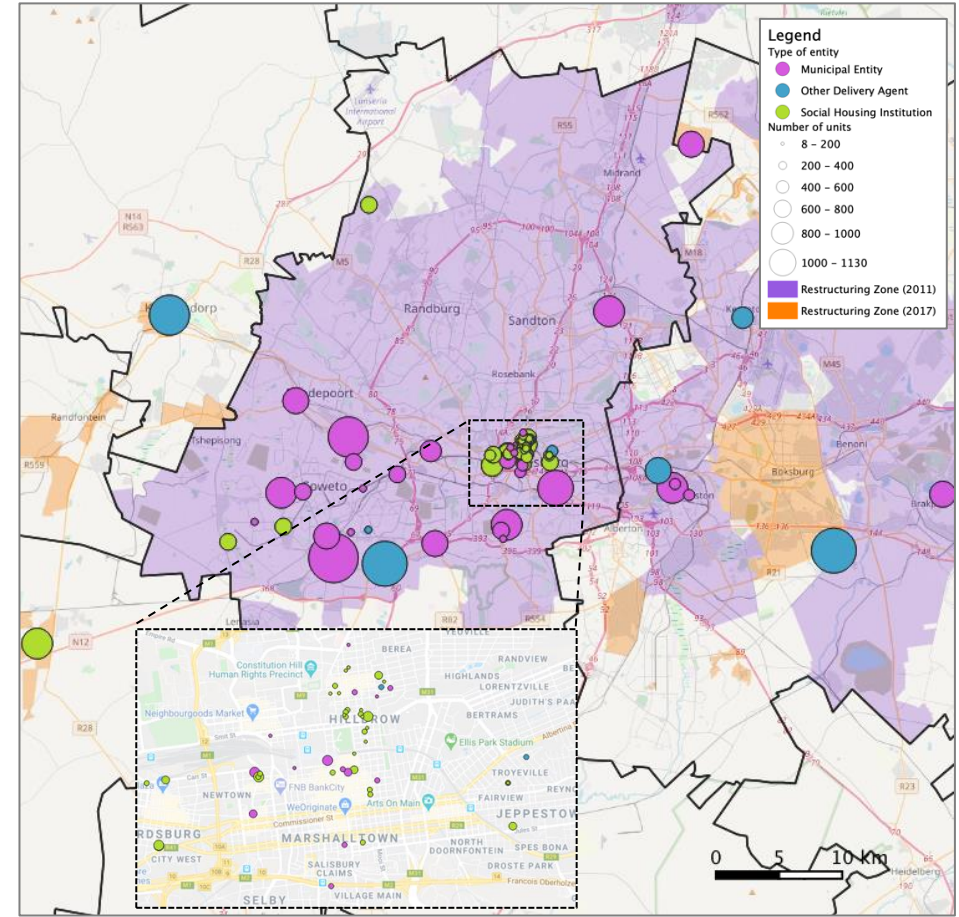
There is little sign of any clustering of social housing projects in Cape Town apart from a handful of small, historic projects in and around the inner suburb of Brooklyn. A very large project of over 1000 units is planned for Goodwood Station, but this has stalled. It would be a promising location aligned to local development plans along the Voortrekker Road corridor. In general, the location of projects in Cape Town is scattered and does not conform to any obvious spatial logic. However, in recent years there has been a concerted attempt by a group of officials in the municipality, NASHO and several NGOs to develop social housing in the Salt River/Woodstock locality. The idea is to go beyond piecemeal projects by formulating a coordinated, programmatic approach (NASHO, 2018). A variety of suitable land parcels in municipal ownership have been identified and technical studies are underway to explore the feasibility of building social housing on them.

**Figure 4.5. Social housing by year in Johannesburg and Ekurhuleni**

Source: HDA/SHRA consolidated database

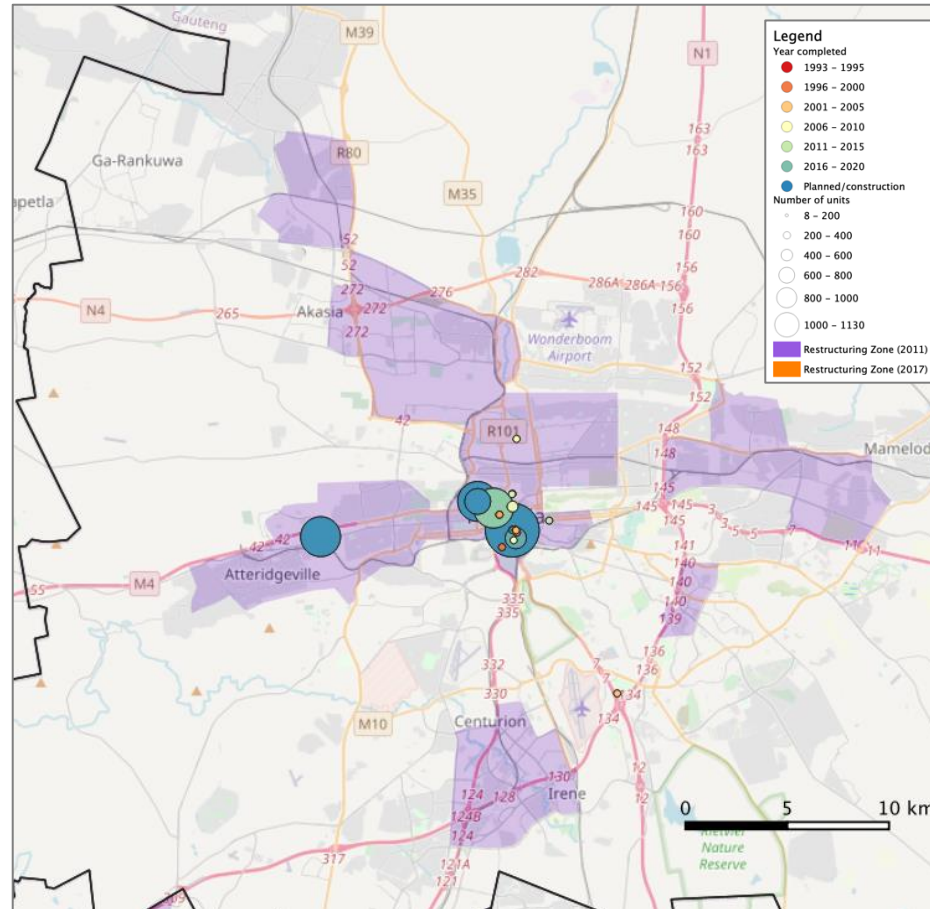


**Figure 4.6. Social housing by entity type in Jo'burg and Ekurhuleni**

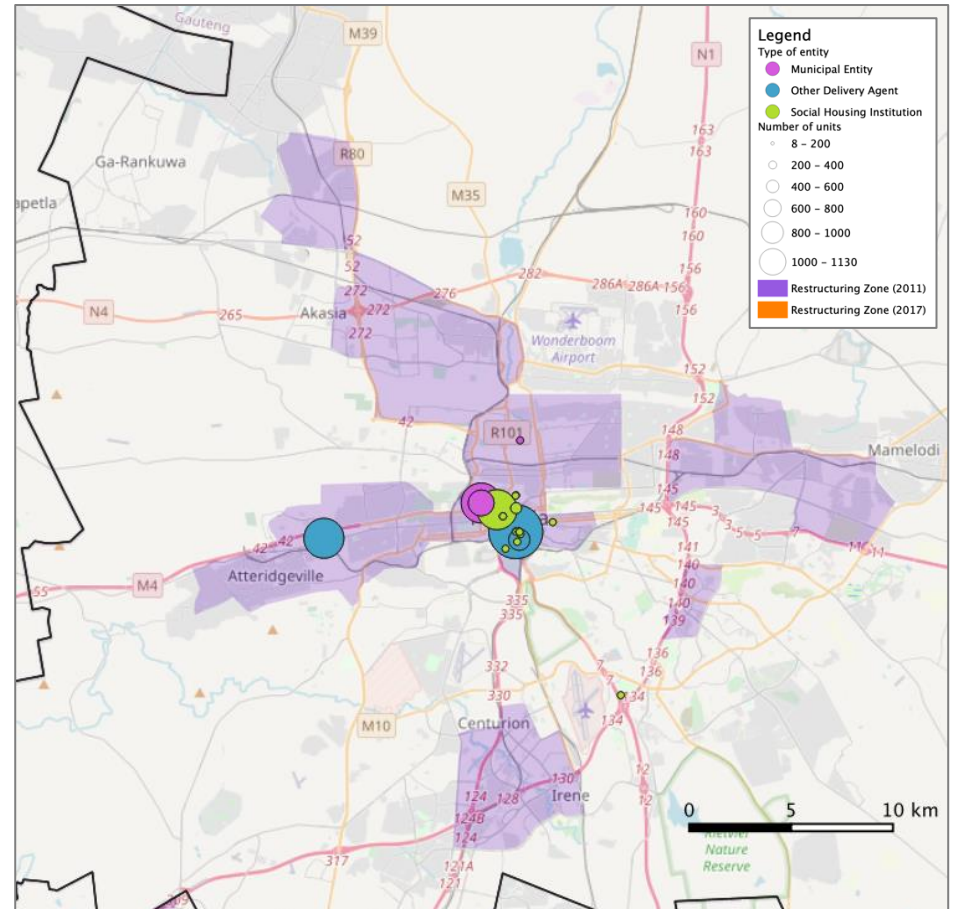


**Figure 4.7. Social housing by year in Tshwane**

Source: HDA/SHRA consolidated database



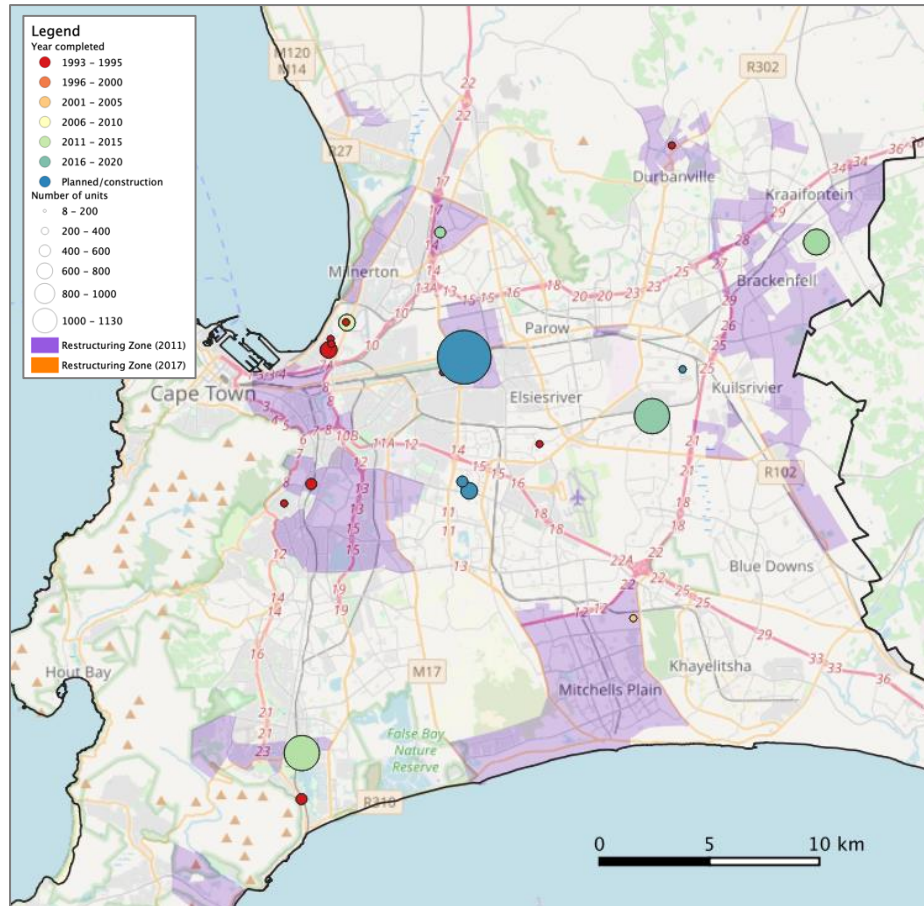
**Figure 4.8. Social housing by entity type in Tshwane**



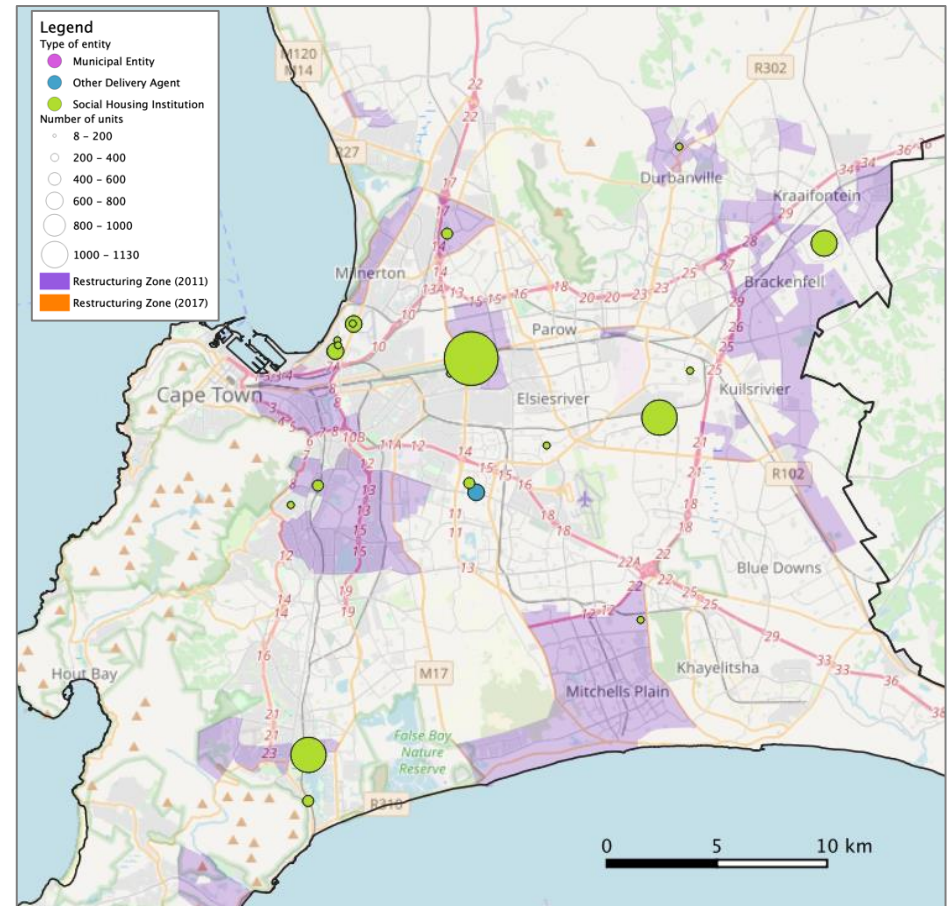


**Figure 4.9. Social housing by year in Cape Town**

Source: HDA/SHRA consolidated database

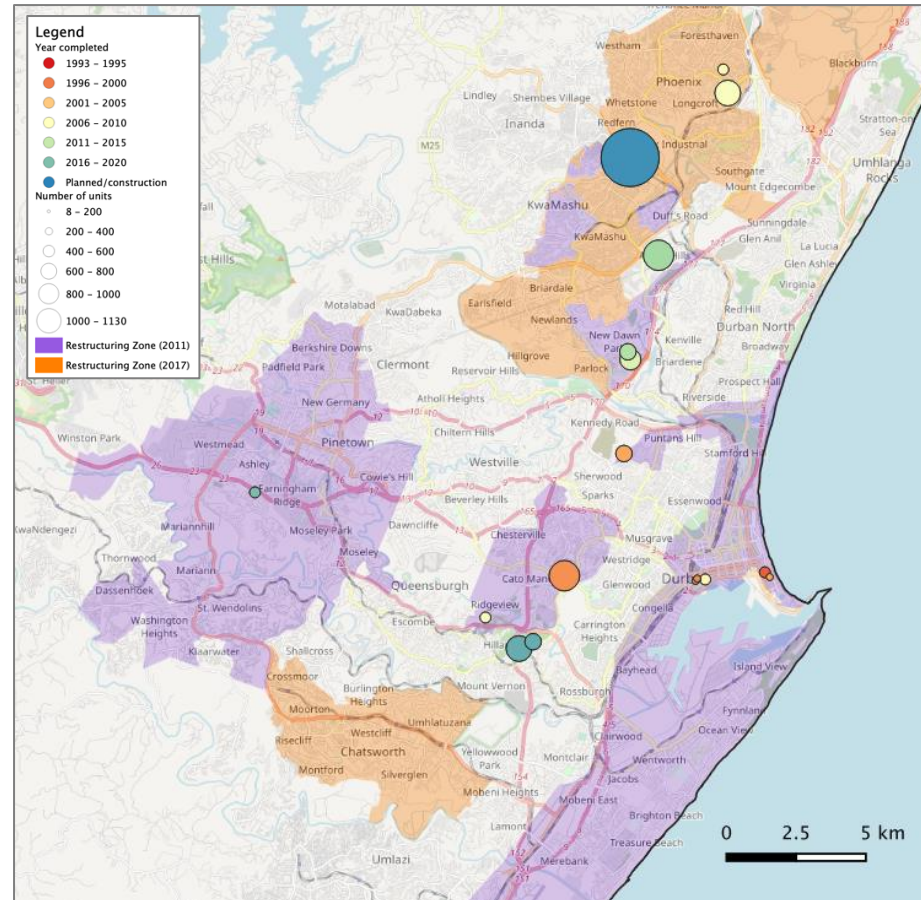


**Figure 4.10. Social housing by entity type in Cape Town**

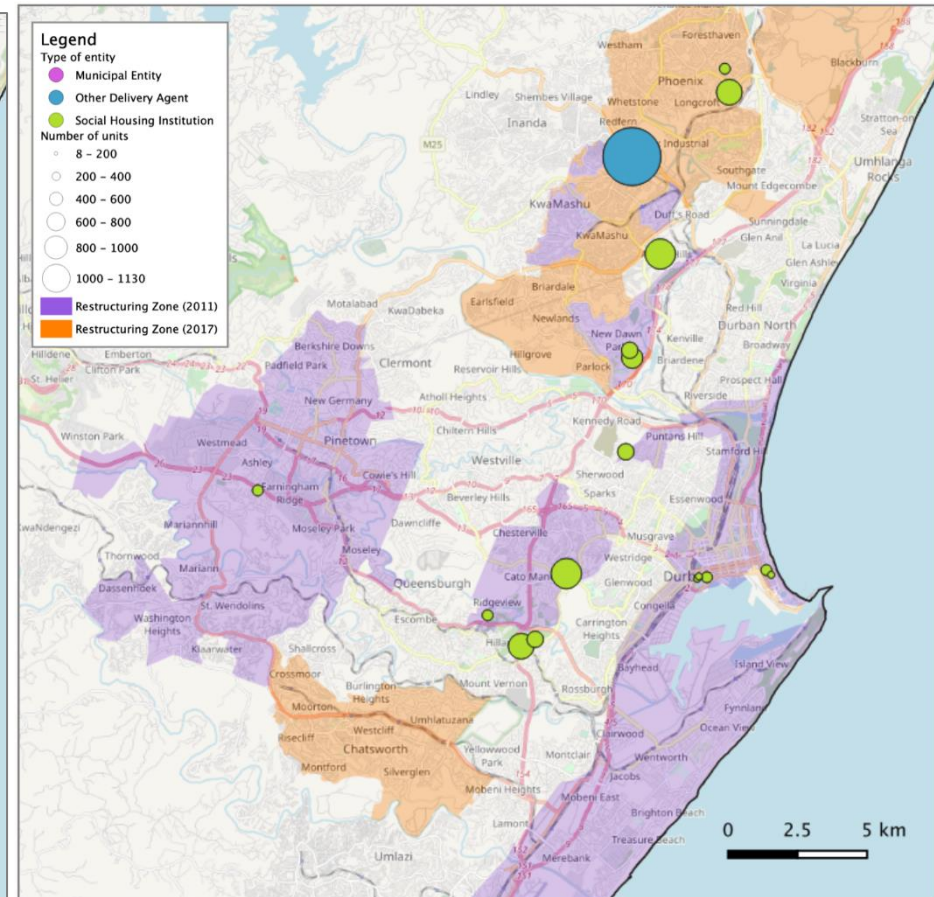


**Figure 4.11. Social housing by year in eThekweni**

Source: HDA/SHRA consolidated database



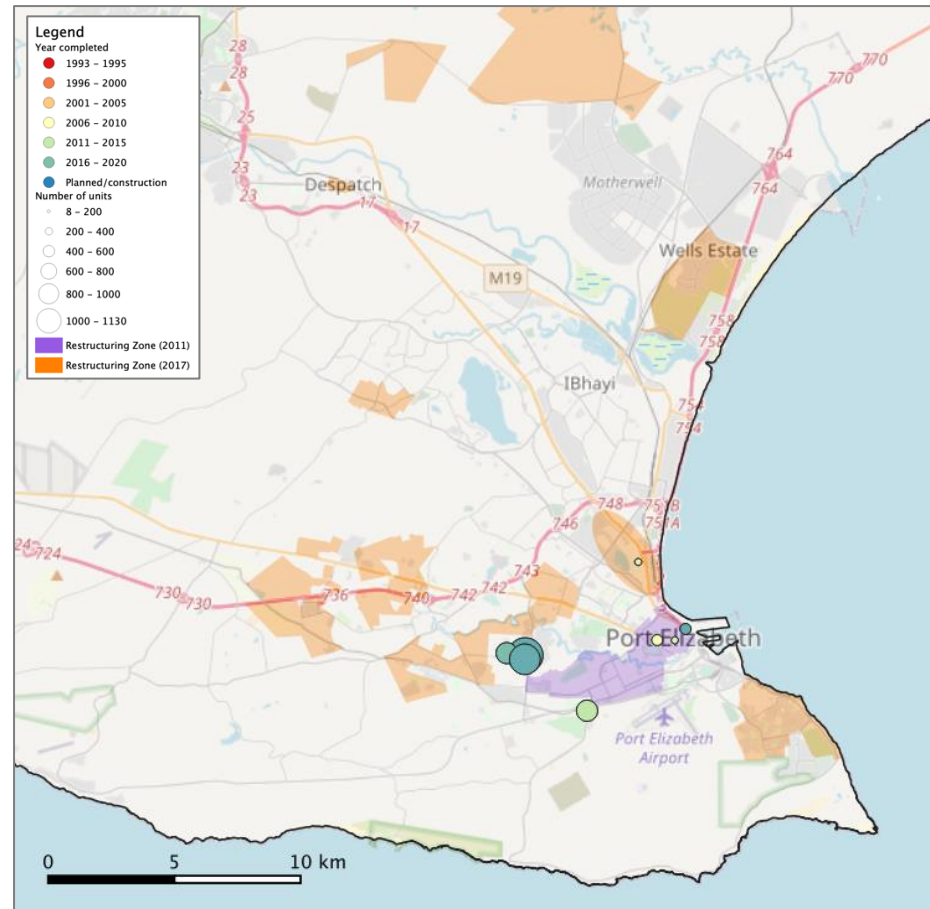
**Figure 4.12. Social housing by entity type in eThekweni**



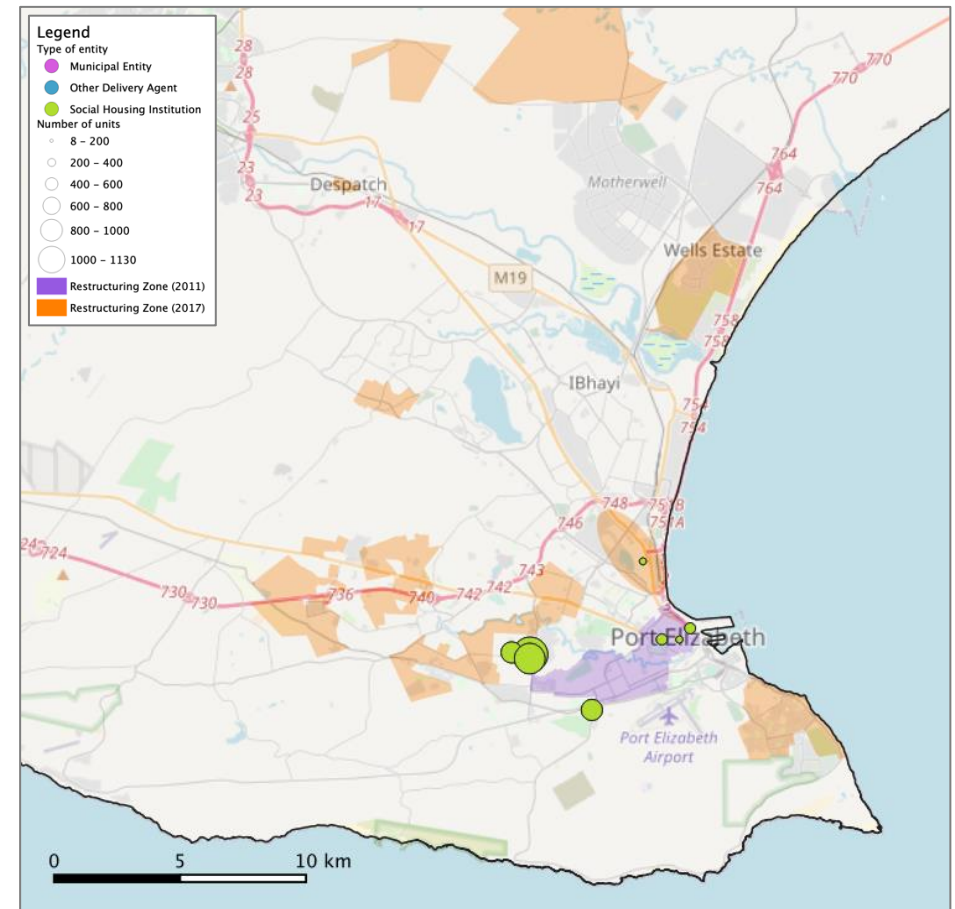


**Figure 4.13. Social housing by year in Nelson Mandela Bay**

Source: HDA/SHRA consolidated database

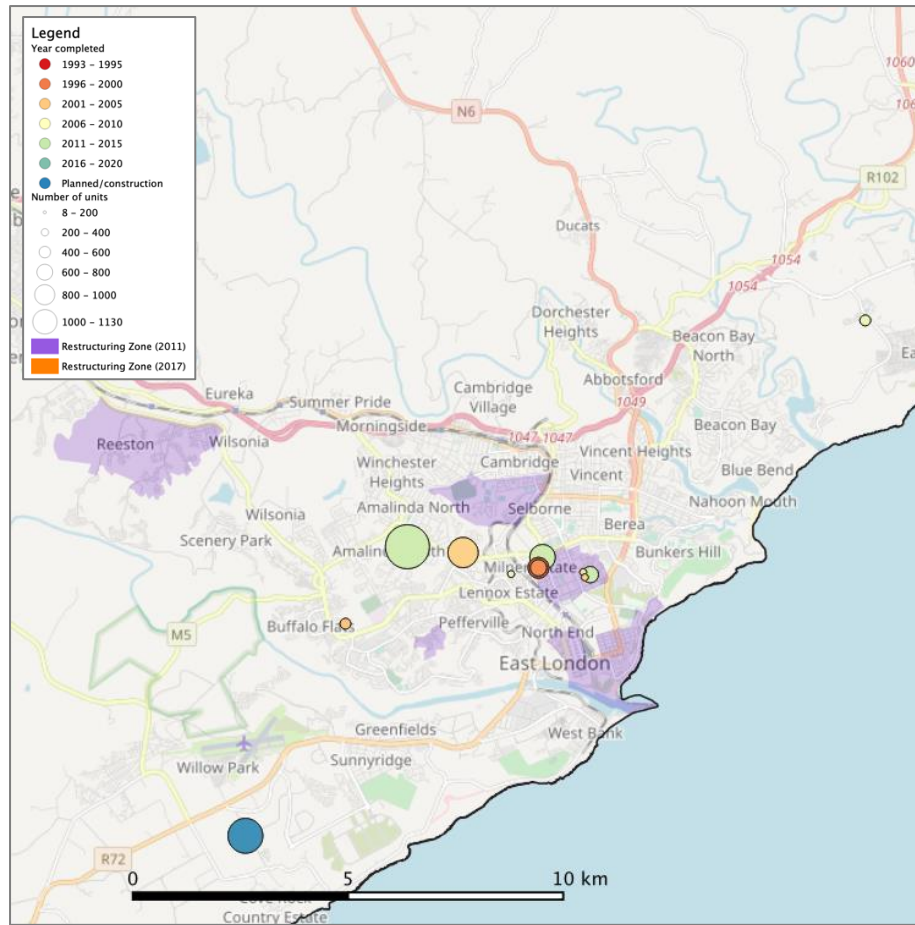


**Figure 4.14. Social housing by entity type in Nelson Mandela Bay**

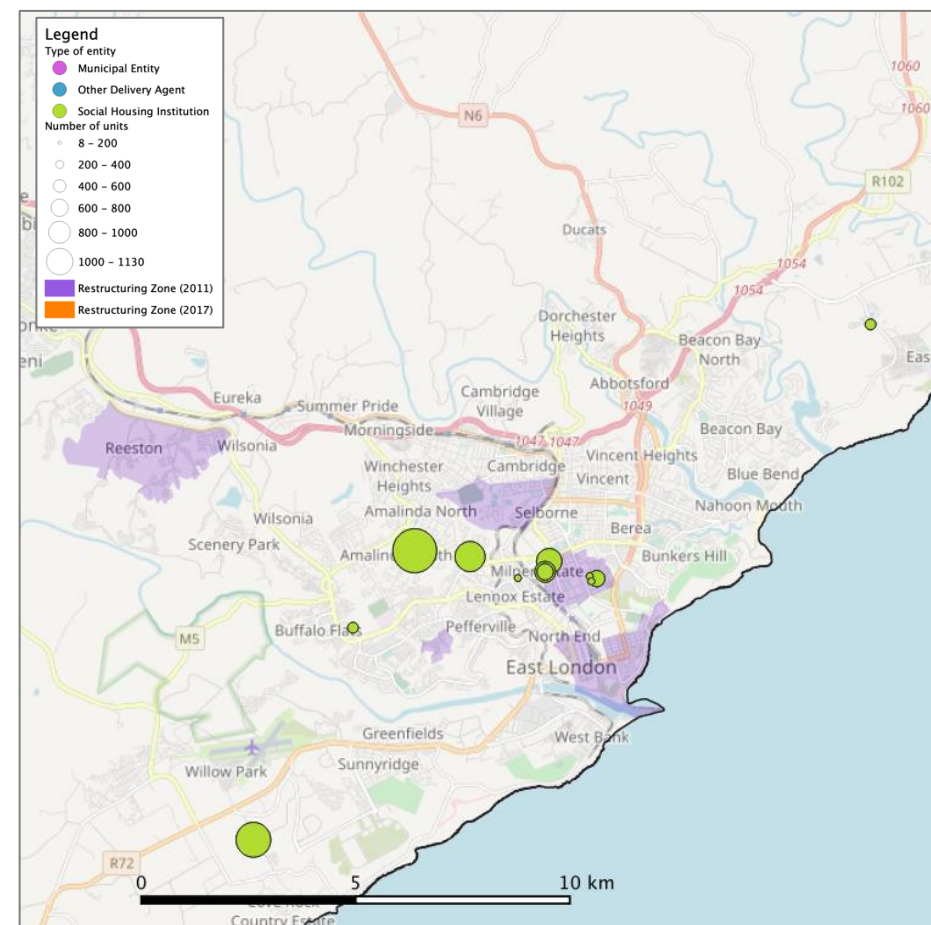


**Figure 4.15. Social housing by year in Buffalo City**

Source: HDA/SHRA consolidated database

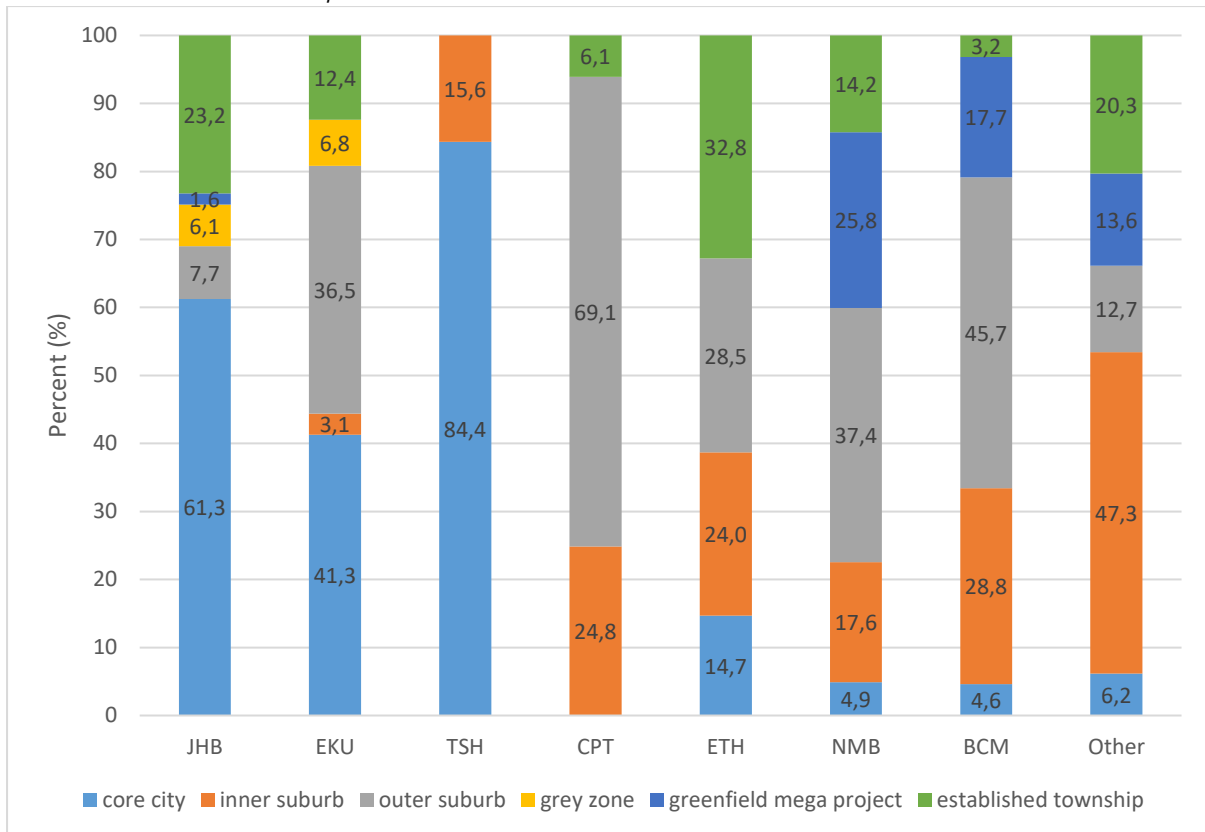


**Figure 4.16. Social housing by entity type in Buffalo City**



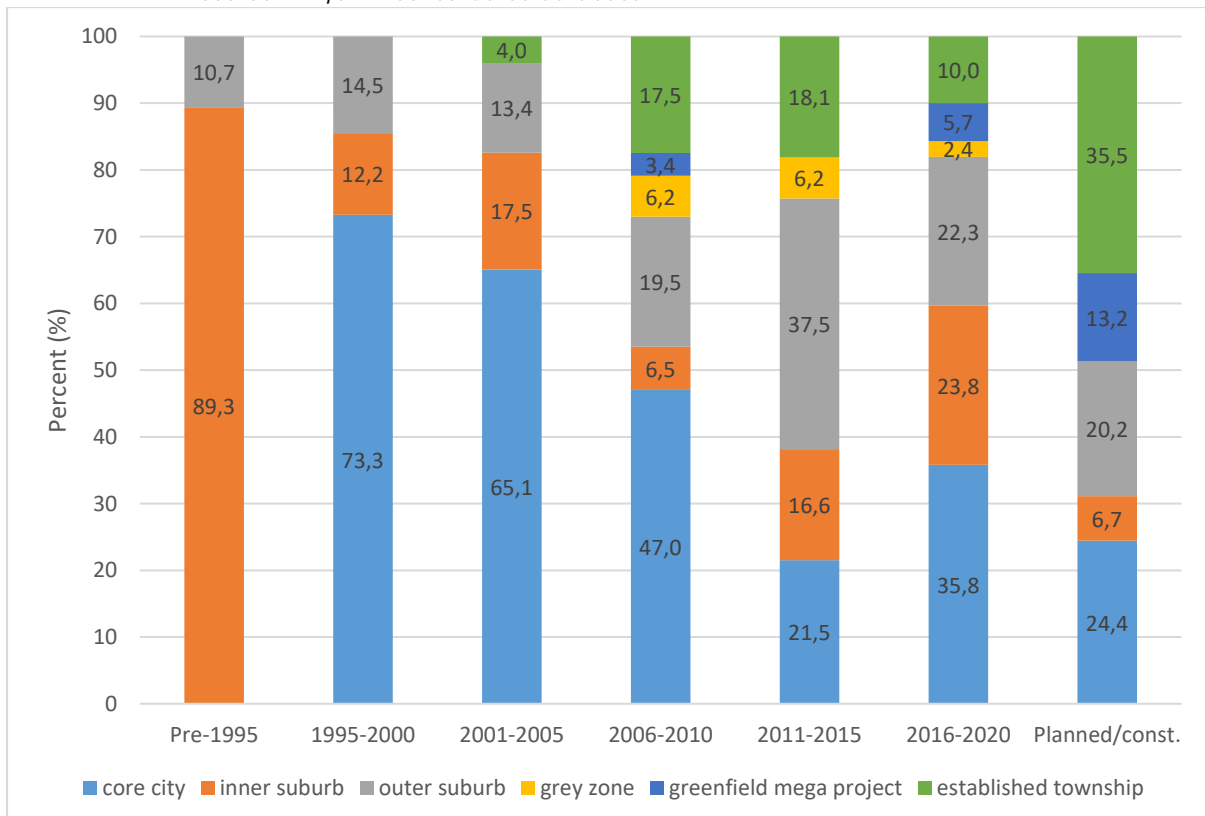
**Figure 4.17. Social housing by location type across metros (current & planned units)**

Source: HDA/SHRA consolidated database



**Figure 4.18. Social housing by location type across years (current and planned units)**

Source: HDA/SHRA consolidated database





- **eThekweni:** The 2011 RZs in eThekweni cover a moderate area of the city including the CBD, surrounding core, coastal belts and an industrial node around Pinetown. Some of these seem to be sensible locations to promote spatial inclusion and transformation. However, the 2017 extensions include mainly peripheral locations to the south and north, such as Chatsworth, Phoenix and KwaMashu. Hence, the potential for spatial restructuring in eThekweni seems to have been diluted in the latest round of zoning.

eThekweni has a fair number of social housing projects spread across a range of different location types and one very large project (more than 1000 units) planned for Bridge City. This is quite a good location in terms of public transport, amenities and its situation between several different kinds of neighbourhood. eThekweni's social housing is not concentrated in the CBD, despite the opportunities arising from vacant and derelict buildings and the need for regeneration. Projects appear to spread further away from the city's core over time, as in Johannesburg. There has been little participation from ODAs or municipal entities, with the exception of the Bridge City project which is being developed by a private company. In recent years there has been an attempt by a group of officials in the municipality and NASHO to develop social housing in and around the CBD. The more coordinated approach that is being formulated has learnt from Cape Town's experience, with an emphasis on developing on subsidised municipal land (NASHO, 2018).

- **Nelson Mandela Bay and Buffalo City:** Nelson Mandela Bay and Buffalo City have smaller urban footprints and therefore shorter distances between places within each city. This should mean that the RZs need to be more tightly defined to maintain focus. The 2011 RZ in Nelson Mandela Bay is reasonably focused on suburbs in the urban core. However, the 2017 extensions have led to a complete loss of focus with various peripheral zones included along the N2 corridor to the South as well as the township of Motherwell to the North.

Buffalo City's selection of zones in 2011 was not very coherent, with a mixture of areas including the CBD but also the peripheral location of Reeston. The 2017 RZ extension for Buffalo City included Bhisho to the North of King William's Town (outside the visual scope of the map) which is another lagging and peripheral location, rather than a zone of economic opportunities.

There were only 6 and 14 projects in Nelson Mandela Bay and Buffalo City respectively. This makes it difficult to observe clear trends over time. Most social housing is located outside the CBD, although with reasonable transport connections to economic nodes. All future investments in both metros are planned for greenfield locations.

Drawing these threads together, there is little sense of a consistent spatial logic in the way social housing projects have evolved in most cities. Figure 4.17 shows that the majority of projects are located in places classified as 'outer suburbs', 'greenfield sites' or 'townships' – with the exception of Tshwane which has maintained its focus on the CBD. Peripheral location types make up as much 77% of all units in Nelson Mandela Bay, 75% in Cape Town and 61% in eThekweni. It is difficult to envisage how ambitions for economic integration or

spatial restructuring can be achieved if the bulk of social housing projects are not located within the urban core or along key public transport corridors.

Weak spatial targeting is perhaps unsurprising bearing in mind the indiscriminate nature of most RZs, alongside the piecemeal, project-based approach to implementation. The RZs seem unlikely to be helpful in guiding locational choices because the metros either designated too many zones or ignored the aim of spatial transformation when selecting zones. Almost all the new extensions in 2017 are isolated from the urban core and many are in townships. Social housing projects have clearly been vulnerable to 'spatial drift' in the absence of any countervailing mechanism to steer them towards well-located areas. A good place to start to rectify this would be for SHRA to create a geo-coded database to ensure that location features more prominently in future project appraisal decisions.

The tendency for project locations to disperse further from the established urban cores over time is disconcerting. Decentralised locations are less suited to economic inclusion, spatial restructuring and urban revitalisation. It is also harder for scattered projects to build upon each other in a cumulative manner that is more likely to achieve transformative impacts. Figure 4.18 shows how the pattern of site selection has evolved since the 1990s. In the early 1990s and 2000s more than 80% of investments were either in the core city or in the surrounding inner suburbs. This share has fallen steadily since the mid-2000s, giving way to more investment in the outer city or in townships. More than a third of future projects will be constructed in townships and another 13% in greenfield mega-projects.

The importance of accelerating the overall level of social housing development and restraining the cost of land in projects in order to minimise rent levels is well understood. However, neglecting the policy's spatial objectives could undermine the fundamental rationale for the social housing programme and jeopardise its future existence. It is not as if there are no opportunities to develop projects in and around the core urban areas. Most of the metros have vacant and under-used well-located land together with vacant and derelict buildings that would be suitable for development or conversion to social housing. Many of these properties are in public ownership. Greater political will and determination are required to make them available for social housing. Alternatively, the value of the subsidy earmarked for land in the social housing funding formula would need to be increased beyond the current R 30,000 per unit.

The 2017 State of the Sector report admitted that:

"The delineation of RZs is influenced by available land rather than spatial restructuring objectives. The large sizes of some RZs have made them irrelevant in terms of focused restructuring ... The 2017 SoSR proposes that RZ delineations are removed and that the focus is on the objectives of the RZs and that greater alignment between social housing investment and other municipal spatial investment targeting instruments is created." (SHRA, 2017: 121)

Improving the links between social housing and spatial transformation requires more than a simple review (or abandonment) of restructuring zones. The 2013 NASHO/HDA report was the first to highlight the issue of spatial drift. It highlighted several blockages to prioritising location including: (i) the availability of suitably priced land and buildings, (ii) loose implementation of RZs, (iii) ad hoc project evaluation by the SHRA and (iv) poor integration with municipal plans and other regeneration initiatives. Stronger leadership is required from public authorities if well-located state-owned land and redundant buildings are to be prioritised for social housing. Encouraging participation by private developers will increase efficiency, but it also means a stronger preference for greenfield sites in order to economise on the land and development costs. Our locational analysis suggests that the social housing programme is at risk of ignoring location in pursuit of quantitative delivery, but in the process compromising on its core spatial objectives, including providing low income residents with better access to opportunities.

---

#### **4.4 The impact on neighbourhoods and households**

---

There is surprisingly little evidence of the impact of social housing projects on the trajectory of their immediate neighbourhoods or the socio-economic circumstances of tenants, despite these being crucial policy objectives. The 2017 State of the Sector Report also neglects these issues. In recognition of this gap in knowledge, the SHRA commissioned a study of the socio-economic and spatial impacts of social housing that offers useful insights. The study collected original data by surveying 1636 tenants in 10 projects in three provinces (Western Cape, Gauteng and KwaZulu-Natal). It also conducted 21 key informant interviews and 14 focus group discussions (Genesis, 2019). Of all the surveyed tenants, 71% were African, 24% Coloured, 4% Indian and 1% White. There were more women (57%) than men (43%) among the surveyed population. Their ages ranged from 18 to 83 years old, with an average of 39.

Considering the neighbourhood dimension first, the study found that some projects contributed to social mixing and racial integration, although the extent to which this occurred varied greatly, depending on the project location. Social housing projects attracted tenants from both within and outside the local community. In six out of 10 projects, black Africans made up over 95% of tenants. The other four projects were more mixed. Two of them were in Cape Town, which has a much larger coloured population than elsewhere. Most projects mirrored the racial profile of the ward they were located in, although a few may have helped to contribute to social integration. With regard to income, the study suggests that social housing contributes to a more diverse income mix – although ward level data is arguably not disaggregated enough to capture neighbourhood-level dynamics. Summing up, the extent of social integration was varied. Unfortunately, the study does not explain whether some projects tried harder than others to achieve this, and what the main factors underlying the variability were.

The study found little evidence that social housing projects attracted economic investment or promoted economic development in their areas, with the exception of tenants spending money on local consumption and limited small business development.

While some public and private investments occurred in the locality, the small scale of social housing projects made it impossible to attribute them to the social housing programme. There was no evidence of social housing projects having a discernible impact on the prices of surrounding properties. The job creation potential of social housing projects was also limited, usually focussing on tenant management and maintenance activities. Therefore, it seems that social housing did little to regenerate or upgrade their localities.

Turning to the household level, the study found evidence in the tenant survey of people feeling more secure and safer in their units, but this did not apply to the areas surrounding the project. The projects also contributed to better access to health care and educational facilities, although many pupils did not change schools and continued to travel long distances. Most projects were situated near to education and health facilities. The average distance to the nearest healthcare facility was 2.7 km and to the nearest primary school was 1 km. Some social housing providers had community development programmes that improved their tenants' health. Social housing seemed to make a strong positive contribution to pupil's learning outcomes for those who switched schools.

Whether tenants' access to regular public transport improved depended on the location of the project in relation to existing transport routes. Inner-city projects improved people's access to regular public transport, whereas projects in suburbs with limited public transport created challenges for tenants to find employment or to get to school on time. (This confirms the importance of a good location). Tenants across the ten case study sites spent an average of R217 per month more on transport compared to their previous residences although this statistic could be due to inflation. Real increases in transport could be the result of longer distances travelled to work as well as children changing from public transport to private lift-clubs, which were prevalent where public transport was not readily available. Another reason for the increased transport costs could be higher disposable incomes and/or the higher price of petrol.

There were only two households out of the 1 636 surveyed where no-one was employed (probably due to a recent job loss). This is partly to be expected since formal employment is an important entry requirement. Nevertheless, it is still an important finding. Overall, 96% of tenants were permanently employed, 20% temporarily employed and 7% self-employed. These numbers add up to more than 100% because some tenants had multiple jobs (e.g. temporarily employed and self-employed). The study found that 79% of economically active men and 61% of economically active women were employed, another notable finding since these proportions are much higher than in the general population. Unfortunately, the study did not consider the turnover of tenants, and how many may have exited or been evicted after losing their jobs.

In our next study we intend to pursue these insights from the Genesis study further by including a clearer focus on household-level mobility. We hope to capture information on the employment status and income of tenants at the time of entry into the social housing and compare that with their income at present to assess whether they have become better off as a result. We also intend to compare projects in different locations within the

same cities to try and gauge the significance of location on the employment status and income of tenants. We will explore the feasibility of conducting exit interviews with former tenants to understand the reasons for leaving and their housing pathways after departure (did they progress into better housing or fall back after losing their jobs?). Another study objective is to assess the impacts of community development programmes on tenants and explore ways of linking them better to existing development initiatives in the neighbourhood.

## **V – Conclusions**

Social housing is popular in many countries, although its specific character, extent and impacts on poverty and inequality vary greatly. Many institutional versions exist, which differ in the form of tenure provided (ownership or rental), the type of organization that develops and manages the stock (state, non-profit or private sector), the key societal functions it aims to serve (welfare or developmental) and the criteria used to target beneficiaries (residual or universal). While some countries have reduced social housing to a small sector that caters for the poorest and most marginalized groups, it constitutes a sizeable segment of the housing system in other countries.

Several governments in the global South have expanded their social housing programmes in recent decades. In SA, social rented housing has played a subordinate role to ownership programmes for poor households. Nevertheless, there has been growing policy and political support in recent years, partly because of the goal to make SA cities more compact, inclusive and productive. Social housing is explicitly aimed at contributing to social, economic and spatial transformation. It also seeks to improve the functioning of the housing sector by attracting private investment and providing affordable rental accommodation to low and middle-income households, enabling them to progress into the private housing market in due course.

The institutional and regulatory environment has shaped the provision of social housing in many ways. Prior to the Social Housing Act, the sector suffered from a policy vacuum that resulted in ad hoc projects facing serious challenges of financial viability and mismanagement of the stock. The development of a dedicated social housing framework from 2005 onwards improved things considerably, but the government's failure to update the subsidy levels in line with inflation stalled delivery. In addition, the sector suffered from weak oversight and limited capacity building. Legislative changes and sector interventions implemented in 2017 corrected some of these shortcomings and contributed to renewed energy and investment confidence by SHIs and the private sector. There are opportunities now for the sector to grow and achieve its ambitious objectives. However, there are important structural constraints, resource limitations and political pressures that could threaten the programme. To realise its potential, the following considerations deserve greater attention.

## **Reaffirming the importance of location**

The original policy objectives gave priority to social, economic and spatial restructuring. They recognised that the location of housing is crucial to the reduction of poverty and inequality. Recent evidence suggests that poorly located social housing projects do not realise their potential to benefit people and neighbourhoods. The indiscriminate designation of restructuring zones, and more recently the inclusion of social housing in mega-projects outside these zones, suggest that a process of 'spatial drift' is underway in which location is no longer a major consideration. Pressures to spread available public resources and to accelerate delivery risk undermining the fundamental objective of providing affordable accommodation in areas of economic and social opportunity. More concerted efforts may be required to address this tendency and ensure that projects are better placed to contribute to urban economic development and upward social mobility of tenants.

## **A conducive investment environment**

SA's social housing programme depends increasingly on cooperation between the public, private and third sectors. Government support for private and third sector investment has been unreliable over the years, so more consistency in terms of subsidy levels, grants, regulatory oversight and preferential access to land would be beneficial in growing the sector and protecting the social and community development dimensions of projects. Provincial and local governments could do more to create an enabling environment by coordinating spatial plans with infrastructure investments and regulatory approvals to reduce delays and costs. SHIs will continue to depend on government funding, so support from development finance institutions such as the NHFC and GPF will remain vital.

## **Capacitated and high-performing institutions**

Accelerated delivery and enhanced social and economic impacts require strong institutions. There has been important progress in strengthening the sector regulator, SHRA, which has regained credibility among public and private stakeholders. There appears to be scope for SHRA to enhance its capacity building activities and to differentiate these according to the variable needs of different SHIs. Partnerships with NASHO, HDA and other stakeholders could enhance the leadership role of the organisation. Robust SHIs require sound leadership, political support, competent skill-sets and resources to carry out their functions. The operating environment is often difficult with complex social and governance challenges and resistance from certain interest groups. Overcoming these challenges needs experienced people with good negotiating skills and a passion for the sector and its mission.

## **Local government support**

Social housing also relies on active local government and political support. Municipalities have important instruments available that can assist SHIs in identifying, planning and executing successful projects. These include inclusionary housing policies, financial incentives, public land, streamlined approvals and organisational support. Local government's mandate for integrated planning and spatial transformation resonates with social housing. They can help to discourage projects that are poorly situated. Actively helping to release well-located land could make a valuable contribution to urban integration and social advancement.

## **Improving the evidence base**

The growth and resilience of the social housing programme depend on demonstrating the extra benefits it generates over other housing subsidies. A stronger evidence base would help to prove that the laudable objectives of the programme are achieved in practice. Better evidence would also help to refine important aspects of the programme so as to enhance its impact and effectiveness. There are several gaps in knowledge that have not received much attention. For example, little is known about the impact of social housing on individual households, especially their economic circumstances, social mobility and citizenship. There is also little evidence of the impact on the surrounding neighbourhood, including the attraction of complementary public and private investment to spur area-wide improvements. More systematic research would also help to substantiate the role of location on socio-economic factors. Going beyond once-off, snapshot assessments of impact is also important to capture the dynamic effects over time, recognising that households and neighbourhood follow complicated trajectories subject to diverse local and external influences. This requires setting up analytical frameworks and data systems to collect longitudinal information that traces changes over extended periods of time.

# References

- AALBERS M.B., J.V. LOON AND R. FERNANDEZ (2017)**, *The Financialization of a Social Housing Provider*. International Journal of Urban and Regional Research. 41:572–587.
- CDS (2015)**, *Report on Evaluation of Housing Assets*. Bloemfontein: University of Free State: Centre for Development Support.
- CHARLTON S. AND C. KIHATO (2006)**, *Reaching the poor? An analysis of the influences on the evolution of South Africa's housing programme*. In: Democracy and delivery: Urban policy in South Africa. Cape Town: HSRC Press.
- CHETTY, R. AND N. HENDREN (2018)**, *The impacts of neighbourhoods on intergenerational mobility*, The Quarterly Journal of Economics, 133(3), pp.1163–1228.
- CHIU R.L.H. (2010)**, *The Transferability of Hong Kong's Public Housing Policy*. International Journal of Housing Policy. 10:301–323.
- CLAPHAM D. (2019)**, *Remaking housing policy: an international study*. London ; New York: Routledge, Taylor & Francis Group.
- CLOETE J., A. VENTER AND L. MARAIS (2009)**, *"Breaking New Ground", social housing and mineworker housing: the missing link*. Town and Regional Planning.:27–36.
- DEPARTMENT OF HOUSING (1994)**, *White Paper on Housing. A new housing policy and strategy for South Africa*. Government Gazette, 345(16178) notice 1376 of 1994, 23 December
- DEPARTMENT OF HUMAN SETTLEMENTS (2009)**, *Social & Rental Interventions: Social Housing Policy. The Nation Housing Code*. Volume 6 Available: [http://www.dhs.gov.za/sites/default/files/documents/national\\_housing\\_2009/6\\_Social\\_Rental\\_Interventions/3%20Vol%206%20Social%20Housing%20Policy.pdf](http://www.dhs.gov.za/sites/default/files/documents/national_housing_2009/6_Social_Rental_Interventions/3%20Vol%206%20Social%20Housing%20Policy.pdf)
- DEPARTMENT OF HUMAN SETTLEMENTS (2004)**, *"Breaking New Ground": A Comprehensive Plan for the Development of Sustainable Human Settlements*.
- DEPARTMENT OF HUMAN SETTLEMENTS (2009)**, *The National Housing Code: Volume 6 (Social & Rental Interventions)*.
- DEPARTMENT OF HUMAN SETTLEMENTS (NDHS) (2005)**, *Social Housing Policy for South Africa: Towards an Enabling Environment for Social Housing Development*
- DEPARTMENT OF HUMAN SETTLEMENTS (NDHS) (2009)**, *The National Housing Code: Part 3: Social Housing Policy*
- DEPARTMENT OF MONITORING, PLANNING AND EVALUATION (2016)**, *Impact and implementation evaluation of the social housing programme. Full Evaluation Report*. DPME and DHS. South Africa: Pretoria
- FIELDS D.J. AND S.N. HODKINSON (2018)**, *Housing Policy in Crisis: An International Perspective*. Housing Policy Debate. 28:1–5.
- FORREST R. (2014)**, *Public Housing Futures*. Housing Studies. 29:463–466.
- FORREST A. (2018)**, *Vienna's Affordable Housing Paradise*. Huffington Post. 19/07/2018. [https://www.huffpost.com/entry/vienna-affordable-housing-paradise\\_n\\_5b4e0b12e4b0b15aba88c7b0](https://www.huffpost.com/entry/vienna-affordable-housing-paradise_n_5b4e0b12e4b0b15aba88c7b0)
- GARDNER D. (2003)**, *Getting South Africans under Shelter: an Overview of the South African Housing Sector*, Housing Finance Resource Programme
- GENESIS (2019)**, *Socio-economic and spatial restructuring impact of social housing. Report. First Draft*. Genesis Analytics. South Africa
- HENDLER P. (1999)**, *Living in apartheid's shadow. 25 years of housing and urban policies in South Africa*. Housing in Southern Africa, February, 14–16.
- HUCHZERMAYER M. (2001)**, *Housing for the poor? Negotiated housing policy in South Africa*. Habitat International. 25:303–331.
- HUCHZERMAYER M AND KARAM A. (2016)**, *South African housing policy over two decades: 1994–2014*. In Kepe T, Levin M and von Lieres B. (eds) *Domains of Freedom: Justice, citizenship and social change in South Africa*. UCT Press, Cape Town.
- JACOBS K. AND T. MANZI (2019)**, *Conceptualising 'financialisation': governance, organisational behaviour and social interaction in UK housing*. International Journal of Housing Policy.:1–19.
- JONES G.A. AND K. DATTA (2000)**, *Enabling Markets to Work? Housing Policy in the "New" South Africa*. International Planning Studies. 5:393–416.



**KING R., M. ORLOFF, T. VIRSILAS AND T. PANDE (2017)**, *Confronting the Urban Housing Crisis in the Global South: Adequate, Secure, and Affordable Housing*. Washington, D.C.: World Resources Institute.

**LAMBERT A. (2019)**, *Social Housing in France*. AFD Report.

**LANEGRAN K. AND D. LANEGRAN (2001)**, *South Africa's National Housing Subsidy Programme and Apartheid's Urban Legacy*. *Urban Geography*. 22:671–687.

**LIBERTUN DE DUREN N.R. (2018)**, *The social housing burden: comparing households at the periphery and the centre of cities in Brazil, Colombia, and Mexico*. *International Journal of Housing Policy*. 18:177–203.

**LUND B. (2017)**, *Understanding housing policy*. Third Edition. Policy Press. UK: Bristol

**MACKAY C.J. (1999)**, *Housing Policy in South Africa: The Challenge of Delivery*. *Housing Studies*. 14:387–399.

**MADDEN D.J. AND P. MARCUSE (2016)**, *In defence of housing: the politics of crisis*. London ; New York: Verso.

**MARAIS L. AND J. CLOETE (2017)**, *Housing policy and private sector housing finance: Policy intent and market directions in South Africa*. *Habitat International*. 61:22–30.

**MOLINA I., D. CZISCHKE AND R. ROLNIK (2019)**, *Housing policy issues in contemporary South America: an introduction*. *International Journal of Housing Policy*. 19:277–287.

**MONKKONEN P. (2018)**, *Do we need innovation in housing policy? Mass production, community-based upgrading, and the politics of urban land in the Global South*. *International Journal of Housing Policy*. 18:167–176.

**MOSSELSO A. (2018)**, *Vernacular Regeneration: Low-income Housing, Private Policing and Urban Transformation in inner-city Johannesburg*. UK: Routledge

**MURPHY L. (2019)**, *Neoliberal social housing policies, market logics and social rented housing reforms in New Zealand*. *International Journal of Housing Policy*. 1–23.

**NATIONAL ASSOCIATION OF SOCIAL HOUSING ORGANISATIONS (NASHO) & AGENCE FRANCAISE DE DEVELOPPEMENT (AFD) (2011)** *Financing Social Housing: Investing in Urban Regeneration*.

**NASHO and Housing Development Agency (2013)**, *Reviving our inner cities: social housing and urban regeneration in South Africa*. Research report. South Africa: Johannesburg

**NATIONAL ASSOCIATION OF SOCIAL HOUSING ORGANISATIONS (NASHO) (2016)**, *The Long Term Financing of Social Housing Study*. An Overview. Research Report 1.

**NATIONAL ASSOCIATION OF SOCIAL HOUSING ORGANISATIONS (NASHO) (2018)**, *Cracking Spatial Apartheid: How Social Housing Could Help Remake Cape Town*.

**NATIONAL PLANNING COMMISSION (NPC) (2012)**, *National Development Plan*. Pretoria: National Planning Commission.

**NATIONAL TREASURY (2018)**, *Managing Urbanisation to Achieve Inclusive Growth, Overall Report, South African Urbanisation Review*. Pretoria: National Treasury, Cities Support Programme, Accessed April 2020, [www.csp.treasury.gov.za/Resource%20Centre/Conferences/Pages/CSP-Tools.aspx](http://www.csp.treasury.gov.za/Resource%20Centre/Conferences/Pages/CSP-Tools.aspx).

**POMEROY S. AND M. SAGER (2014)**, *Long term Financing of Social Housing: examination of Current Practice and Alternatives for a More Sustainable Future: Phase 3 Report*. Pretoria, South Africa: NASHO

**RONALD R. AND J. DOLING (2010)**, *Shifting East Asian Approaches to Home Ownership and the Housing Welfare Pillar*. *International Journal of Housing Policy*. 10:233–254.

**RUBENSTEIN S. AND K. SHUBANE (1996)**, *Conclusion: a mandate to build?*, in Rust, C. and S. Rubenstein (eds.), *A Mandate to build: developing consensus around a national housing policy in South Africa*, Ravan Press, Johannesburg, pp. 265–272.

**RUST K. (2006)**, *Analysis of South Africa's Housing Sector Performance*. South: FinMark Trust.

**RYAN-COLLINS J., T. LLOYD, L. MACFARLANE AND J. MUELLBAUE (2017)**, *Rethinking the economics of land and housing*. London: Zed.

**SACN (2016)**, *State of South African Cities Report 2016* [Internet]. Johannesburg: SACN. Available from: <http://www.sacities.net/state-of-cities-reporting/socr-2016>

**SA NEWS. (2017)**, *Adjustments to Social Housing Programme Approved*, June 19. [www.SAnews.gov.za](http://www.SAnews.gov.za) (accessed 1st June 2020)

**SCANLON K., M. FERNÁNDEZ ARRIGOITIA AND C. WHITEHEAD (2015)**, *Social housing in Europe*, LSE Research Online Documents on Economics 62938, London School of Economics and Political Science, LSE Library.

**SCHEBA A. AND I. TUROK (2018)**, *Review of rent to buy with a particular focus on the Institutional Housing Subsidy Programme*. Cape Town: HSRC.

**SOCIAL HOUSING FOUNDATION (SHF) (2004)**, *Tenure Options for Social Housing Projects*, Social Housing Foundation Research Series 2004. Social Housing Foundation. South Africa.

**SOCIAL HOUSING REGULATORY AUTHORITY (2017)**, *State of the social housing sector report*. Johannesburg: SHRA

**SOCIAL HOUSING REGULATORY AUTHORITY (2017)**, *Sector Development and Transformation: Assessment of the Implementation of Restructuring Zones (RZS) and the effectiveness thereof as an*

*Urban Restructuring Tool*. Johannesburg: SHRA.

**SOCIAL HOUSING REGULATORY AUTHORITY (2019)**, *Annual Report 2018/2019*. Johannesburg: SHRA

**STATISTICS SOUTH AFRICA (2006)**, *Income & expenditure of households 2005/2006*. Statistical Release P0100. Pretoria: South Africa

**STATISTICS SOUTH AFRICA (2016)**, *Construction: what are the costs per square metre*. 2016. Pretoria: South Africa

**STATISTICS SOUTH AFRICA (2019)**, *Mid-year Population Estimates 2019*. Statistical Release P0302. StatsSA: Pretoria.

**TISSINGTON K. (2010)**, *A Review of Housing Policy and Development in South Africa since 1994*. Johannesburg: Socio-economic rights institute of South Africa.

**TOMLINSON M. (1999)**, *South Africa's housing policy: Lessons learnt from four years of the new Housing Subsidy Scheme*, Third World Planning Review, 213

**TUROK I. (2016A)**, *Housing and the urban premium*. Habitat International. 54, Part 3:234–240.

**TUROK I. (2016B)**, *South Africa's new urban agenda: Transformation or compensation?* Local Economy. 31:9–27.

**TUROK I, SCHEBA A. (2018)**, *'Right to the city' and the New Urban Agenda: learning from the right to housing*. Territory, Politics, Governance.:1–17.

**UN-HABITAT. (2012)**, *Sustainable housing for sustainable cities: a policy framework for developing countries*. Nairobi, Kenya: UN-HABITAT.

**WATSON V. AND M. MCCARTHY (1998)**, *Rental housing policy and the role of the household rental sector: Evidence from South Africa*. Habitat International. 22:49–56.

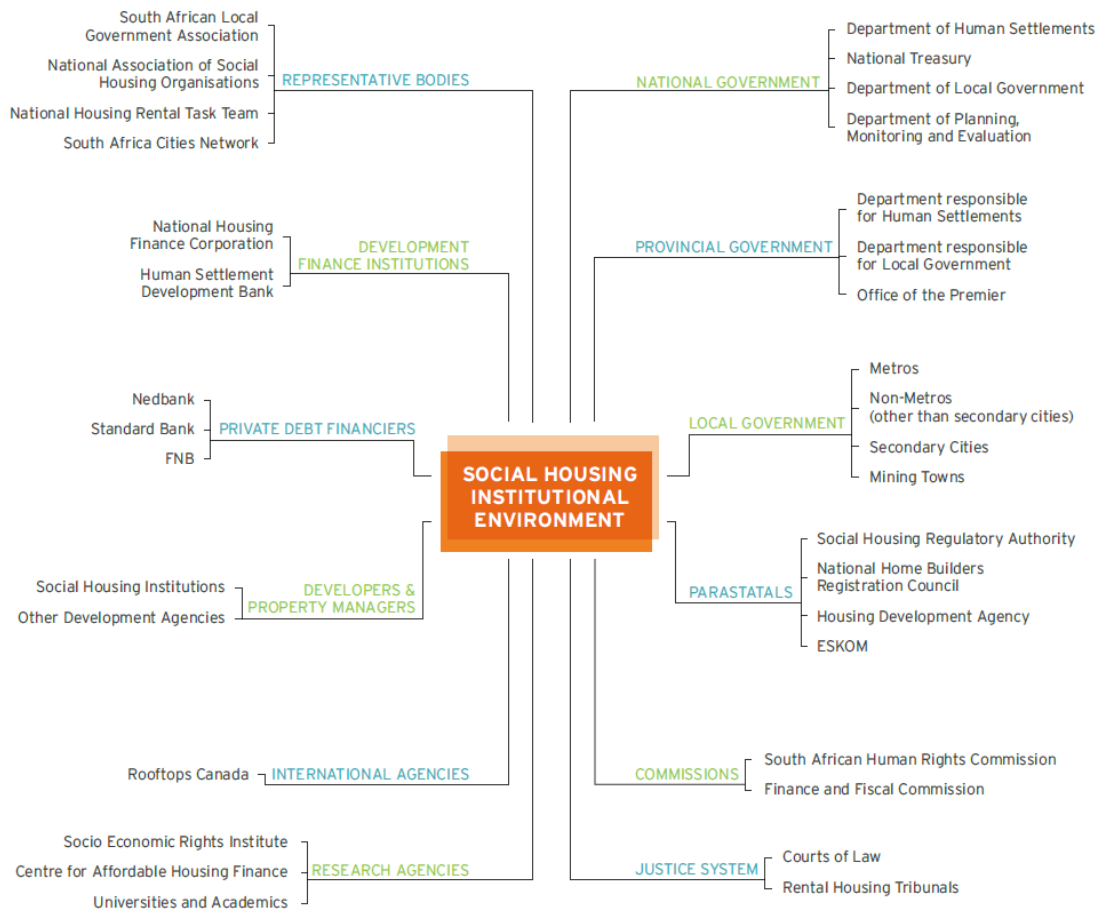
**WETZSTEIN S. (2017)**, *The global urban housing affordability crisis*. Urban Studies. 54:3159–3177.

**WICHT A. (1999)**, *Social Housing in South Africa: A feasible option for low-income households*. Development Action Group, Cape Town, South Africa

**WILKINSON P. (1998)**, *Housing policy in South Africa*. Habitat International. 22:215–229

# Appendix – 1

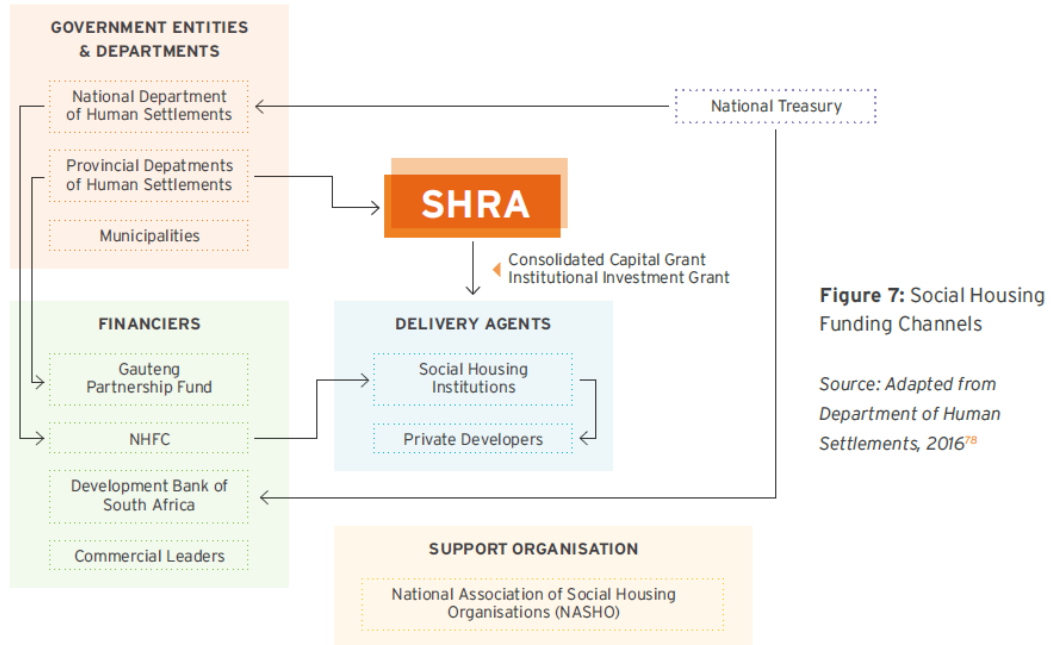
## Institutional environment of social housing sector in South Africa



Source: SHRA 2017, p. 53

## Appendix – 2

### Funding stream and institutional arrangement



Source: SHRA 2017, p. 51

## Appendix – 3

### HDA and SHRA updated database

ID	Delivery Agent	Entity	Project Name	Year compl	Finance	Satus	Yield no.	City	Address
1	Arrow Creek	ODA	Mogale Junction	2018	RCG & Insti	Construction partially tenanted	770	Johannesburg	66 Commissioner St, Krugersdorp CBD, Johannesburg, 1734
7	Capital City Housing	SHI	Westgate Grange (Aloe Ridge)	2018	RCG & Insti	Tenanted	952	Pietermaritzburg	240 White Rd, Westgate, Pietermaritzburg, 3201
8	Capital City Housing	SHI	Acacia Park	2004	RCG & Insti	Tenanted	313	Pietermaritzburg	112-106 Oribi Rd, Oribi Village, Pietermaritzburg, 3201
9	Capital City Housing	SHI	Signal Hill	2008	RCG & Insti	Tenanted	394	Pietermaritzburg	45 Nienaber Rd Signal Hill Pietermaritzburg 3201
11	Communicare	SHI	New Drommaris	2011	RCG & Insti	Tenanted	219	Cape Town	Corner of Stanberry St and Koeberg Rd
12	Communicare	SHI	Bagatelle	1990	Other	Tenanted	1	Cape Town	Crofton Street
13	Communicare	SHI	Brooklyn Houses	1940	Other	Tenanted	196	Cape Town	Various
14	Communicare	SHI	Creswell House	1976	Other	Tenanted	55	Cape Town	3 Springs Way
15	Communicare	SHI	Goedehoop Flats	1977	Other	Tenanted	100	Cape Town	84 Justin Street
16	Communicare	SHI	Huis Alleyne Yeld	1990	Other	Tenanted	69	Cape Town	26 Lenton Drive
17	Communicare	SHI	MacMillian House	1995	Other	Tenanted	50	Hermanus	Corner Praelwitz Rd and Hospital St
18	Communicare	SHI	Mez Wallach	1990	Other	Tenanted	107	Cape Town	Corner Main Rd and Crofton Rd
19	Communicare	SHI	Montclair Place	2004	Other	Tenanted	72	Cape Town	Montclair Drive
20	Communicare	SHI	Reyger Court	1991	Other	Tenanted	240	Cape Town	2 River Street
21	Communicare	SHI	Riverside Flats	1990	Other	Tenanted	48	Cape Town	Corner Ficus Rd and Plane Ave
22	Communicare	SHI	Rosehaven Place	1991	Other	Tenanted	58	Cape Town	41 Queen Street

23	Communicare	SHI	Wolverdend Flats	1990	Other	Tenanted	115	Cape Town	4 Rouwkoop Road
24	Communicare	SHI	Zorgvliet Flats	1990	Other	Tenanted	30	Cape Town	4 Steenbras Street
25	Communicare	SHI	Drommedaris Flats	1993	Other	Tenanted	73	Cape Town	8 Stanberry St
26	Communicare	SHI	Bothasig Gardens (Phl)	2015	RCG & Insti	Tenanted	120	Cape Town	NULL
27	Cope Housing Association	ODA	Troyeville	2001	Insti	Tenanted	120	Johannesburg	Corner Beelaerts Ave and Cornelia St
28	DCI Holdings	SHI	Heideveld	2025	RCG & Insti	Stalled	180	Cape Town	Waterberg Rd, Heideveld, Cape Town, 7764
29	DCI Holdings	SHI	Goodwood Station	2025	RCG & Insti	Stalled	1055	Cape Town	Station Rd, Townsend Estate, Cape Town, 7460
30	Ekurhuleni Development Company	Municipal entity	Delville Social Housing	2017	RCG & Insti	Tenanted	112	Ekurhuleni	Cnr Elsburg Road & Sekel Street, Germiston, Ekurhuleni Erf 948 Delville Ext 9
31	Ekurhuleni Development Company	Municipal entity	Fire station (Chris Hani)	2017	RCG & Insti	Tenanted	144	Ekurhuleni	Cnr Linton Jones St and President St, Germiston Erf 808, Germiston South
32	Ekurhuleni Development Company	Municipal entity	Germiston Phase 2	1999	Insti	Tenanted	548	Ekurhuleni	Joubert St, Germiston
33	Ekurhuleni Development Company	Municipal entity	Pharoe Park	1999	Insti	Tenanted	440	Ekurhuleni	Queen Street, brakpan
34	Ekurhuleni Development Company	Municipal entity	Clayville	2025	RCG & Insti	Town planning approval	452	Ekurhuleni	Thaba Ntlenyana, Kilimanjaro, Lebombo Street and Mount Kenya Drive, Ekurhuleni
35	Emahlaleni Housing Company	SHI	Klarinet	2016	RCG & Insti	Tenanted	104	Emahlaleni	Corner of Flamingo Avenue and Turtle Crescent
37	First Metro Housing Company	SHI	Hawaii	1999	RCG & Insti	Tenanted	128	eThekwin	29 Rutherford Street
38	First Metro Housing	SHI	Carlean	2001	Insti	Tenanted	32	eThekwin	93 Maud Mfusi Road Durban Central

	Company								
39	First Metro Housing Company	SHI	Esselen	2001	Other	Tenanted	88	eThekwini	26 Park Street Durban Central
41	First Metro Housing Company	SHI	Tabora	2001	Insti	Tenanted	43	eThekwini	17 Park Street Durban Central
42	First Metro Housing Company	SHI	Weltevrede	2001	Insti	Tenanted	31	eThekwini	60 McArthur Street Durban Central
44	First Metro Housing Company	SHI	Martinez	2002	Other	Tenanted	44	eThekwini	78 Hospital Road Durban
45	First Metro Housing Company	SHI	Howell Heights	2010	RCG & Insti	Tenanted	48	eThekwini	30 Howell Road Springfield Durban
46	First Metro Housing Company	SHI	Howell Road	2002	Insti	Tenanted	213	eThekwini	31 Howell Road Springfield Durban
47	First Metro Housing Company	SHI	Lake Haven 1	2011	RCG & Insti	Tenanted	312	eThekwini	49 Centre Road , Newlands
48	First Metro Housing Company	SHI	Lakehaven 2	2014	RCG & Insti	Tenanted	280	eThekwini	50 Centre Road , Newlands
49	First Metro Housing Company	SHI	Strathdon SHP	2001	RCG & Insti	Tenanted	24	eThekwini	92/94 Maud Mfusi Street
50	First Metro Housing Company	SHI	Avoca Hills	2015	RCG & Insti	Tenanted	520	eThekwini	250 Avoca Hills Drive
51	First Metro Housing Company	SHI	Hamptons	2018	RCG & Insti	Tenanted	430	eThekwini	10 River Road, Bellair, Durban. Remainder of Erf 48 Bellair, Portion 3 of Erf 13 of Bellair
52	First Metro Housing	SHI	Hampshire	2017	RCG & Insti	Tenanted	180	eThekwini	10 Hampshire Place, Pinetown 3620, Durban Erf 30658,

	Company								
53	First Metro Housing Company	SHI	Hilltops	2018	RCG & Insti	Tenanted	240	eThekwin	52 Bedford Ave, Bellair, Durban, 4006
54	Free State Social Housing Company	SHI	Brandwag Multiphase	2018	RCG & Insti	Tenanted	897	Mangaung	Between Mc Hardy Ave, Krige Street and Van Der Riet Streets
55	Freestate Social Housing Company	SHI	Hillside View	2025	RCG & Insti	Construction	510	Mangaung	Corner Church and DM Selemena St
56	Gaboweni Housing	SHI	Frischgewaagd Farm (NW)	2025	RCG & Insti	Contracting	801	Krugersdorp	Farm Boshoeck 286, S Shaft Rd, Krugersdorp, 1739
61	Golden West	SHI	Westomaria Borwa	2025	RCG & Insti	Construction	582	Rand West	Cnr N12 and R28, Neptunas Street, Westonaria, Gauteng
62	Hlalanathi	SHI	Ocean View	2025	RCG & Insti	Construction	603	Buffalo City	Rem of Farm 958, East London XV43+F4 East London
63	HAEL	SHI	Belgravia Valley 1	1999	Insti	Tenanted	372	Buffalo City	Lennox Rd, Milner Estate, East London
64	HAEL	SHI	Belgravia Valley 2	2001	Insti	Tenanted	288	Buffalo City	Lennox Rd, Milner Estate, East London
65	Housing Company Tshwane	Municipal entity	Townlands phase 1	2025	RCG & Insti	Construction	433	Tshwane	Eskia Mphahlele and Johannes Ramakhoase St, Tshwane 3525 and 3526 Marabastad, Pretoria Ext 14
66	Housing Company Tshwane	Municipal entity	Townlands phase 2	2025	RCG & Insti	Construction	767	Tshwane	Eskia Mphahlele and Johannes Ramakhoase St, Tshwane 3525 and 3526 Marabastad, Pretoria Ext 14
67	Housing Company Tshwane	Municipal entity	Eloff Building	2008	Insti	Tenanted	33	Tshwane	Eloff St, Pretoria
68	Imizi Housing Association	SHI	Walmer Link	2013	RCG & Insti	Tenanted	347	Nelson Mandela Bay	14 Lungelo Mlandlu Street, Walmer
69	Imizi Housing Association	SHI	Willowdene	2017	RCG & Insti	Tenanted	400	Nelson Mandela Bay	34 Frank Landman Ave, Overbaakens
70	Imizi Housing Association	SHI	Fairview Link	2018	RCG & Insti	Tenanted	512	Nelson Mandela Bay	Corner of Restitution Avenue and Willow Rd
72	Instratin	ODA	Devland	2025	RCG &	Construction	870	Johannesburg	Devland, Soweto, 1811



	Properties		Gardens		Insti				
73	Instratin Properties	ODA	Carnival Gardens	2025	RCG & Insti	Construction	888	Ekurhuleni	7 Dinare, Salfin, Boksburg, Ekurhuleni
74	Instratin Properties	ODA	Little Manhattan	2025	RCG & Insti	Tenanted	708	Tshwane	Mhiri Street, off W.F. Nkomo (previously Church) Street, Lotus Gardens, City of Tshwane (Gauteng)
75	Instratin Properties	ODA	bridge City	2025	RCG & Insti	Town planning approval	1130	eThekwini	Portion 566,567 of Farm Melk Houe Kraal
76	Johannesburg Housing Company	SHI	Bonvista	2009	Other	Tenanted	95	Johannesburg	19 van der Merwe Street
77	Johannesburg Housing Company	SHI	Brickfields	2005	Other	Tenanted	345	Johannesburg	Corner of Corner Carr and Ntemi Piliso streets, Newtown.
78	Johannesburg Housing Company	SHI	Carr Gardens	2000	Insti	Tenanted	212	Johannesburg	Corner of Car and 1 High Street, Fordsburg
79	Johannesburg Housing Company	SHI	Cresthill Mansions	2008	Insti	Tenanted	148	Johannesburg	15 Pietersen Street Hillbrow
80	Johannesburg Housing Company	SHI	Douglas Village	1997	Other	Tenanted	127	Johannesburg	6 Wilhemina Street
81	Johannesburg Housing Company	SHI	Elangeni	1998	Other	Tenanted	168	Johannesburg	80 Albert Street, corner Troye Street
83	Johannesburg Housing Company	SHI	Garden Mansions	1999	Other	Tenanted	23	Johannesburg	6 Wilhemina Street
84	Johannesburg Housing Company	SHI	Hlanganani	2009	Other	Tenanted	281	Johannesburg	15 Burkina Faso Street Cosmo City Roodepoort
85	Johannesburg Housing Company	SHI	Jeppe Oval	1998	Other	Tenanted	239	Johannesburg	27 Browning Street Jeppestown Johannesburg
86	Johannesburg	SHI	Lake Success	2002	Other	Tenanted	145	Johannesburg	Peterson & Edith Cavell Streets Hillbrow Johannesburg

	Housing Company								
87	Johannesburg Housing Company	SHI	Landrost	1997	Insti	Tenanted	241	Johannesburg	88 Plein Street Johannesburg
88	Johannesburg Housing Company	SHI	Legae Garden	2005	Insti	Tenanted	196	Johannesburg	Corner Carr and Gerard Sekoto streets Newtown
89	Johannesburg Housing Company	SHI	Lethabong Mansions	2013	Other	Tenanted	132	Johannesburg	117 Pritchard Street Johannesburg
90	Johannesburg Housing Company	SHI	Newtown Urban Village	2014	Other	Tenanted	350	Johannesburg	3 High Rd Johannesburg
91	Johannesburg Housing Company	SHI	New Hampsted	2003	Other	Tenanted	34	Johannesburg	Noord Street, near Twist Street, Joubert Park Hillbrow Johannesburg
92	Johannesburg Housing Company	SHI	Parkzicht Mansions	1999	Other	Tenanted	26	Johannesburg	6 Wilhemina Street
92	Johannesburg Housing Company	SHI	Parkzicht Mansions	1999	Other	Tenanted	26	Johannesburg	6 Wilhemina Street
93	Johannesburg Housing Company	SHI	Phumulani Garden	2006	Insti	Tenanted	184	Johannesburg	Corner Carr and Miriam Makeba streets Newtown Johannesburg
94	Johannesburg Housing Company	SHI	Rondebosch	2011	Other	Tenanted	77	Johannesburg	15 Pietersen Street, corner Edith Cavell Street Hillbrow Johannesburg
95	Johannesburg Housing Company	SHI	Roseneath	2012	Other	Tenanted	56	Johannesburg	22 Goldreich Street Hillbrow Johannesburg
96	Johannesburg Housing Company	SHI	San Martin	1998	Other	Tenanted	50	Johannesburg	50 Claim Street, corner Leyds Street Joubert Park Johannesburg
97	Johannesburg Housing	SHI	Smitshof	2003	Other	Tenanted	174	Johannesburg	23 Twist St, CBD, Johannesburg

	Company								
98	Johannesburg Housing Company	SHI	Stanhope	2003	Other	Tenanted	108	Johannesburg	37-45 Plein St, Johannesburg
99	Johannesburg Housing Company	SHI	Sylvadale	1997	Insti	Tenanted	64	Johannesburg	69 Claim Street, corner Pietersen Street Hillbrow Johannesburg
100	Johannesburg Housing Company	SHI	Tasnim Heights	1997	Insti	Tenanted	25	Johannesburg	34 Koch Street, corner Claim Street Joubert Park Johannesburg
101	Johannesburg Housing Company	SHI	Taylors Mansion	2012	Other	Tenanted	104	Johannesburg	142-136 Pritchard St, Hillbrow, Randburg
102	Johannesburg Housing Company	SHI	Towerhill	1997	Other	Tenanted	123	Johannesburg	37 Kotze Street, corner Klein Street Hillbrow Johannesburg
103	Johannesburg Housing Company	SHI	Tribunal Gardens	2002	Other	Tenanted	174	Johannesburg	17 Gillies Street, near Mint Street Fordsburg Johannesburg
104	Johannesburg Housing Company	SHI	Ukhamba Mansions	2013	Other	Tenanted	222	Johannesburg	7 Abel Road Berea Johannesburg
105	Johannesburg Housing Company	SHI	Uno Court	2012	Other	Tenanted	83	Johannesburg	22 Goldreich Street Hillbrow Johannesburg
106	Johannesburg Housing Company	SHI	Newtown Urban Village 2	2013	Other	Tenanted	350	Johannesburg	NULL
107	Johannesburg Housing Company	Municipal entity	Brickfields North	2005	Other	Tenanted	345	Johannesburg	Carr St and Ntemi Piliso Street
108	Johannesburg Social Housing Company	Municipal entity	Roodepoort	2010	Other	Tenanted	432	Johannesburg	Nefdt St and Kerk St
109	Johannesburg Social Housing	Municipal	Fleurhof multiphase	2016	Other	Tenanted	704	Johannesburg	Corner of Main Reef Rd and Helpmekaar Rd

	Company	entity							
110	Johannesburg Social Housing Company	Municipal entity	City Deep multiphase	2010	Other	Tenanted	660	Johannesburg	Cnr Heidelberg and Piet Street, City Deep
111	Johannesburg Social Housing Company	Municipal entity	AA House	2010	Other	Tenanted	361	Johannesburg	20 Wanderers St
112	Johannesburg Social Housing Company	Municipal entity	Dobsonville Ext 2	2018	RCG & Insti	Tenanted	502	Johannesburg	11065 Motseeme Street, Donsonville
113	Johannesburg Social Housing Company	Municipal entity	Devland/Golden Highway	2017	RCG & Insti	Tenanted	444	Johannesburg	4138 Fender Street, Devland, Soweto, 1811
114	Johannesburg Social Housing Company	Municipal entity	Plein Street	2001	RCG & Insti	Tenanted	210	Johannesburg	Corner of Klein Street & Joubert Street, Johannesburg, 2000. 80 Plein Street Buidling
115	Johannesburg Social Housing Company	Municipal entity	Klip Town golf course	2011	Insti	Tenanted	932	Johannesburg	Nkentshane St
116	Johannesburg Social Housing Company	Municipal entity	16 Wolmarans	2018	Insti	Tenanted	89	Johannesburg	16 Wolmarans Street, Johannesburg
117	Johannesburg Social Housing Company	Municipal entity	Kliptown Square	2007	RCG & Insti	Tenanted	478	Johannesburg	20 Klipspruit Valley Rd
118	Johannesburg Social Housing Company	Municipal entity	Selby	2008	RCG & Insti	Tenanted	280	Johannesburg	40 Ntemi Piliso St
119	Johannesburg Social Housing Company	Municipal entity	Union Square	2008	RCG & Insti	Tenanted		Johannesburg	80 Plein Street, Johannesburg
120	Johannesburg Social Housing Company	Municipal entity	Alexander Far East Bank	2008	Insti	Tenanted	520	Johannesburg	Lenin Dr
121	Johannesburg Social Housing Company	Municipal entity	Chelsea	2008	Insti	Tenanted	80	Johannesburg	30 Catherine Ave, Johannesburg

	Company	entity							
122	Johannesburg Social Housing Company	Municipal entity	Orlando Ekhaya Hostel	2008	Insti	Tenanted	292	Johannesburg	Kingsley Sithole Street
123	Johannesburg Social Housing Company	Municipal entity	Klipspruit Hostel	2008	Insti	Tenanted	99	Johannesburg	1 Mofokeng Street, Klipspruit
124	Johannesburg Social Housing Company	Municipal entity	Deepkloof	2009	Insti	Tenanted	107	Johannesburg	Smael Street, Johannesburg
125	Johannesburg Social Housing Company	Municipal entity	Anthea	2010	Insti	Tenanted	302	Johannesburg	20 Kelvin Street, Johannesburg
126	Johannesburg Social Housing Company	Municipal entity	La Rosabel	2010	Insti	Tenanted	50	Johannesburg	62 Quartz Street, Johannesburg
127	Johannesburg Social Housing Company	Municipal entity	Pennyville Rooms	2010	Insti	Tenanted	207	Johannesburg	Buffalo Road, Randburg
128	Johannesburg Social Housing Company	Municipal entity	Bellavista	2010	Insti	Tenanted	36	Johannesburg	50 Bellavista Rd
129	Johannesburg Social Housing Company	Municipal entity	Citrine Court	2010	Insti	Tenanted	279	Johannesburg	Selous Drive
130	Johannesburg Social Housing Company	Municipal entity	Casa Mia	2010	Insti	Tenanted	179	Johannesburg	30 O'Reilly Rd
131	Johannesburg Social Housing Company	Municipal entity	Jabulani	2018	Insti	Tenanted	54	Johannesburg	Bolani Road, Soweto
132	Johannesburg Social Housing Company	Municipal entity	MBV	2011	Insti	Tenanted	188	Johannesburg	25 Quartz St, Johannesburg
133	Johannesburg Social Housing Company	Municipal entity	Europa House	2015	Insti	Tenanted	169	Johannesburg	32 Plein street, Johannesburg

	Company	entity							
134	Johannesburg Social Housing Company	Municipal entity	Raschers	2010	Insti	Tenanted	91	Johannesburg	70 Loveday Street, Johannesburg
135	Johannesburg Social Housing Company	Municipal entity	Orlando West	2008	Insti	Tenanted	44	Johannesburg	Mokhele Street
136	Johannesburg Social Housing Company	Municipal entity	Riverside Ridge	2015	RCG & Insti	Tenanted	252	Johannesburg	
137	Johannesburg Social Housing Company	Municipal entity	Turffontein Gardens	2018	RCG & Insti	Tenanted	504	Johannesburg	Evans street Turffontein
138	Johannesburg Social Housing Company	Municipal entity	Phoenix House	2017	Undetermined	Tenanted	137	Johannesburg	3 Stephenson Street, Johannesburg
139	Johannesburg Social Housing Company	Municipal entity	Kerk Street	2017	Undetermined	Tenanted	162	Johannesburg	123 Kerk Street
140	Let's Care	ODA	Sondela Village Phase 1	2018	RCG & Insti	Tenanted	246	Ekurhuleni	Unnamed Road
141	Madulammoh o Housing Association	SHI	Fleurhof Views	2012	RCG & Insti	Tenanted	286	Johannesburg	61 Camel Thorn St, Fleurhof Johannesburg
142	Madulammoh o Housing Association	SHI	Jabulani Views	2013	RCG & Insti	Tenanted	300	Johannesburg	1868 Lengau St, Jabulani, Soweto
143	Madulammoh o Housing Association	SHI	BG Alexander	2008	Insti	Tenanted	400	Johannesburg	311 Smit St, Hillbrow, Johannesburg
144	Madulammoh o Housing Association	SHI	New Europa House	2005	Insti	Tenanted	73	Johannesburg	63 Claim St Hillbrow Johannesburg
145	Madulammoh o Housing Association	SHI	Allenby House	2009	Insti	Tenanted	119	Johannesburg	45 Claim St Hillbrow Johannesburg

146	Madulammoh o Housing Association	SHI	El Kero House	2007	Insti	Tenanted	170	Johannesburg	34 Pietersen St Hillbrow Johannesburg
147	Madulammoh o Housing Association	SHI	New Regent House	2006	Insti	Tenanted	58	Johannesburg	15 Soper Rd Berea Johannesburg
148	Madulammoh o Housing Association	SHI	Resdoc House	2009	Insti	Tenanted	64	Johannesburg	27 Esselen St, Hillbrow Johannesburg
150	Madulammoh o Housing Association	SHI	Scottsdene Rental Estate	2015	RCG & Insti	Tenanted	500	Cape Town	63-77 Serenade Street Scottsdene, Cape Town
151	Madulammoh o Housing Association	SHI	Esselen Street	2015	Insti	Tenanted	96	Johannesburg	27 Esselen St, Hillbrow, Johannesburg
152	Madulammoh o Housing Association	SHI	Belhar	2016	RCG & Insti	Tenanted	629	Cape Town	ERF 24720 Symphony Way, Belhar 8, Cape Town
154	NOMDA	ODA	Germiston Ext. 4	2019	RCG & Insti	Tenanted	500	Ekurhuleni	Watkinson Rd, Germiston, Ekurhuleni
155	Norvena Property Consortuim	ODA	Norvena Court	2016	RCG & Insti		173	Johannesburg	7 O'Reilly Rd, Berea, Johannesburg
156	Own Haven Housing Association	SHI	Walmer Cosmo	2018	RCG & Insti	Tenanted	630	Nelson Mandela Bay	Cnr Glendore Road & Victoria Drive, Port Elizabeth
157	Own Haven Housing Association	SHI	Milner Court	2011	RCG & Insti	Tenanted	10	Buffalo City	23 Milner Ave, North End, Port Elizabeth,
158	Own Haven Housing Association	SHI	Park Towers	2009	RCG & Insti	Tenanted	136	Buffalo City	16 Rink St, Port Elizabeth Central
159	Own Haven Housing Association	SHI	Reservoir Mews	2012	RCG & Insti	Tenanted	430	Nelson Mandela Bay	320 Oxford St, Milner Estate Lennox Estate & Pan, East London
160	Own Haven Housing	SHI	Southernwood	2012	RCG & Insti	Tenanted	249	Buffalo City	85 St Georges Rd, Southernwood, East London

	Association								
161	Own Haven Housing Association	SHI	Talana Court	2011	RCG & Insti	Tenanted	12	Buffalo City	44 Pearson St, Port Elizabeth Central
162	Own Haven Housing Association	SHI	HHS sunrise view	2004	Insti	Tenanted	108	Buffalo City	29 Swartberg Rd East London
165	Own Haven Housing Association	SHI	Skyview	2006	Other	Tenanted	61	Buffalo City	58 St Georges Rd, Southernwood, East London
166	Own Haven Housing Association	SHI	Eriko Court	2005	Insti	Tenanted	8	Buffalo City	69 St Georges Rd, Southernwood, East London
167	Own Haven Housing Association	SHI	Kenwick Close	2010	RCG & Insti	Tenanted	10	Buffalo City	25 Kenwick Rd Braelyn East London
168	Own Haven Housing Association	SHI	Gonubie Palms	2010	RCG & Insti	Tenanted	112	Buffalo City	Quenera, East London
170	Polokwane Housing Association	SHI	Polokwane Ext 76	2019	RCG & Insti	Tenanted	240	Polokwane	Along Maraba Street in Extention 76 In Polokwane, Limpopo
172	Polokwane Housing Association	SHI	GaRena Rental Village	2007	RCG & Insti	Tenanted	508	Polokwane	Railway Street. Annadale EXT 1 Polokwane.
173	Povicom	ODA	Regent Villas	2025	RCG & Insti	Construction	220	Cape Town	436 Klipfontein Rd, Surrey Estate, Cape Town
174	QHAMA	SHI	Steve Biko Mumford	2018	RCG & Insti	Construction	120	Nelson Mandela Bay	Douglas Place, off 134 Victoria Rd
175	Shayamoya Housing Association	SHI	Cato Manor (Shayamoya)	2001	RCG & Insti	Tenanted	501	eThekweni	8 Johannes Nkosi Ave Wiggins Durban
176	SOHCO	SHI	Emerald Sky multiphase	2012	RCG & Insti	Tenanted	840	Buffalo City	2 Shingler St, Amalinda, East London,
177	SOHCO	SHI	Amalinda Village	2005	RCG & Insti	Tenanted	598	Buffalo City	44 Honolulu Cres, Stoney Drift, East London



178	SOHCO	SHI	Valley View	2009	RCG & Insti	Tenanted	157	eThekweni	27 Charles Winser Road, Hillary, Durban
180	SOHCO	SHI	Port View	2008	RCG & Insti	Tenanted	142	eThekweni	30 Diakonia Ave, Durban Central, Durban
181	SOHCO	SHI	Steenberg multiphase	2014	RCG & Insti	Tenanted	700	Cape Town	79 Military Rd Steenberg Cape Town
182	SASIHC	SHI	Moshoeshoe Eco Village	2002	Insti	Tenanted	10	Tshwane	173 Bosman St
183	SASIHC	SHI	Hull Street	2004	RCG & Insti	Tenanted	78	Tshwane	Corner De Beers Terrace & Hull Street, De Beers, Kimberley,
184	Steve Tshwete Housing Association	SHI	Hope City multiphase	2014	RCG & Insti	Tenanted	543	Middleburg	47 Aquamarine Street Mineralia Middelburg
187	The Brown Group Investments (TBGI)	ODA	Soweto City	2019	RCG & Insti	Tenanted	16	Johannesburg	Chris Hani Rd, Klipspruit 318-Iq, Johannesburg, 1809
188	The Housing Hub	ODA	Akasia	2018	RCG & Insti	Tenanted	400	Tshwane	292 Scheiding St Pretoria Centra
189	The Housing Hub	ODA	Mohlakeng	2025	RCG & Insti	Construction	1080	Tshwane	288 Burgerspark Lane
190	Toproot Properties	SHI	Riverlea	2018	RCG & Insti	Tenanted	27	Tshwane	251 Visagie St
193	Urban Status Rentals	SHI	The Block	2025	RCG & Insti	Construction	20	Cape Town	Cnr of Peter Barlow Drive and Bester Road – Glenhaven, Bellville South
194	Yeast City Housing	SHI	Gilead	2011	RCG & Insti	Tenanted	15	Tshwane	50 De Waal St, Pretoria Central
195	Yeast City Housing	SHI	Leyds	2013	RCG & Insti	Tenanted	21	Tshwane	320 Leyds St Arcadia Pretoria
196	Yeast City Housing	SHI	Salvokop	2000	RCG & Insti	Tenanted	89	Tshwane	1 Koch St
197	Yeast City Housing	SHI	Sediba	2003	Insti	Tenanted	45	Tshwane	173 Bosman St Pretoria Central
198	Yeast City Housing	SHI	Tau Village	2010	RCG & Insti	Tenanted	114	Tshwane	279 Struben St Pretoria Central
199	Yeast City	SHI	Burgers Park	2003	Insti	Tenanted	16	Tshwane	258 Burgers Park Ln Pretoria Central

	Housing								
201	Yeast City Housing	SHI	The Potters House	2003	Insti	Tenanted	24	Tshwane	417 Lilian Ngoyi Street, Pretoria Central
202	Yeast City Housing	SHI	Living Stones	2002	Insti	Tenanted	30	Tshwane	251 Visagie St Pretoria Central
203	Yeast City Housing	SHI	Litakoemie	1998	Insti	Tenanted	31	Tshwane	287 Visagie St Pretoria Central
204	Yeast City Housing	SHI	Hofmeyr House	2000	Insti	Tenanted	56	Tshwane	460 Lilian Ngoyi Street Pretoria Central
205	Yeast City Housing	SHI	Rivoningo	2005	Insti	Tenanted	20	Tshwane	281 Mosca St, Pretoria Central
206	Yeast City Housing	SHI	Tswelelang	2009	Insti	Tenanted	11	Tshwane	38 Loop St Pretoria Central,
207	Yeast City Housing	SHI	Thembelihle	2016	RCG & Insti	Tenanted	734	Tshwane	83 Struben St, Pretoria Central
208	YGA Property Investments	ODA	Kempton Village	2025	RCG & Insti	Construction	312	Ekurhuleni	1 Long St Kempton Park Cbd
209	Moko Phoenix	SHI	Tashmeera Garden	2009	RCG & Insti	Tenanted	420	eThekwini	NULL
210	Moko Phoenix	SHI	Tasneeva Gardens	2008	RCG & Insti	Tenanted	114	eThekwini	Elfgrove way



#### What is AFD?

Agence Française de Développement (AFD) Group implements France's policy on development and international solidarity.

Comprised of AFD, which finances the public sector and NGOs; Proparco, which finances the private sector; and soon, Expertise France for technical cooperation, the Group finances, supports and accelerates transitions towards a more resilient and sustainable world.

We are building – with our partners – shared solutions, with and for the people of the Global South. Our teams are active in more than 4,000 projects in the field, in the French overseas departments and some 115 countries, including areas in crisis.

We strive to protect the common good – promoting peace, biodiversity and a stable climate, as well as gender equality, health and education. It's our way of contributing to the commitment that France and the French people have made to fulfill the Sustainable Development Goals. Towards a world in common.

**Publication Director** Rémy Rioux  
**Editor-in-Chief** Thomas Melonio

**Legal deposit** 1<sup>st</sup> quarter 2021  
**ISSN** 2492 - 2846

#### Rights and permissions

Creative Commons license

Attribution – No commercialization – No modification

<https://creativecommons.org/licenses/by-nc-nd/4.0/>



**Graphic design** MeMo, Juliegilles, D. Cazeils

**Layout** Denise Perrin, AFD

Printed by the AFD reprography service

To browse our publications:

<https://www.afd.fr/en/ressources-accueil>