

HOUSING PROGRAMMES

2010/11 - 2012/13

BACKGROUND

- The government has provided public finance for a range of housing programmes, these programmes aim to establish communities and neighbourhoods with access to healthcare, education and other social amenities.
- The PER focuses on the main housing programmes funded by government; which accounts for 62% of total spending on housing over the period

INSTITUTIONAL SPACE



A KEY CHALLENGE TO HOUSING DELIVERY

RELATES TO MANAGING THE FLOW OF FUNDS, DUE TO CONCURRENT **NATIONAL** AND **PROVINCIAL** POWERS FOR HOUSING, ALONG WITH THE INCREASING **AUTHORITY AND RESPONSIBILITY** OF **LOCAL GOVERNMENT** THESE COMPLEXITIES CREATE OPPORTUNITIES FOR CORRUPTION AND PATRONAGE, AS WELL AS IMPLEMENTATION DELAYS

CENSUS DATA SUGGESTS THAT **±2 MILLION HOUSEHOLDS** DID NOT HAVE **ADEQUATE HOUSING IN 2011**

PERFORMANCE

GOVERNMENT SPENT OVER

R45 BILLION



±30

SEPARATE HOUSING PROGRAMMES



50%

of expenditure accounted for **Integrated Residential Development Programme** and the **Upgrading of Informal Settlements Programme**



THE STUDY SHOWS THAT ONLY

123,000

HOUSING UNITS ARE DELIVERED PER YEAR

COMPARED TO THE **NATIONAL DEPARTMENT OF HOUSING'S** PUBLISHED NUMBER OF

254,000 UNITS

COSTING HOUSING POLICY

THE FULL COST OF AN **RDP HOUSE** (TOP STRUCTURE AND LOCAL RETICULATION) IS CALCULATED AT

R153 000

AGAINST A
SUBSIDY OF JUST

R90 000

AT THE TIME
OF THE STUDY

THE ADDITIONAL COSTS ARE LARGELY MET FROM MUNICIPAL INFRASTRUCTURE FUNDING AND OTHER SPENDING PROGRAMMES, WHILE THE MOBILISATION OF PRIVATE FINANCE IS INSUFFICIENT

MAINTAINING CURRENT POLICY PARAMETERS, THE COST OF ERADICATING THE BACKLOG WOULD BE

R60 BILLION PER YEAR

COMPARED TO THE CURRENT

R15 BILLION PER YEAR



AT THE PRESENT PACE OF DELIVERY, IT WOULD TAKE **30 YEARS** TO ERADICATE THE BACKLOG USING THE **RDP** AND **INFORMAL SETTLEMENT** MODEL OF DELIVERY

FINDINGS

- There are too many housing programmes and they are managed unevenly. Consolidation would lead to better focus and more impact.
- The Community Residential Units programme has the highest cost per unit, which suggests the need for a detailed investigation into this programme.
- The housing policy implementation process is weak, as reflected in the need for the Rectification of RDP Stock programme and programmes to facilitate the completion of projects paid for through other programmes.
- More work is needed to develop models that attract private sector funding into the provision of low-income housing.