

# 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** ON **±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.