

# Presentation on Affordable Housing Projects and Plans

**AFFORDABLE HOUSING INDABA:  
“PLANNING THE FUTURE OF INTEGRATED HUMAN  
SETTLEMENTS”**

**INDABA HOTEL**

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# City's Vision and Mission

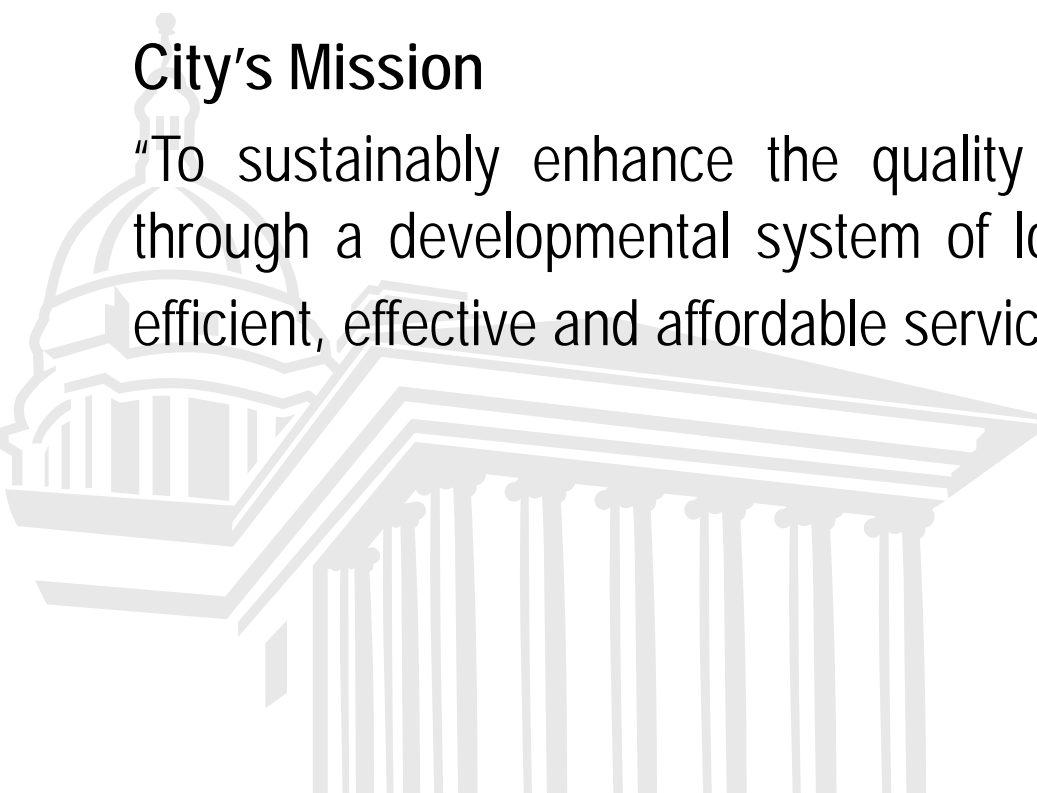


## City's Vision

"Tshwane- the African Capital City of Excellence"

## City's Mission

"To sustainably enhance the quality of life of all people in Tshwane through a developmental system of local government and by rendering efficient, effective and affordable services"



# Housing and Human Settlements Vision



Within the context of the metropolitan vision of the City of Tshwane, the housing vision is to ensure that –

- all Tshwane residents currently in informal settlements will have access to housing opportunities in medium and long term;
- the housing opportunities are sustainable and affordable and fully integrated with the existing social fabric; and
- the housing opportunities include secure tenure, basic services and top structures.

# City of Tshwane Spatial Development Strategy



The objectives of the Tshwane Spatial Development Strategy are to:

- Integrate residential settlements with areas of economic and social opportunity;
- Integrate the poor with the main-stream day-to-day functioning of the city;
- Densify strategic areas in the City;
- Identify areas for economic development in the city.



# City of Tshwane Sustainable Human Settlement Plan Outcomes



- Output 1: Accelerated Delivery of Housing Opportunities
  - a) Upgrading of approx. 400 000 households in well located informal settlements with access to basic services and secure tenure.
  - b) Affordable Rental Housing
- Output 2: Improve Access to Basic Services;
- Output 3: Mobilization of Well-located Public Land for Low Income and Affordable Housing;
- Output 4: Improved Property Market (Gap Market Housing).

# Affordable Housing Demand in the City of Tshwane (1)



- Affordable rental accommodation remains a key challenge in the City of Tshwane . There is very little new rental property being developed for households who cannot afford to pay more than R2500 per month for their housing.
- It is at this market that the affordable housing sector has been targeting its properties, but even given projections for delivery by this sector, this will not begin to meet demand.
- CoT has a population of approximately 2, 1 million people which translates to 911 536 households (2011 census). This translates to a 3.1% population growth per annum for the period between 2001 and 2011.
- The majority of the population of the City is made up of young people aged between 30 and 39 years with the majority of the population falling within the working age group 15 years to 64 years
- It is this pool of young people which represents a captive market for affordable housing offering, and planning for the current and future provision of affordable housing needs to factor in this reality

# Affordable Housing Demand in the City of Tshwane (2)



- A housing demand survey carried out in the City of Tshwane central business district and surrounding areas in 2012 suggests that there is an immediate need of between 18 000 and 30 000 new residential units (including affordable/social housing) in the Tshwane inner-city areas, and that the residential developments need to come with associated community/social infrastructure.
- A Social and Rental Housing Market study carried out in the Pretoria CBD in 2014 suggests that between 2014 and 2019, an estimated 5 530 new households will seek accommodation, resulting in an annual growth in demand of approximately 1 106 units per annum.
- The City, as the host to a number of research institutions and universities such as the Innovation Hub, CSIR, Univ of Pretoria, UNISA, Tshwane Univ. of Technology, estimates that more than 60 000 new students are in dire need of accommodation every year in the City.

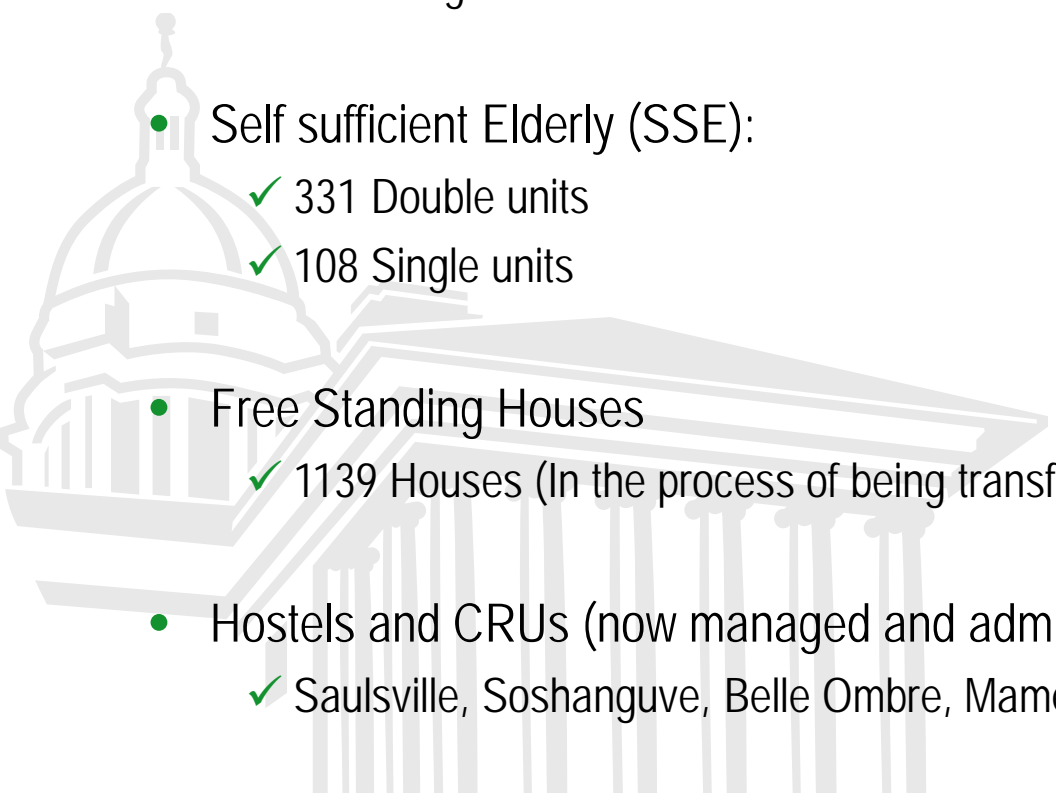


# Rental Portfolio managed by the City's Housing Department



CITY OF  
**TSHWANE**  
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- The rental stock managed by the Department of Housing and Human Settlements is categorised as follows:
  - High Rise Buildings/ Flats:
    - ✓ 8 Buildings
  - Self sufficient Elderly (SSE):
    - ✓ 331 Double units
    - ✓ 108 Single units
  - Free Standing Houses
    - ✓ 1139 Houses (In the process of being transferred to current owners)
  - Hostels and CRUs (now managed and administered by the Regions)
    - ✓ Saulsville, Soshanguve, Belle Ombre, Mamelodi and Kingsley, Zithobeni and Refilwe



# AFFORDABLE HOUSING PROJECTS AND PLANS



# City's Social & Affordable Housing Strategy



In its effort to increase the delivery of social housing and affordable rental, the City of Tshwane:

- Is focusing on mixed development projects offering a mixture of housing typologies in proximity of a range of social, transport, retail and work opportunities;
- Has entered into an MOU with Gauteng Partnership Fund to support emerging Social Housing Institutions (SHIs), develop a healthy social housing and rental pipeline and create a platform (in a form of a CoT Social Housing Steering Committee) for fostering of partnerships and collaborations as well as monitor social housing initiatives;
- Re-positioned its social housing entity (Housing Company Tshwane) to ensure its accreditation by SHRA, which it received in July 2014. The City has since transferred well-located portions of land to HCT to develop social housing;
- Partnerships with accredited SHIs (e.g. Yeast City Housing) through provision of council-owned well-located land for development of social housing;
- In response to the student accommodation crisis, the City has put aside R6bn which will be used over the next 5 to 8 years to build residential accommodation – incl. a student village, as well as mixed land use market housing rental, retail and commercial components & health facilities (West Capital Development Precinct).

# Social Housing Projects Pipeline (1)

Programme/Project	Delivery Date	Progress to date
Townlands Project: Project size: 900 units <b>Social housing</b>	2014/15 Engineering services planning 2015/16: <b>350</b> 2016/17: <b>350</b> 2017/18: <b>200</b>	The project is as detailed planning phase & is implemented by HCT. The project has been submitted for funding application submission (2015/16 SHIP 6a).
Timberland Project: Project size: 320: <b>Social housing</b>	2014/15: Planning 2015/16: <b>200</b> units. 2016/17: <b>120</b> units	Initial planning stages . Also implemented by HCT
Nellmapius Ext 22 <b>Affordable rental</b>	2014/15: Installation of services 2015/16: 550 affordable rental stock	Mixed development project which includes low cost houses and affordable rental units. Installation of services for the rental component underway and construction of low cost houses commenced

## Social Housing Projects Pipeline (2)

Programme/Project	Delivery Date	Progress to date
Thembelihle Village Project size: 733 <b>Social housing</b>	2014/15: Construction commenced 2015/16: 241 (November 2015) 2015/17: all 733 by end of the FY	CoT entered into a 30-year lease with Yeast City Housing on Erf 3020 in Pretoria. Construction has commenced
Zandfontein: Project size: 1159: <b>social housing component</b>	2014/15: Completion of detailed planning. 2015/16: <b>400</b> units. 2016/17: <b>400</b> units 2017/18: <b>359</b> units	Zandfontein is a mixed development project currently under planning. Installation of service and commencement with Phase 1 is planned for 2015/16.
Lady Selborne Project size: 1290: <b>social housing component</b>	2014/15: Installation of services 2015/16: 430 units 2016/17: 460 units 2017/18: 400 units	Mixed development project which includes low cost houses, FLISP and social housing. Installation of services has commenced There is a possibility of delays with this project due to the current land claim

# Social Housing Projects Pipeline (3)

Programme/Project	Delivery Date	Progress to date
Fort West Ext 4 Project size: 1256: <b>social housing component</b>	2014/15: Installation of services 2015/16: 420 units 2016/17: 420 2017/18: 416	Mixed development project. Installation of services has commenced.
Madiba Heights: Project size: 1159: <b>social housing and FLISP</b>	2014/15: Completion of detailed planning. 2015/16: <b>600</b> units.	Partnership between CoT and Province. Planning is in progress

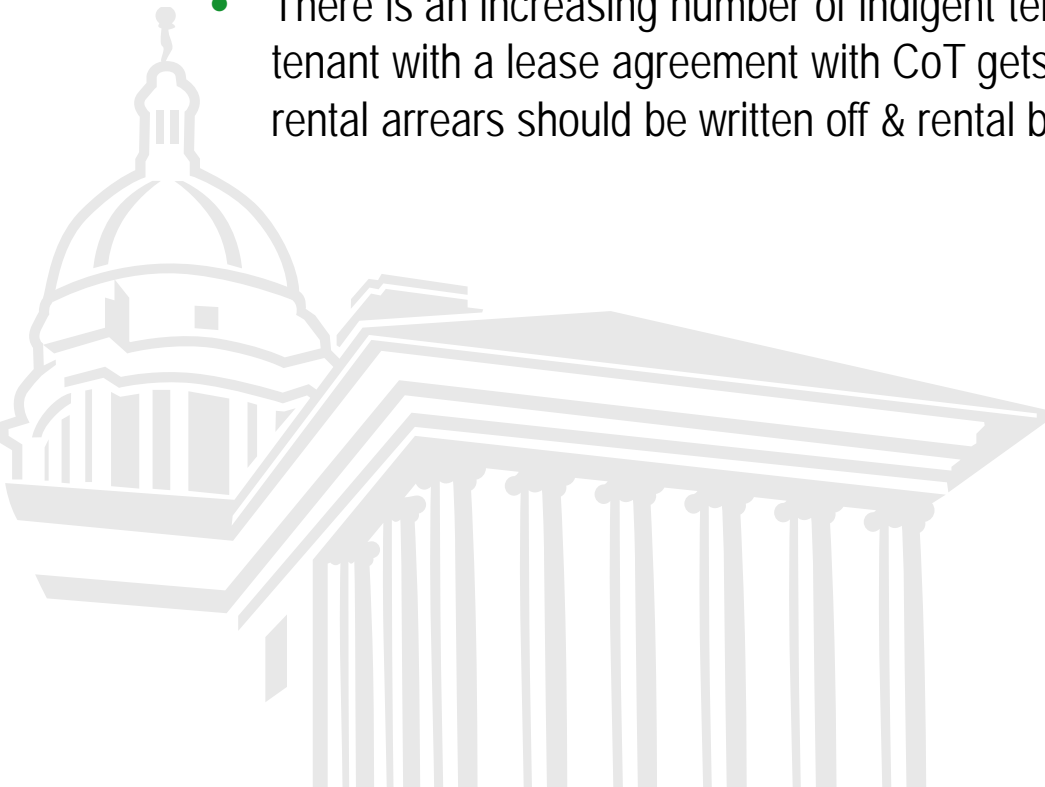


# Challenges (1)

- Limited supply of affordable rentals stock: Private developers focus on high-end housing while government concentrates on serving the neediest low-income population (fully subsidised low cost housing)
- Few existing accredited Social Housing Institutions with necessary capacity to deliver on social housing.
- Limited well-located council-owned land for increased delivery of affordable housing.
- Since development of CRUs in the City, the City has not been able to collect the rentals applicable and projected from the CRU rental stock, due to affordability levels of the tenants. Most of hostel dwellers are unemployed and/or participate in the informal economy, which does not provide predicable and regular income. This has placed a burden on the City in as far as maintenance and upkeep of this rental stock.

## Challenges (2)

- Existing council owned and managed rental stock is characterised by:
  - Low payment levels
  - Aging infrastructure and inadequate funds for preventative.
  - There is an increasing number of indigent tenants: According to the Indigent Policy, if a tenant with a lease agreement with CoT gets registered on the Indigents Register, their rental arrears should be written off & rental be calculated at 25% of the family income.





# Concluding Remarks



- The City has appointed a panel of Turn-key Contractors to fast-track development of the mixed housing projects;
- Negotiations with Land Claims Commissioner, Province and land claimants for compensation (Lady Selborne). Submissions will be made to the Land Claims Court, in terms of Section 34 of the Land Restitution Act, on the non-feasibility of the Lekhuleni land claim, which affects most of the housing and other developments in the City
- Strengthen partnerships with institutions such as SHRA, GPF, NHFC in order to support to emerging SHIs within the City.
- Upgrading of the (old) existing rental stock and explore employment of capable rental management agencies to administer and manage the stock.
- In response to the unaffordability of CRUs by hostel dwellers, the City is piloting redevelopment of old hostels into one-bed and/or bachelor units as opposed to 2 and 3 bed-room family units which do not meet the needs and affordability levels of hostel residents. The pilot is at advanced planning stage.

Thank You

