

AFFORDABLE HOUSING INDABA

17 OCTOBER 2012



Departmental Overview

The Department's mandate is to ensure the provision of housing and the effective functioning of local government across the province in order to build sustainable communities and facilitate a shared and equitable social and economic growth and development.

DEPARTMENTAL OVERVIEW

Outcome 8 and related outputs

“Sustainable human settlement and improved quality of household life”

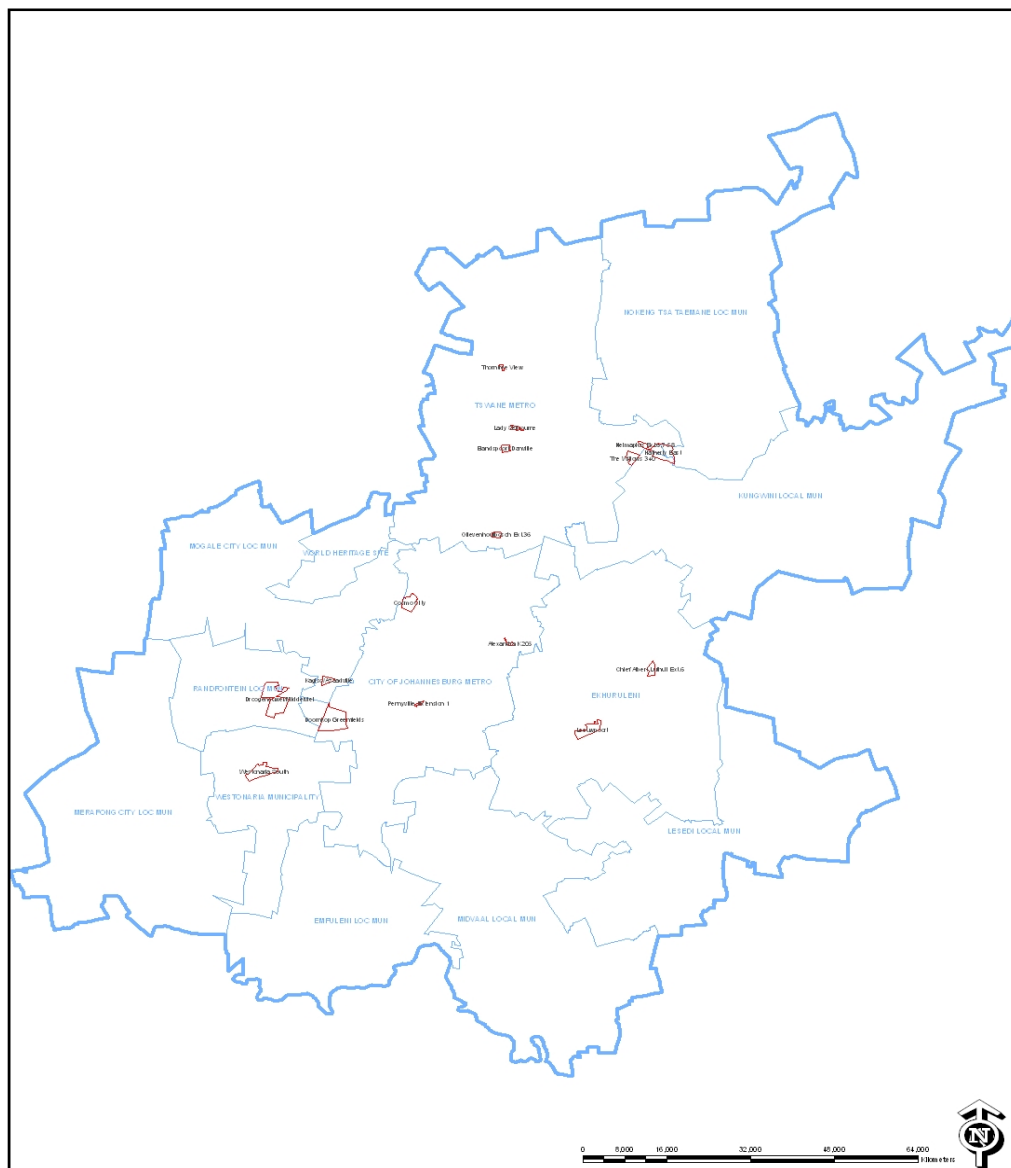
The following are the Outputs for this outcomes:

- Accelerated delivery of housing opportunities
- Access to basic services
- More efficient land utilization
- Improved property market

WHY MIXED HOUSING IN SOUTH AFRICA

- Promote mixed income, mixed tenure and mixed land use development that will integrate, de-racialise and restructure the urban landscape
- Need to maximize available land use and effectively use well located land
- Housing development in South Africa needs to respond to the political intentions of government in creating diverse, viable and sustainable communities.

LOCATION MAP: FLAGSHIP PROJECTS



PROJECT NAME	NUMBER OF UNITS
Lufreng	24 100
Cosmo City	14 800
K206 (Alex)	3199
Droogeheuwel	3648
Mohlakeng Ext 11	3495
Westonaria Bowra	5000
Chief Mogale	6800
Thorntree View	11 700
Nellmapius New	3597
Olievenhoutbosch	4452
Leeuwpoort	17 899
Chief Albert Luthuli Ext 6	5398
The Willows	10 977
Hatherly East	7300
Lady Selbourne	6000
Elandspoort / Danville	2 000
TOTAL	127267



Project Name: **Flagship Projects:**
Spatial Location

Project Location: **Gauteng Province**

Legend

-  Gauteng Boundary
 Municipal Boundary
 Flagship Projects

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FLAGSHIP PROJECTS CONT..

Are a National Symbol of Mixed Housing Developments that will deliver permanent clinics, schools, parks which have sports and recreational facilities, a Multi-Purpose Community Centre, that will include municipal offices, sports field, swimming, library etc.

WHAT IS MIXED USE INTEGRATION?

- Cosmo City is the first mixed use, fully integrated housing development in South Africa that sets about to accomplish those philosophies in the following manner:
 - Full ownership of a 36m² house on a property of 250m² for the income group of R 0 to R 3500. **(5000 units)**
 - Full ownership of a 45m² to 65m² on a property of 300m² for the income group of R 3501 to R 7000. **(3000 units)**
 - Full ownership of a 50m² to 120m² on 350m² to 400m² to the open market. **(3200 units)**
 - Rental stock apartments for the income group earning between R 1500 and R 7500 per month. **(1000 units)**
 - 12 Schools, 40 sites for churches, clinics and crèches, 43 parks and recreational sites as well as commercial, retail and Industrial properties.
 - Created work opportunities for over 7000 people, the majority of which are from the beneficiary community, to enable them to build their own town.
 - Provide the same level of service for all income groups.
 - Providing housing for the full economic spectrum group in the same human settlement.



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LEVERAGING AFFORDABLE HOUSING FINANCE



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Long term benefits and opportunities for integrated developments

- Creating the opportunity for the Private Sector to participate in the “ Breaking New Ground” Strategy and invest in South Africa’s future.
- Providing people that have been living in makeshift shacks for years with no running water, electricity or sanitation with a proper house and giving them dignity.
- They offer an open environment where children can grow up together without the discrimination of income, race or religion.

Partnerships with Financial Institutions and Developers

- Ensure access to well located land and develop mixed housing development in line with government strategy
- Fast track approval processed – “business unusual approach”
- Because of the slowdown in the high income market - Access to the affordable market with subsidies to unlock potential in this market
- Expeditious deployment of the infrastructure to support development – socio and economic amenities
- Provide Bridge Finance to local authorities to install bulk infrastructure

Partnerships with Financial Institutions and Developers

- The Department has extended the mandate of Gauteng Partnership Fund (its Entity) to include gearing of funding for Mixed Housing Developments.
- We must find a balance on funding projects that cater down market income categories while addressing the GAP housing market, which is defined as households with an income between R3 500 and R15 000 per month.
- The Department formed partnerships with major Banks (e.g. Nedbank – Jabulani CBD, Standard Bank - Nellmapius) in order to ensure cross subsidisation and delivery of affordable housing.
- Identified projects for the implementation of Finance Linked Subsidy Programme (FLIPS)
- The Department is also pursuing the “each one settle one” initiative as part of National Human Settlement Vision 2030.

Jabulani Precinct

(Bolani Road – Soweto, Johannesburg)

Jabulani CBD

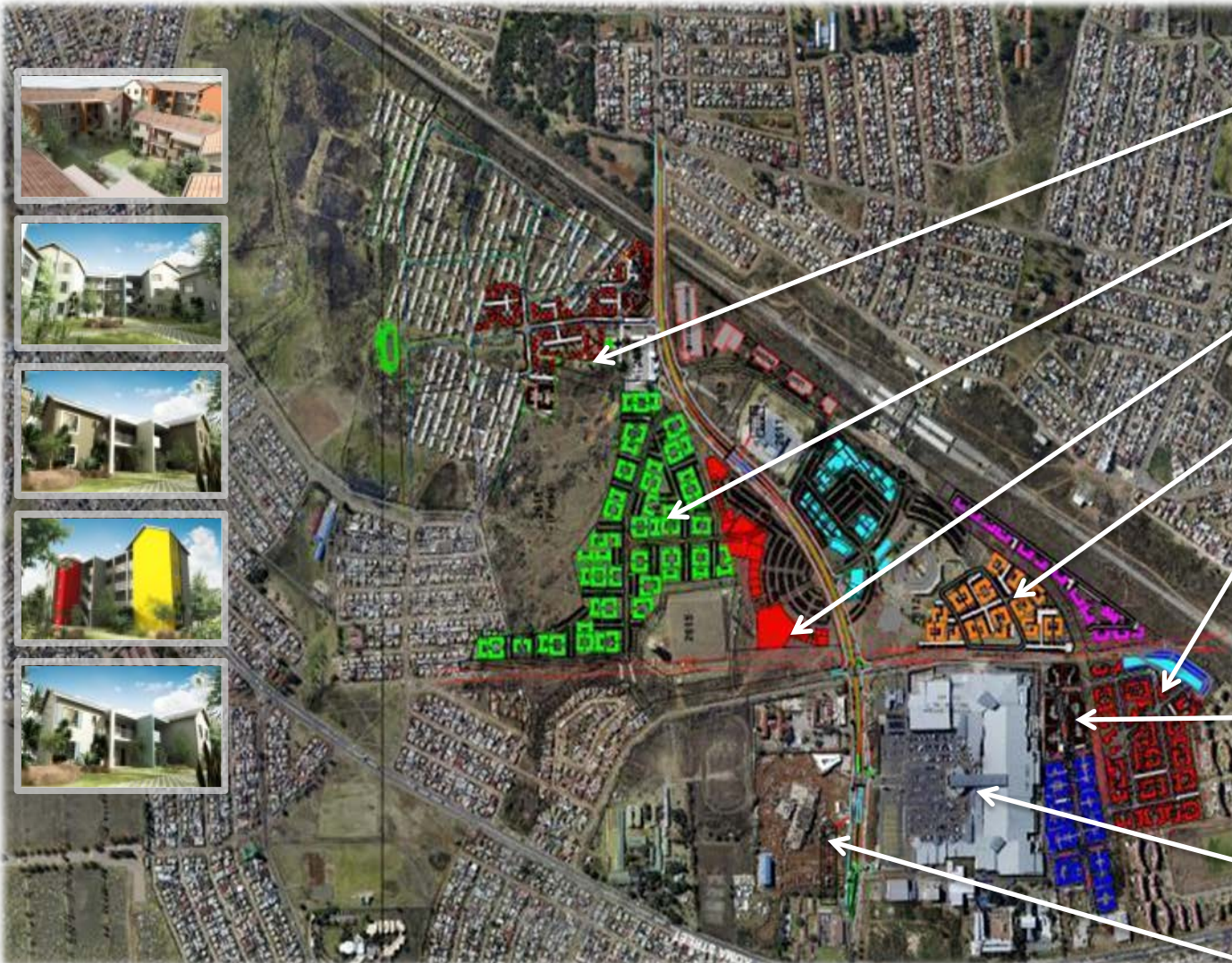
Situated in the heart of Soweto, adjacent to the Jabulani Mall and the new hospital, Jabulani CBD, JPC (Johannesburg Property Company) owned 34 hectares of land and called for proposals via a public tender process. The tender was awarded to a black owned company, Inkanyeli Projects in 2009 after which Inkanyeli approached Calgro M3 to partner with them in a joint venture to develop 4199 residential units.

As part of the tender, a R150 million performing arts theatre has been constructed on the property. The residential component of the project will pay R70 million towards the construction of the theatre in lieu of payment for the land. . An approximately 18,500m² of offices, , medical centre as well as an additional 20,000m² retail centre will be developed.

The development will consist of 4,199 sectional title residential apartments providing answers to a variety of housing needs, namely social housing, rental units and GAP housing units. Government is further contributing towards the much needed delivery of housing in Jabulani CBD by providing housing subsidies via National Department of Human Settlements, SHRA (Social Housing Regulatory Authority) and the Gauteng Province Department of Local Government and Housing.

Jabulani CBD – 4,199 units

(Bolani Road – Soweto, Johannesburg)



Jabulani Hostel
Development – ph 1

Residential – ph 2
(parcel K)

Performing Arts
Theatre

Residential – ph 3
(parcel A)

Residential– ph 2
(parcel C)

(parcel B)



Jabulani Mall

New 300 bedth
hospital
Gauteng Partnership Fund
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Jabulani CBD – 4,199 units

(Bolani Road – Soweto, Johannesburg)



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Jabulani CBD – 4,199 units



Jabulani
Manor

 JABULANI
HEIGHTS

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 Standard Bank


Gauteng Partnership Fund
Leveraging Affordable Housing Finance

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Jabulani CBD – 4,199 units



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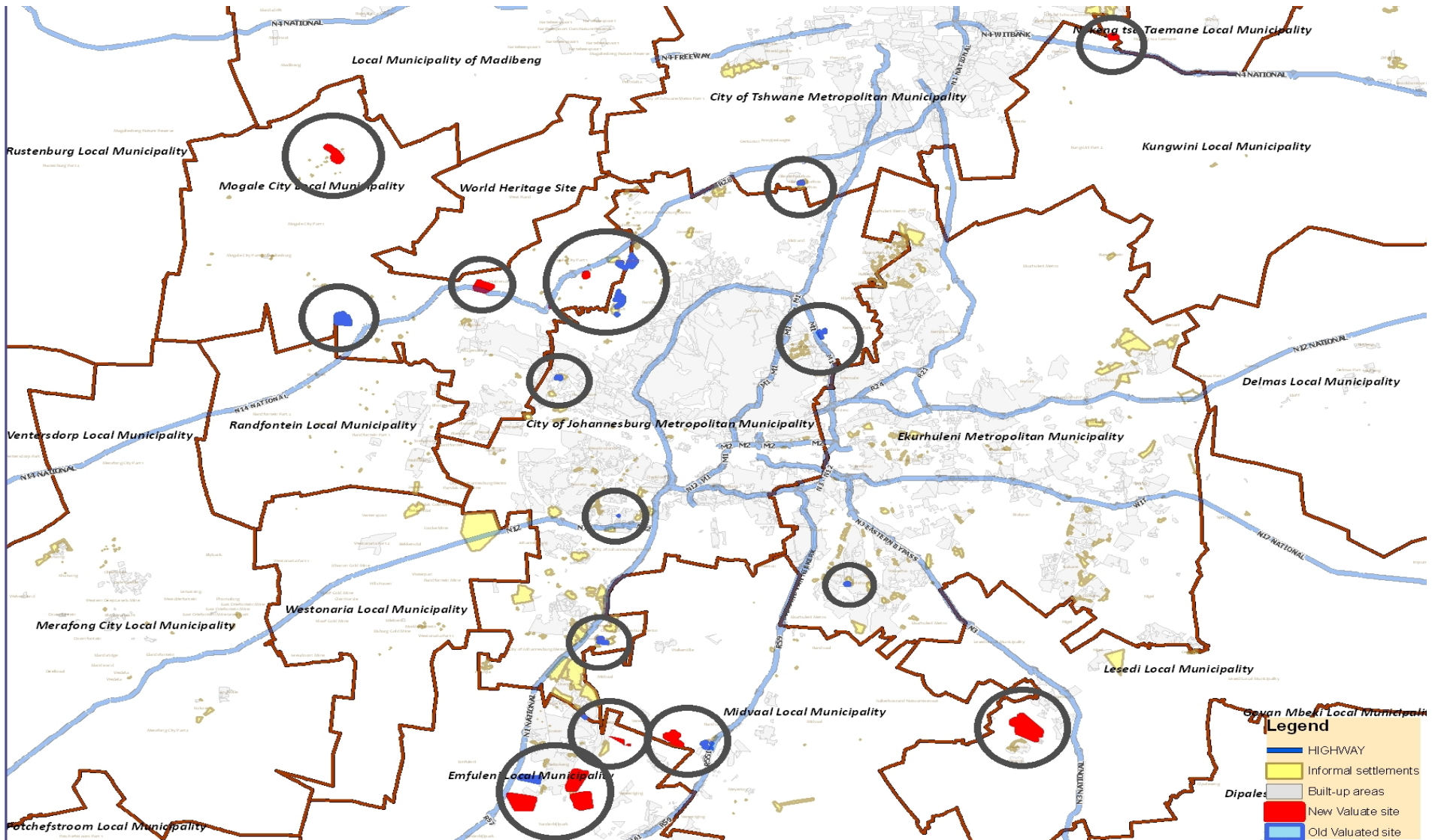
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State Owned Land - Project Summary

REGION	NO OF PROJECTS	POTENTIAL YIELD
Tshwane	20	61 508
Ekurhuleni	2	22 100
Johannesburg	5	53 402
West Rand	6	63 905
Sedibeng	15	36 243
TOTAL	48	237 158

...Release of 6250 Hectares of State land for development.....

Land Acquisition



INCLUSIONARY HOUSING IN SA

The Role of the State

- Provide a policy framework and guidelines for implementation
- Create an enabling environment for the creation of integrated, sustainable human settlements including IH
- Ensure wall to wall implementation of the policy
- Provide support to implement the policy
- Creates an asset base through housing - the impetus for wealth creation
- Education and advocacy to deal with perceptions of the NIMBY factor

The Role of Municipalities

- Develop and implement systems and procedures for implementation
- Provide incentives through land use regulations and planning policy
- Ensure equitable implementation of the policy
- Provide infrastructure to support implementation
- Education and advocacy

INCLUSIONARY HOUSING POLICY

- The provincial government has made a commitment to develop an inclusionary housing policy to ensure that commercial developments allocate a percentage of housing to affordable housing for lower middle income groups.
- Work on the policy has already commenced and submitted to the Executive Council for consideration and has been approved.
- The Department is now involved in process of drafting the Gauteng Housing Inclusionary Bill.

Partnerships with Financial Institutions and Developers

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Key Housing delivery challenges

- **Acute Housing demand**
 - Growing Backlog of ~650 000+ units
 - Urbanization & Migration
- **Delivery Capacity constraints:**
 - Material supply constraints and pricing
 - Construction industry capacity pressures
 - State institutional constraints:
 - Planning
 - co-ordination and delivery alignment
 - contract and project management

CONCLUSION

- Our plans are starting to yield results and there's hope amongst communities that government is addressing their housing needs.
- We are implementing proper plans and re-prioritizing our approach that must always adhere to the principles of the Breaking New Ground, Human Settlement Vision 2030, Gauteng City Region and Gauteng Spatial Development Framework .
- We have created a single platform for land use that is aimed at accelerating growth and development in our province.
- There's a need for greater integration of plans and funding for Human Settlements in all spheres of government and private sector.
- Better coordination and integration of planning process and implementation between province and municipalities to realize our key priorities.
- Reinforcing diversity of housing and settlement types, in increasing choice, through densities, locations, tenure options, housing credit and delivery routes.

CONCLUSION

- Key focus to change spatial design of Gauteng leading to 2014
 - Transformation of spatial designs of our settlements
 - Ensure Social and Economic Integration
 - Implementation of the Inclusionary Policy
 - De-racializing communities by establishing completely new settlements for all South Africans irrespective of their background, financial status and other beliefs.

CONCLUSION

- Intervening in land and rental markets to ensure that equitable development and integration is achieved.
- Harnessing the resources of the private sector to deliver at scale – through the public and private sector approach.
- Involvement of communities and other civil society organizations in development issues.

THANK YOU

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