



Western Cape  
Government

FOR YOU

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Department of Human Settlements

# GRDM STRATEGIC HUMAN SETTLEMENTS SESSION

25 March 2022

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# Departmental and Provincial Strategic Vision

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- **Vision** - Residents of the Western Cape have access to liveable, accessible, safe and multi-opportunity settlements
- **Mission** - The Department is committed to accelerating delivery, while promoting social cohesion through the development of sustainable, integrated and resilient human settlements in an open society. It aims to:
  1. provide settlements that offer good basic and socio-economic services;
  2. offer a range of rental and ownership options that respond to the varied needs and incomes of households;
  3. consistently improve settlements through joint citizen and government effort supported by private sector contributions

# Further Provincial Imperatives – State of the Province Address (SOPA)

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## Premier Alan Winde (15 February 2022):-

- We must push back against going back to normal, and we must push forward so that we do even better
- As we normalise our response to COVID-19, we must focus on the second pandemic of joblessness and our 'north star' priorities of safety and dignity
- I made a commitment during the speech that helping the private sector create jobs will be my government's obsession. It will animate everything we do
- We are also prioritizing creating social housing opportunities close to economic hubs, so that those who do not qualify for a free housing opportunity can access this support

## Shift in Housing Policy

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- National policy directive for the reprioritisation of HSDG business plan and targets
- Focus on rapid land release through the provision serviced and upgrading of informal settlements
- In addition, a Departmental focus on affordable housing

# Existing Affordable Housing Instruments – Rental Options

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## Social Housing Programme

- Facilitation of Provincial Steering Committee leading to Ministerial support of all new projects
- Projects implemented by third parties via Social Housing Institutions (SHIs) or Other Development Agencies (ODAs)
- To provide strong support and facilitation to municipalities and implementing institutions in leader towns desiring capacitation – undertaken in conjunction with SHRA's sector development initiatives
- Social housing project pipeline:– 2022/23 – 394 units;  
2023/24 – 1075 units (2 projects in leader towns)

## Conradie Park – ‘Better Living Model’ – Residentially lead mixed -use





## Conradie Park – social housing units





# Anchorage

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## Bothasig Gardens – Phase 2

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# Belhar Gardens Project (achieved EDGE Certification)





# EDGE Certification of first BNG housing units – Greenville Project



## **New Affordable Housing Initiatives – Rental Options – ‘top end of market’**

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### **Broaden Affordable Housing definition to include Financial Services Charter (FSC)**

- FSC targeted for Incomes up to R26 100 (2021) [ was R 22 000 in 2017]
- FSC provides targeted bond origination for the ‘gap housing market’ (R3 501 to R22 000)
- Strong collaboration with the private sector e.g. Impact Investment Funds, developers, others
- Collaboration on a ‘precinct development’ approach e.g. Maitland Metro – mixed use, Govt. take up of leases, property alienation, development of call centres, etc.
- ‘Infill revitalization’ making use of existing infrastructure, amenities, social capital, etc. – in a sustainable manner – limited land enablement required
- City Catalytic projects – possible collaboration around land assembly and packaging e.g. Bellville CBD, City Gateway

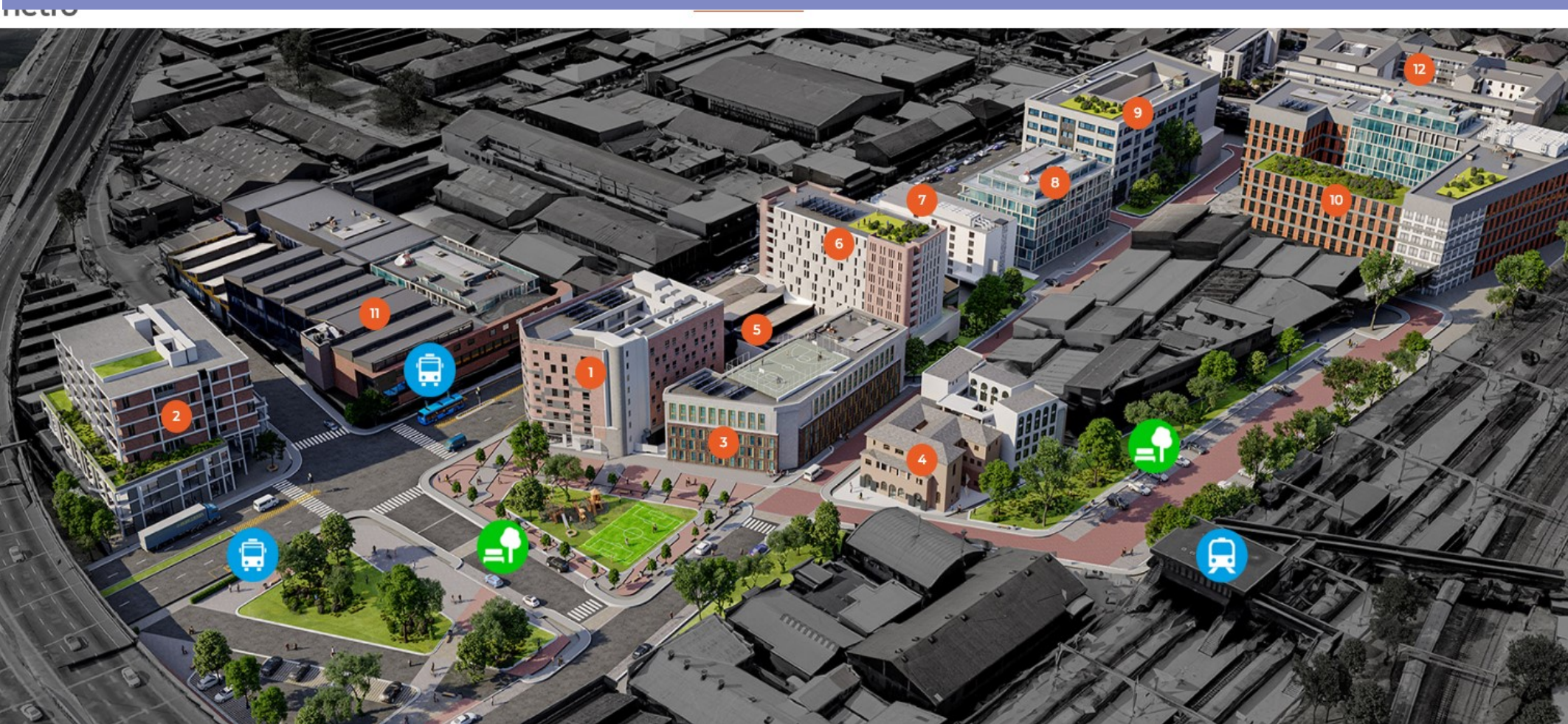
## New Affordable Housing Initiatives – Rental Options – ‘top end of market’

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- Address critical land enablement challenges e.g. bulk services provision and capacity
- Strong collaboration between all spheres of government Steercom
- Collective land assembly and packaging (City, WCDoHS, WCDTPW, HDA)
- Investigation into possible Land Value Capture (LVC) principles and instruments
- Engagement with NHFC on ‘open market affordable rental’ development



# New Affordable Housing Initiatives – Maitland Metro (Mixed-use precinct)





# New Affordable Housing Initiatives – Rental Options – ‘bottom end of market’

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## Support and facilitation small scale rental units and micro developers

- Significant prevalence and growth of the development of small-scale rental units and micro developers (e.g. Khayelitsha - approximately 4120 units have been provided per annum with an estimated 2156 rental units in Mandalay)
- The definition of ‘affordable housing’ needs to incorporate and recognize the critical importance of this sector
- It provides significant ‘upside’ in terms of job creation, poverty alleviation, healthy densification, ability to deliver affordable rental units at scale and levels of affordability, etc..
- “Advantageous to work with ‘informality’, as opposed to against it”
- Entrepreneur development – success stories of micro developers – significant ‘upward mobility and wealth generation’

## New Affordable Housing Initiatives – Rental Options – ‘bottom end of market’

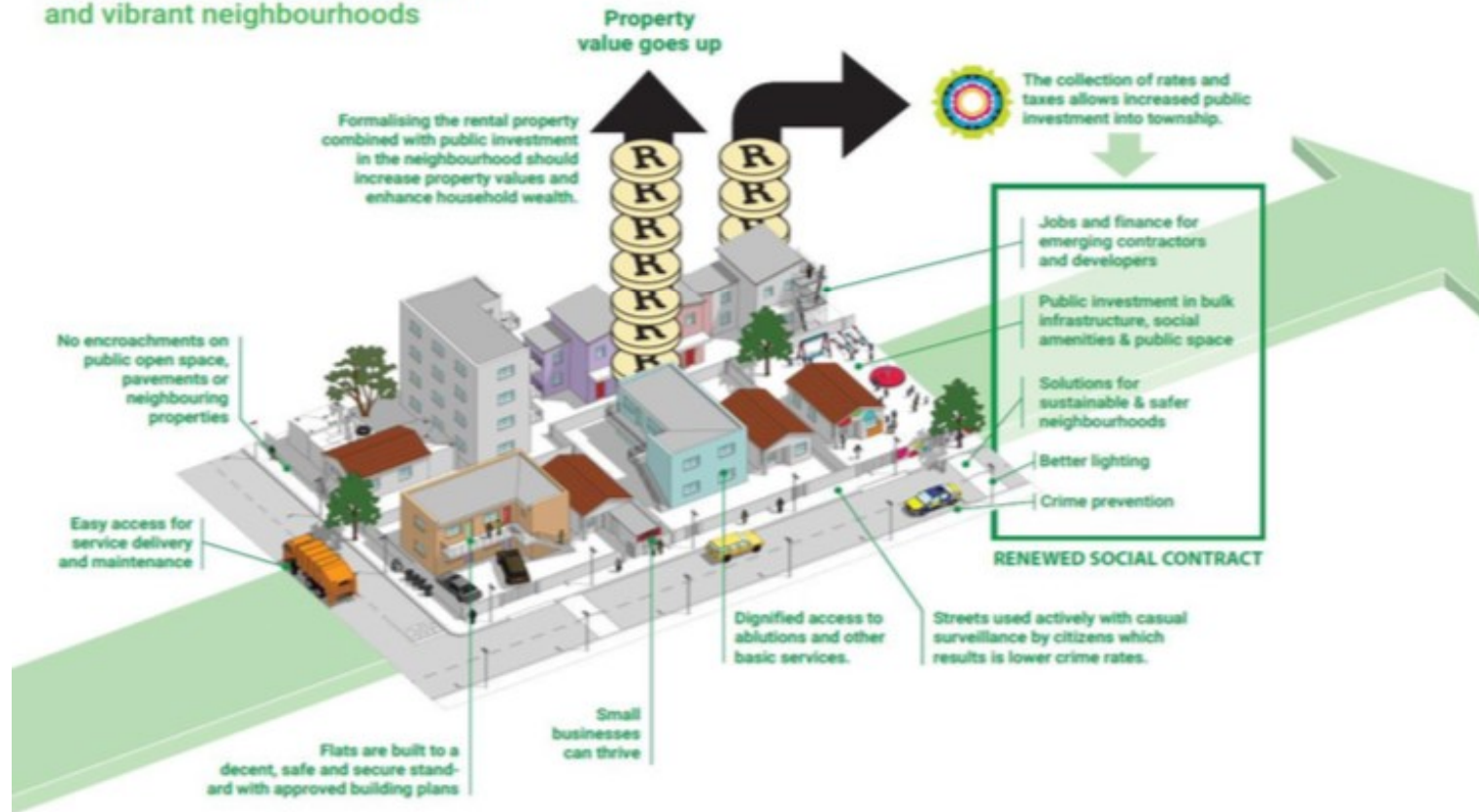
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- Contractor and developer training done by Contractor & Developer Academy
- Strong sector support and facilitation via NGO's and other stakeholders
- Private sector funding e.g. uMaStandi, Bitprop, iBuild
- City of Cape Town support and facilitation
- Other sector support e.g. SALGA
- Research undertaken by CAHF, URERU, iSandla Institute, VPUU, HSRC, DAG
- To promote and facilitate to other towns in the Province
- Facilitate collaboration and the establishment of partnerships for the programme rollout

# New Affordable Housing Initiatives – Rental Options

## HIGH ROAD SCENARIO

Sustainable urban densification  
and vibrant neighbourhoods



# New Affordable Housing Initiatives – Examples





## New Affordable Housing Initiatives – Examples

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# New Affordable Housing Initiatives – Examples





## New Affordable Housing Initiatives – Examples





# New Affordable Housing Initiatives – Examples



# Existing Affordable Housing Instruments – Ownership Options

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## Finance Linked Individual Subsidy Programme (FLISP)

- Departmental development of FLISP units within IRDP projects
- Support to Implementation Directorate with regards to affordability, market demand, marketing and sales, credit readiness programmes, etc. for the IRDP projects
- Partnership development with financial institutions and large bond originator institutions assisting with the development of a FLISP pipeline
- FLISP development pipeline – 2022/23 – 1 487 subsidies ; 2023/24 – 1 381 subsidies
- Deferred ownership by means of a Rent-to-buy model is in final stage of formulation
- Consumer Readiness Programme on departmental projects currently ongoing by means of external service provider doing the marketing and sales of the FLISP units – ‘one-stop-shop’

# Mountain View Project (FLISP units) - Mossel Bay

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# Mountain View Project (FLISP units) – Mossel Bay

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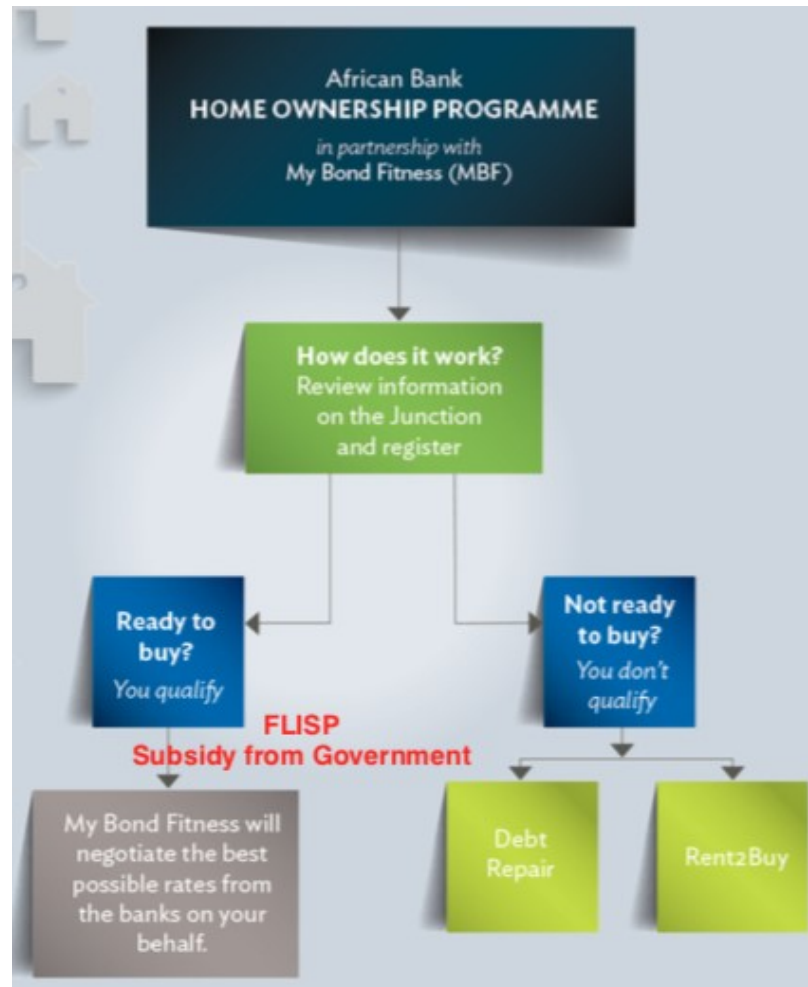


## New Affordable Housing Instruments – Example of proposed collaboration

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- To broaden collaboration with the private sector for the implementation of FLISP beneficiary support programmes including credit worthiness programmes, pre-screening, homeowner education, housing voucher initiatives, etc. – to leverage ‘best practice’, fin-tech and artificial intelligence (AI) platforms through digitization of systems and processes e.g. website and smart phone applications readily available to all
- Possible outsourcing of levels of functionality to be investigated
- Significant impact of pre-screening by means of digital platforms

# New Affordable Housing Instruments – Example of possible collaboration



# New Affordable Housing Instruments

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## Implementation of the 'Help me buy a home' policy (delinked FLISP)

- The revised policy has been approved by MINMEC with implementation from 1 April 2022
- Department has established a Task Team to address the various elements for the implementation of the revised policy to allow for a 'ramped' approach and piloting of processes
- A critical element of the rollout of the revised policy is a close collaboration with private sector role players



## DDM/JMDA – Collaborative Approach

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- To lend support to the GRDM and its 7 B Municipalities
- Strategic guidance/alignment to be derived from the DDM/JMDA – complement housing delivery
- Reposition and ensure targeted support to Catalytic Towns – mobility into better located areas
- Enhance affordable housing footprints in addition to individual ownership projects (BNG and in-situ upgrading/Service sites by means of HSDG and UISP)
- Required assistance with strategic State properties / land acquisition – planning and technical services and project management capacities
- Complement efforts to create firm Demand Database mechanism – Understanding the Market – to build on studies currently being undertaken
- Collaborative approach – e.g. development of incentives for affordable housing

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Thank you