

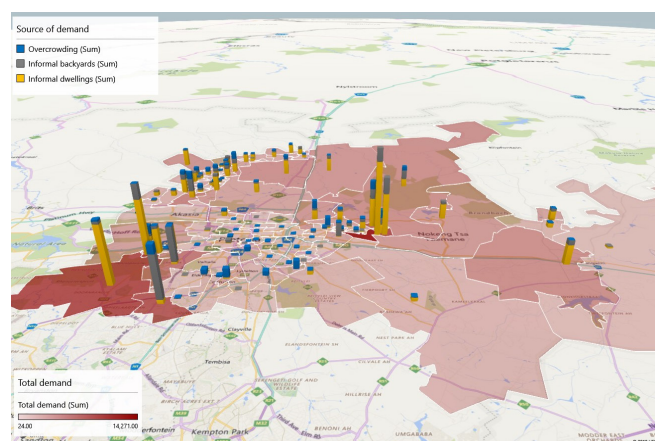
Development of a Housing Strategy Tool for South African Metros



Housing demand in metros far exceeds the supply of housing opportunities that can be supplied through the national housing subsidy. The numbers of households housed in informal settlements have increased, despite 24 years of post-apartheid housing interventions. The National Treasury's Cities Support Programme (CSP) identified the need for metros to think differently about housing strategy and to use evidence to support a strategy that makes explicit the trade-offs that inevitably need to be made given the limited resources available.

The CSP appointed PDG to support two metros, City of Tshwane and eThekweni, to use a quantitative tool to develop a housing strategy. The brief included an analysis of the housing problem statement in each of the metros to inform the design of a bespoke housing strategy tool. Metro officials were then trained in the application of the tool to develop and test their own housing strategies, which could then be workshopped with a range of municipal departments to develop a preferred housing strategy.

Existing housing demand projections tend to start with a housing 'backlog', from which state-supplied housing delivery is subtracted to arrive at the revised backlog figure. This simplistic approach ignores the dynamism of the housing market, which adjusts to market failures, including chronic shortages, downward raiding, affordability constraints, tenure preferences and the distortions created by fully subsidised housing units of a relatively high standard. PDG drew on a housing supply and demand modelling methodology developed with the CSIR for the Gauteng Department of Human Settlement to develop a new dynamic housing projection tool for each metro that factored



in these complex dynamics.

Alternative housing scenarios were constructed using the latest available housing cost data and considered a range of possible housing solutions including integrated housing developments, inclusionary housing, small-scale private rental and managed land settlement. As a result of the analysis, the emerging housing strategies considered innovative ways in which metros could play a more facilitatory role in housing provision by a range of actors instead of simply being a machine for housing delivery.

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CHST PROJECT:

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