

OPINION



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BUILDING UP SOCIAL HOUSING RENTAL STOCK FOR TRANSFORMATION

These social housing institutions have to be accredited by the Social Housing Regulatory Authority in terms of national legislation.

The social housing institutions receive grants from government, but almost 50% of construction costs are funded by loans that they obtain and which must be repaid with interest at commercial rates. The grant component of their funding effectively subsidises the rentals, making them affordable for the target beneficiaries.

Loan repayment, management, common services and maintenance costs must be funded. Disciplined rental payments are therefore crucial to the sustainability of the rental programme. Even though this is explicit in the agreements with tenants, misunderstandings sometimes arise.

Recent cases of non-paying tenants being evicted is an unpleasant but unavoidable part of the social housing institutions' work. There is constant recognition of the socio-economic vulnerabilities of our people.

On the other extreme, the Riverside social housing complex in Cato Manor was hijacked by a criminal syndicate. That matter went back and forth in court over seven years until the Constitutional Court ruled the occupations were illegal. The evictions there resulted in considerable acrimony and violent resistance to the enforcement of the court order too.

Criminal syndicates must not be tolerated. Very often opportunistic elements hide behind social



CORNUBIA, A mixed use development near Mount Edgecombe, is a Human Settlements and Public Works Departments' project in KwaZulu-Natal.

grievances. There are effective mechanisms for the resolution of genuine disputes. The Social Housing Regulatory Authority and the KwaZulu-Natal Rental Tribunal have clear processes to achieve this.

Regarding the projects just launched under the umbrella of First Metro Social Housing, the unit construction costs are in the region of R400 000. These are substantial investments with specifications and finishings well above the Breaking New Ground or RDP units.

Social housing institutions draw rentals on a sliding scale depending on the income of individual families. Rental for the same size of unit can vary from R750 on one end of the scale to R4 000 on the other, with annual escalations.

This is not an anomaly. It is a transformatory agenda. The state has

a responsibility to assist all citizens to live in dignity with the resources we have available.

To ensure that the rental incomes make the projects sustainable, the social housing opportunities are shared between the income levels thus allowing improved access to rental options for the different income bands.

Social housing is delivered in what we have called restructuring zones. These are designed largely to desegregate the residential legacy of apartheid and ensure that we enhance diversity and social cohesion.

We are pleased that the allocation in the projects launched is showing a fair demographic representivity.

There are 18 social housing projects comprising a total of 3 796 available units in the province. The

bias has been towards the urban centres of eThekweni and Msunduzi.

There is a determined effort to extend this programme. Planning is at an advanced stage to implement social housing in Alfred Duma (Ladysmith), Newcastle, uMhlathuze (Richards Bay), Ray Nkonyeni (Port Shepstone) and KwaDukuza Municipalities.

In this instance, we have focused on social housing. Our total housing delivery has averaged some 25 000 units per annum across the entire province.

This has included mega projects such as Cornubia in eThekweni and Vulindlela in Msunduzi. Kingsburgh West and Groutville are good examples of medium sized projects which we have built in every urban municipality in the province. Of course, we also spend almost half our budget on rural housing.

Notwithstanding these achievements, the backlog remains significant. Upgrading of informal settlements through our interim services programme is receiving priority attention.

In addition, the details of a major serviced sites programme will soon be announced. This will support the Finance Linked Income Subsidy Programme which is a response to the middle income gap market.

We remain driven by the vision of the Freedom Charter. This requires systematic, dedicated hard work and the efficient use of limited resources.

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