

SUPPORT PROGRAMME FOR PUBLIC HOUSING PRACTITIONERS



The Municipal Leadership Housing Forum

Building Houses through Building People

Agenda: 20 May 2010

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|---------------|---|
| 10h00 | Arrival and tea |
| 10h30 – 10h40 | Welcome (<i>Andre Kruger, ABSA</i>) |
| 10h40 – 11h15 | Introduction and overview of the rental sector in Metropolitan Municipalities (<i>Matthew Nell, Shisaka</i>) |
| 11h15- 12h15 | Backyard rental (<i>Adrian De Lollo</i>) |
| 12h15 – 13h15 | Community Residential Unit programme (<i>Jacus Pienaar</i>) |
| 13h14 – 14h15 | Lunch |
| 14h15 – 15h15 | Social Housing Regulatory Authority
(<i>Graeme Reid and Andreas Bertoldi</i>) |
| 15h15 – 15h45 | Tea |
| 15h45 – 16h45 | Inner city rental (<i>Paul Jackson, TUHF</i>) |
| 16h45 - 17h15 | Summation of the day and closure |
| 19h00 – 21h00 | Dinner |



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07h30 – 08h30 **Breakfast**

08h30 – 10h00 **Rental sector – its role in Metropolitan Municipality's Housing Strategies**

10h00 – 10h30 **Tea**

10h30 – 11h30 **Rental sector – its role in Metropolitan Municipality's Housing Strategies cont.**

11h30 – 12h00 **Summation and closure** (*Matthew Nell*)

12h00 Maropeng visit

12h30 – 14h00 **Lunch**

13h30 Airport shuttle leaves from Hotel



Introduction cont.

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The low to middle income rental housing sector comprises four key components:

- **Backyard rental** serves the poorest households (R0-R1,500 income a month) generally in informal and formal units within existing townships provided by home owners and small scale landlords.
- The new **Community Residential Unit** programme targets households with a monthly income of below R3,500 per month with a focus on stock owned by government (including hostels).
- **Inner city rental** is provided by both social housing institutions, as well as for profit private sector entities providing rental stock for lower through to upper income earners (R0-R3,500+).
- **Social housing** is provided by social housing institutions and serves middle income earners (R3,500 – R7,500) generally in medium and high rise flats in inner cities and to a lesser extent new and existing townships.

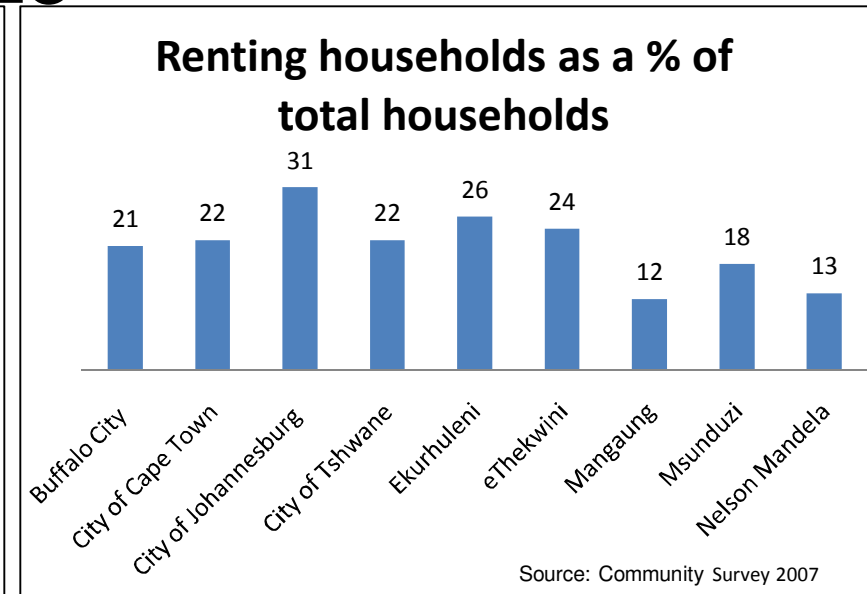
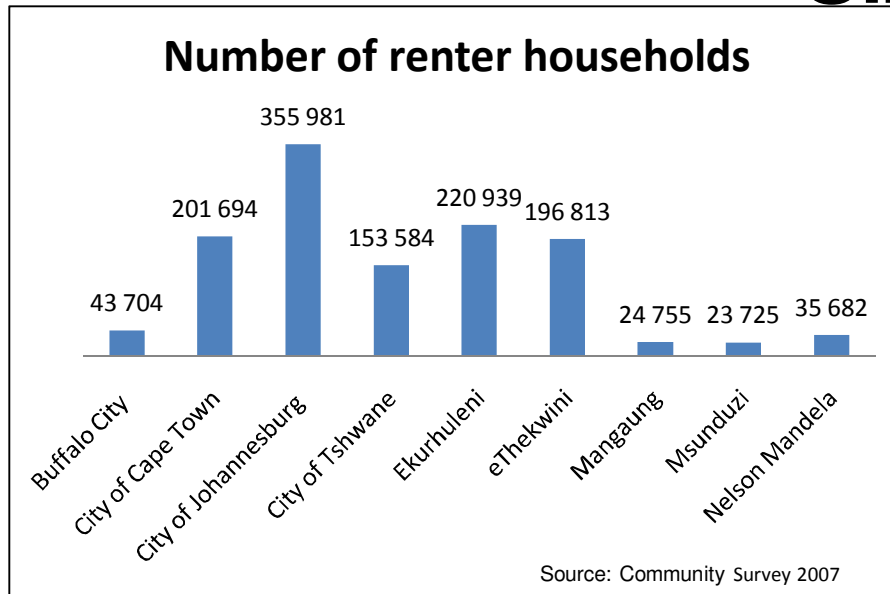
Each one of these are covered in workshop



Overview of the rental sector in Metropolitan Municipalities

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Size



- City of Joburg has the highest percentage of renting households . This is significantly higher than the national average (19% as per the Community Survey 2007)
- Ekurhuleni and City of Cape Town have second highest percentage of renting households – also above the national average
- All cities above the national average with exception of Mangaung, Msunduzi and Nelson Mandela

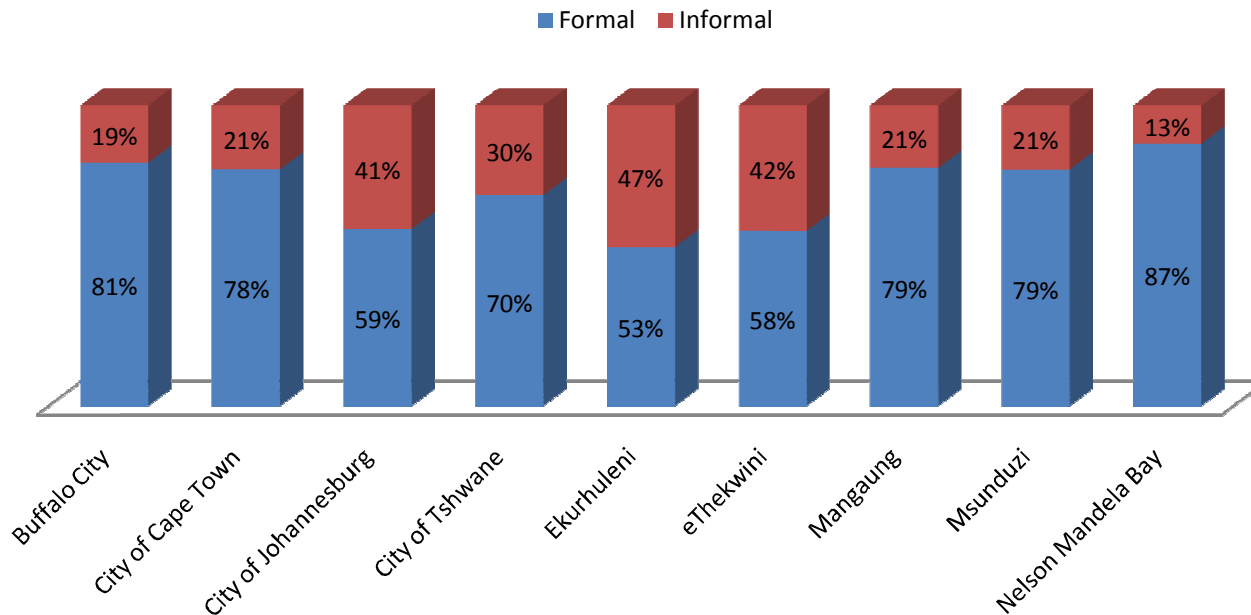


Overview of the rental sector in Metropolitan Municipalities

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Dwelling quality

Renter households by dwelling quality



- In general most dwellings are formal
- City of Joburg, Ekurhuleni and eThekweni have the highest percentages of informal dwellings

Source: Community Survey 2007

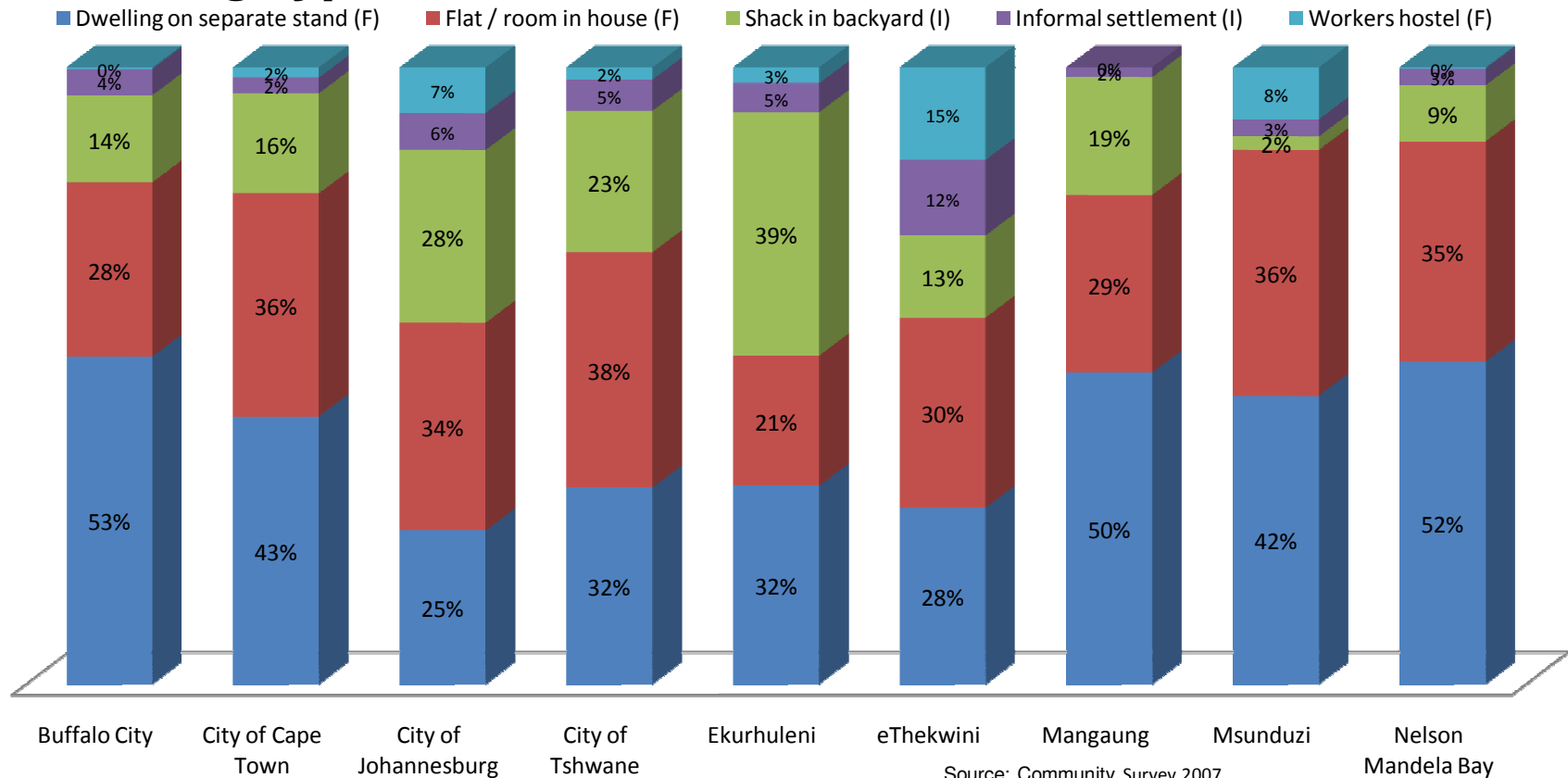


Overview of the rental sector in Metropolitan Municipalities

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Dwelling type

Renter households by dwelling type



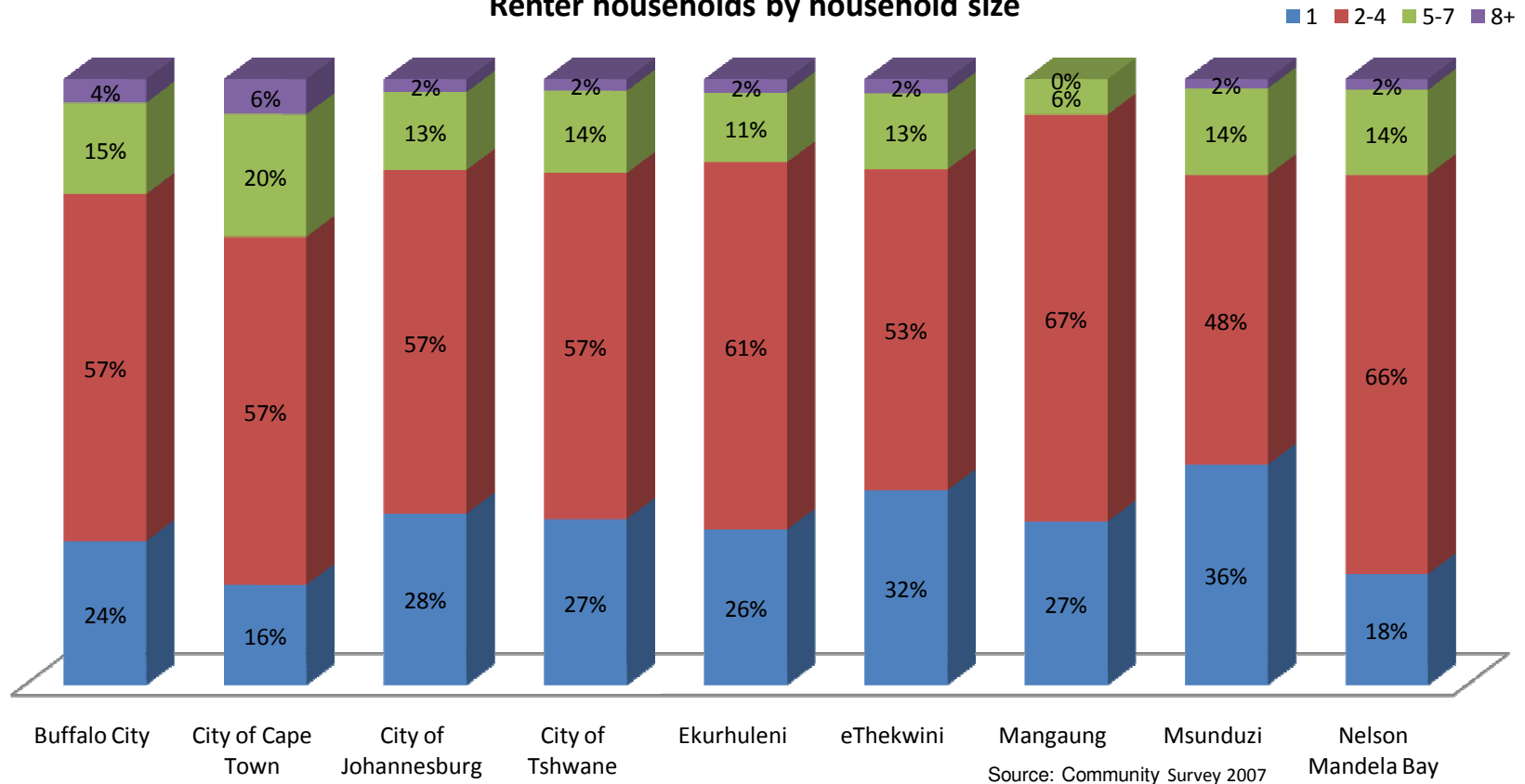
- Most dwellings include those on a separate stand, flat, room in house
- City of Joburg, Ekurhuleni and City of Tshwane have the highest percentages of shacks in a backyard
- eThekweni has highest percentage of shacks in an informal settlement
- City of Joburg, eThekweni and Msunduzi have highest percentage of hostels

Overview of the rental sector in Metropolitan Municipalities

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Household size

Renter households by household size



- Generally one fifth to one quarter single person households
- The majority of households between 2 and 4

Overview of the rental sector in Metropolitan Municipalities

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Rentals

Average rentals by province by quality of structure

	Formal structure		Informal structure	
	Urban	Rural	Urban	Rural
Eastern Cape	R837	R114	R162	R75
Free State	R614	R595	R224	R62
Gauteng	R1,227	R965	R237	R187
KwaZulu-Natal	R778	R155	R160	R111
Limpopo	R747	R440	R239	R215
Mpumalanga	R820	R186	R163	R181
North West	R1,756	R356	R211	R124
Northern Cape	R486	R239	R297	R102
Western Cape	R1,593	R784	R298	

- Highest rentals found in Gauteng and the Western Cape
- Rentals of informal structures significantly lower than formal structures

Source : Income and Expenditure Survey 2005/6 surveys

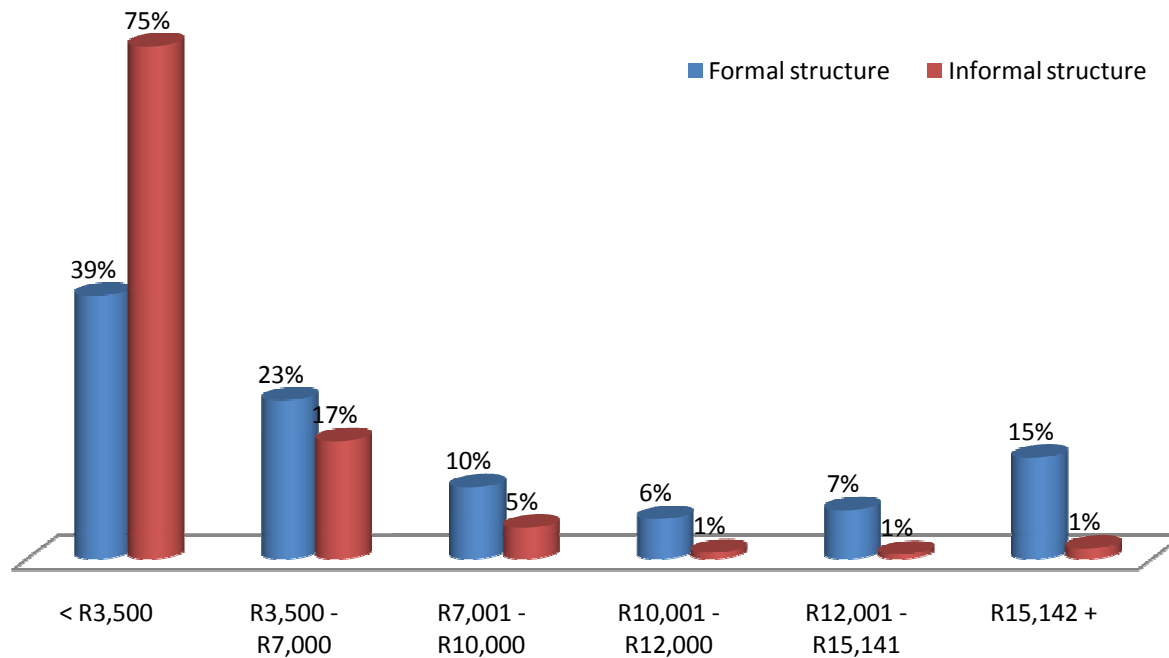


Overview of the rental sector in Metropolitan Municipalities

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Affordability

Renter households by monthly household income



- Lowest income households in informal structures
- This shifts as incomes increase

Source : Income and Expenditure Survey 2005/6 surveys



Conclusion

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- **The rental sector is a critical component of the housing market.**
- Approximately **one fifth (19%) of all South African households** rent their primary dwelling.
- While housing policy has in the past tended to favour ownership, increasingly the importance of the rental sector is being acknowledged.
- **Rental housing:**
 - **Provides access to affordable, well-located accommodation.**
 - **Allows greater flexibility and mobility.**
 - **Can be more affordable than ownership.**
 - **Can play a role in the economic, social and spatial restructuring of South Africa's cities.**

