

# Most people can't afford "affordable" housing

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What is described as affordable housing is often out of the reach of many South African households, most of whom earn less than R3,500 a month.



Artist's impression of the future Old Conradie Hospital Development in Pinelands. Source: [Western Cape Government](#)

Last week, Julian Sendin, in a passionate argument for offering housing to poor families close to the city, [wrote](#) that Cape Town suffers from 'inverse densification', where the "poor and working class black majority live on the urban periphery ... far from jobs, and with poor access to amenities".

But for affordable housing near the CBD for poor households to become a reality the provincial and City governments are going to have to change the way they implement their housing policies.

## Conradie Hospital

The Old Conradie Hospital Development in Pinelands is an excellent example of the problem. It [has been praised](#) for being a model development for mixed income housing but according to Western Cape Government [documents](#) it is envisaged that less than 10% of the houses to be built will be for households with incomes below R3,500 per month. Yet more than 60% of households in the country earn less than that [according to WaziMap](#).

About half of the housing for the Conradie development is to be "affordable housing" and the other half is to be "open market". If the [figures presented by the Western Cape Government](#) are an illustration of current thinking then it is likely that only a fraction of the affordable housing portion will go to those earning less than R3,500 – people identified by the Western Cape Government as domestic and factory workers who currently work in the area.

Most of the affordable housing will be targeted at those earning between R3,000 and R7,500 a month. A further 20% will be targeted at those earning R3,500 to R15,000 in the form of a FLISP subsidy, which is a subsidy provided to people wishing to purchase a home and who fall within the "gap market".

The "gap market" refers to families that earn too much to qualify for a subsidised house, but too little to secure a bond. It is this market that the development is mainly targeting, with the Western Cape Government [saying](#) that the Conradie Better Living Model will provide a "meaningful" housing opportunity to this group of people and "reduce the current housing

backlog”.

The development will indeed reduce the housing backlog for the “gap market” but it will do little to reduce the housing backlog for families waiting for an RDP house, as only about 300 of the 3,600 housing units will be available to them.

## **What is meant by “affordable housing”?**

The term “affordable housing” is often used by government officials, activists and politicians but its definition remains hazy. It is sometimes used to refer to housing that is “affordable” for very poor households but can also be used to refer to higher earning households in the gap market.

There are [multiple ways](#) that someone in the low- to middle-income range can secure financial support from the government for housing. The most well-known of these initiatives is the RDP house. Now funded through the Breaking New Ground (BNG) subsidy, these projects are usually situated on the outskirts of cities, where there are larger areas of cheap and available land. To qualify, your annual household income needs to be less than R3,500.

These houses are rarely developed near city centres. In Cape Town, there have been no affordable houses, let alone BNG houses, built within the CBD since 1994. The City has recently announced plans for such housing in the CBD but it will only be for those earning more than R3,500.

## **Most South African households earn under R3,500 a month**

According to [WaziMap](#), which uses data from the 2011 census, more than 60% of South African households have a household income of less than about R3,333. These households meet the financial criteria for BNG housing subsidy (many will not meet other criteria). But these households would not qualify for affordable housing that targets the gap market.

There isn't much opportunity for these families to move close to the CBD. First, as Cape Town Partnership - which supports affordable housing - explains, RDP houses are not an option close to the City. Land is too expensive, and high-density buildings make better sense.

But in any case affordable housing closer to the CBD is mostly reserved for social housing or government rental stock. The former is administered by an institution on behalf of the state, while the latter is administered directly by the state.

Social housing is meant for households earning between R1,500 and R7,500 but many of the social housing projects in Cape Town, run by institutions such as [Communicare](#) and [Socho](#), typically cater for families earning over R3,500 a month.

The minimum annual income often required by these institutions also makes residents fear eviction. Even if a family secures social housing, staying there can be difficult. (See for example this story about [Steen Villa](#).)

Government rental stock is often located in more desirable locations than BNG accommodation. In the Western Cape for

example, there are blocks in Zonnebloem, Gardens and Plumstead. Your household income has to be between R3,500 and R15,000 to qualify for these flats.

As with social housing, there has been opposition to the imposed minimum income requirements with [residents fearing eviction](#). Examples include the [De Waal Drive flats](#) and [Naruna Estate in Pinelands](#).

Although the Department of Human Settlements has insisted that “[no one is being evicted](#)” the policy appears to indicate that those who earn less than R3,500 may not be able to stay in their flats.

## **Affordable housing on the old Tafelberg School site**

A battleground over housing is the old [Tafelberg school site in Sea Point](#). Activists are pushing for it to be used for affordable housing. They are opposed by a company that wants to purchase the land and develop it, including building a private school.

Many domestic workers in Sea Point are keen for affordable housing so they can be close to where they work. Yet the minimum monthly wage for domestic workers is R2,231. If a domestic worker earns this salary, is a single parent, has two children each receiving a child support grant of R350 a month, her total monthly income would come to R2,930. So if the policies of social housing institutions are allowed to prevail most domestic workers would not qualify for possible future affordable housing in Tafelberg.

Unless the state changes its policy on rental stock to cater for households earning less than R3,500 per month and it ensures that institutions providing social housing also cater to these households, poor families will continue to be excluded for the most part from neighbourhoods nearer the CBD like the old Conradie Hospital and Tafelberg.

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