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State commits to jack up housing delivery

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CAPE TOWN — Government has committed itself to reducing the time taken to process housing-development approvals by as much as 50%. This will significantly cut the costs for developers, according to a contract signed last week.

Government's undertaking formed part of a series of commitments made by signatories to a social contract for rapid housing delivery at a housing indaba last week.

Developers, banks, construction companies, building materials suppliers, nongovernmental organisations and trade unions were among the 46 signatories to the contract.

The overarching aim of the contract is to eliminate the backlog of 2,4-million houses by 2014.

It would also contribute to boosting economic growth to achieve government's hoped-for 6% growth in gross domestic product, the contract-writers said.

The contract also obliges the parties to rapidly release well located land for housing development.

Government undertook to review and realign legislative, policy and institutional frameworks to fast-track the establishment of townships.

A special directorate will be created in the housing department to ensure this takes place and to act as an advice and complaints centre.

The contract's finer details still have to be worked out.

For example, established building contractors have undertaken that commercially-driven housing developments above a certain cost will allocate a certain percentage of the total project value to the development of low cost housing.

Jopie van Honschooten of the Banking Association of SA said the challenge would be to translate the contract into action.

The banking sector has committed itself to providing R42bn in mortgage finance to about 50000 low-income earners.

A special monitoring mechanism will be established to drive the implementation of the contract. It will be established by a plenary assembly in January next year.

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