

Contract for housing may get support from laws

By Roy Cokayne

Johannesburg - Legislation will probably be introduced to cover certain aspects of the social contract for rapid housing delivery in South Africa.

This was confirmed yesterday by Thozamile Botha, the adviser to housing minister Lindiwe Sisulu, at a plenary session on the social contract, which was signed at the National Housing Indaba in Cape Town in September.

At the indaba, Sisulu proposed that developers set aside 20 percent of developments for affordable housing. However, the contract signed at the indaba did not specify the exact percentage.

Botha said the social contract was intended to get buy-in from all stakeholders in housing provision. But he admitted that although the contract was morally and socially binding, it was not legally binding.

Mziwonke Dlabantu, the acting director-general of housing, said the social contract provided an environment for engagement to find a working solution for affordable housing delivery.

Dlabantu said the process had to start on a voluntary basis and rely on the integrity of the partners, but the government would work out a mechanism to monitor performance.

It emerged at yesterday's plenary session that the SA Property Owners' Association (Sapoa) was against making any commitment in percentage terms on affordable housing on behalf of its members.

Sapoa said its members were willing to "contribute positively to the process", but indicated that it would like the clause specifying the percentage set aside for affordable housing to be "further interrogated".

Sapoa has requested that an inclusive approach to housing delivery focus on various options and not be limited to a one-size-fits-all approach as it claimed that this would limit the delivery targets.

Botha said the percentage to be set aside for affordable housing was one of several issues raised at the indaba in Cape Town that had not yet been resolved, adding that there were doubts about what the 20 percent figure meant.

"Are we talking about 20 percent of the cost of the development, 20 percent of the size of land or the number of stands?" asked Botha.

Jopie van Honschooten, the co-ordinator of lower-income housing for the Banking Association, said R16.7 billion in new housing loans had been originated by the banking sector between January 2004 and December 2005. But these loans were predominantly in the resale market and the upper end of the R1 500 to R7 500 monthly household income bracket.

Insufficient housing stock was a major constraint. "The problem is not about lending but lending because there is a house available."

The banking sector has committed itself to providing R42 billion to finance low-cost housing by 2008 in terms of the financial services charter.

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