

eNCA

R800-billion needed to solve housing woes by 2020

South Africa
Monday 21 October 2013 - 4:50pm

Tasked with advising government on its spending habits, the Financial and Fiscal Commission (FFC) has called the current housing model “unsustainable”.

In the nineteen years since democracy, government has delivered over three-million fully subsidised houses.

Yet it is still falling well short of the growing demand in South Africa.

The current housing deficit is estimated to be over two-million housing units, and is growing year-on-year.

Now the financial and fiscal commission has spoken up and said it is time for drastic changes to the country’s housing model.

In its report, called "Exploring Alternative Finance and Policy Options or Effective and Sustainable Delivery of Housing in South Africa", the commission said the backlog is due to an inability to deliver.

Financial and Fiscal Chairperson Bongani Khumalo said: “By 2020 if we have to actually be on par, so that everybody that needs a house actually has a house that is what it would cost, it would cost R800-odd billion.”

According to the report 40% of the available rental units are regarded as being in a state of slum condition. The FFC could not put a number on what this was costing the government.

Khumalo explained, that “the key challenge around the quality issues is that there is no adherence to the norms and standards, and where those have not been adhered to, the places or settlements that have been created have been found not to be safe for living or habitation, so they have had to be destroyed.”

The report offered a number of interventions including stimulating additional funding from the private sector and revising annual performance targets.

The committee says it has presented its report and recommendations to the department of human settlements, who will decide on whether to implement them.

-eNCA

<http://www.enca.com/south-africa/r800-billion-solve-countys-housing-woes-2020>

[article includes video]