

The state of housing in South Africa

South Africa is a rapidly urbanizing country. Rural areas and secondary cities have fed widespread migration to the metros, as people move in search of greater opportunities. This migration must be absorbed by cities grappling with the spatial legacy of apartheid, in which central suburbs exclude the most vulnerable, and distant townships are defined by poor standards of living and relative isolation for job opportunities. Rural municipalities and smaller towns must contend with improvements to poor living conditions in communities, with little financial or administrative capacity. As South Africa's geography continues to shift, there is a marked risk that housing and service provision won't keep up with changing reality.

Creating appropriate housing opportunities is essential, for at least three reasons. First, having a stable, secure housing infrastructure is vital to the development of a safe, secure society. Housing is closely connected to a range of other vital social challenges, offering a space for education and study, medical care, the raising of young children, and the development of stable, supporting families. Those raised in housing that is unsafe, unsanitary or transitory face challenges across the full spectrum of human needs. Second, having a proactive housing policy is important to avoid the further entrenchment of apartheid geography, in which makeshift settlements are isolated from the type of social services (like healthcare and education) and economic opportunities that are essential to building functioning communities. A long-term vision for South Africa must be one in which housing is embedded within a network of core community services that allow the most vulnerable to access the services they most need.

Third, housing is the greatest expense faced by most South Africans, across the full range of income categories. The average South African spends 32,6% of their annual expenditure on housing and utilities, and other costs, notably transport, are intimately linked to housing. That share is higher in formal urban areas and in the metros, and risks acting as a barrier to the opportunities offered by the cities. For those who can afford access to housing, the total cost of running a house is expected to face renewed pressure from rising electricity costs and continued migration to major urban centres. Higher housing costs impact both the individuals involved and the broader economy, as households have less disposable income for the type of consumer spending that creates jobs.

Aspects of housing in South Africa are very strong. The country is replete with a very well developed construction and banking industry, facilitating the construction of new housing opportunities and providing the funding needed to access these opportunities. Despite this, a range of failures need to be addressed, and must target both assistance to the most vulnerable and the middle class.

First, and the key housing priority in South Africa, is improving the provision of low-cost housing. As of the 2011 census, 1,3 million households were still living in informal housing. While the National Housing Subsidy Scheme, which administers 'RDP houses', provides hundreds of thousands of homes each year (the exact number is contested), problems continue to plague the broader system. This includes an unsystematic way of allocating houses, fragmented housing administration that leads to a multi-speed processes across the country, and concerns

on the houses themselves, which at times are not accompanied by alignment with plans for community services like transport, schooling, and healthcare. Housing provision is a complex issue, because it is so intimately tied to the broader problems facing governance in South Africa. As such, no single policy can resolve the impasse, and a broader reform of the administration of housing must be undertaken. This should be supported by new initiatives, such as walk-in housing advice centres or new direct homeowner financial support measures, that empower homeowners to manage the difficult administrative process.

The provision of low-cost housing also needs to account for the realities of urban living, in which opportunities remain relatively centralized. As a more ambitious long-term aim, consideration should be given to pilot projects that look at different forms of provision of low-cost housing that work for modern urban space, notably through the construction of apartment blocks. This is a highly controversial prospect. South Africans generally tend to favour houses, and historically low-cost apartment blocks have at times deteriorated into extremely toxic environments, for example in the Cape Flats or the United States's housing projects (even while proving very successful in the likes of Singapore or Taiwan). Nevertheless, strategic apartment development holds the prospect for more rapid provision of accommodation, in a structure that is already well suited to providing community services. Such a policy would have to be very carefully managed, but some experimental pilot projects may still be worth exploring.

Second, greater protections are needed for renters. South Africa mirrors the global trend in which people tend to own their first house much later in life, and rent for longer periods of time, including during crucial moment such as while studying, starting a career, and starting a family. While a number of protections do already exist, deepening renter protections could offer real gains to middle class South Africans. Many of the changes that could be implemented are small and practical, but could have a large impact. For example, legislation could shift the burden of costs in the case of change of residence. Costs like cleaning apartments or accounting for wear and tear too often fall on the renter, even though the landlord is almost always much better placed financially to bear those costs. A more just sharing of costs among tenants and landlords may seem a small change, but additional funds during the difficult moment of moving homes can be very important to empowering renters to be more mobile in their housing choices. Similarly, streamlining the procedures for dispute settlement at the Rental Housing Tribunal, through online application systems and investments to reduce adjudication time, can empower renters and protect against unscrupulous landlords.

Third, active support to the construction industry, and changes in the dynamics of the industry, are needed. The construction industry is a difficult sector to manage, because many of the worst effects of a slowdown in the industry are only felt years later, when insufficient housing becomes a problem. Growth in value add in the construction sector has been in decline since 2013, and was just above zero in 2017, as slowing investment in new buildings put a damper on the industry, and led to concerns that long-term development may not keep pace with housing demand. The construction industry could be the focus of a paper in its own right, with any number of possible interventions, but as a general approach, one key aspect must be to invest in developing new skills and new enterprises. The construction industry is built on the back of

technicians and artisans who are in increasingly short supply. Supporting better training in these professions, and supporting the creation of new construct businesses for those who have skills, can offer the dual benefit of providing a sustainable flow of skills to the sector, and empowering new workers and the underprivileged.

Secure and comfortable housing is an essential part of living a good life, and yet it is so often taken for granted. While issues like unemployment or low wages of course contribute to people's ability to access good homes, managing the housing environment in which those choices are made is equally important. Keeping housing prices reasonable, ensuring that adequate housing is available, and building community services around existing settlements can assure that South Africans have a solid basis from which to build a stronger society.