

MASS HOUSING or better cities?

The government's RDP/BNG housing model is fast running out of steam, evident in declining rates of completion, fewer transfers of title deeds, escalating costs and growing concerns about shoddy workmanship. The response has been to try and find new ways of accelerating housing delivery, rather than to question the model itself. A broader approach to human settlements is required, with less focus on the sheer number of housing units – *Ivan Turok*



Building project in Gauteng.

Credit: HSRC

One of the visible signs of frustration within government at the declining delivery of new housing is the increasing talk of housing mega-projects and catalytic schemes. Recognising the political urgency, the human settlements department appears to have struck a chord in these uncertain times. Bold housing initiatives appeal to discontented citizens trapped in miserable squatter settlements. The prospect of a decent home in a secure environment has powerful appeal in the midst of hardship and discontent.

First announced by Minister Lindiwe Sisulu in her budget speech in 2014, the basic logic behind mega-projects is reasonably clear, although crucial details are hard to come by and the apparent lack of a policy framework, prior planning and technical preparation is surprising. The premise is that there is a growing housing backlog of between 2 million and 3 million units. This is attributed to an expanding population coinciding with a decline in house-building.

Questioning the new housing mega-projects

The supply of new housing has dropped over the past decade because the government's RDP and Breaking New Ground (BNG) programme has run into the sand and private construction has been hit by the economic downturn. The housing shortfall is largest in the big cities because of urbanisation, constrained municipal capabilities to prepare and manage projects, and severe difficulties in obtaining land for development.

Density and concentration reduce transport costs, promote human and business interaction...and limit the costs of bulk infrastructure and public services.

Key figures in government believe that the best way to boost the supply of housing is through big schemes. Indeed, an appeal has been made for a Marshall Plan to deliver an unprecedented 1.5 million homes over the next five years.

South African cities clearly need more affordable housing, but are these assumptions correct? Is this the right time to be launching a mass housing drive? Is housing the right sector to lead the economy out of recession? And what are the implications for the structure and viability of our cities and towns?

We know backyard dwellings are included in the backlog number. But in many places they should really be regarded as part of the solution rather than the problem, since they have created a useful market for low-income rental housing in reasonable locations with access to public amenities. They also provide a regular income for poor home-owners.

The mega-project promise is to cut unit costs and fast-track delivery at all stages of housing provision by streamlining administrative procedures. Combined with the lack of preparatory work, this increases the risk of problematic outcomes, such as houses being located on hazardous sites subject to flooding or subsidence. There must be a danger that social, environmental and financial safeguards will be compromised by overhasty processes.

Not seeing the big picture

Human settlements in SA have in recent years suffered from poor co-ordination within the government and disagreements between provinces and municipalities. Mega-project procedures suggest greater centralisation of control at national level. Yet the National Development Plan (NDP) and subsequent legislation assigned responsibility for spatial planning and land-use control to municipalities so as to improve spatial integration

and alignment of house-building with transport and other infrastructure.

The provinces and private developers have come forward with 77 proposals for big urban expansion schemes, about 40 of which are in Gauteng. Each contains between 15 000 and 60 000 housing units — a mixture of RDP/ BNG houses, subsidised bonded houses, rental property and serviced sites.

The commitment to mixed neighbourhoods is commendable, along with the desire to train young people, support women enterprises and tighten contractual relationships with building companies to avoid mistakes and fraud.

A major concern is the weak economic foundations of the mega-project model. These schemes seem to tackle only one dimension of urban development. Physical shelter and liveability objectives overshadow the need for economic development, jobs and social transformation.

Indeed a narrow housing agenda intent on speedy delivery could threaten the long-term prosperity of our cities. The single-minded focus on boosting the quantity of housing necessitates large amounts of cheap land that is easy to acquire and quick to build upon. This implies free-standing greenfield sites on the urban periphery, where there is little competition from other land users, and no prospect of objection from nearby communities.

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This will weaken the fundamental basis on which successful cities are built, namely proximity. Above all, cities are economic entities that generate jobs and incomes, which is why people migrate to them. Urban prosperity depends on intense interactions between people and firms that stem from spatial concentration.

Densifying cities a better option

Economic growth in cities is driven by productivity and the efficient use of land. Density and concentration reduce transport costs and promote human and business interaction. They also limit the costs of bulk infrastructure and public services. This is vital for national economic competitiveness, as well as for social inclusion.

The National Development Plan (NDP) made it crystal clear that SA's legacy of sprawling, fragmented and segregated cities requires a concerted effort to promote more compact and integrated human settlements. This is essential to reduce travel times and transport costs for low income groups, as well as congestion on the roads.

Mega-projects may deliver some procedural efficiencies for the government, but at the expense of long-term inefficiency for households through lengthy journeys to work, and a brake on the productivity of the economy from sprawl and gridlock. The fiscal sustainability of municipalities is also at risk from the extra costs of installing and maintaining dispersed infrastructure networks in the new housing estates, on top of the package of free basic services to poor households.

A better way forward would be for the government to see its investments in human settlements as part of a broader city-wide agenda that pays more attention to the issues of urban transformation, productivity and jobs, alongside shelter and liveability. In short, the country needs a clearer strategy for building better cities, not just more houses.

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REVIEW

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of racism

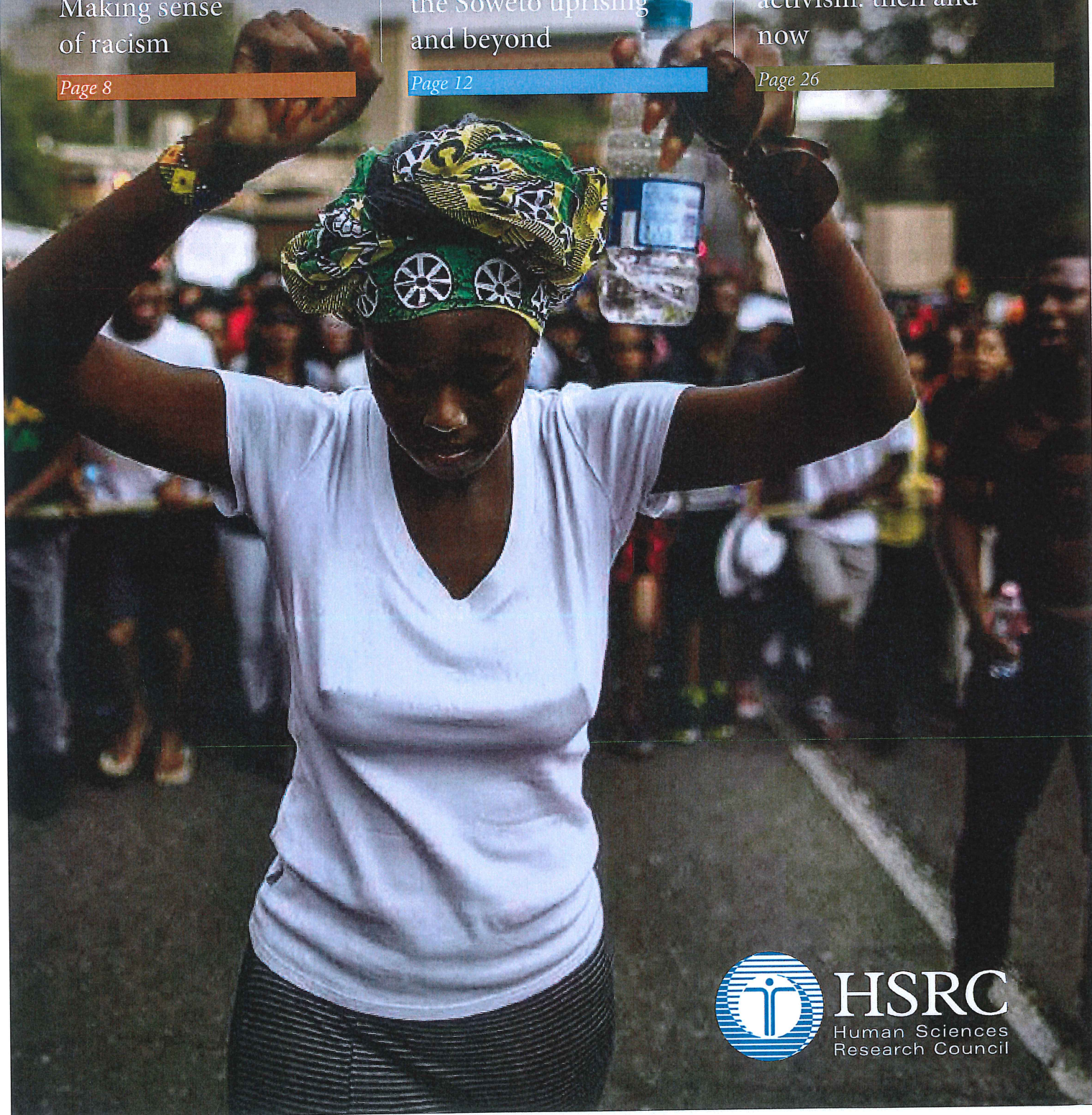
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