

Future Cape Town unpacks affordable housing

According to Future Cape Town, affordable housing entails housing units that are affordable to a section of society whose income is below the neighbourhood's median or average household income.



Image source: www.pexels.com

“However,” says Future Cape Town director Rashiq Fataar, “affordable housing comprises various types of housing.” The four affordable housing types found in government policy, local government developments and some of the national government frameworks around human settlements are: gap, transitional, social and inclusionary.

Gap housing

The City of Cape Town defines gap housing as subsidies and products provided by government and financial institutions to enable households with a monthly income of between R3,500 and R20,000 to purchase property.

Transitional housing

According to the city, transitional housing is temporary housing afforded to individuals and households which helps them prepare to transition to more permanent options. It is recognised that, because of the shortage of alternatives for low-income households, some are likely to remain on a semi-permanent basis.

Social housing

The city describes social housing as state-subsidised rental housing for households with a monthly income of less than R15,000 that is developed and operated by an accredited social housing company or institution otherwise known as SHIs.

Inclusionary housing

Future Cape Town’s explanation of inclusionary housing is that it is housing developed by the private sector for a market that would not have had access to the development and/or the area within which the development takes place.

National and local government have admitted that they lack the resources to tackle the country's housing issues alone, which possibly makes inclusionary housing the most viable option. One way that developers are able to contribute, whilst still ensuring the profitability of their projects, is through securing additional development rights from the city for free. Julian Sendin, a senior researcher at Ndifuna Ukwazi – an activist organisation and law centre working to advance urban land justice – says: “Inclusionary zoning is a basic intervention used by top cities around the world to ensure that private developers build a fair amount of truly affordable housing in exchange for additional development rights.”

Up until recently, social housing was seen as the only way to retain housing units as affordable in perpetuity. However, inclusionary housing might provide a better alternative as these homes are purchased and not merely rented, thus promoting ownership.

In order for South Africa's cities to truly become inclusive, integrated and transformed, affordable housing in urban areas needs to not only cater for lower income earners, but must also incorporate the middle income market (earning between R15,000 to R45,000), who are also unable to afford to live in well-located urban areas. Doing so will ensure that more people from a mix of income brackets benefit from urban opportunities.

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