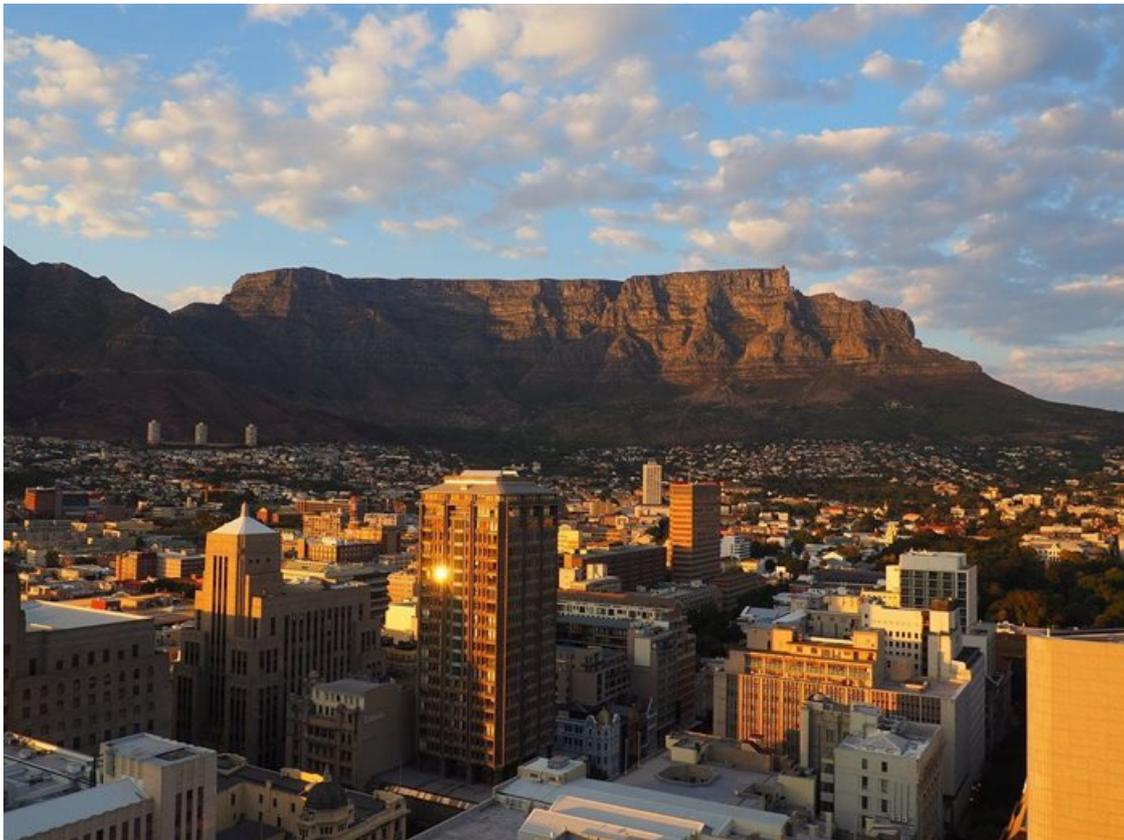


# What happened to Cape Town's promised affordable housing policy?

By [Marecia Damons](#)

14 Nov 2022

In November 2019, mayco member for human settlements Malusi Booi said the City of Cape Town was [committed](#) to drafting a policy for "inclusionary housing". Three years later, the policy is yet to be tabled.



Source: [www.pixabay.com](http://www.pixabay.com)

The City of Cape Town told GroundUp that Mayor Geordin Hill-Lewis has “reviewed the policy work done to date in the city after taking office in November 2021, and has tasked officials to conduct further reviews in order to finalise the most feasible inclusionary housing policy for Cape Town”.

“It is vital that any policy works well in practice and takes into account the feedback of the development fraternity,” said the city.

An “inclusionary housing policy” would oblige property developers to include affordable housing units in housing developments.

## Urgent call for city to complete, implement policy

Last week, housing activist group Ndifuna Ukwazi (NU) launched a report, titled [Regulating the Private Sector](#). In it, the researchers make an urgent call for the city to complete and implement an inclusionary housing policy.

According to the report, the city has a shortfall of about 23,000 formal homes per year.

“While 76% of Cape Town’s population earn below R22,000 per month, only 34% of all formal homes cater to households in this income range,” the report says.

“There is clearly a significant mismatch between what people earn and how much homes cost,” it says.



### City of Cape Town is not tackling housing crisis with urgency, say activists

Liezl Human 26 May 2022



## Households unable to afford average property sale price

Meanwhile, at a provincial level, the Western Cape government passed its [Inclusionary Housing Policy Framework](#) on 4 November. It aims to assist municipalities, working in partnership with the private sector, to include more affordable housing units in developments in urban centres.

According to the province, in 2019, the Western Cape’s estimated average monthly household income was R19,430. The average Western Cape household is therefore unlikely to be able to afford a property of more than R600,000. However, the average property sale price in the Western Cape in 2021 was R1,350,000. To buy a property at this average sale price, a household would need to earn a gross monthly income of over R33,000 (assuming a 10% deposit, 7.75% interest rate, and 20-year loan).

## Incentives for private developers

The NU researchers say that in practical terms, private developers can be offered incentives in exchange for creating affordable housing within their developments, on land nearby, or through a financial contribution.

NU researcher Robyn Park-Ross said that although inclusionary housing is not a silver bullet for the housing crisis in Cape Town, it is needed to tackle spatial apartheid in the city by creating affordable housing in well-located areas. This would help break down race and class segregation, said Park-Ross.



### Committee concludes public hearings on Housing Consumer Protection Bill

8 Nov 2022



## 'Concerning inconsistency' noted

The NU report also documents 16 private developments across Cape Town that have included some form of inclusionary housing contribution. The number of affordable homes within the developments varied from 5% to 30%.

“In an environment of policy uncertainty, these contributions demonstrate the minimum of what is possible ... They provide a base from which to develop more meaningful contributions in the future,” says the report.

But the researchers noted a “concerning inconsistency” around affordability, access, location and the physical standards of the homes, among other issues. The report says, “Clarity and consistency are desperately and urgently required, both of which can be provided by an appropriate inclusionary housing policy.”

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