

# Food for thought

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New approach to housing finance

COMMISSION 5: RE-IMAGINING HOUSING FINANCE

**Planning**

**Zoning**

**Spatial  
development**

**Feasibility**

**Land**

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**Projects**

**Demand**

**Bulk**

**Planning**

**Funding**  
Investment  
Subsidies

**Wall to wall  
Municipalities**

**Maintenance**

**Design**

**Beneficiary**

**Social  
Infrastructure**

**Layout**



# Current situation

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- Human settlements deliverables – housing
- Human settlements mandate – BNG – sustainable, integration
- Silo operations extending social relief
- Sphere three of government placed as centre of bulk and infrastructure
- Private sector reliance on the state to subsidise the working class
- Desire for people to be involved
- HS products including Social housing = FLISP
- NOT ENOUGH MONEY TO FUND THE BACKLOG

# What is the problem?

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- People expect government to deliver
- No economies of scale
- No integration
- No stock for gap market
- No incentives for the private sector to support staff with housing
- Free house without economic activity does not improve lives effectively



# Dilemma

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- People work in a different place to where they from/live
- Have to support a home and a house
- Regional towns under pressure (USDG – MIG)
- Alternative technology a real alternative or myth for bulk
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# Lets talk

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- Who should do what?
- How do we plan to win without duplication?
- Who is a beneficiary and what should they get from government?
- How do we migrate people out of poverty or create the environment for self growth.
- How do we maximise the allocation to the sector?



# Roles and responsibility

Rules & policy



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graph TD; A[Rules & policy] --- B((Government)); C[Resources] --- D((Private sector)); E[Economies of scale] --- F((Community));
```

The diagram consists of three pairs of elements. Each pair includes a horizontal green bar at the top and a green oval below it. The first pair on the left has the bar 'Rules & policy' and the oval 'Government'. The middle pair has the bar 'Resources' and the oval 'Private sector'. The third pair on the right has the bar 'Economies of scale' and the oval 'Community'. A thin horizontal line extends from the right side of the 'Rules & policy' bar across the top of the diagram area.

Government

Resources

Private  
sector

Economies of scale

Community

# What do people need?

## Government

Shelter

Security

Education

Social relief

Health

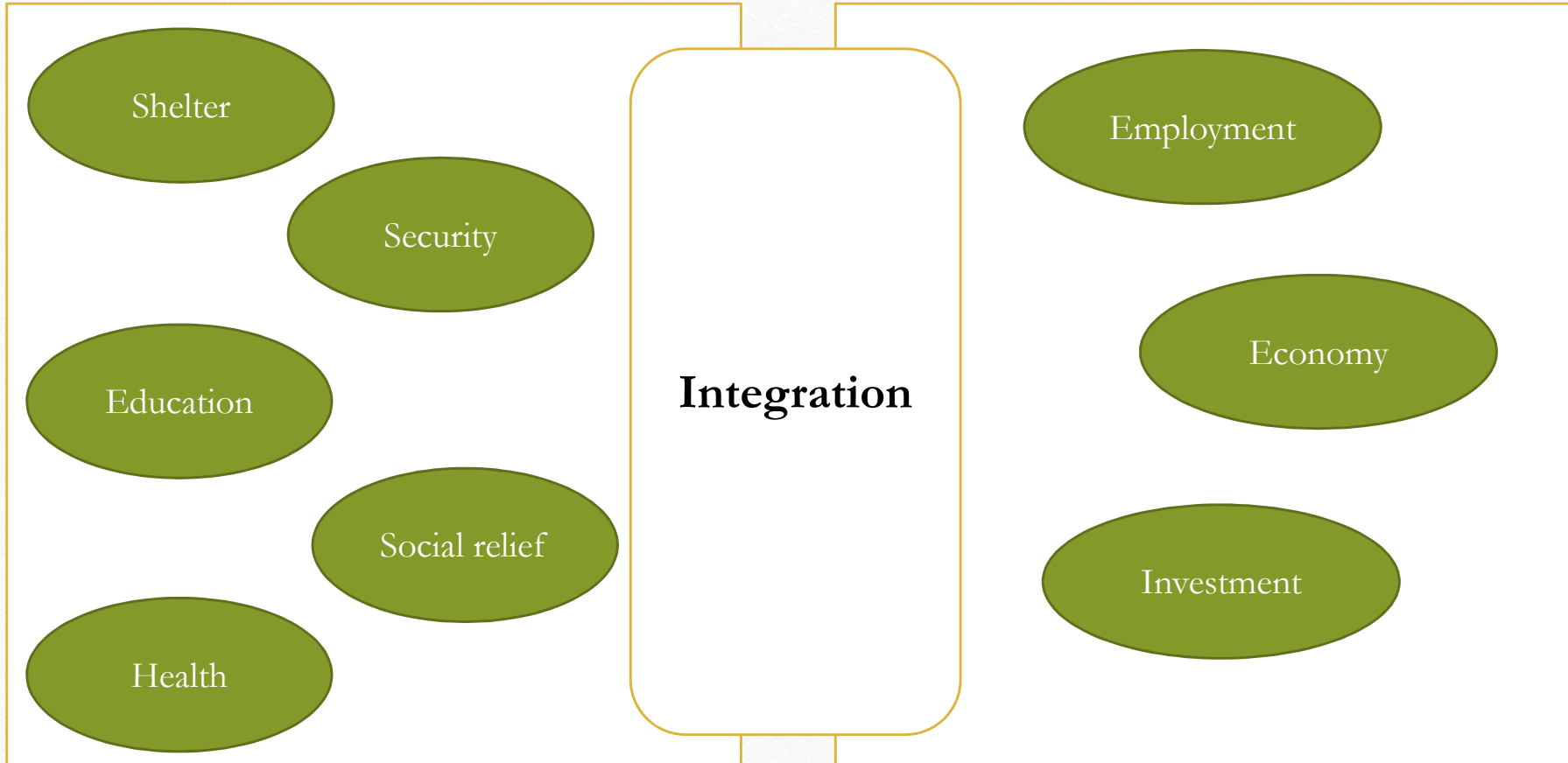
Integration

## Private sector

Employment

Economy

Investment





## Road ahead

- Plan in 20year chunks
- It starts with bulk
- Incentives for business to take care of work force
- Development costs
- Use of salary structure to encourage home ownership

# Product packaging & stocking the market

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- Ownership or land tenure
- Fractional title
- Do we still want or need free houses if not then what's the option
- Incentives (land, rates discounts, etc)
- Stakeholders to stay in their lane
- Best practice – SASOL – ABSA –
- Mixed use
- FLISP subsidy



# Way forward

- Restructure the ownership model - title deeds – shared ownership – long term lease
- Government subsidies to promote ownership

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- Restructure the grants and subsidies to match market reality
- Policy to encourage mixed mode – low cost - with rental - with ownership
- Improved turnaround in the planning regime
- Who should hold the purse?
- Centralise catalytic funding
- Role of the new bank
- Role of the private sector funding