

**NATIONAL ASSEMBLY:
ORAL REPLY**

QUESTION NO. 26

QUESTION

Ms Z A Kota (ANC) to ask the Minister of Housing:

Whether any progress has been made in the N2 Gateway pilot project; if not, why not; if so, what progress to date?

REPLY

The N2 Gateway Project is a product of government's policy of integrating the First and Second economies in South Africa as embodied in "Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements" (August 2004). Sustainable human settlements are defined as:

Arresting the growth of informal settlements and upgrading existing informal settlements is viewed by government as central to the realisation of sustainable settlement development and a critical pillar of addressing the shelter needs; restoring dignity and citizenship; reducing vulnerability; ameliorating poverty; and enhancing safety and security.

Two key issues have to be overcome in realising the goal of sustainable urban settlements, namely:

- reversing the trend of further exacerbating spatial marginalisation of the poor;
- achieving new modes of inter-governmental integration.

The basis for the project was to pilot the principles of the New Comprehensive Plan. Chief amongst the objective was the pilot of a multi-pronged delivery that integrates communities through mixed incomes, mixed use, mixed products and mixed races. It is a project of National priority and is situated very strategically on the main route from the airport to the City and is visible. Its close proximity to the City centre and economic opportunities means very positive economic spin offs for the City and the Province and Country as a whole. As a result of the existing settlements this has had a negative impact on the property prices in the neighbouring areas. Once fully developed it will enhance values of properties adjacent to it and thereby improve the rates base of the City. The multiplier effect to the economy will be enormous bearing in mind that the provision of commercial services to these communities will be a necessity attracting private sector investment as well. Overall it will contribute to the economic growth of the area and the region. The City's profile as a preferred tourist destination will be further enhanced.

The current position at the various precincts are as follows :

Joe Slovo Phase 1: 705 Social Housing units (rental accommodation) have now been completed with soft landscaping being completed. The allocation of the N2 Gateway pilot units is the responsibility of the Provincial Department of Housing. This will be done in line with the database provided by the Auditors Nkonki PriceWaterhouse.

The allocation principles will be in line with a pilot project business plan that is to accommodate beneficiaries, i.e. 30% backyarders and 70% from neighbouring communities. The province will determine the date of occupation without any pressure from either the media or anyone else. Discussions are currently underway with the communities to work on the modalities of occupation.

Joe Slovo Phase 2: The design for this precinct was to develop 3000 Social Housing units. As a result of affordability constraints a re-planning exercise is being undertaken for 300 free standing subsidised units to be constructed. In addition, 700 sites are to be earmarked for the construction, by private sector, of affordable/bondable housing units for those few who can afford a more superior product and who can access home loan finance through financial institutions to acquire these units. In the latter case engagements have been held with representatives of First National Bank.

In the interim, one of the construction consortia has commenced with the construction of 1,400 temporary units at Delft 7-9 to temporarily re-locate the existing residents of Joe Slovo to enable work to begin on this phase.

Boys Town: Planning is currently being undertaken in this precinct. The delivery of 1500 free standing subsidised units is preferred to the originally planned 3000 Social Housing units. In the interim servicing of 500-750 sites is under way for the construction of temporary units.

New Rest: Planning for the development of free standing units has been completed for this in situ upgrading and the process of concluding contracts with construction companies is presently being attended to. This precinct will provide 1100 units. Presently 550 sites have been serviced.

Delft 7-9: Presently 1,400 sites have been serviced for the provision of 1,400 temporary units to temporarily accommodate the residents of Joe Slovo Phase 2. A further 500 permanent units will be constructed.

Delft Symphony : 2,240 sites have been serviced and the construction consortium have been instructed to commence with the construction of 2,240 permanent structures.

There have been a number of delays in the completion of the project due to challenges in construction complexities of building such a huge project.

In view of this slow pace of delivery MINMEC has decided that Phase 2 and those phases to follow will be managed entirely by Thubelisha Homes that would operate on private sector lines and report directly to MINMEC.

Finally, despite the hiccups, the N2 Gateway project is a success on a scale that has never before been attempted in the history of housing construction in this country.