Provincial Human Settlement Demand Profile

Western Cape

2015

As at 11 June 2015

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Introduction

This provincial human settlement demand profile has been generated by the Western Cape Department of Human Settlements for human settlement planning purposes. A range of data sources have been used, but the profile is based heavily on Census 2011 data. Data sources are provided in each case. Where data has been manipulated, a methodology is provided in the end notes to this profile. The profile has been generated using a spreadsheet database with additional analysis added. Separate Data Scoping and Housing Market Segment Reports were also prepared as informants to the demand profile and are referred to throughout the report.

The profile is presented according to the three components of human settlements: Housing, Networked Infrastructure and Social Infrastructure, followed by Trends, Analysis and Discussion.

Definitions

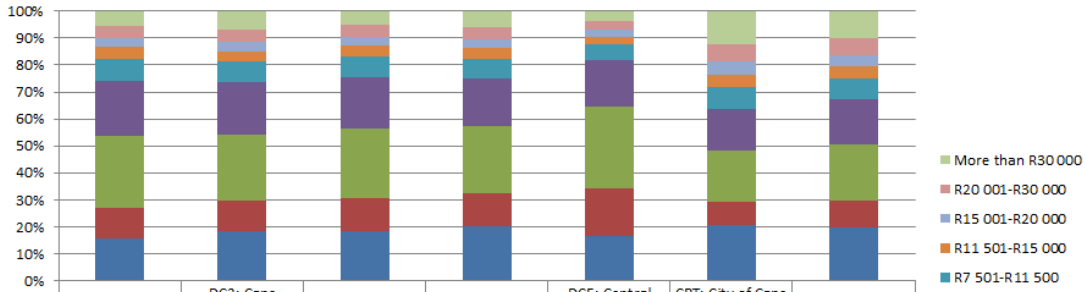
Term	Definition
Adequate housing:	All Census 2011 dwelling types excluding informal dwellings and informal backyard shacks. Includes traditional dwellings and formal backyard structures.
Dwelling type:	Census 2011 dwelling types, with the following three categories aggregated: Cluster/Townhouse/Semi-detached house (includes: Cluster house in complex; Townhouse (semi-detached house in a complex); and Semi-detached house); House/flat/room on other property (includes: House/flat/room in backyard; and Room/flatlet on a property or larger dwelling/servants quarters/granny flat); and Other (includes: Caravan/tent; and Other).
Housing status:	A re-categorisation of Census 2011 dwelling types, isolating those considered inadequate (informal dwelling and informal backyard dwelling) and adding a calculated figure for overcrowding. All other housing types in Census 2011 are considered adequate.
Inadequate housing:	Census 2011 figures for informal dwellings, informal backyard shacks and a calculated figure for overcrowding.
Income:	Household monthly income in 2011, modified from Census 2011 as described in end note 1.
Informal dwelling:	Census 2011 dwelling type: "Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)", defined in the Census metadata as "Makeshift structure not approved by a local authority and not intended as a permanent dwelling. Typically built with found materials (corrugated iron, cardboard, plastic, etc.). Contrasted with formal dwelling and traditional dwelling.".
Informal backyard shack:	Census 2011 dwelling type: "Informal dwelling (shack; in backyard)".
Informal	All households (in any dwelling type) in Census 2011 settlement category: "Informal

Term	Definition
settlement:	residential area".
Overcrowding:	A calculated figure based on an assumption of more than two people per room (as measured in the 2011 Census) resulting in overcrowding, and requiring an additional room for every two people. The number of overcrowded households is calculated using the assumption of one household and two rooms in every new dwelling. See end note 2 for a full explanation of the methodology.
Rural:	Census 2011 settlement categories: "Farms", Small holdings" and "Traditional residential".
Urban:	All Census 2011 settlement types excluding those included in the definition of Rural (above).

Income profile

Household income profile per region

A description of the methodology used to re-categorise households using the Census 2011 monthly income brackets is provided in end note 1.



	DC1: West Coast	DC2: Cape Winelands	DC3: Overberg	DC4: Eden	DC5: Central Karoo	CPT: City of Cape Town	Western Cape
More than R30 000	5%	7%	5%	6%	4%	12%	10%
R20 001-R30 000	5%	5%	4%	5%	3%	7%	6%
R15 001-R20 000	3%	3%	3%	3%	3%	5%	4%
R11 501-R15 000	4%	4%	4%	4%	3%	5%	4%
R7 501-R11 500	8%	8%	8%	7%	6%	8%	8%
R3 501-R7 500	21%	19%	19%	18%	17%	15%	16%
R1 501-R3 500	27%	25%	26%	25%	30%	19%	21%
R801-R1 500	12%	11%	12%	12%	18%	9%	10%
R0-R800	16%	18%	18%	20%	17%	20%	20%

Figure 1: Proportion of households in each income bracket, by region

Source: Census 2011

The income profiles for the regions (districts) in the Western Cape are relatively uniform. The only discernible variations are the slightly higher proportion of lower income households (<R3 500 per month) in Central Karoo and a slightly higher proportion of higher income households (>R11 500) in the City of Cape Town. In all districts, the percentage of households earning less

than R3 500 is calculated (from adjusted Census 2011 figures) to be greater than 50% of the total.

Household income profile per municipality

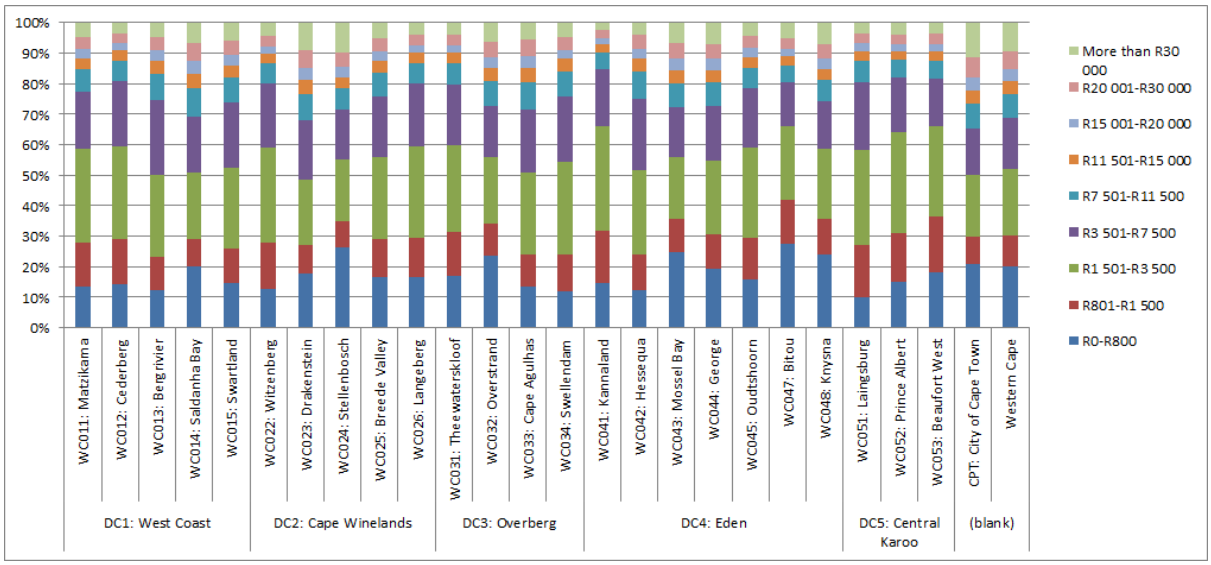


Figure 2: Proportion of households in each income bracket, but local municipality

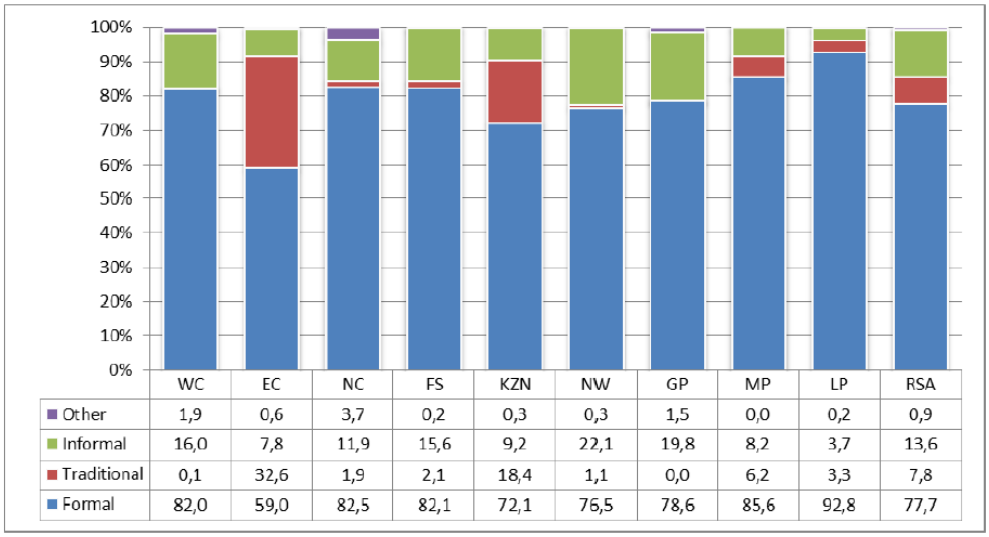
Source: Census 2011

When the income profiles are plotted per municipality, the picture is more varied. Laingsburg has the smallest percentage of the lowest income category, while Kannaland, Bitou, Beaufort West, and Prince Albert have the highest proportion of households earning less than R3 500 per month (>60%). The City of Cape Town, Drakenstein and Saldanha Bay have the highest proportion of households earning more than R11 500 per month (>30%).

Housing

Dwelling distribution by province

The General Household Survey (2013) shows that in terms of the distribution of dwelling types across the Western Cape, 80% reside in formal housing, 16% in informal housing, nearly 2% in other forms of housing and; 0.1% in traditional dwellings. Relative to the national average, this means that the Western Cape had marginally higher shares of households residing in formal, informal and other forms of housing but a smaller share of households residing in traditional dwellings.



	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
Other	1,9	0,6	3,7	0,2	0,3	0,3	1,5	0,0	0,2	0,9
Informal	16,0	7,8	11,9	15,6	9,2	22,1	19,8	8,2	3,7	13,6
Traditional	0,1	32,6	1,9	2,1	18,4	1,1	0,0	6,2	3,3	7,8
Formal	82,0	59,0	82,5	82,1	72,1	76,5	78,6	85,6	92,8	77,7

Figure 3: Percentage distribution of households in formal, informal and traditional dwellings by Province, 2002-2013

Source: General Household Survey, 2013

In terms of a historical trend, in 2001 81% of households lived in formal dwellings, but by 2011 this had decreased slightly to 80%. The proportion of households living in shacks not in backyards has remained steady at 12%.

Dwelling type by income bracket

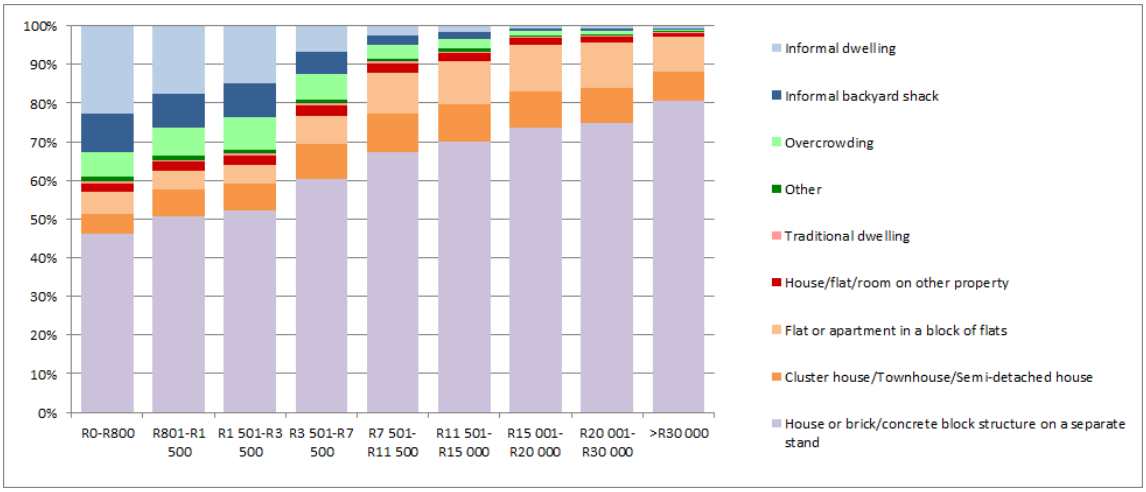


Figure 4: Proportion of households in each dwelling type by monthly household income bracket

	R0-R800	R801-R1 500	R1 501-R3 500	R3 501-R7 500	R7 501-R11 500	R11 501-R15 000	R15 001-R20 000	R20 001-R30 000	>R30 000	Total
Informal dwelling	78,820	30,640	55,705	19,804	3,252	1,287	495	695	974	191,672
Informal backyard shack	33,817	15,490	33,410	16,035	3,455	1,362	516	659	533	105,276
Overcrowding	**22,239**	**12,232**	**30,760**	**19,294**	**4,681**	**1,828**	**658**	**836**	**688**	**93,216**
Other	3,861	2,197	4,187	2,800	1,036	470	296	388	409	15,645
Traditional dwelling	**1,853**	**843**	**1,878**	**1,281**	**539**	**282**	**239**	**336**	**528**	**7,778**
House/flat/room on other property	7,678	4,149	8,916	7,496	3,536	1,678	1,177	1,533	1,515	37,677
Flat or apartment in a block of flats	**19,606**	**8,459**	**18,124**	**21,359**	**14,144**	**8,347**	**8,453**	**11,627**	**15,255**	**125,374**
Cluster house/Townhouse/Semi-detached house	17,586	12,080	25,892	25,376	13,382	7,242	6,497	8,988	12,389	129,432
House or brick/concrete block structure on a separate stand	**159,091**	**88,287**	**196,283**	**173,770**	**90,460**	**52,248**	**51,461**	**74,462**	**135,101**	**1,021,162**
Total	344,551	174,376	375,153	287,215	134,486	74,744	69,792	99,525	167,391	1,727,232

Table 1: Number of households by dwelling type and monthly household income category

Source: Census 2011

The graph of dwelling type by income shows a dominance of single formal houses on single stands in all income brackets, the proportion increasing with increasing income. The proportion of households living in flats increases above R7 500 per month and is relatively constant in the higher income brackets. Informal dwellings make up over 20% of the lowest income bracket, decreasing to a small percentage for households earning above R7 500 per month. It is interesting to note that there are still higher income households recorded as living in informal dwelling, including 974 households in the top income bracket.

Registered Housing Demand

From Western Cape Housing Demand Database and City of Cape Town Housing Demand Database

This section presents data from the official Housing Demand Databases of the Western Cape Department of Human Settlements and the City of Cape Town. The provincial database collates the housing demand data of all the non-metro municipalities. The figures presented here represent the 'registered demand', meaning those people that have put their names down on the municipal housing lists. It does not reflect the total demand in the municipality, which would comprise other households not registered on the database. The data that is collected in the database includes the present accommodation of the applicants and their preferences with respect to the type of assistance and whether they would like to rent or own their property.

Total **registered housing demand** as at 2nd April 2015 for non-metro municipalities and 16 April for the City of Cape Town was recorded for the Western Cape as **528,580**.

Present accommodation

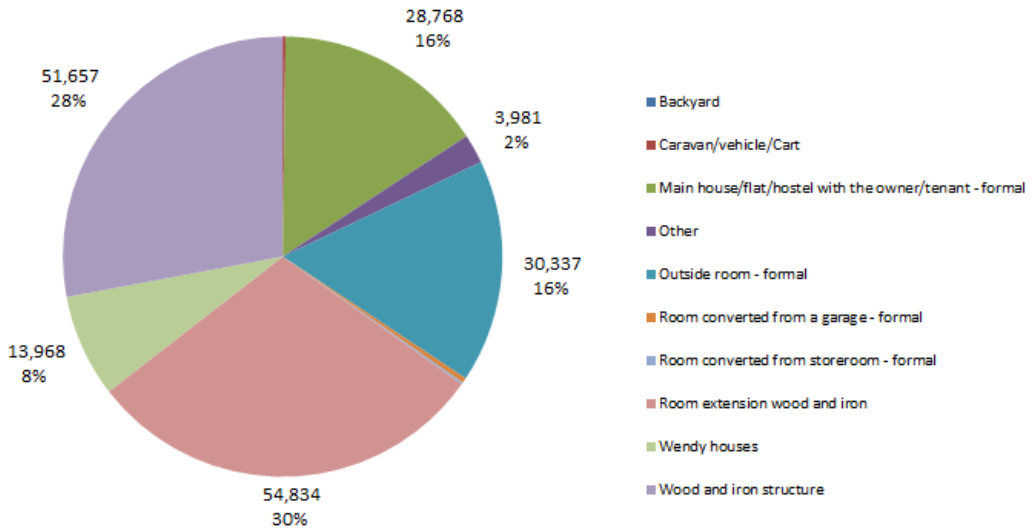


Figure 5: Number and proportion of households on the Housing Demand Database presently in each accommodation type (City of Cape Town)

Source: City of Cape Town Housing Demand Database

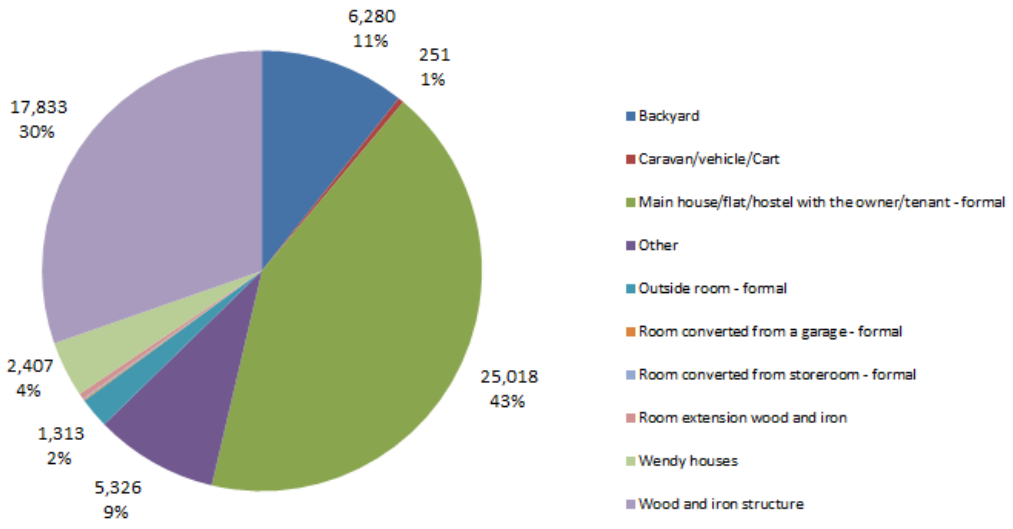


Figure 6: Number and proportion of households on the Housing Demand Database presently in each accommodation type (non-metropolitan municipalities)

Source: Western Cape Housing Demand Database

Choice of assistance

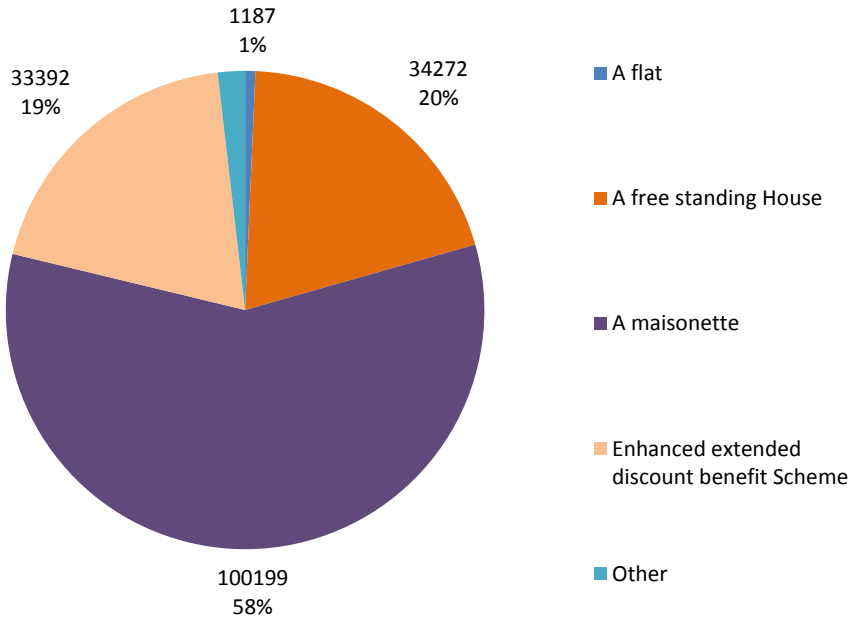


Figure 7: Number and proportion of households on the Housing Demand Database selecting each assistance option (City of Cape Town)

Source: City of Cape Town Housing Demand Database

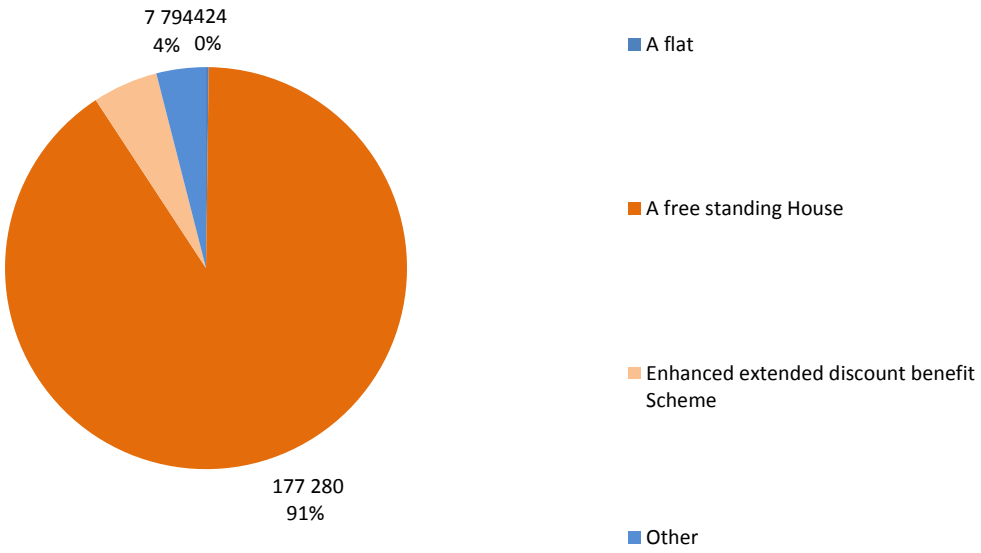


Figure 8: Number and proportion of households on the Housing Demand Database selecting each assistance option (non-metro municipalities)

Source: Western Cape Housing Demand Database

Choice of tenure

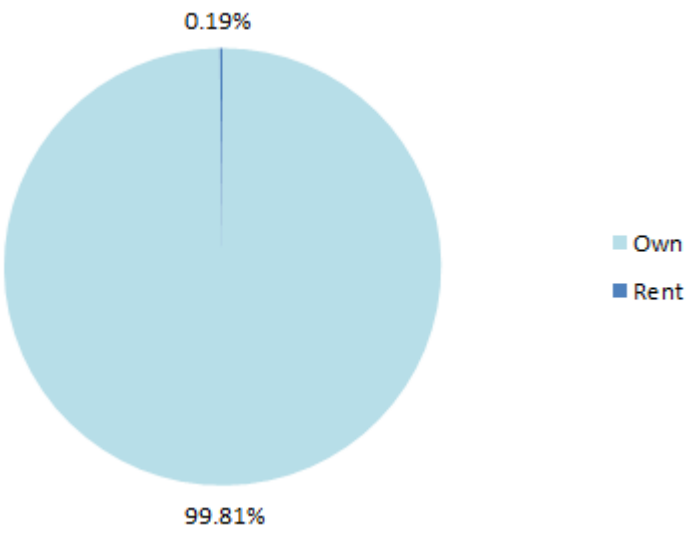


Figure 9: Number and proportion of households on the Housing Demand Database selecting each tenure option

Source: Western Cape Housing Demand Database

The graphs representing 'present accommodation' ignore entries in the database where this is not specified. The differences between the City of Cape Town and the non-metro municipalities may relate to differences in the way this indicator is recorded. The dominant

present accommodation in Cape Town is a room extension of wood and iron (assumed to be backyard shacks), while in non-metro municipalities it is a main house/flat/hostel with the owner/tenant (assumed to be overcrowding). In both cases there are large portions of wood and iron structures (assumed to mostly be in informal settlements).

Where the choice of assistance has been specified, for non-metro municipalities, this is overwhelmingly for a free-standing house. For the City of Cape Town, the largest preference is for a 'maisonette': a type of free standing house, and an option that is not considered in the way the data for non-metro municipalities is captured. In both cases, the next most common preference is for the Enhanced Extended Discount Benefit Scheme, with all other options being relatively insignificant.

In terms of tenure preference, only 415 households (0.2%) in the Western Cape Housing Demand Database expressed a preference for rental over ownership (this excludes the City of Cape Town). This indicates the impact of the historical mode of housing delivery on beneficiary preference. Tenure preference information for the City of Cape Town was not available at the time of this study and thus no comparison can be made to it and the non-metro municipalities in the Western Cape. However, based on the dominance of preference for ownership in the non-metro municipalities, it is assumed to be a similar occurrence for the City of Cape Town.

Housing status

Housing status refers to whether the dwelling type is considered 'adequate' or not. Inadequate housing comprises informal dwellings, informal backyard shacks and overcrowded dwellings. See the definitions and endnote 2 for a full explanation of the methodology employed to calculate overcrowding.

Note that figures for total number of households by income group, municipality or province may differ between tables where overcrowding has been included. This is because the cross-tabulation of Census 2011 data for number of rooms and household size produces different results when cross-tabulated against income and a different fourth variable. Rounding of figures may result in row or column totals not tallying.

The total calculated number of inadequately housed households (comprising those in informal dwellings, informal backyards and overcrowded dwellings) is **390 164,** which is 23% of total households (including overcrowded households).

Housing status by income

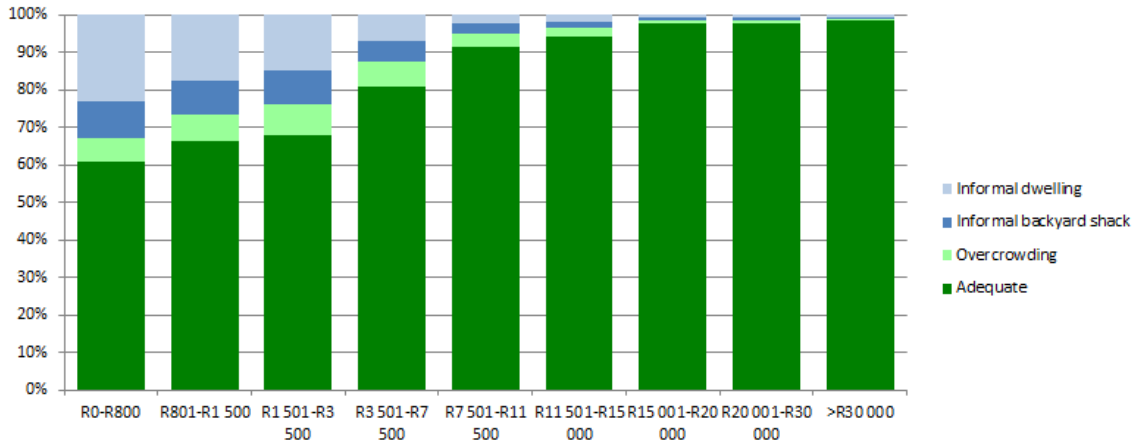


Figure 10: Proportion of households in each housing state by monthly household income bracket

	R0-R800	R801-R1 500	R1 501-R3 500	R3 501-R7 500	R7 501-R11 500	R11 501-R15 000	R15 001-R20 000	R20 001-R30 000	>R30 000	Total
Informal dwelling	78,820	30,640	55,705	19,804	3,252	1,287	495	695	974	191,672
Informal backyard shack	33,817	15,490	33,410	16,035	3,455	1,362	516	659	533	105,276
Overcrowding	22,239	12,232	30,760	19,294	4,681	1,828	658	836	688	93,216
Adequate	209,675	116,014	255,279	232,082	123,098	70,267	68,123	97,334	165,196	1,337,068
Total	344,551	174,376	375,153	287,215	134,486	74,744	69,792	99,525	167,391	1,727,232

Table 2: Number of households by housing status and monthly household income bracket

Source: Census 2011

While the proportion of adequately housed households increases with income group, the largest number of inadequately housed households is located in the R0-R800 income group, followed by the R1 501-R 3500 income bracket. The absolute numbers of inadequately housed households drop off rapidly above R7 500, with 94% of inadequately housed households falling below this income threshold. Half of the inadequately housed households earning less than R 7 500 per month are located in informal dwellings, while the shares of informal backyard shacks and overcrowding are roughly equal at 27% and 23% respectively.

Housing status by income and age

The figures and tables below present the same data as for Figure 9 and Table 2, but divided into household heads aged below 40 years (Figure 10) and those above 40 years (Figure 11).

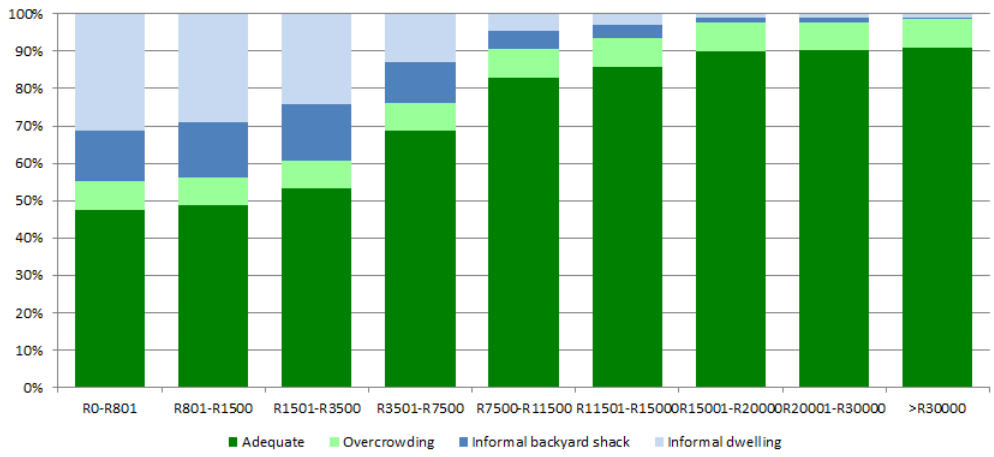


Figure 11: Proportion of household heads aged **below** 40 years in each housing state by monthly household income bracket

	R0-R800	R801-R1 500	R1 501-R3 500	R3 501-R7 500	R7 501-R11 500	R11 501-R15 000	R15 001-R20 000	R20 001-R30 000	>R30 000	Total
Informal dwelling	56,992	20,318	39,212	13,330	2,082	808	281	395	545	133,962
Informal backyard shack	25,060	10,369	24,703	11,302	2,320	900	311	394	287	75,645
Overcrowding	14,003	5,388	12,507	7,959	3,549	2,010	1,927	2,757	4,408	54,509
Adequate	86,503	34,170	86,628	71,173	38,317	22,483	22,605	32,397	52,230	446,506
Total	182,558	70,245	163,051	103,763	46,268	26,201	25,124	35,942	57,470	710,622

Table 3: Number of household heads aged **below** 40 years in each housing state by monthly household income bracket

Source: Census 2011

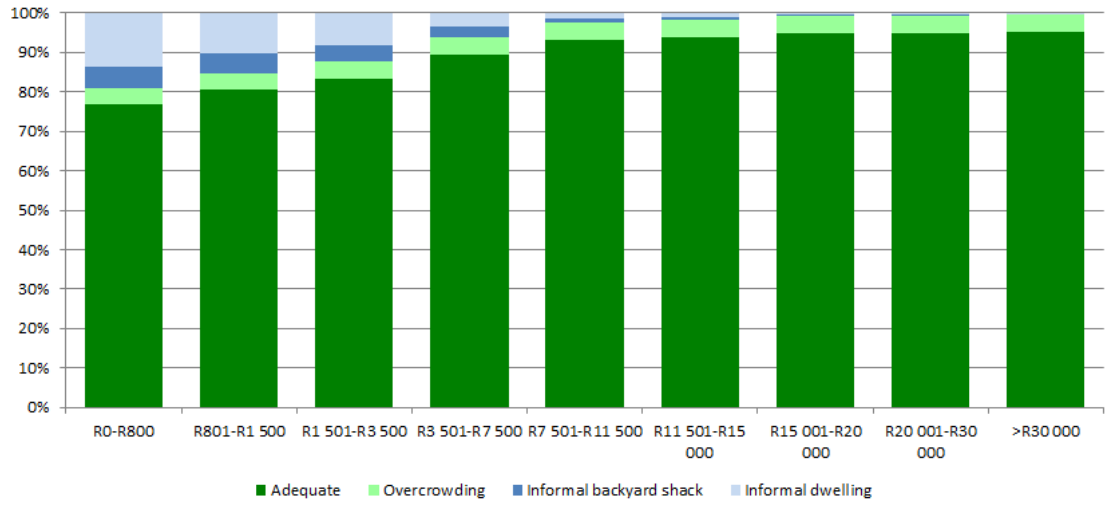


Figure 12: Proportion of household heads aged **above** 40 years in each housing state by monthly household income bracket

	R0-R800	R801-R1 500	R1 501-R3 500	R3 501-R7 500	R7 501-R11 500	R11 501-R15 000	R15 001-R20 000	R20 001-R30 000	>R30 000	Total
Informal dwelling	21,845	10,341	16,458	6,445	1,156	470	206	290	414	57,625
Informal backyard shack	8,762	5,151	8,677	4,686	1,112	452	198	255	227	29,521
Overcrowding	6,904	4,379	8,694	7,712	3,901	2,183	2,058	2,934	5,080	43,844
Adequate	123,366	82,169	168,765	160,856	84,736	47,755	45,486	64,880	112,660	890,672
Total	160,877	102,040	202,594	179,698	90,905	50,860	47,948	68,359	118,382	1,021,662

Table 4: Number of household heads aged **above** 40 years in each housing state by monthly household income bracket

Source: Census 2011

Dwelling type by age of household head

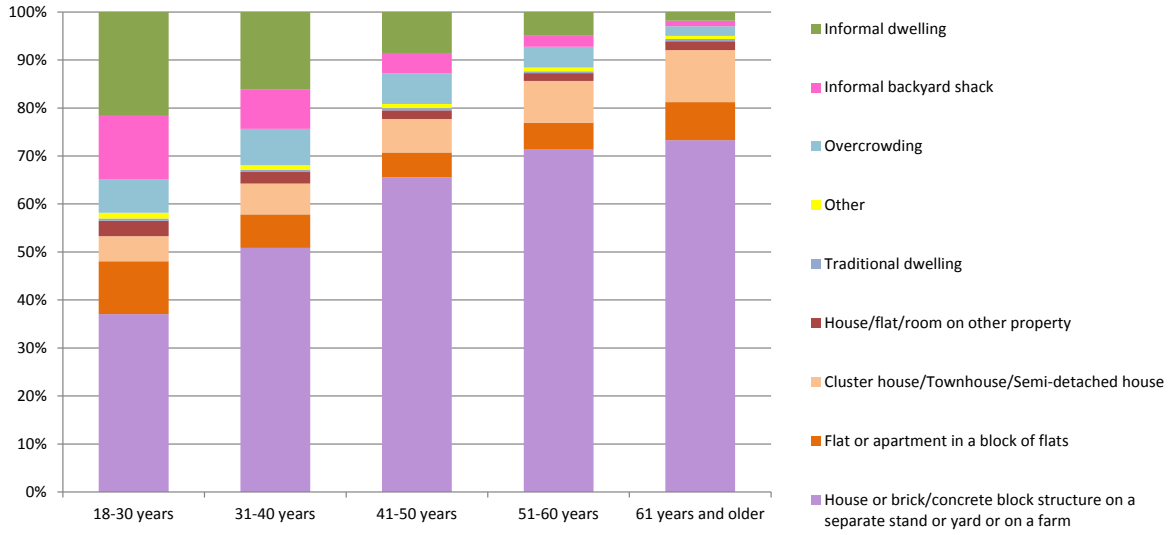


Figure 13: Proportion of households in each dwelling type by age bracket of household head

Source: Census 2011

There are proportionately more inadequately housed household heads that are below 40 years of age than above 40 years of age. This is related to the differences in income profile, with younger household heads, having generally lower incomes. The distribution of inadequately housed households between overcrowding, informal settlements and informal

backyard shacks is the same for both age categories. The distribution of dwelling type by age groups is similar to the distribution by income group, with formal housing types increasing and inadequate housing types decreasing with increasing age. This indicates a strong correlation between income and age, rather than a relationship between age and dwelling type.

Urban/Rural split of inadequate housing

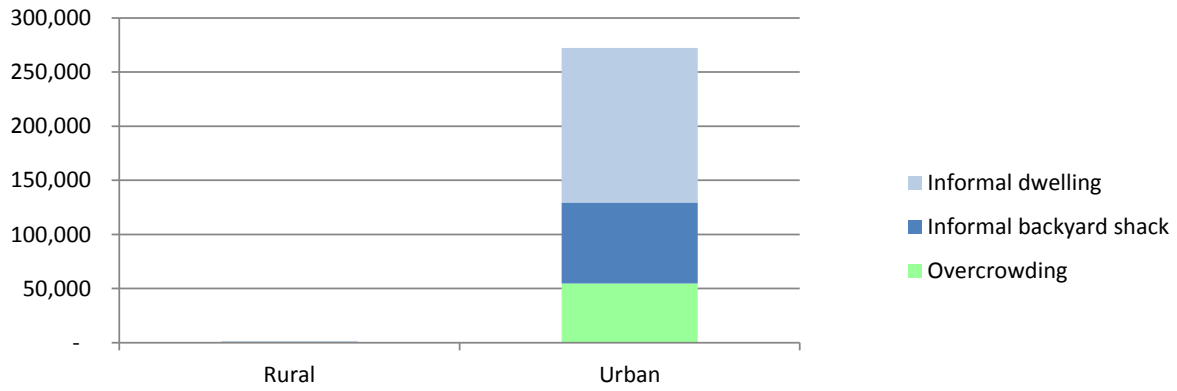


Figure 14: Number of inadequately housed households by housing status and settlement type (City of Cape Town)

	Urban	Rural	Total
Informal dwelling	142,783	1,040	143,823
Informal backyard shack	74,646	311	74,957
Overcrowding	54,741	354	55,095
Total	272,170	1,705	273,875

Table 5: Number of inadequately housed households by housing state and settlement type (City of Cape Town)

Source: Census 2011

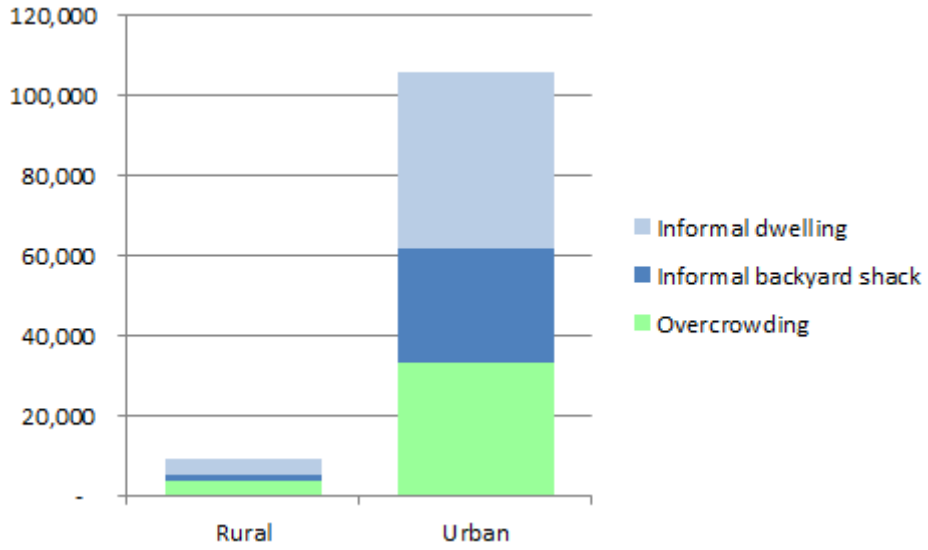


Figure 15: Number of inadequately housed households by housing status and settlement type (non-metro municipalities)

	Urban	Rural	Total
Informal dwelling	3,983	43,862	43,862
Informal backyard shack	1,507	28,818	28,818
Overcrowding	3,746	33,272	33,272
Total	9,236	105,952	105,952

Table 6: Number of inadequately housed households by housing state and settlement type (non-metro municipalities)

Source: Census 2011

The urban/rural split of inadequately housed households clearly shows that the housing challenges are concentrated in the urban areas and focussed on households living in informal dwellings. Rural areas in non-metro municipalities have a slightly higher percentage of rural housing need, compared with the City of Cape Town. The small proportion of rural households that is inadequately housed comprises mostly overcrowding and informal dwellings.

Tenure

This section analyses the current tenure status of households, according to the Census categories, by the variables of: income, age and employment.

Tenure status by housing status

	Informal dwelling	Informal backyard	Overcrowding	Adequate	Total
Other	11,975	4,598	4,744	40,051	61,368
Occupied rent-free	83,171	16,798	24,247	148,710	272,926
Rented	13,661	59,804	29,421	398,452	501,338
Owned but not yet paid off	6,061	2,586	4,015	271,766	284,428
Owned and fully paid off	76,799	21,496	30,970	478,072	607,337
Total	191,667	105,282	93,397	1,337,051	1,727,397

Table 7: Number of households in each tenure category and housing state

Source: Census 2011

Tenure status by income

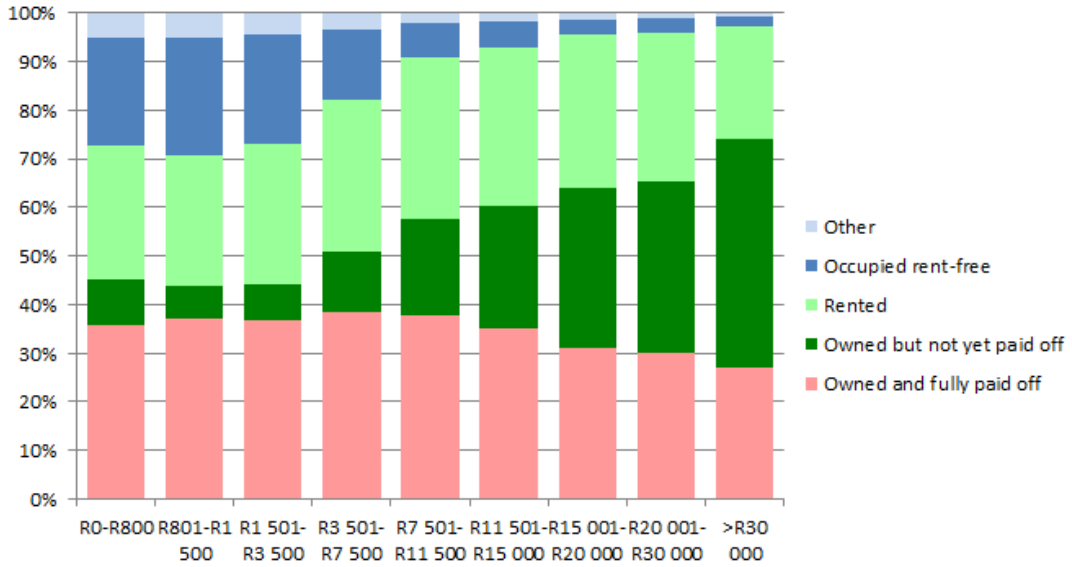


Figure 16: Proportion of households in each tenure category by monthly household income bracket

	R0-R800	R801-R1 500	R1 501-R3 500	R3 501-R7 500	R7 501-R11 500	R11 501-R15 000	R15 001-R20 000	R20 001-R30 000	>R30 000	Total
Other	16,011	8,028	15,635	9,184	2,835	1,330	909	1,216	1,474	56,622
Occupied rent-free	72,180	39,439	77,617	38,884	8,957	3,856	2,079	2,757	2,912	248,681
Rented	88,348	43,385	98,918	83,370	43,061	23,737	21,899	30,091	39,107	471,916
Owned but not yet paid off	30,347	10,852	25,524	33,271	26,056	18,472	22,661	34,887	78,345	280,414
Owned and fully paid off	115,417	60,433	126,693	103,210	48,898	25,522	21,587	29,737	44,873	576,369
Total	322,303	162,137	344,386	267,918	129,807	72,917	69,135	98,688	166,711	1,634,002

Table 8: Number of households in each tenure category and monthly household income bracket

Source: Census 2011

Tenure status by age of head of household

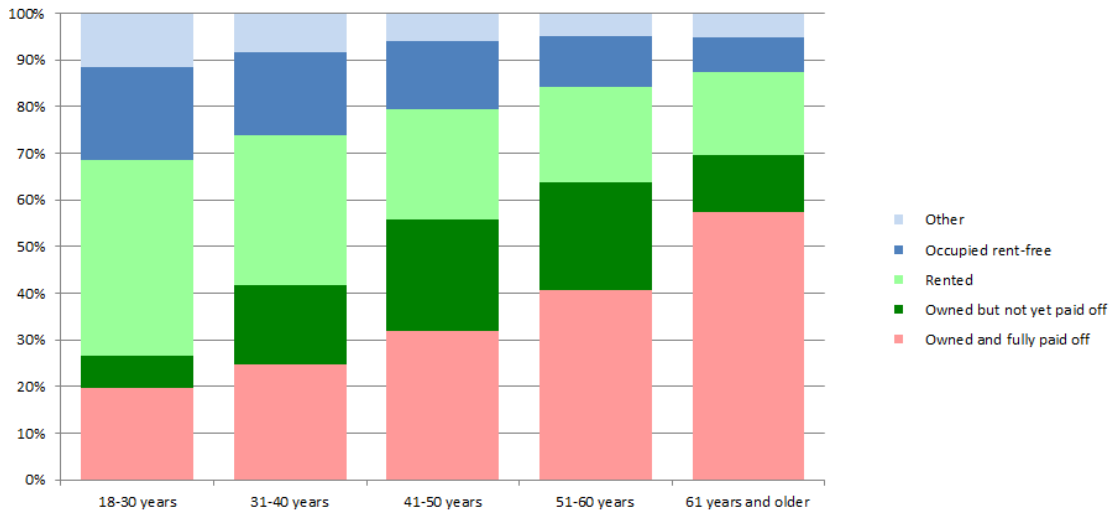


Figure 17: Proportion of households in each tenure category by age bracket of household head

	18-30 years	31-40 years	41-50 years	51-60 years	61 years and older	Total
Other	35,013	34,270	23,218	13,590	14,211	120,302
Occupied rent-free	61,004	73,464	55,367	31,537	21,305	242,677
Rented	128,574	132,408	90,143	57,358	49,021	457,504
Owned but not yet paid off	21,310	69,899	91,280	65,608	34,434	282,531
Owned and fully paid off	60,209	102,126	122,268	115,284	159,751	559,638
Total	306,110	412,167	382,276	283,377	278,722	1,662,652

Table 9: Number of households in each tenure category and age bracket of household head

Source: Census 2011

Table 7 indicates that 56% of households in adequate housing own their properties, while a surprisingly high 41% of adequately housed households rent. The Housing Market Segments Report noted that the figures for ownership of informal dwellings and informal backyard shacks are not reliable as there is some uncertainty over the legal status of these dwellings and the properties on which they are located.

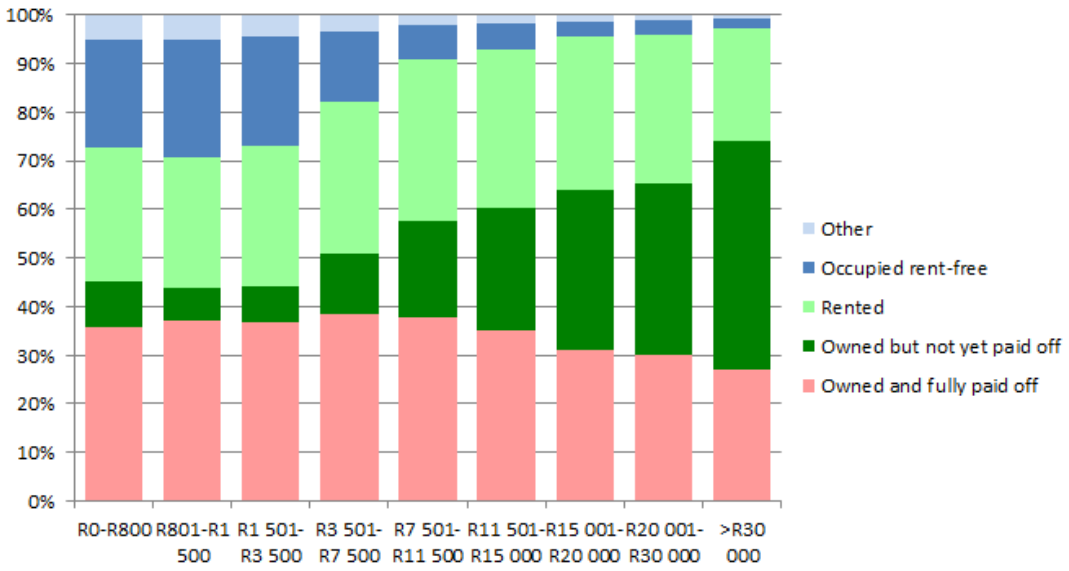


Figure 16 and Table 8 indicate that Rental is fairly evenly distributed across income brackets, with the proportion only dropping in the highest income bracket. Rent-free accommodation is common below an income of R7 500 per month, but drops off sharply thereafter. There is a clear increase in the access to credit for housing illustrated by the sharp rise in households who own properties that are not fully paid off above R7 500 per month. The comparison of tenure status by age of household head shows a general trend of younger household heads renting and older household heads owning fully-paid off properties.

Housing status by age and employment status of household head

The Housing Market Segments Report identified employment status as an important determinant of housing and tenure preference. The tables below illustrate the split in housing status according to both age and employment status to more accurately identify the socio-economic profile of housing demand.

Employed household heads

	18-30 years	31-40 years	41-50 years	51-60 years	61 years and older	Total
Informal dwelling	39,098	40,936	18,535	6,182	955	105,706
Informal backyard shack	28,153	23,864	10,154	3,250	594	66,015
Overcrowding	14,995	24,184	18,066	7,566	1,224	66,035
Adequate	135,528	230,323	237,278	157,363	57,101	817,593
Total	217,774	319,307	284,033	174,361	59,874	1,055,349

Table 10: Number of employed household heads in each housing state and age bracket

Source: Census 20117

Unemployed household heads

	18-30 years	31-40 years	41-50 years	51-60 years	61 years and older	Total
Informal dwelling	29,889	27,940	15,279	7,913	4,343	85,364
Informal backyard shack	14,178	11,495	6,619	3,865	2,798	38,955
Overcrowding	6,951	8,228	7,063	5,129	4,796	32,167
Adequate	49,929	60,980	82,090	101,291	222,603	516,893
Total	100,947	108,643	111,051	118,198	234,540	673,379

Table 11: Number of unemployed household heads in each housing state and age bracket

Source: Census 2011

The analysis of housing status by age and employment status of household head does indicate the obvious trend that employed household head are more likely to live in adequate housing. It is also interesting to note that there are more employed household heads in informal dwellings and informal backyard shacks than unemployed household heads across all age groups up to age 50. It is only after age 50 that this trend reverses, with

unemployment linked to higher levels of informality. The location of employed younger adults in informal accommodation is significant and may indicate that this accommodation serves to house this segment of the population.

Subsidy delivery

At a national level, the General Household Survey (GHS) (2013) shows that the provision of government housing subsidies increased from 5.5% to 13.3% between 2002 and 2013. The GHS (2013) also shows that the change in the percentage of households that received housing subsidies in the Western Cape was 10.7% between 2002 and 2013. This is surpassed only by the Free State province where this figure was 17.1%.

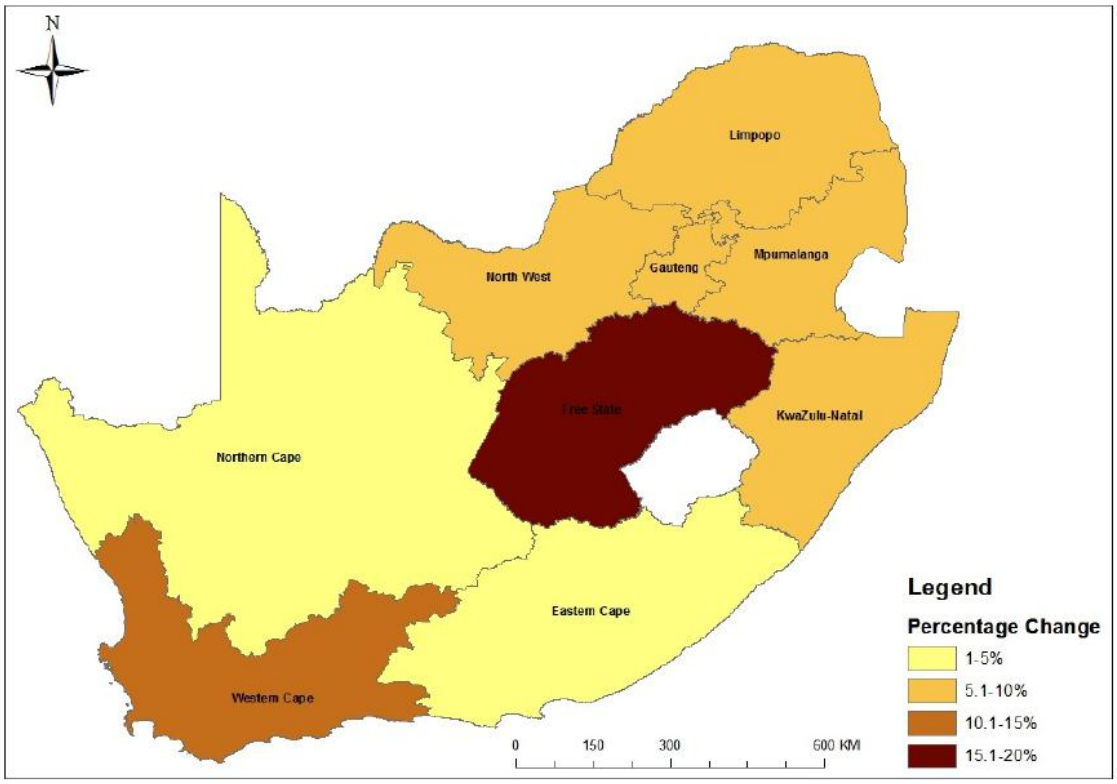


Figure 18: Provincial percentage of households that received housing subsidies

Source: General Household Survey (2013)

The Western Cape Housing Subsidy System (HSS) indicates that a total of 295 817 subsidies were awarded in the Western Cape between 1995 and 2014. Most of these (68%) have been Project Linked (Non-credit) subsidies, followed by Consolidation subsidies (12%) and then the various forms of People's Housing Process subsidies (11%). The split in the types of subsidies awarded is shown below.

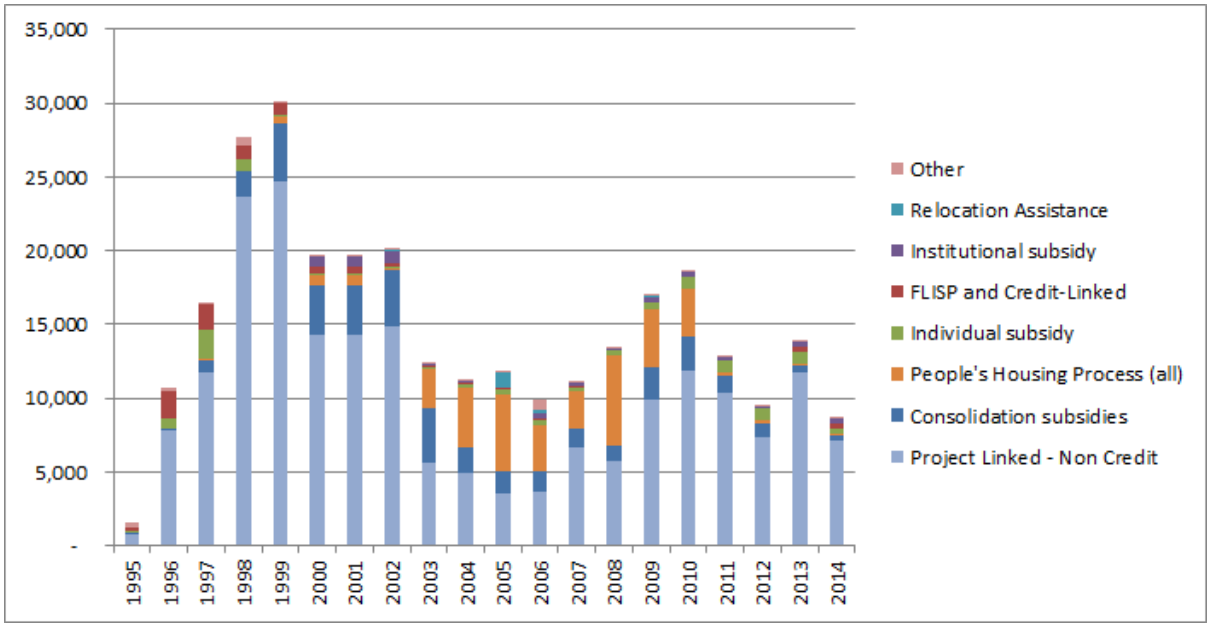


Figure 19: Type of housing subsidy awarded in the Western Cape (1995-2014)

Source: Western Cape Housing Subsidy System (2015)

Estimated Subsidy non-qualification

The National Housing Code specifies the conditions for qualification for assistance through one of the national housing programmes. The four essential qualification criteria that have been used to calculate the number of non-qualifiers in the municipality are:

1. South African resident;
2. 18 years old and above;
3. Not have previously benefited from government housing subsidy assistance;
4. Did not previously own residential property;
5. Married or cohabiting or with financial dependents;
6. Earning less than the qualifying monthly household income threshold

Most subsidy programmes apply to households earning less than R3 500 per month, but the Finance-Linked Subsidy Programme (FLISP) applies to households earning between R3 500 and R15 000 per month.

A detailed description of the process to calculate the number of non-qualifiers for housing subsidies is provided in end note 3. The income criteria have been included in the analysis by presenting the data in two graphs: one for households earning R0 - R3 500 per month and one for households earning R3 500 - R 15 000. The age criterion has been included by only counting households where the household heads are aged above 18 years. The reasons for non-qualification are therefore given on the figures below as:

1. Being a foreign born resident
2. Having received a housing subsidy previously - from the Western Cape Housing Subsidy System

3. Having previously owned a house (without subsidy assistance) - Households currently owning property less those having received a subsidy
4. Not having dependents - measured as households of only 1 person

The numbers of households who do not qualify for housing subsidies have been calculated using a range of sources, and should therefore be treated as an estimate only. Note that the Housing Subsidy System does not record the number of subsidies awarded by municipality, so these have had to be split by the proportions of low income households in each municipality in relation to the provincial total.

There are estimated to be **638,838** households (77% of the total number of households in that income category) earning below R3 500 per month and **350,632** households (75% of the income bracket) earning between R3 500 and R 15 000 per month that do not qualify for subsidies. This does not account for the ability of households to access credit as an additional qualification criterion for the FLISP (see Analysis and Discussion).

Note: These are estimates generated through the study and are meant to provide an indicative sense of the status of subsidy non-qualification.

Estimated Subsidy non-qualifiers earning less than R3 500 / month

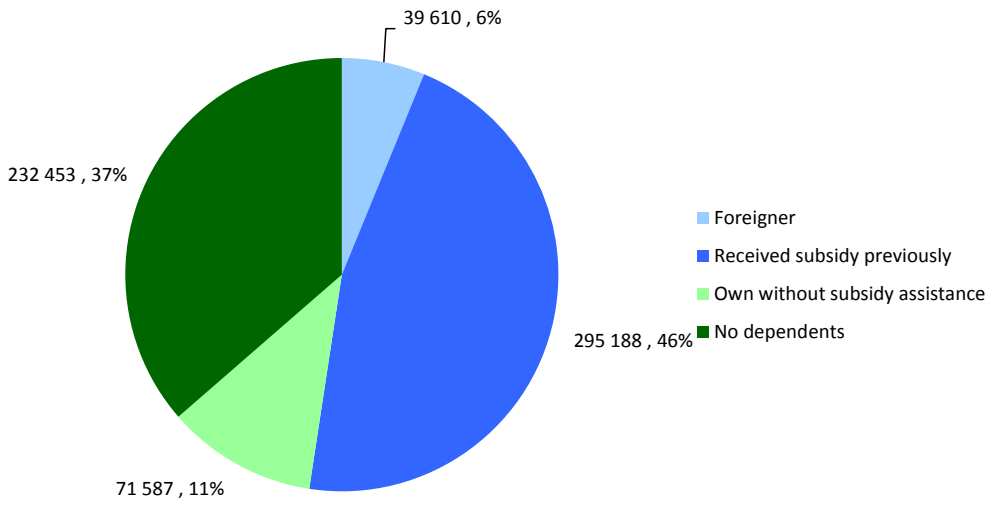
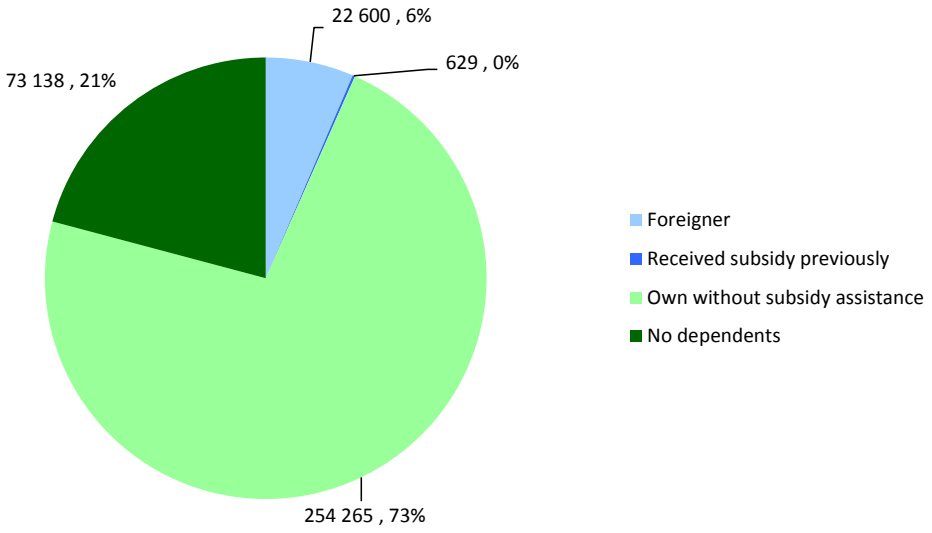


Figure 20: Number and proportion of households (<R3 500/month) not qualifying for housing subsidy assistance by reason

Own calculation using the following sources: Census 2011; Western Cape Housing Demand Database; Western Cape Housing Subsidy System

Estimated Subsidy non-qualifiers earning R3 501 - R15 000 / month



Own calculation using the following sources: Census 2011; Western Cape Housing Demand Database; Western Cape Housing Subsidy System

It is important to note that the above figures relate to the total number of households in the respective income groups, and not only to those that are inadequately housed. Many of the households that do not qualify own their property and therefore do not require housing assistance. The high proportion of household heads without dependents (measured as single person households) in the R0-R3 500 income bracket is linked to the high proportion of younger household heads in this age group. Many of these households live in informal accommodation and is linked to their life stage and livelihood strategies (job-seeking; cost minimisation, etc.)

Profile of informal settlements

The table and map below show the trends in informal settlements. The map in particular highlights the distribution of informal settlements in the Western Cape and excludes the City of Cape Town as it acts as an outlier when trying to compare the concentration of informal settlements across municipalities in the province. The interpretation of the colour scale on the map is such that the highest concentration of informal settlements appears most red and the lowest concentration of informal settlements, the least red.

Overall statistics

Indicator	Source	Year	Total
Total number of informal settlements	WC Informal Settlement Database and City of Cape Town	2011	453
	WC Informal Settlement Database and City of Cape Town	2014	645
Total number of informal settlement dwellings	WC Informal Settlement Database and City of Cape Town	2011	189 367
	WC Informal Settlement Database and City of Cape Town	2014	200 076
Total number of households in informal residential areas	Census	2011	146 425
Total number of households in informal dwellings	Census	2011	191 666

Table 12: Overall statistics on informal settlements

Note: Figures from the Western Cape Informal Settlements Database for 2014 have not yet been verified.

Comparison of informal settlement data

The figure below presents a comparison of the total number of informal settlements dwellings across the non-metro municipalities in the Western Cape, as captured for 2014 in the Western Cape Informal Settlements database. Breede Valley has the highest number of dwellings, at 9 175, followed by Stellenbosch, Theewaterskloof, Knysna and Saldanha Bay. Municipalities in the Central Karoo District have the lowest number of dwellings, with zero informal settlement dwellings recorded in Laingsburg. Note that the colour shading of municipalities represents a relative comparison of the concentration of informal settlements. Thus municipalities with the highest concentration of informal settlements are shown by dark red, whereas municipalities with the lowest concentration of informal settlements are shown by dark green.

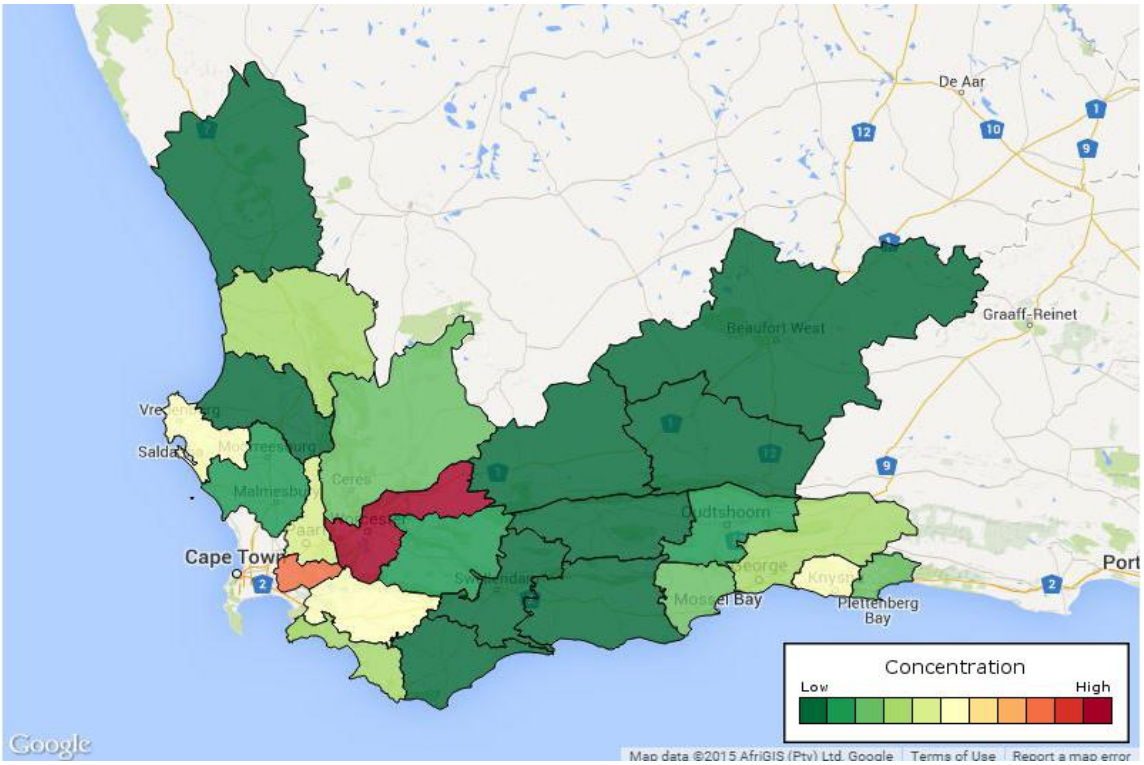


Figure 21: Concentration of informal settlements in the Western Cape

Source: Western Cape Informal Settlements Database

Figure 22 illustrates an important comparison between the various data sources relating to informal settlements.

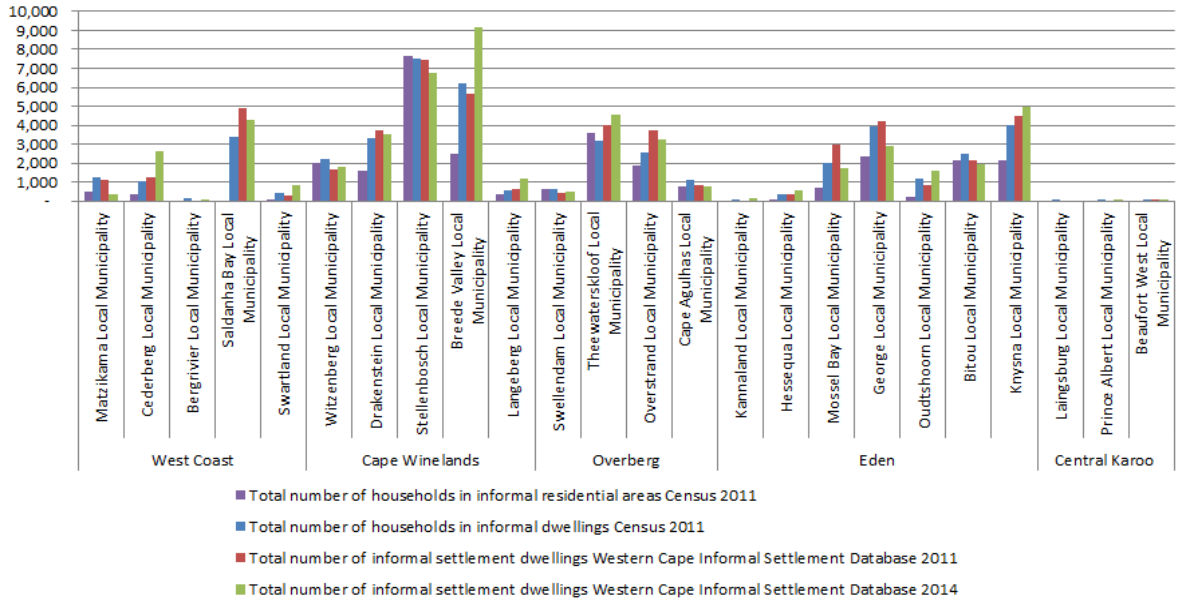


Figure 22: Total number of informal settlement dwellings/households per municipality (excluding City of Cape Town)

Sources: Census 2011; Western Cape Informal Settlements Database

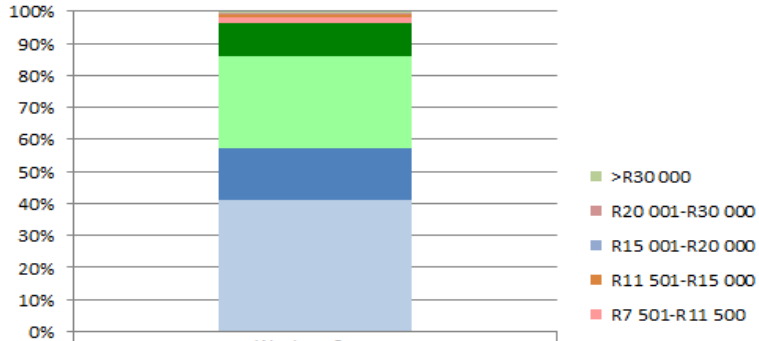
The first point to note is the two different ways in which the Census captures data on informality: by dwelling type and by settlement type. In most cases (but not all) and in total there are more households in informal dwellings than in informal residential areas. There are also far less households registered by Census in informal dwellings than recorded on the Western Cape Informal Settlement Database. As the Informal Settlement Database is based on aerial photography, it is believed to be more accurate, which indicates a tendency for Census to undercount informal dwellings. However, there are exceptions where Census (in both categories) counts more informal households than on the database in 2011 (e.g. Witzenberg and Stellenbosch).

There is no discernible trend with respect to informal settlement growth, with some municipalities showing a decrease in households in informal settlements, while others show increases between 2011 and 2014. The large increase in Breede Valley may be due to rapid recent in-migration, but these figures still need to be validated. Informality is low in the Central Karoo District, which has only 164 informal dwellings in 7 settlements according to the Western Cape Informal Settlements Database 2014.

At a provincial level, there were 192 more informal settlements in 2014 than in 2011, with only 37 of these outside of the City of Cape Town. The total number of informal settlement dwellings increased by 10 709 households (6%) in the past three years, with 2 979 of these new dwellings outside of the City of Cape Town.

The figures below are based on an analysis of the Census data for households in informal dwellings, and not for the informal residential settlement category (see definitions section for more details). In most municipalities the number of households in informal dwellings is higher than the number of households in informal residential areas, and the former number is therefore believed to be more inclusive.

Income profile of informal dwelling household heads



	Western Cape
>R30 000	977
R20 001-R30 000	695
R15 001-R20 000	495
R11 501-R15 000	1,286
R7 501-R11 500	3,251
R3 501-R7 500	19,804
R1 501-R3 500	55,702
R801-R1 500	30,639
R0-R800	78,817

Figure 23: Proportion of households in informal dwellings in each monthly household income bracket

Source: Census 2011

Age profile of informal dwelling household heads

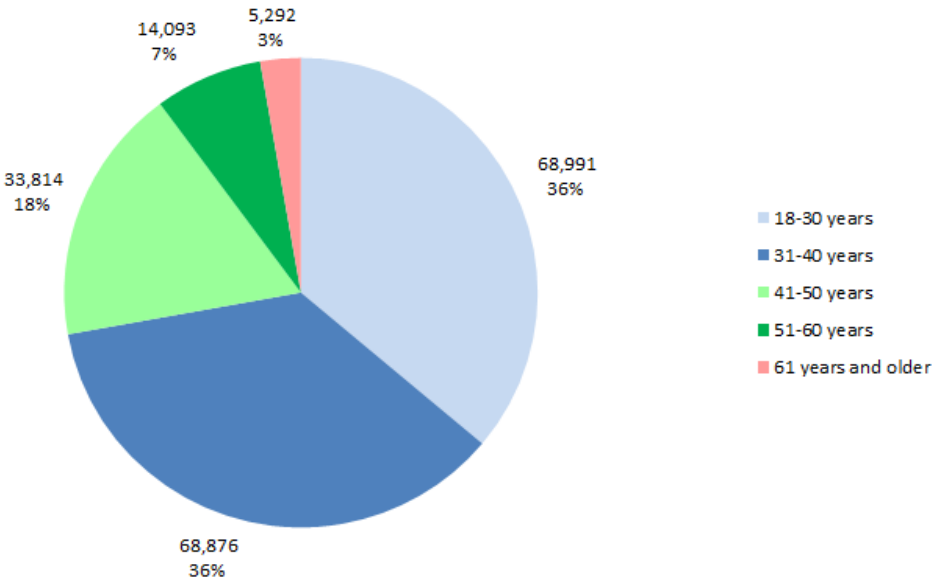


Figure 24: Number and proportion of household heads in informal dwellings in each age bracket

Source: Census 2011

Employment status of informal dwelling household heads

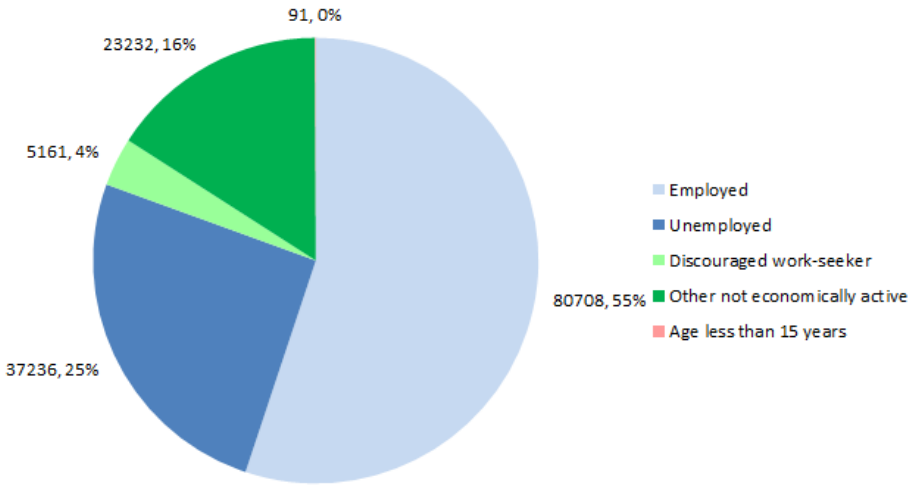


Figure 25: Number and proportion of household heads in informal dwellings by employment status

Source: Census 2011

The majority of households living in informal dwellings are poor, with 86% of households earning less than R3 500 per month. However, this also indicates that 14% of residents in informal dwellings do not qualify for full subsidy assistance because they earn over the income threshold. However, only 1% earn above the FLISP threshold.

The majority of household heads (72%) are aged between 18 and 40 years. Only 3% are aged above 60 years. According to Census, 55% of informal dwelling residents are employed.

In terms of growth in informal dwellings in the Western Cape, the Housing Development Agency (2013) identifies the West Coast and Cape Winelands Districts as the fastest growing. In general, the number of households living in informal dwellings has increased by more than those households in informal backyard shacks (the only exception being the Central Karoo which has very few households living in shacks).

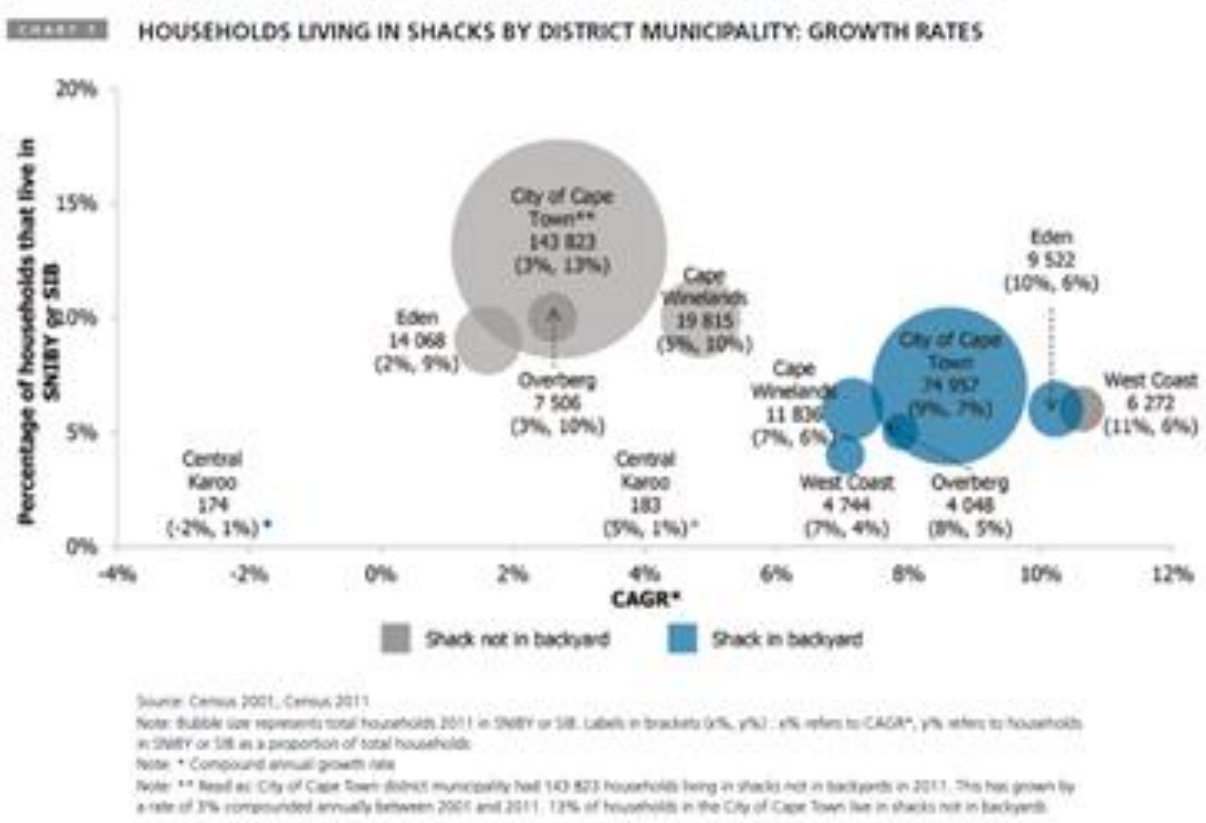
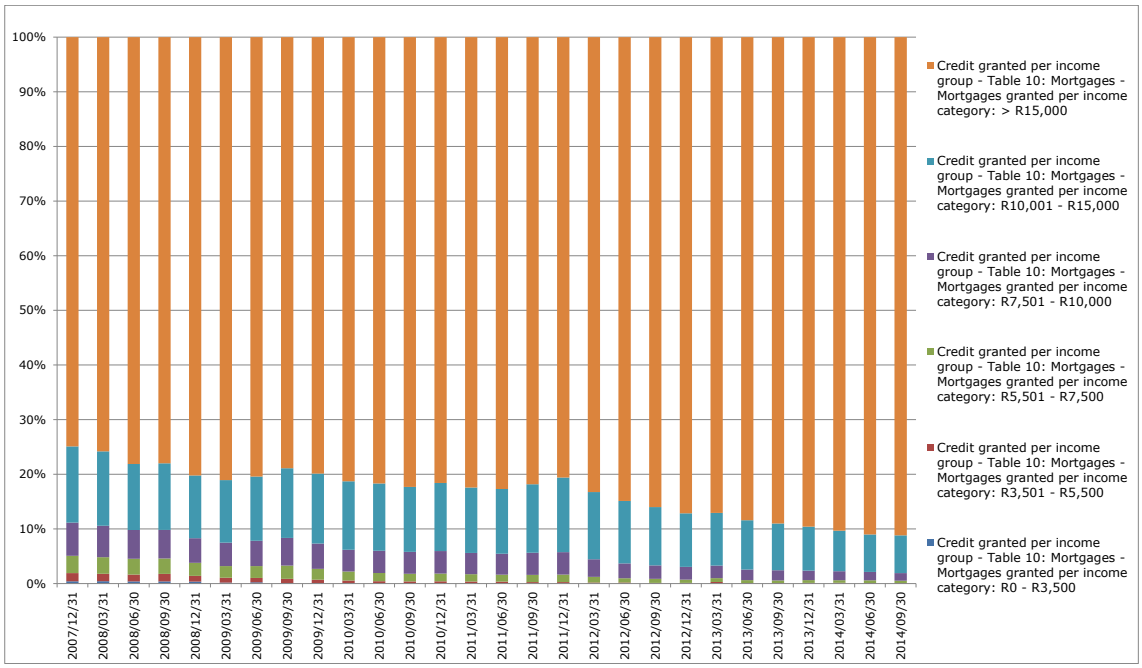


Figure 26: Households living in shacks by district municipality: Growth rates

Source: Housing Development Agency (2013:15)

Gap market dynamics

Percentage of households granted bonds, by income group (2007-2014) at constant 2012 prices



Source: Own analysis using Quantec statistics from National Credit Regulator

The above figure shows a downturn in the granting of bonds to household income groups below R15 000 in the Western Cape. By the end of 2014, 91% of mortgages granted to households were granted to households earning an income above R15 000/month.

The Financial and Fiscal Commission (2013:19) note that:

> *"Mortgage finance is granted predominantly to households earning more than R15 000 per month … This income group accounts for just over 80 per cent of private housing finance, with the remainder going to those earning between R7 500 and R10 000 per month. Mortgage finance to households with a monthly income below R7 500 is almost nonexistent. According to the household credit access frontier, households with a monthly income of between R3 500 and R7 500 can qualify for a mortgage bond of between R140 000 and R300 000 depending on the interest rate and credit-worthiness. The National Credit Regulator (NCR, 2012) found that, of the total value of mortgage bonds granted, less than 10 per cent are below R350 000."*

Further to this, The Banking Association of South Africa (2015: 15) finds that within the gap market where many housing developments are taking place:

> *"Due to urbanisation and delivery, despite the rate over the last five years not being what it should have, we're probably still looking at similar figures in the gap market. The problem is that a typical unit that can be produced in the gap market would have a selling price of around R350 000. In order to afford that, your household income would have to be around* ***R11 500*** *per month."* (emphasis added)

Networked Infrastructure

This section looks at access to engineering services by housing type to try and identify where the largest numbers of un-serviced households lie. The Census data for three services: water, sanitation and electricity, were cross-tabulated against each other to provide an indication of the number of households that have none of the three services, relative to their housings status. It is not possible to include overcrowded households in this analysis because of the structure of the Census data. This section also shows high-level service delivery numbers from the GHS (2013).

According to the Housing Development Agency (2013: 23), access to municipal services improved noticeably between 2001 and 2011 particularly in terms of access to sanitation and piped water. Access to electricity also increased from 88% of all households in 2001 to 93% in 2011. Informal dwellings in the Western Cape are also said to have the highest levels of access to refuse removal, sanitation, water and electricity in the country.

Definitions used for un-serviced households

Water: No access to piped water within 200m

Electricity: Lack of access to electricity for lighting

Sanitation: Lack of access to waterborne toilet facilities or Ventilated Improved Pit toilet

Waste: Service levels other than kerbside collection

ICT: No access to the internet from home

Lack of access to networked services

	Electricity	Water	Sanitation	Waste	ICT	Total
Informal dwelling	70,383	35,406	83,999	53,615	189,706	433,109
Informal backyard shack	8,451	4,644	18,029	5,255	103,262	139,641
Adequate	29,189	13,267	44,752	86,717	1,071,540	1,245,465
Total	108,023	53,317	146,780	145,587	1,364,508	1,818,215

Table 13: Number of un-serviced households by service and housing status

Source: Census 2011

Percentage of un-serviced households by service

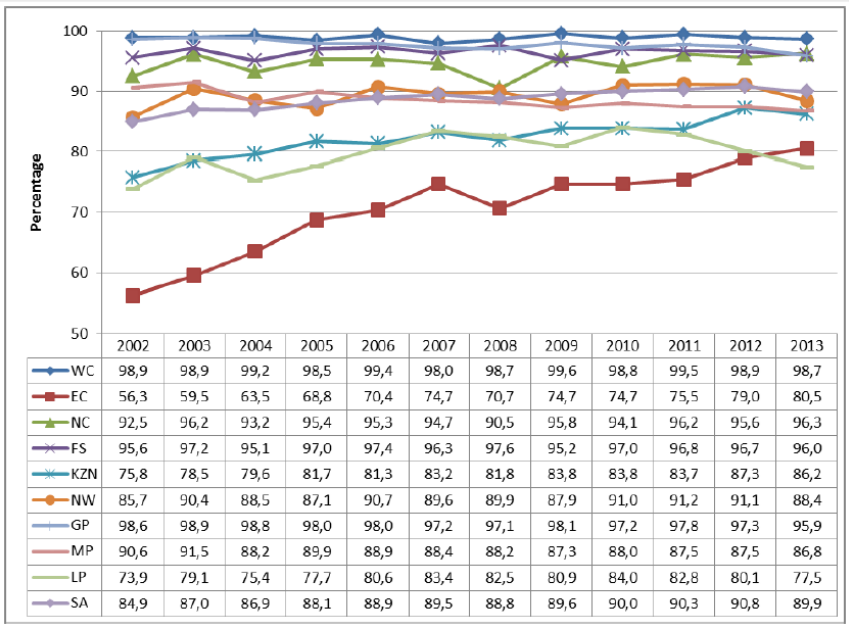
	Electricity	Water	Sanitation	Waste	ICT
Informal dwelling	37%	18%	44%	28%	99%
Informal backyard shack	8%	4%	17%	5%	98%
Adequate	2%	1%	3%	6%	80%
Total	7%	3%	9%	9%	84%

Table 14: Percentage of households in each housing sate that are un-serviced with each service

Source: Census 2011

Comparison of access to services across provinces

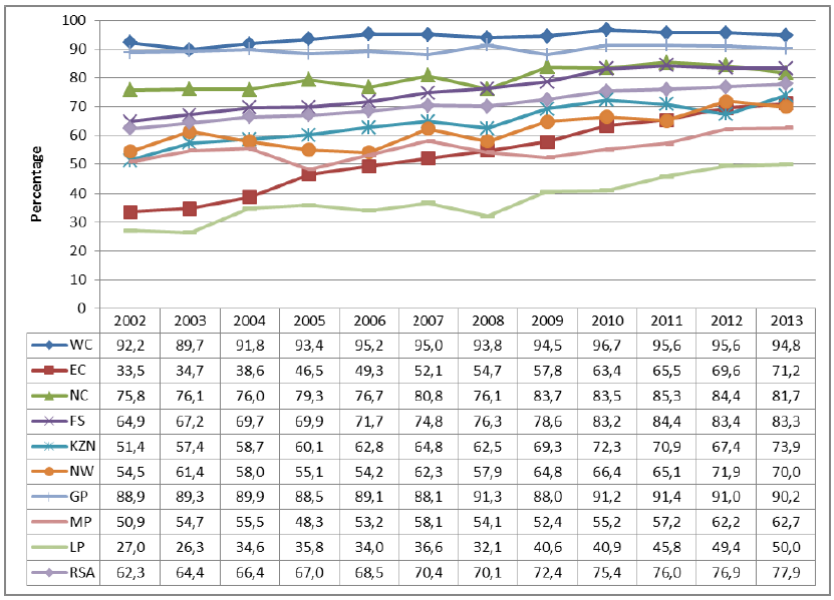
Evidence from the GHS (2013) suggests that relative to other provinces, the Western Cape is a leader in water, sanitation and telecommunications service delivery but has, since 2008 been surpassed by the Free State, Northern Cape, Limpopo and Mpumalanga provinces in its electricity provision. In terms of refuse removal, the Western Cape was most likely to have regular refuse removed with 91.1% of households having their waste removed once a week.



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
WC	98,9	98,9	99,2	98,5	99,4	98,0	98,7	99,6	98,8	99,5	98,9	98,7
EC	56,3	59,5	63,5	68,8	70,4	74,7	70,7	74,7	74,7	75,5	79,0	80,5
NC	92,5	96,2	93,2	95,4	95,3	94,7	90,5	95,8	94,1	96,2	95,6	96,3
FS	95,6	97,2	95,1	97,0	97,4	96,3	97,6	95,2	97,0	96,8	96,7	96,0
KZN	75,8	78,5	79,6	81,7	81,3	83,2	81,8	83,8	83,8	83,7	87,3	86,2
NW	85,7	90,4	88,5	87,1	90,7	89,6	89,9	87,9	91,0	91,2	91,1	88,4
GP	98,6	98,9	98,8	98,0	98,0	97,2	97,1	98,1	97,2	97,8	97,3	95,9
MP	90,6	91,5	88,2	89,9	88,9	88,4	88,2	87,3	88,0	87,5	87,5	86,8
LP	73,9	79,1	75,4	77,7	80,6	83,4	82,5	80,9	84,0	82,8	80,1	77,5
SA	84,9	87,0	86,9	88,1	88,9	89,5	88,8	89,6	90,0	90,3	90,8	89,9

Figure 27: Percentage of households with access to piped or tap water in their dwelling, off-site or on-site by province, 2002-2013

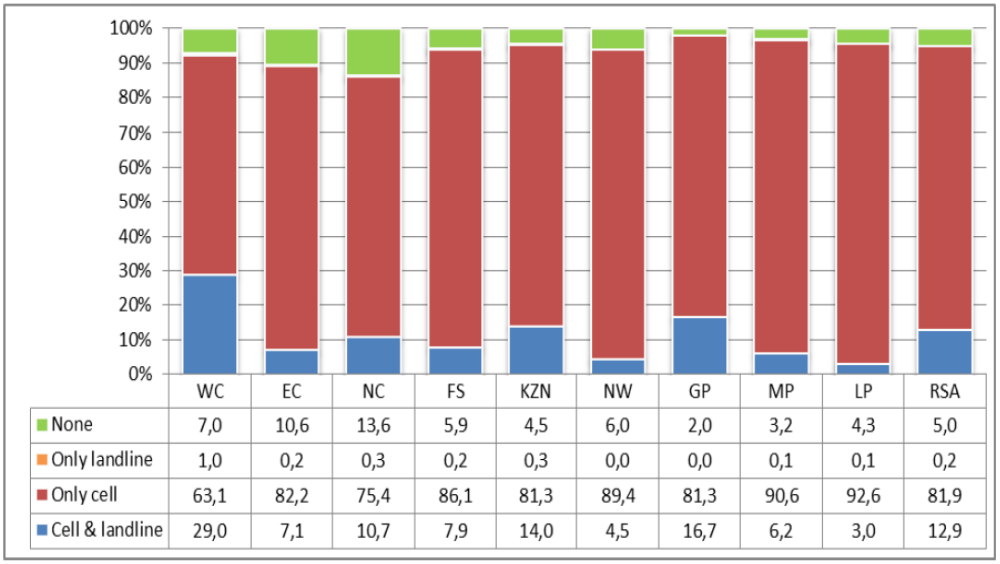
Source: General Household Survey, 2013



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
WC	92,2	89,7	91,8	93,4	95,2	95,0	93,8	94,5	96,7	95,6	95,6	94,8
EC	33,5	34,7	38,6	46,5	49,3	52,1	54,7	57,8	63,4	65,5	69,6	71,2
NC	75,8	76,1	76,0	79,3	76,7	80,8	76,1	83,7	83,5	85,3	84,4	81,7
FS	64,9	67,2	69,7	69,9	71,7	74,8	76,3	78,6	83,2	84,4	83,4	83,3
KZN	51,4	57,4	58,7	60,1	62,8	64,8	62,5	69,3	72,3	70,9	67,4	73,9
NW	54,5	61,4	58,0	55,1	54,2	62,3	57,9	64,8	66,4	65,1	71,9	70,0
GP	88,9	89,3	89,9	88,5	89,1	88,1	91,3	88,0	91,2	91,4	91,0	90,2
MP	50,9	54,7	55,5	48,3	53,2	58,1	54,1	52,4	55,2	57,2	62,2	62,7
LP	27,0	26,3	34,6	35,8	34,0	36,6	32,1	40,6	40,9	45,8	49,4	50,0
RSA	62,3	64,4	66,4	67,0	68,5	70,4	70,1	72,4	75,4	76,0	76,9	77,9

Figure 28: Percentage of households that have access to improved sanitation by province, 2002-2013

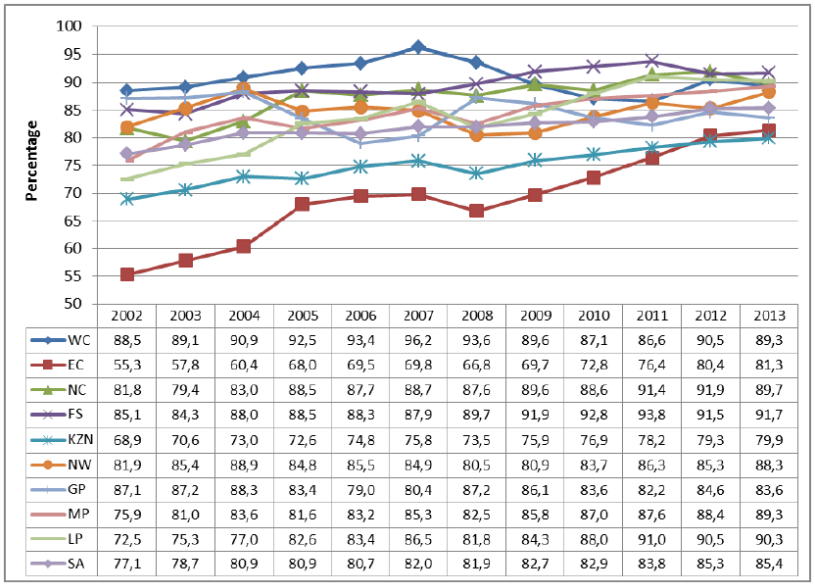
Source: General Household Survey, 2013



	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
None	7,0	10,6	13,6	5,9	4,5	6,0	2,0	3,2	4,3	5,0
Only landline	1,0	0,2	0,3	0,2	0,3	0,0	0,0	0,1	0,1	0,2
Only cell	63,1	82,2	75,4	86,1	81,3	89,4	81,3	90,6	92,6	81,9
Cell & landline	29,0	7,1	10,7	7,9	14,0	4,5	16,7	6,2	3,0	12,9

Figure 29: Percentage of households who have a functional landline and cellular telephone in their dwellings by province, 2002-2013

Source: General Household Survey, 2013



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
WC	88,5	89,1	90,9	92,5	93,4	96,2	93,6	89,6	87,1	86,6	90,5	89,3
EC	55,3	57,8	60,4	68,0	69,5	69,8	66,8	69,7	72,8	76,4	80,4	81,3
NC	81,8	79,4	83,0	88,5	87,7	88,7	87,6	89,6	88,6	91,4	91,9	89,7
FS	85,1	84,3	88,0	88,5	88,3	87,9	89,7	91,9	92,8	93,8	91,5	91,7
KZN	68,9	70,6	73,0	72,6	74,8	75,8	73,5	75,9	76,9	78,2	79,3	79,9
NW	81,9	85,4	88,9	84,8	85,5	84,9	80,5	80,9	83,7	86,3	85,3	88,3
GP	87,1	87,2	88,3	83,4	79,0	80,4	87,2	86,1	83,6	82,2	84,6	83,6
MP	75,9	81,0	83,6	81,6	83,2	85,3	82,5	85,8	87,0	87,6	88,4	89,3
LP	72,5	75,3	77,0	82,6	83,4	86,5	81,8	84,3	88,0	91,0	90,5	90,3
SA	77,1	78,7	80,9	80,9	80,7	82,0	81,9	82,7	82,9	83,8	85,3	85,4

Figure 30: Percentage of households connected to the mains electricity supply by province, 2002-2013

Source: General Household Survey, 2013

Comparison of access to services across municipalities

Below are a set of graphs and maps displaying the relative percentages of unserviced households in each municipality the Western Cape. The interpretation of the colour scale on the maps is such that the least unserviced areas show up dark green whereas the most unserviced areas are coloured dark red.

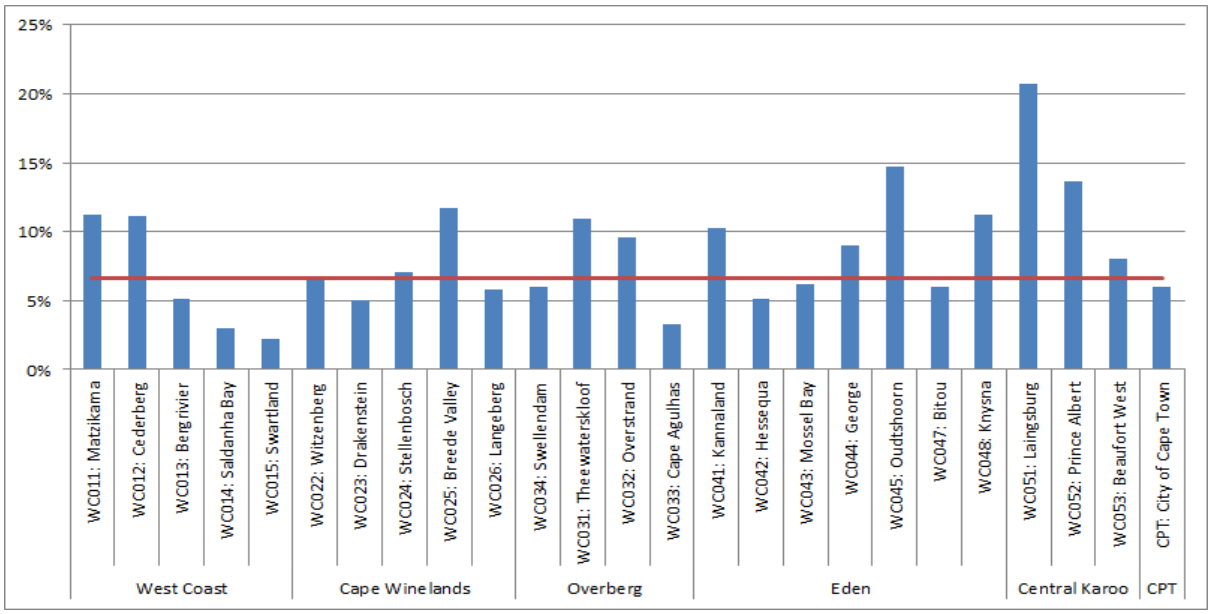


Figure 31: Percentage of households un-serviced with electricity by municipality (where the red line indicates the provincial average)

Source: Census 2011

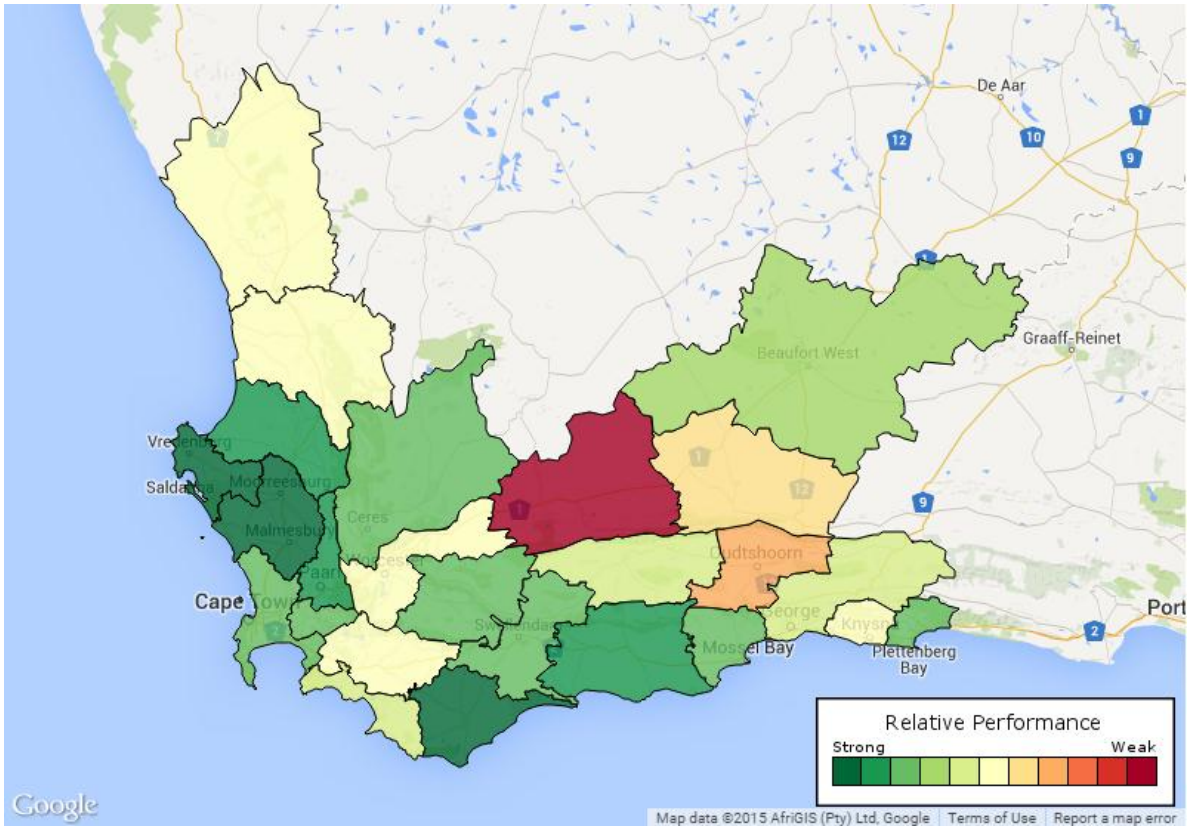


Figure 32: Concentration of households un-serviced with electricity by municipality

Source: Census 2011

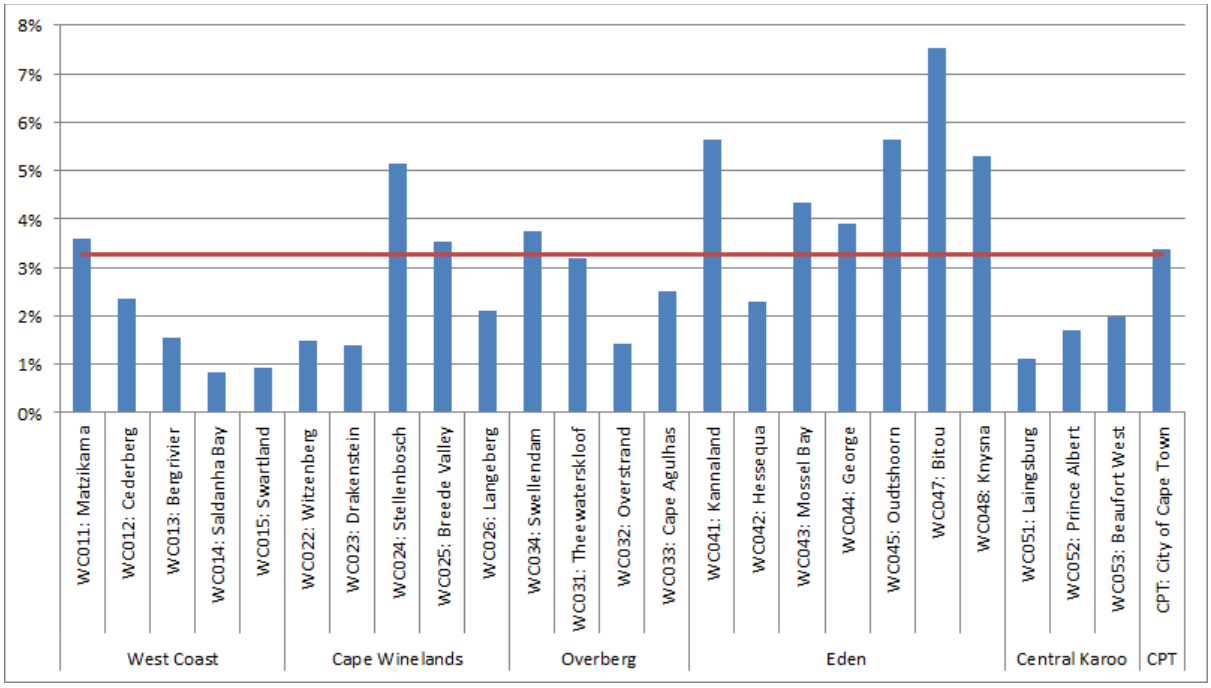


Figure 33: Percentage of households un-serviced with water by municipality (where the red line indicates the provincial average)

Source: Census 2011

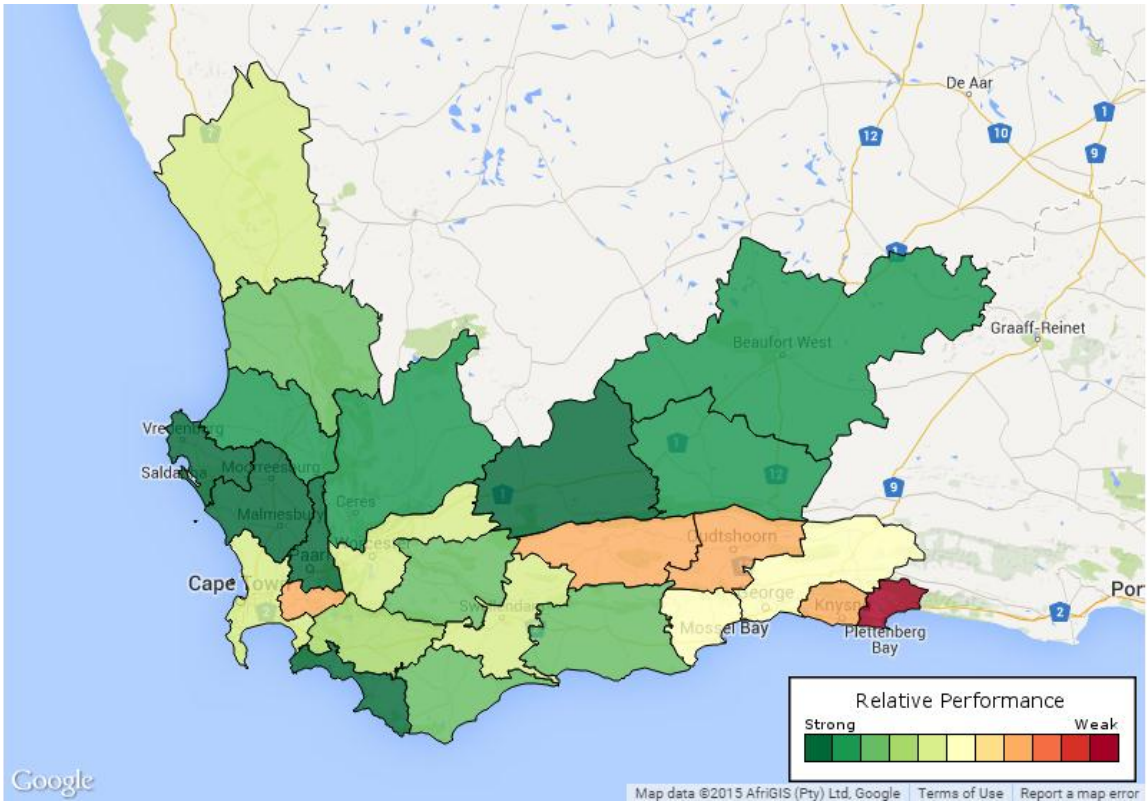


Figure 34: Concentration of households un-serviced with water by municipality

Source: Census 2011

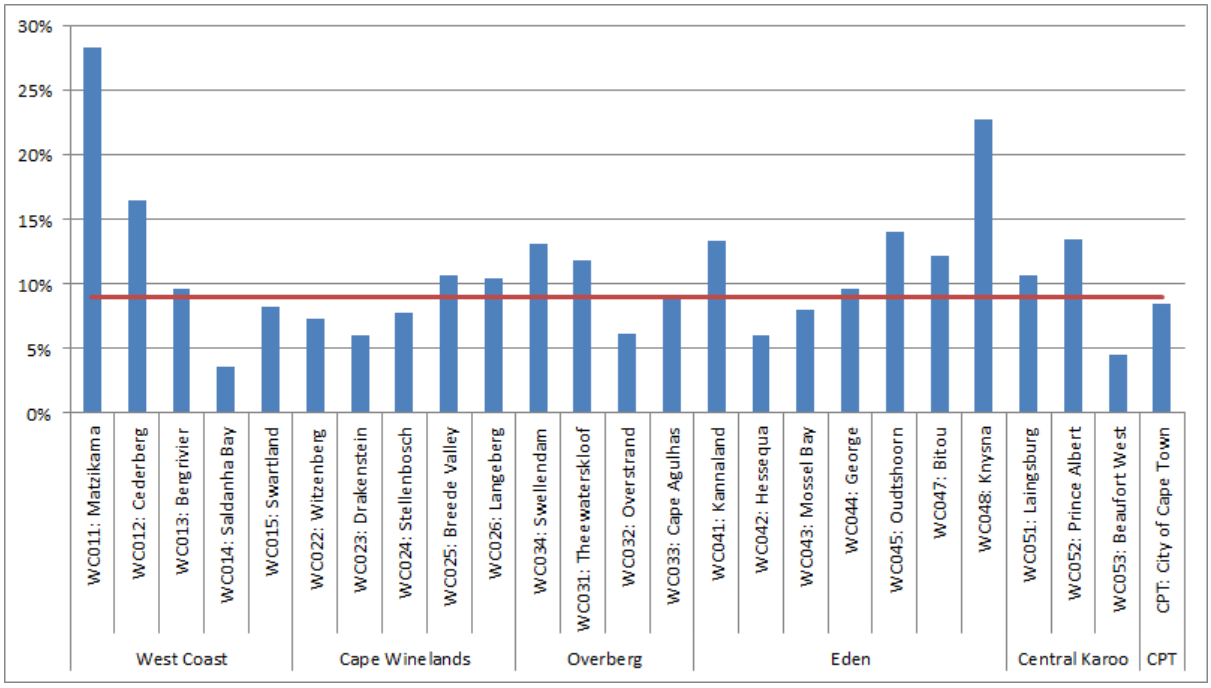


Figure 35: Percentage of households un-serviced with sanitation by municipality (where the red line indicates the provincial average)

Source: Census 2011

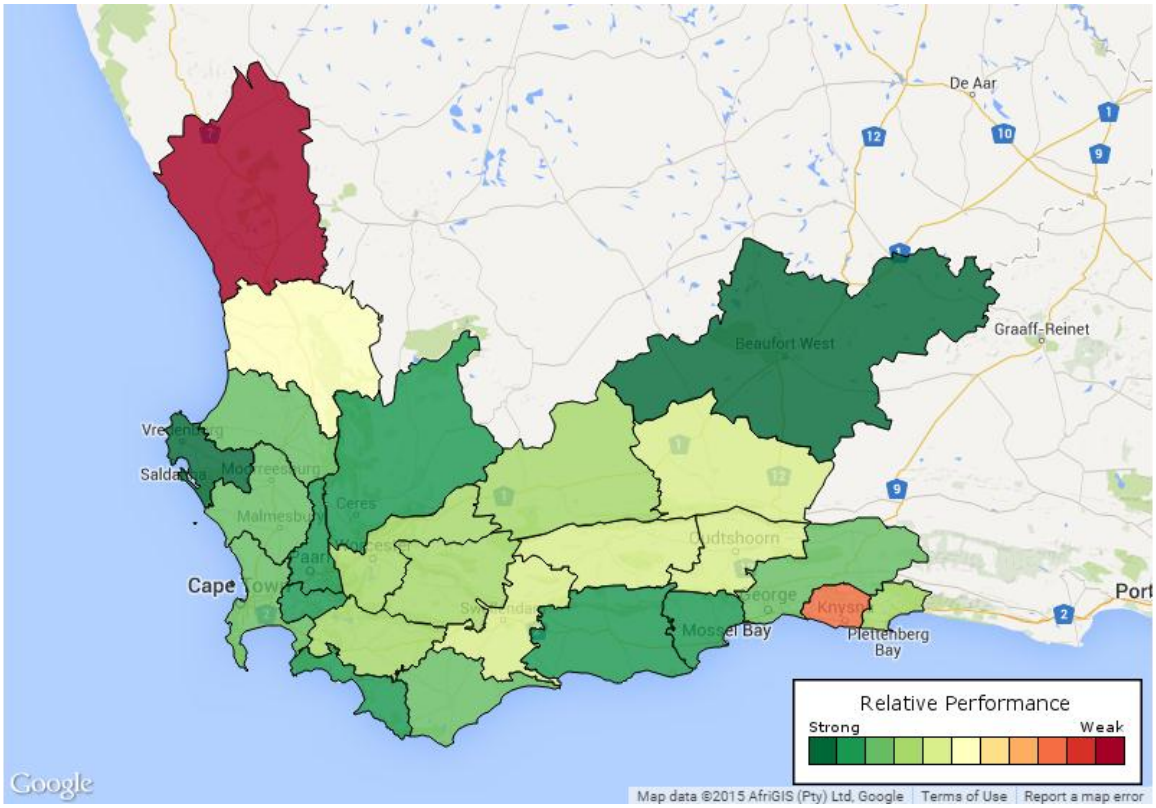


Figure 36: Concentration of households un-serviced with sanitation by municipality

Source: Census 2011

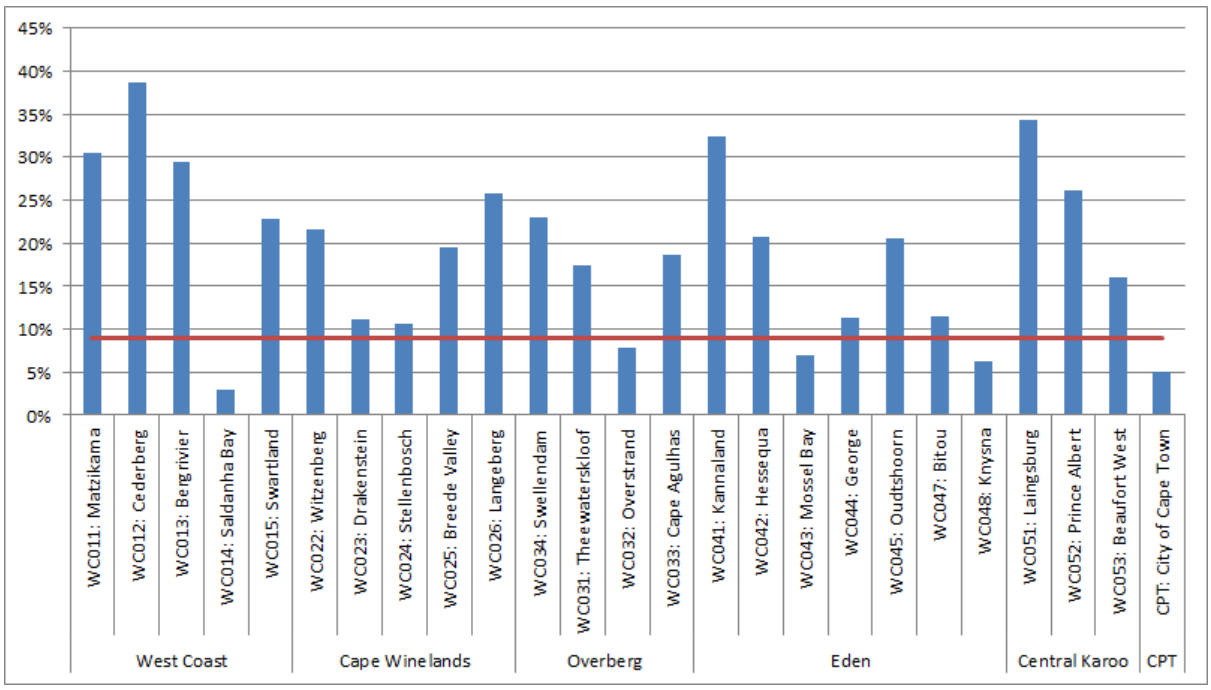


Figure 37: Percentage of households un-serviced with waste collection by municipality
(where the red line indicates the provincial average)

Source: Census 2011

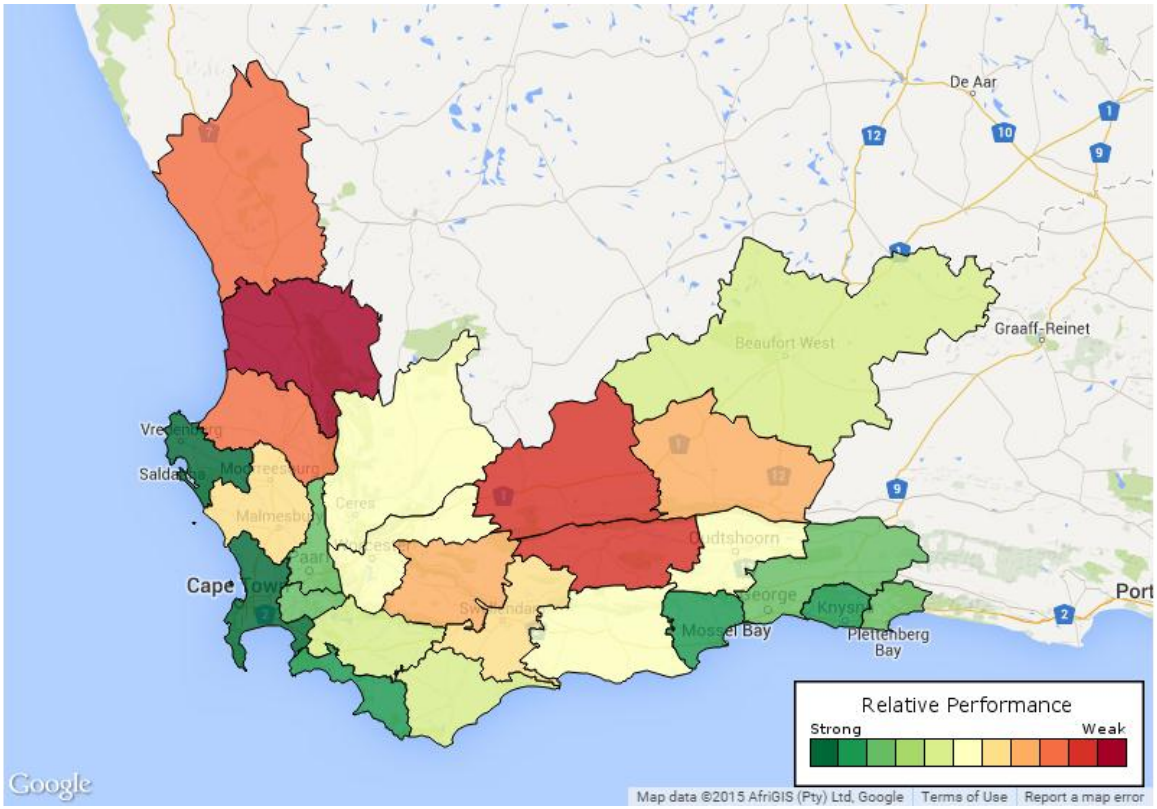


Figure 38: Concentration of households un-serviced with waste collection by municipality

Source: Census 2011

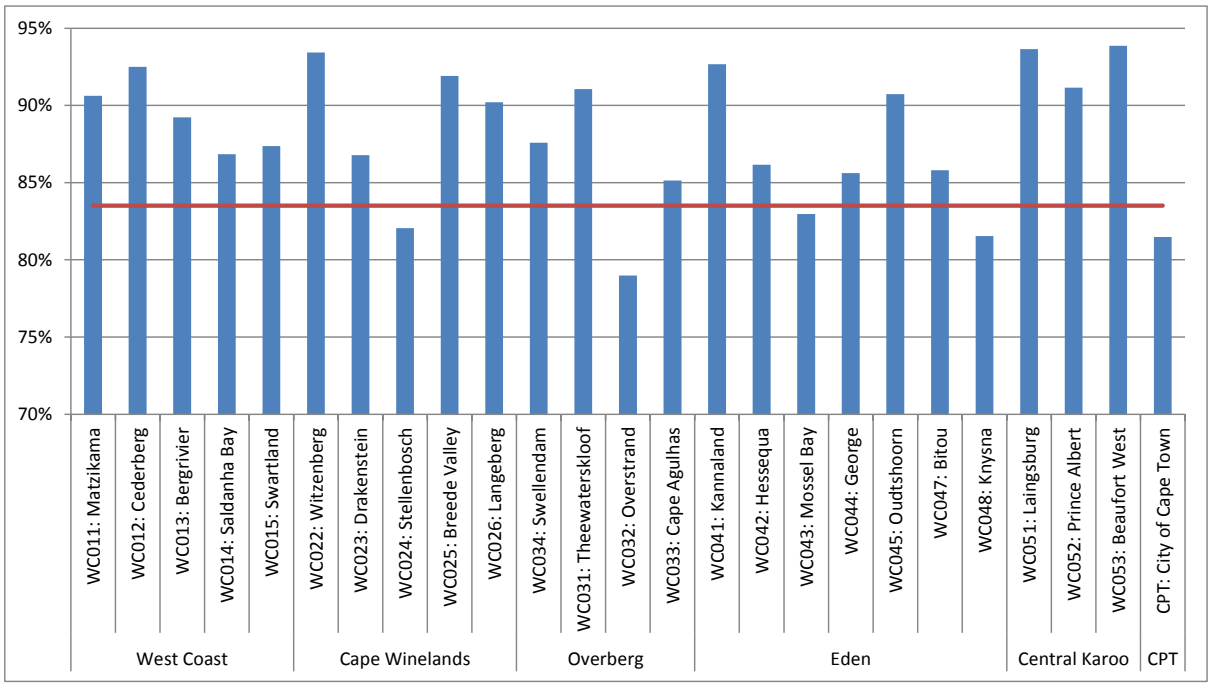


Figure 39: Percentage of households un-serviced with internet at home by municipality (where the red line indicates the provincial average)

Source: Census 2011

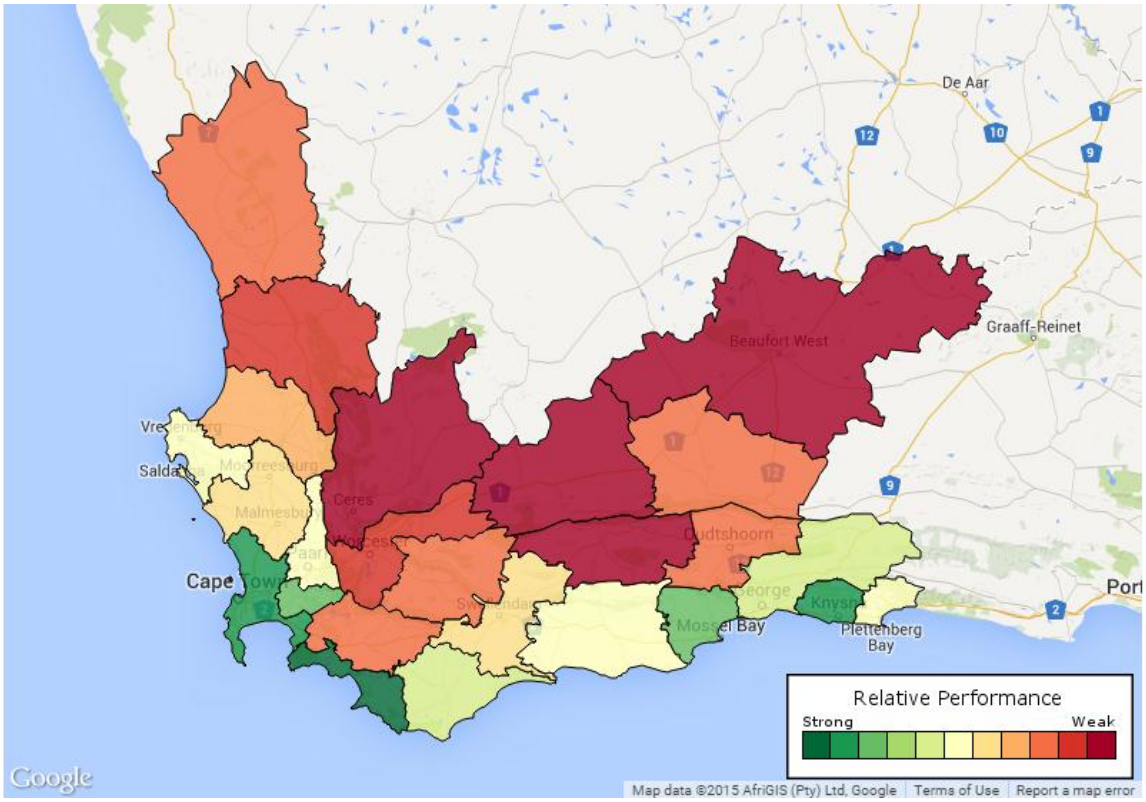


Figure 40: Concentration of households un-serviced with internet at home by municipality

Source: Census 2011

The highest proportions of network service backlogs exist in informal dwellings, with 44% of households lacking adequate access to sanitation and 37% of households lacking access to electricity. While backlogs in other housing types are low, there is a notable lack of access to sanitation in backyard shacks (18%). ICT coverage (internet at home) is relatively low. Only 20% of adequately housed households have access at home.

There are no clear trends when comparing service access across municipalities, as municipalities may fall above the norm on some services, but below the norm on others. Municipalities like Overstrand and Saldanha Bay consistently have low levels of service backlogs.

Number of un-serviced households (combined water, electricity and sanitation services)

	R0-R800	R801-R1 500	R1 501-R3 500	R3 501-R7 500	R7 501-R11 500	R11 501-R15 000	R15 001-R20 000	R20 001-R30 000	>R30 000	Total
Informal dwelling	5659	1876	3050	782	97	41	20	30	50	11605
Informal backyard shack	363	170	187	62	8	3	0	0	0	793

	R0-R800	R801-R1 500	R1 501-R3 500	R3 501-R7 500	R7 501-R11 500	R11 501-R15 000	R15 001-R20 000	R20 001-R30 000	>R30 000	Total
Adequate	639	604	900	286	32	12	4	6	3	2486
Total	6661	2650	4137	1130	137	56	24	36	53	14884

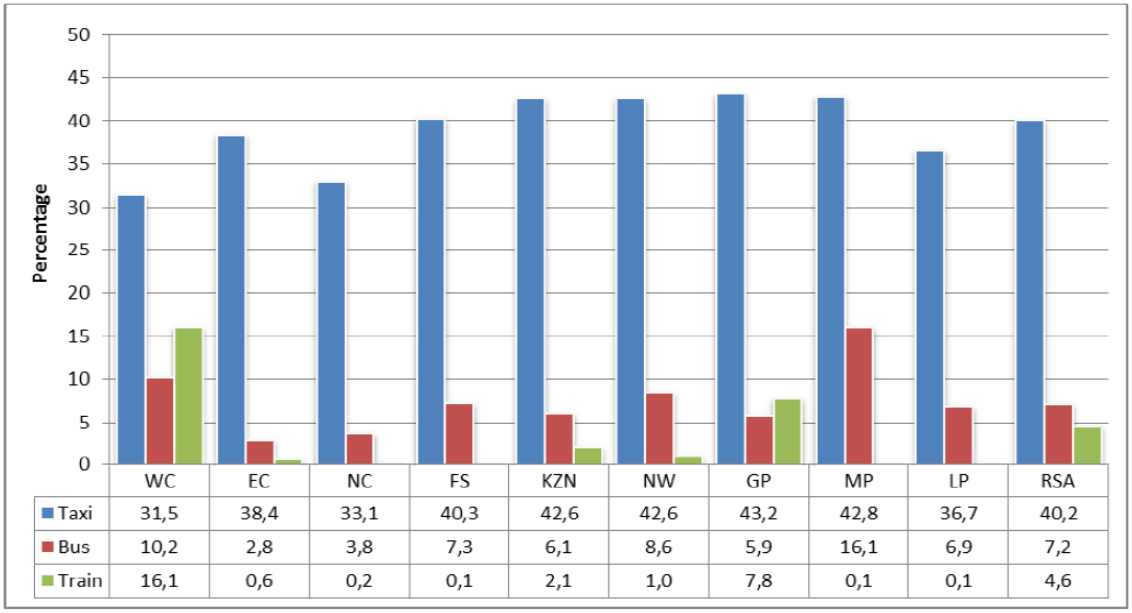
Table 15: Number of households in each settlement type without water sanitation and electricity

Source: Census 2011

The above table cross-tabulates all three services and provides an indication of the number of households that have none of the three services, relative to their dwelling type. The table shows that there are relatively few households that do not have access to all three services – less than 15 000 households in total. Most of these households are in informal dwellings. The 2 486 households unserviced in adequate dwellings are possibly located on farms. Almost all households without services earn less than R7 500.

Dependence on public transport

At a national scale, the GHS (2013) shows that of households that have used public transport in the Western Cape (in the week preceding the 2013 survey), the use of trains dominated usage in the province, which is heavily influenced by train usage in Cape Town. Relative to the national average, such households in the Western Cape also made more frequent use of buses but less taxis.



	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
Taxi	31,5	38,4	33,1	40,3	42,6	42,6	43,2	42,8	36,7	40,2
Bus	10,2	2,8	3,8	7,3	6,1	8,6	5,9	16,1	6,9	7,2
Train	16,1	0,6	0,2	0,1	2,1	1,0	7,8	0,1	0,1	4,6

Figure 41: Percentage of households who made use of public transport during the week preceding the survey by province, 2013

Source: General Household Survey, 2013

The only complete data set relating to public transport was the Census data on household access to private motor cars. This indicator gives an indication of exclusive dependence on public transport.

	Number	Percentage of households in each housing status category without motor car
Informal dwelling	180,478	94.2%
Informal backyard shack	96,541	91.7%
Adequate	645,133	48.2%
Total	922,152	56.4%

Table 16: Number of households with no access to a private motor car (Source: Census 2011)

There are 922,152 households (56%) that do not have access to a private motor car and are therefore assumed to be reliant on public or non-motorised transport. The lowest levels of car ownership are in Overstrand and Mossel Bay, and highest levels in Beaufort West, Witzenberg and Cederberg.

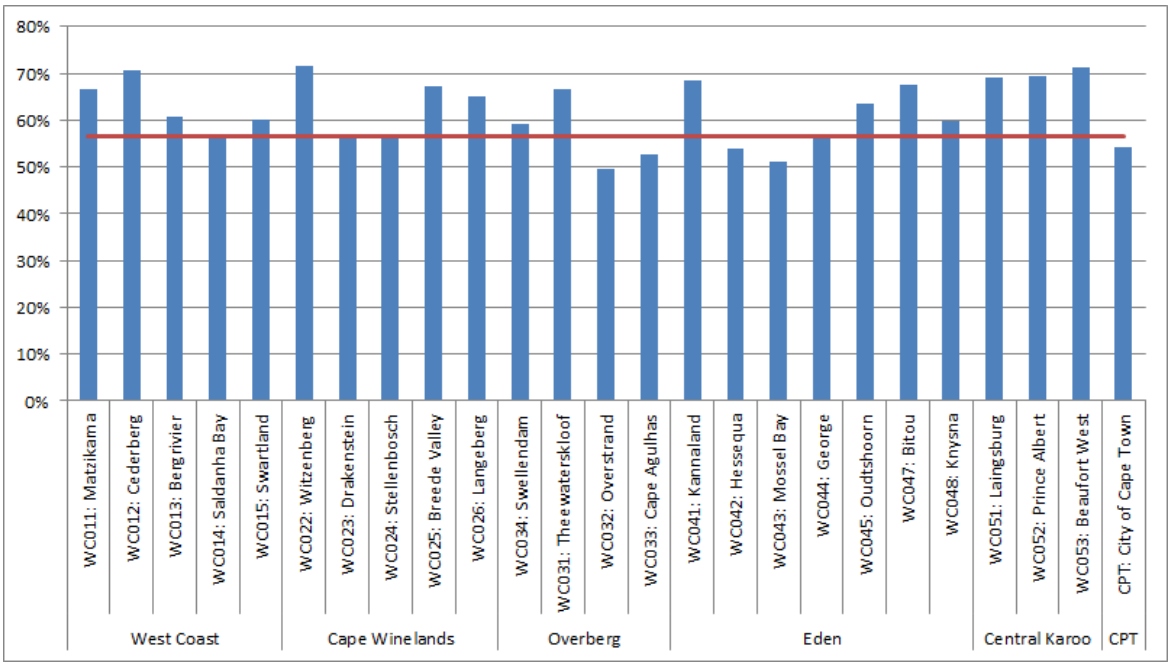


Figure 42: Percentage of household without access to a motor car by municipality

Source: Census 2011

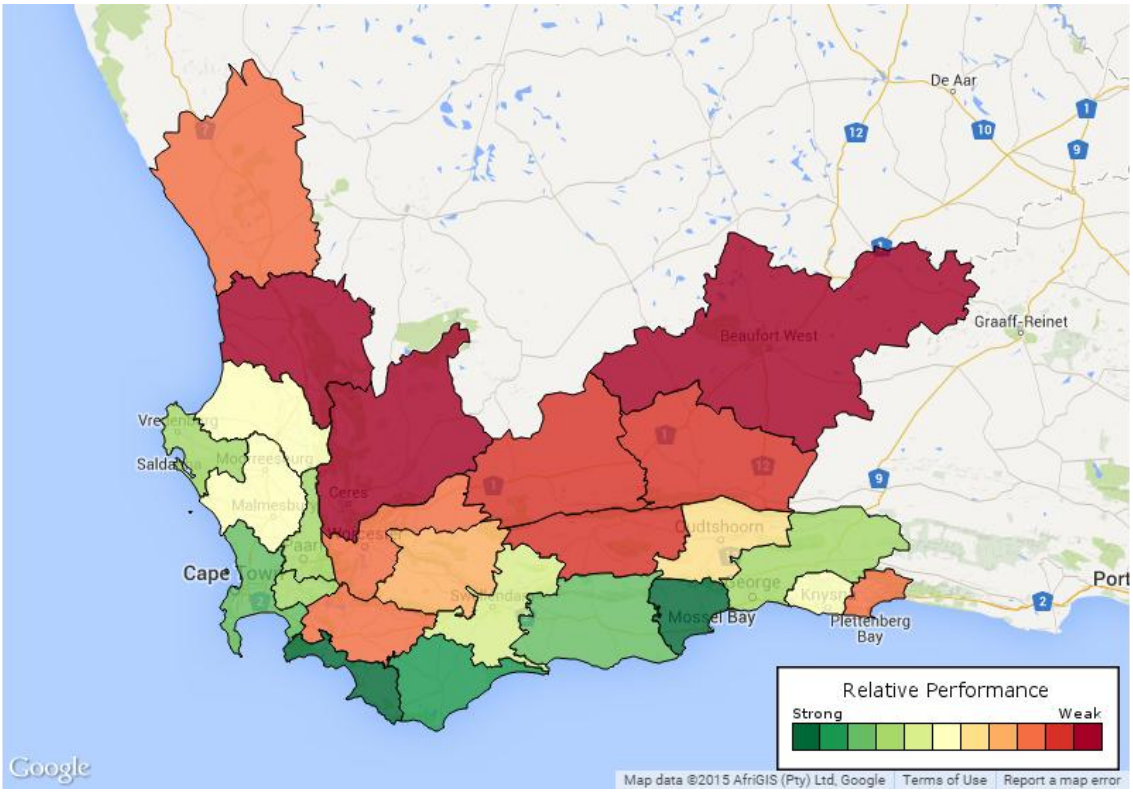


Figure 43: Concentration of households without access to a motor car by municipality

Source: Census 2011

Social Infrastructure

The social infrastructure analysis investigated data on a range of provincial social facilities and municipal community facilities and compared these against norms and standards provided in the CSIR Guidelines for the Provision of Social Facilities in South African Settlements (2012). The CSIR Guidelines provide nuanced guidance regarding the norms to be applied in various contexts. These norms comprise distance and population thresholds for settlements of different sizes. The population thresholds only have been simplified and used here only to benchmark existing provision, and the thresholds should be critically assessed using the CSIR Guidelines for planning purposes. An explanation of the method for selecting the population thresholds and for data manipulation is provided in endnote 4.

Indicators for facilities for which there are no CSIR norms, or where data is highly variable between municipalities have been omitted. For most of the CSIR norms, a range is provided. For comparison purposes, the average value is used, except where this average value is greater than the municipal population, in which case the minimum of the range is used.

For the provincial profile, the municipal results have been summarised in a single table, indicating where the municipal coverage of a particular facility (in terms of population threshold only) is better or worse than the selected norm.

			Secondary School	Primary School	ECD and Creche	Public Clinics	Local Libraries	Thusong Centres	Cemeteries	Police stations
Cape Winelands DM	WC025	Breede Valley	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm
	WC023	Drakenstein	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm
	WC026	Langeberg	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Worse than norm	Better than norm
	WC024	Stellenbosch	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Worse than norm	Better than norm
	WC022	Witzenberg	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm	Better than norm
Central Karoo DM	WC053	Beaufort West	Better than norm	Better than norm	Worse than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm
	WC051	Laingsburg	Better than norm	Better than norm	Worse than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm
	WC052	Prince Albert	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Worse than norm	Better than norm
CPT	CPT	City of Cape Town	Worse than norm	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm
Eden DM	WC047	Bitou	Worse than norm	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm
	WC044	George	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm
	WC042	Hessequa	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm
	WC041	Kannaland	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Worse than norm	Better than norm
	WC048	Knysna	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Worse than norm	Better than norm
	WC043	Mossel Bay	Worse than norm	Better than norm	Worse than norm	Better than norm	Better than norm	Worse than norm	Worse than norm	Better than norm
	WC045	Oudtshoorn	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm
Overberg DM	WC033	Cape Agulhas	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm	Better than norm
	WC032	Overstrand	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm
	WC034	Swellendam	Better than norm	Better than norm	Worse than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm
	WC031	Theewaterskloof	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm	Better than norm
West Coast DM	WC013	Bergrivier	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Worse than norm	Better than norm
	WC012	Cederberg	Worse than norm	Better than norm	Worse than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm
	WC011	Matzikama	Worse than norm	Better than norm	Worse than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm
	WC014	Saldanha Bay	Worse than norm	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm
	WC015	Swartland	Worse than norm	Better than norm	Better than norm	Better than norm	Better than norm	Better than norm	Worse than norm	Better than norm

Legend
- Worse than norm
- Better than norm

Figure 44: Comparison of access to social infrastructure in relation to selected norms across municipalities

Sources: Directorate: Planning - Geographic Information Systems, Western Cape Government: Department of Human Settlements; Directorate: Research, Population and Knowledge Management - Western Cape Government: Department of Social Development.

Note that this is in relation to the CSIR population threshold norm for the equivalent category of settlement, and does not consider distance thresholds.

Trends

Selected trends relevant to human settlements

Indicator	Source	WC Average
Annual average economic growth (2001-2011)	Quantec	4.1 %
Annual average household growth rate (2001-2011)	Census	3.1 %
Annual average population growth rate (2001-2011)	Census	2.6 %
New informal settlements (2011-2014)	WC Informal Settlement Database and City of Cape Town	174
Percentage change in household size (2001-2011)	Census	-0.5 %

Table 17: Selected trends relevant to human settlements

At a provincial scale, the rate of economic growth has been slightly higher than the rate of demographic growth. On average, the size of households has decreased by 0.5%, but this is highly variable across municipalities. Households in the province have grown faster (by 3.1%) than the population (2.6%). According to the Housing Development Agency (2013), this is attributed to the decline in household sizes between 1996 and 2011 and the increase in the number of single-person households from 16% in 2001 to 21% in 2011. Evidence of remittance flows from or to such one person households suggests financial interdependence between dwelling-based households (ibid).

The figures below indicate the differential rates of economic and demographic growth between municipalities.

Economic growth

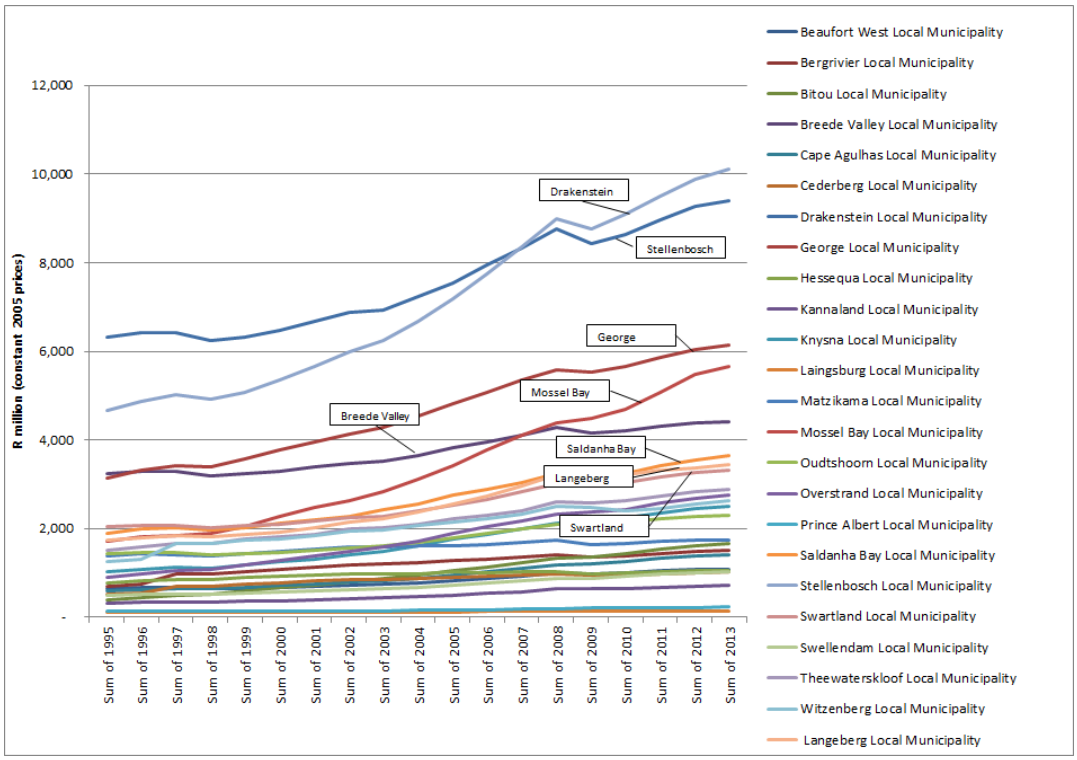


Figure 45: GVA per Western Cape municipality (1995-2013)

Source: Quantec, 2015

Demographic growth

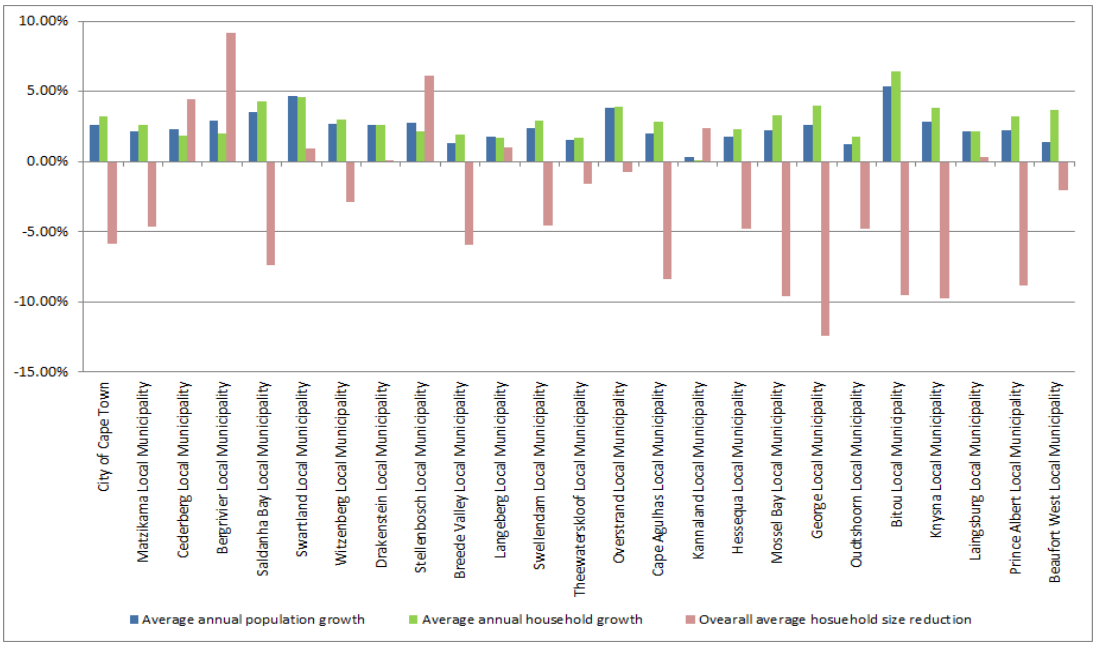


Figure 46: Inter-census demographic changes (2001-2011)

Sources: Census 2001; Census 2011

The Western Cape had the second highest population growth rate between 2001 and 2011 behind Gauteng. Part of the trend in the demographic change could be explained by migration. Results from Statistics South Africa's 2011 mid-year population estimates showed there are approximately two in-migrants for every one out-migrant in the province (Housing Development Agency, 2013: 8). It is presumed that this migration is driven by economic opportunities in the Western Cape.

Comparison between economic and demographic growth

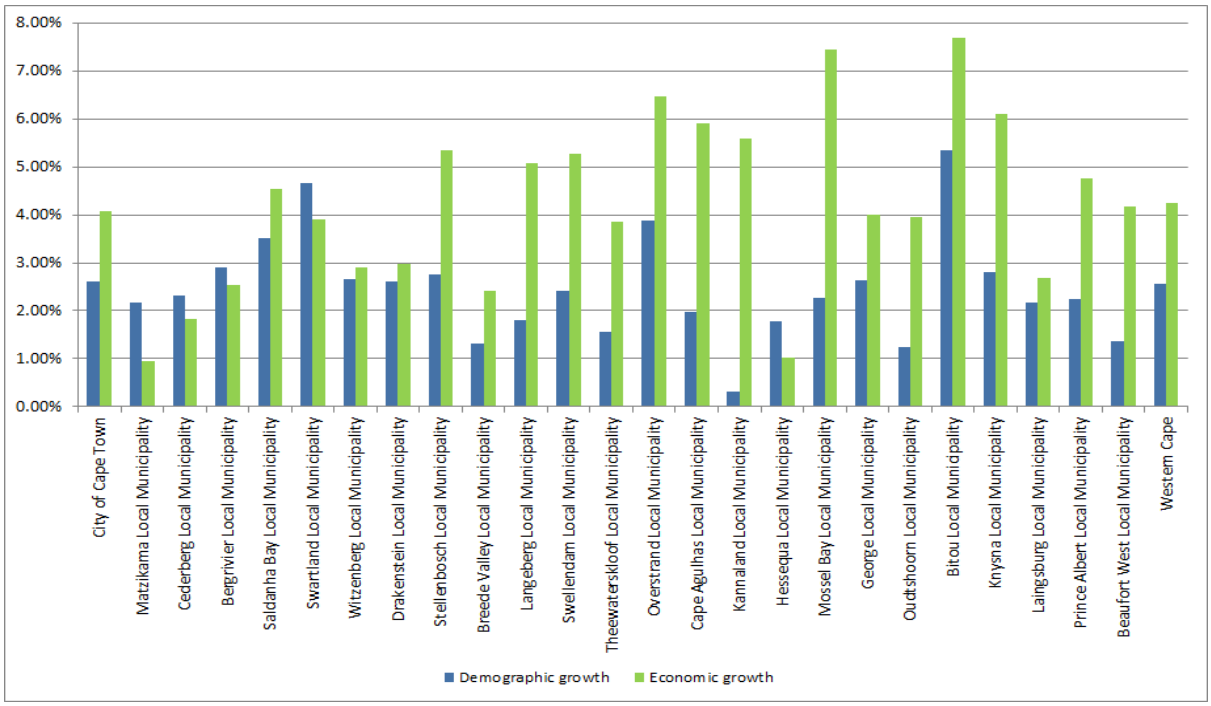


Figure 47: Comparison between average annual economic growth and demographic growth (2001-2011) for Western Cape municipalities

Sources: Census 2001; Census 2011; Quantec

Figure 47 is significant because it compares economic and demographic growth rates. In cases like Swartland, where demographic growth outstrips economic growth, this indicates an increasing human settlements challenge. In cases like Kannaland, where the opposite occurs, this indicates that the rates base is likely to be increasing and the human settlements challenge is not as great.

Analysis and discussion

General discussion

Housing

The housing challenge in the province is illustrated through the 191 672 households living in informal dwellings and 105 276 households living in backyard shacks. In addition, there are 93 216 households living in overcrowding conditions. While informal settlements are dominant in more urban municipalities, more rural municipalities have more of an overcrowding problem.

The registered housing demand in the province is 528 580 households, while the calculated number of inadequately housed households (in all income categories) is 390 164 households. This may indicate that there are duplicate applications or ineligible households on the housing waiting lists. For those seeking subsidy assistance, there is a clear preference for a free-standing, freehold title unit – which is possibly a legacy of how housing has been delivered to date. This indicates some challenges with expectations if high density and/or rental units are to be introduced at scale as an alternative delivery option. If there is a choice, households would prefer to own than rent. The statistics of current tenure arrangements suggest that housing owned by households in lower income groups is likely owned as a result of inheritance rather than personal purchase thereof. Further, the Housing Market Segments Report noted that the figures for ownership of informal dwellings and informal backyard shacks are not reliable as there is some uncertainty over the legal status of these dwellings and the properties on which they are located. As such, one might infer that unless houses are given to beneficiaries for free, there is little ability to afford ownership in the lower income brackets.

The correlation between age, income, housing status and tenure status is clear and is indicative of household heads having more assets, higher incomes, and the need for more stability with age. The greatest proportion of inadequately housed households comprises young people with low incomes who rent or occupy their accommodation rent-free.

An interesting an important finding is the high proportion of households in informal settlements that are employed, indicating that these households either cannot afford formal housing, that there is a shortage of formal stock, or that informal accommodation in particular locations is conducive to their livelihood strategy.

The analysis of subsidy qualification gives a picture of the high number of households in lower income brackets that would not qualify for a subsidy. However, the data available is insufficient to undertake this analysis only for inadequately housed households, which may give a better indication of the subsidy 'market'.

Networked infrastructure

The analysis of access to networked infrastructure indicates that backlogs are highest in informal settlements and that the priorities should be sanitation access, followed by electricity. There are relatively few households without access to any services. ICT access is low, but is not a basic need like the other services and the roll-out of landline internet access is likely to be slow. Approximately 56% of households in the Western Cape have no access to a motor car and are therefore assumed to be entirely dependent on non-motorised and public transport.

Social infrastructure

The analysis of social infrastructure has been undertaken at a high level due to a lack of data and difficulties in assessing the coverage due to the specificity of the facilities and the locations they serve. A rough assessment indicates that there is a shortage of cemeteries and that many municipalities do not yet have Thusong Centres. There also appears to be a shortage of registered ECD and crèche facilities in some municipalities.

Overall Housing Market Segmentation

The diagram below provides an estimate of the number of households in each of the market segments identified in the Housing Market Segments Report. There are three dimensions to the figure, explained in the legend that precedes the actual values. Firstly, the horizontal axis

is divided into the standard income brackets used in this report, corresponding to subsidy qualification criteria or credit limits identified in the Housing Market Segments Report. Secondly, the vertical axis is divided into the rental and ownership markets. Thirdly, the rental and ownership markets are divided into subsidy qualifiers and non-qualifiers, based on the estimates provided earlier in this profile. See endnote 4 for an explanation of the ownership/rental division and the split of non-qualifying households. Note that the diagram represents all households in the municipality, not only those that are inadequately housed. See end note 5 for a detailed description of the components of the housing market segment diagram.

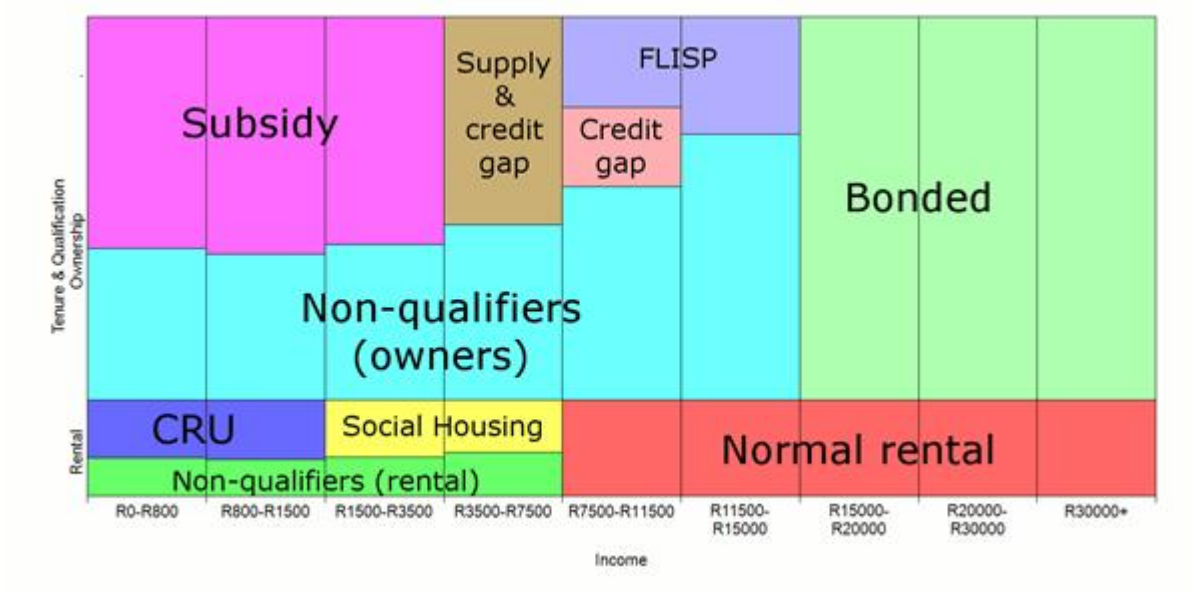


Figure 48: Legend for housing market segmentation

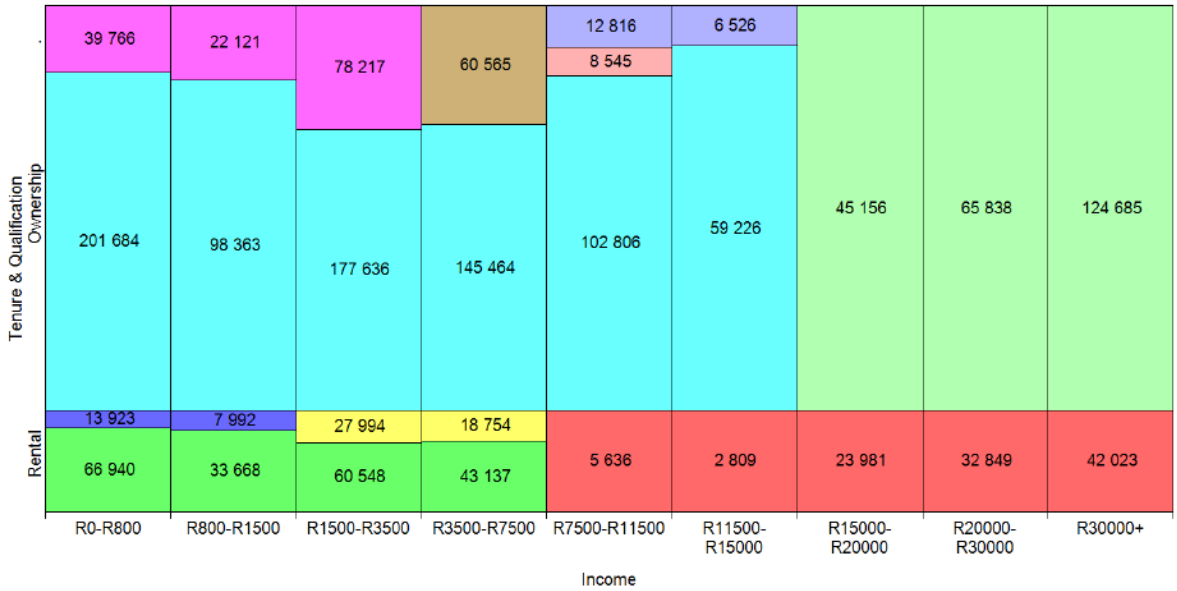


Figure 49: Housing Market Segmentation – number of households

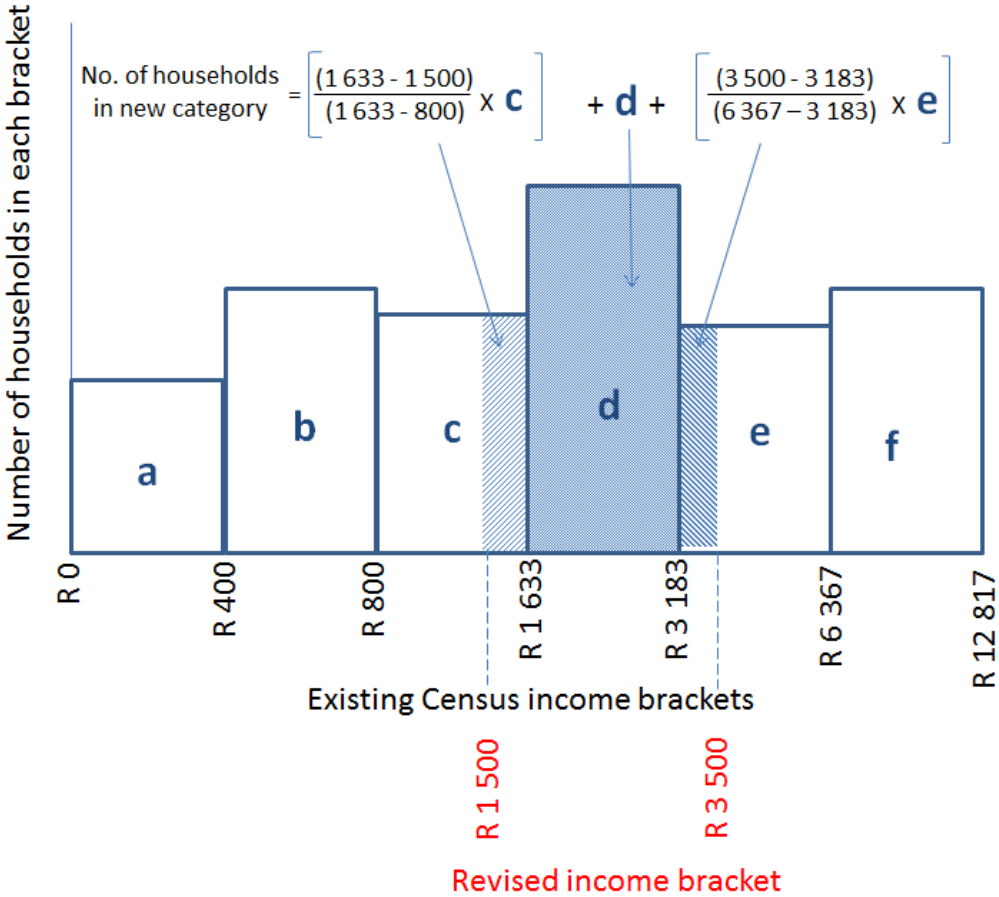
Sources: Census 2011; Western Cape Housing Subsidy System 2014

The housing market segmentation illustrated above indicates the total number of households that fall into each of the market groupings. It does not compare this against the number of inadequately housed households, which is expected to be less than the number of potential subsidy qualifiers. The subsidy market is split across the three income bands, with the smaller number in the middle band likely to be due to the way in which the census income brackets were manipulated. There are 60 565 households that fall into the supply and credit gap, while a further 8 545 households are unlikely to be able to access credit to qualify for the FLISP or to purchase a house on their own. Although the FLISP market is relatively small it is substantially larger than the small number of FLISP subsidies that have been awarded to date. The rental market is relatively small in comparison to the ownership market, and this largely due to the distortion of expectation created through the national housing programme. Within the rental market, the CRU and Social Rental markets are small due to many households not satisfying the qualification criteria.

End notes

1. Income bracket adjustment

All representations of household data by income bracket have involved the manipulation of Census 2011 data to align with new monthly income brackets defined in the Housing Market Segments Report. The Census 2011 Annual Household Income was first converted into a monthly income figure. The number of households in the new monthly income bracket was calculated by adding the proportion of the new monthly income bracket that straddled the Census income monthly brackets, multiplied by the number of households in each of the Census monthly income brackets. Simple linear interpolation was used, which assumes that households are evenly distributed across income monthly brackets. The figure below illustrates the process used to calculate the number of households falling into the new monthly income bracket between R1 500 and R 3 500 per month.



2. Overcrowding calculation

The methodology used to calculate overcrowding is based on the methodology used by the City of Cape Town for the modelling undertaken for the Integrated Human Settlements Framework. The point of departure was a definition of overcrowding given by the U.S Department of Housing and Urban Development: Office of Policy Development & Research (2007) Measuring Overcrowding in Housing (available online at http://www.huduser.org/publications/pdf/measuring_overcrowding_in_hsg.pdf) of more than 2.5 people per habitable room (i.e. excluding kitchens, bathrooms, store rooms, etc.). However, the South African Census does not distinguish between habitable and non-habitable rooms. Therefore the definition was modified to be more than 2 people per (total) room. This assumes that there are four habitable rooms for every non-habitable room, which is believed to produce a roughly equivalent outcome to that of the US Department of Housing and Urban Development definition.

To determine the number of households that are overcrowded, the following methodology was followed:

Step	Description
Step 1:	Census data for household size and number of rooms was cross-tabulated, producing a table indicating the number of households having 1 person in 1 room, 2 people in 1 room, 1 person in 2 rooms, etc., each of which represents an

Step	Description
	occupancy 'case'.
Step 2:	For each case, the number of overcrowded people was determined by taking the household size and subtracting the number of rooms multiplied by 2 (people per room - representing the theoretical maximum comfortable occupancy level), producing the number of overcrowded people per 'case'.
Step 3:	The number of overcrowded people was divided by 2 (people per room) to produce the number of additional rooms required per 'case'.
Step 4:	The number of additional rooms was divided by an assumed value of 2 for the number of rooms in a new house to produce the number of households requiring accommodation per 'case'. While the average number of rooms per formal dwelling in the Western Cape is higher than this (4.72), the lower figure is based on the size of new IRDP housing. The assumption therefore indicates the need for a new house (and therefore 1 overcrowded household) for every four people in an overcrowded dwelling.
Step 5:	The number of households requiring accommodation per 'case' was multiplied by the number of households in each case (see step 1) to produce the number of overcrowded households.

The following example illustrates the process:

Step	Description
Step 1:	There are 120 households living in the housing case: 10 people living in 2 rooms
Step 2:	Number of overcrowded people = 10 - (2x2) = 6
Step 3:	Number of additional rooms required = 6 ÷ 2 = 3
Step 4:	Number of additional dwellings required = 3 ÷ 2 = 1.5 - rounded up to 2.
Step 5:	Number of households overcrowded = 120 x 2 = 240.

3. Subsidy non-qualifiers

The subsidy conditions stipulate the following five essential criteria:

Criterion	Description
Criterion 1:	Must be a South African resident
Criterion 2:	Must be 18 years or older
Criterion 3:	Must not have previously benefited from a government housing subsidy
Criterion 4:	Must not have previously owned residential property
Criterion 5:	Must be married or cohabiting or with financial dependents
Criterion 6:	Must have a household income of R0-R3 500 per month for a full subsidy, or R3 500 - R 15 000 for a FLISP subsidy.

The following data sets were used as direct or proxy measures for the above criteria:

Criterion	Description
Criterion 1:	Census 2011
Criterion 2:	Census 2011
Criterion 3:	WC Housing Subsidy System
Criterion 4:	Census 2011
Criterion 5:	Census 2011
Criterion 6:	Census 2011 and WC Housing Demand Database

The following process was followed:

Step	Description
Step 1:	The number of households in each qualifying income bracket was extracted from Census 2011 (Criterion 6) and cross-tabulated against age (Criterion 2) and tenure status (Criteria 3 and 4).
Step 2:	The number of single person households (Criterion 5) per income bracket was extracted from Census 2011.

Step	Description
Step 3:	The number of foreign individuals (Criterion 1) was extracted from Census 2011 and divided by an assumed household size of 2 to calculate the number of foreign-headed households. These households were distributed proportionately between the revised income brackets according to the split of the total municipal population.
Step 4:	The number of non-qualifying households calculated in Steps 1, 2 and 3 were added together to obtain the total number of non-qualifying households in each income group.

Given the lack of a full data set on many of the criteria, and the inability to cross-tabulate across the various data sets, the following assumptions had to be made:

Step 1 assumes that a) all people who have previously owned property still owned their properties in 2011 and b) that all those that have received a subsidy still own their properties. Both of these simplifying assumptions will tend to underestimate the number of non-qualifiers. In addition, it ignores the in-migration of people who have received a subsidy in another province, thereby assuming that this does not take place, or nets out with subsidy beneficiaries leaving the province. As there is positive net in-migration to the province, this assumption will tend to underestimate the number of non-qualifiers.

Step 2 assumes that any household greater than 1 person either comprises a spouse, co-habiting partner or financial dependent. As the definition of 'household' in Census 2011 could include 2 financially independent and unrelated adults, this assumption will tend to overestimate the number of subsidy qualifiers, and thus underestimate the number of non-qualifiers.

Step 3 assumes that foreign residents are distributed across income groups in the same proportions as the total population, and on average form households of 2 people. As there is no data to support these assumptions, the impact of this assumption is unknown.

All of the assumptions made in steps 1 and 2 underestimate the number of non-qualifiers. However, there is an element of double counting where single person households own their dwellings, and therefore these two dynamics may tend to cancel on another out.

4. Tenure preference

Tenure propensity is a combination of preference and circumstance. In many cases, households may prefer to own a property, but may not be able to afford to do so. In other cases, people may be able to afford a house, but prefer to rent (for various reasons). Two sources of data were used to determine tenure propensity. Firstly, the tenure preference of households is indicated in the Western Cape Human Settlements Demand Database. Understandably, this data illustrates a very clear preference for home ownership amongst all income brackets. Secondly, the existing tenure arrangements as measured by Census 2011 provide an indication of tenure propensity forced through circumstance, as well as preference to rent at higher income levels. However, many of these households would opt to own rather than rent if they had a choice. Analysis of the Census 2011 data undertaken for the Housing Market Segments Report concluded that there appears to be a minimum of 20% of household at all income brackets that would prefer to rent. Given these data sources and

their inherent weaknesses, the following methodology was followed to determine the split of households likely to own versus rent in each income bracket:

1. The average value was calculated between the current percentage of households that rent (or live rent free) from Census 2011 and the percentage of households that stated a preference to rent in the Western Cape Housing Demand Database.
2. If this value for rental propensity was greater than the observed minimum of 20% of households in any income bracket, then the average value was used, otherwise the 20% value was used.

5. Housing Market Segmentation

A housing market segment report produced for this study which, based on a desktop literature review and stakeholder engagements, constructed a framework for understanding housing markets in the Western Cape province. The key housing demand dimensions were identified to be household income (monthly in this study), tenure status (ownership versus rental) and state housing finance qualification criteria. Based on these key dimensions, the housing market segments were delineated according to the categories in Table 18.

Tenure status and related housing programmes	Monthly household income (Rands)						
	0 - 800	801 - 1 500	1 501 - 3 500	3 501 - 7 500	7 501 - 11 500	11 501 – 15 000	>15 001
Owned							
State-subsidised housing	x	x	x				
Supply & credit gap				x			
Finance Linked Individual Subsidy Programme (FLISP)				x	x	x	
Credit gap					x		
Non-qualifiers (owners)	x	x	x	x	x		
Bonded							x
Rental							
Community Residential Units (CRU)		x	x				
Social Housing			x	x			
Non-qualifiers (rental)	x	x	x	x			
Normal rental					x	x	x

Table 18: Housing market segmentation

Source: Own assessment based on literature and stakeholder engagements

The nature of these categories is explained in Table 19.

Tenure status and related housing programmes	
Owned	
State-subsidised housing	State housing finance mechanisms for households earning below R3 500/month.
Supply & credit gap	The Housing Market Segments Report identified a supply and credit gap in the R3 500-R 7500 income bracket. This means the market is unwilling or unable to supply a product that could be afforded by households in this bracket, even if they were able to access credit and the FLISP subsidy.
Finance Linked Individual Subsidy Programme (FLISP)	For households earning between R3 500 and R15 000/month, the FLISP programme is available. However, not all households within the FLISP income band are able to access it due to the lending limit (household income of R11 500). Such households then represent part of the 'gap' market whose needs are partially being met through Financial Sector Charter loans.
Credit gap	The housing market segment report identified a credit gap in the R7 500-R11 500 income bracket indicating that 60% of households in this bracket would be unable to access the credit required as a condition of the FLISP subsidy.
Non-qualifiers (owners)	While there are a number of programmes which households can access to meet their demand, there are also notable limitations to their capacity to access such opportunities. If a household does not meet the qualification criteria of state-funding or those of lending institutions, they fall into a category of 'non-qualifiers'. It is inferred, on the basis of the literature reviewed, that many of these non-qualifiers are reverting to residence in informal dwellings (such as shacks or traditional housing) to meet their demand. Some such non-qualifiers include, but are not limited to, non-South African citizens or parties who may have previously benefited from state housing programmes.
Bonded	Beyond an income of R15 000 households are expected to revert to the bonded market.
Rental	
Community Residential Units (CRU)	State housing programmes for households earning between R800 and R3 500/month.
Social Housing	State housing programmes for households earning between R1 500-R7 500/month.
Non-qualifiers (rental)	While there are a number of programmes which households can access to meet their demand, there are also notable limitations to their capacity to access such opportunities. If a household does not meet the qualification criteria of state-funding or those of rental institutions or landlords, they fall into a category of 'non-qualifiers'. It is inferred, on the basis of the literature reviewed, that many of these non-qualifiers are

Non-qualifiers (rental) continued…	reverting to residence in informal dwellings (such as shacks or traditional housing) to meet their demand. Some such non-qualifiers include, but are not limited to, non-South African citizens or parties who may have previously benefited from state housing programmes.
Normal rental	It is still not fully clear what the income band boundary between the non-qualifier and normal rental markets are but it is assumed these overlap partially at an income of R7 500/month.

Table 19: Housing market segmentation descriptions

Source: Own assessment based on literature and stakeholder engagements

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