

HOUSING DEMAND ASSESSMENT: EXECUTIVE SUMMARY

As part of Phase 1 an assessment of housing demand in the W Cape was undertaken. Key issues identified in the Housing Demand Assessment are summarised below:

i. Scant Information on Provincial Housing Needs

To date little attention has been given to investigating the housing needs of Western Cape communities. Whilst supply sided housing matters have been relatively well researched, the same cannot be said of housing demand considerations.

ii. Uncertainty Over What is Acceptable Housing

The absence of a widely accepted definition of what constitutes adequate housing in the W Cape gives rise to various estimates of the scale the provincial housing backlog. Housing demand is most commonly quoted as a specific number of houses that need to be built. The evidence considered in the Demand Assessment Module highlights that there are a range of housing needs that need to be addressed in the province. The past approach to housing delivery of 'one size fits all' is clearly inappropriate and unsustainable in the W Cape.

iii. Metropolitan Housing Demand Profile

Available information indicates that housing demand in the Cape Metropolitan Area stands at 220 000, or 71% of W Cape demand. The profile of metro customer groups to be served by the WCPHP is as follows:

- ❑ **78 000 families living in shacks in informal settlements**, predominantly Africans, with the majority earning below R1500 per month. Most current housing and services programmes are unaffordable to this group. Their housing needs include: security of tenure in localities accessible to job opportunities; basic engineering services; access to basic health, educational and recreational facilities; and improved forms of shelter.
- ❑ **51 000 families living in overcrowded conditions in formal housing areas**. Predominantly Coloured households, most of who prefer to remain living in the neighbourhoods they are familiar with. This customer group has greater affordability than squatter communities. Most cannot raise formal housing loans and some make use of the informal micro-loan industry. Their housing needs centre around formal accommodation, with freehold or rental tenure, preferably in proximity to current neighbourhoods.
- ❑ **61 000 families living in backyard shacks in formal housing areas**. This customer segment comprises African and Coloured families, with greater relative affordability amongst the latter group. Housing needs vary ranging from the upgrading and/or extension of current dwellings, to alternate housing with freehold or rental market.

- **23 000 shacks on serviced sites in formal housing areas.** Predominantly African with limited affordability. The housing needs of this customer group include transfer of ownership to the occupants, and improvements to the quality and size of their shelter.

iv. **Housing Demand in Towns**

Outside the Cape Metropolitan Area housing demand in the major and minor towns of the province is estimated at 75 100 households, or some 24% of W Cape demand. This customer group comprises those families living in overcrowded conditions and those living in shacks in the towns of the province. Additional research into the demographics and housing needs of these customers is required, as has been done in the CMA. This customer group comprises mainly Coloured and African families of low affordability. Their housing needs vary depending on income, locality and the current conditions they are living under.

v. **Rural Demand**

The rural customers that the WCPHP should serve are an under researched group that can be segmented into those residing in rural settlements, on farms, or on plantations and Nature Reserves. Rural demand in the W Cape is estimated at some 15 000 households, or 5% of W Cape total demand. Previously rural communities were the target beneficiaries of Department of Land Affairs (DLA) land restitution and redistribution programmes. Whilst these DLA programmes used to incorporate a housing component, policy has changed in recent years and provision for addressing rural housing needs now needs to come out of the provincial housing budget.

The security of tenure of the rural poor is particularly vulnerable, and evictions from farms are widespread throughout the province. The rural market comprises mainly Coloured families, most of whom receive 'in-natura' income as part of their remuneration package which limits their choice in where they live. The housing needs of this customer group include improved security of tenure, access to basic engineering services and community facilities, and improved shelter.