PROVINCIAL HOUSING PLAN
Western Cape

Situational Analysis

Reference Module C

Housing Demand
Assessment

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1. INTRODUCTION

As an informant to the Provincial Housing Plan (PHP) this module explores housing demand in the Western Cape. The module, based on existing information sources, provides a profile of the housing needs of those in the province who qualify for government housing subsidies. Of interest is the overall extent and nature of housing demand in the province, as well as the segmentation of the target market the PHP must serve.

As points of departure to the housing demand assessment constitutional rights and responsibilities are first considered, as are a range of criteria for measuring housing demand. The current housing demand, or what is referred to as the 'housing backlog', is then assessed in terms of these criteria. Demand projections for the next 5 years are also considered, and to conclude key issues and implications for the PHP are identified.

1.1 Measuring Demand

Section 26 of the Constitution states that:

i. Everyone has the right to have access to adequate housing.

ii. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

iii. No one may be evicted from their home, or have their home demolished, without an order of court made after consideration of all the relevant facts.

The starting point to determining housing demand in the W Cape is a definition of what constitutes "adequate" housing in the province. Such a definition could serve as a benchmark against which one can measure how many households currently do not meet this standard.

Housing, as defined in the Housing Act (Act 107 of 1997), "means the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities in areas allowing convenient access to economic opportunities and to health, educational and social amenities".

There are different interpretations of what constitutes adequate housing and, as a result, varying estimates of housing demand in the Western Cape. Most commonly housing demand is measured in terms of a number of dwelling units required, either to make up a current backlog or to accommodate population growth. Most of these forecasts are based on the assumption that everyone is looking for a home of their own. In very few cases have the housing needs, as articulated by the poor and homeless, been taken into consideration in assessing the housing demand. In contrast housing supply in the Western Cape is a relatively well-researched topic.

Towards aligning the W Cape's housing delivery programme to serve the different needs of communities, it is informative to consider various measures of housing demand.

1.2 Criteria for Assessing Housing Demand

To this end a range of criteria have been considered in the assessment of housing demand. The criteria applied and sources of information that have been used to assess housing demand in the Western Cape are as follows:

- **Household income**: The target market to be served by the Provincial Housing Plan are all households eligible to apply for housing subsidies, namely those with monthly income of less than R3500. These are the prospective 'customers' to be served by the Provincial Housing Plan. It is useful to segment this broad target market in terms of the housing subsidy bands. Within this target market it is also necessary to consider the housing affordability of beneficiaries with a focus on the needs of the poor, measured in terms of the poverty Datum Line of R1100 per month per household. The 1996 Census has been the primary source of household income data.

- **Type of dwelling**: Of interest are those households in the province currently living in informal dwellings, defined in the Census as structures with a lifespan of less than 20 years. Informal dwellings include backyard shacks in formal housing areas, as well as habitable structures (i.e.: shacks) in informal settlement areas.

- **Overcrowding**: Although not as visible as backyard or squatter shacks, of interest in assessing housing demand are those households currently living in overcrowded conditions. There is not extensive information on this indicator, but the 1996 Census provides some insights into this variable.

- **Security of tenure**: Of interest are those households who do not enjoy secure housing tenure. There are no comprehensive sources of information on this variable and various indicators of the situation have been sourced.

- **Access to household services**: In assessing the adequacy of existing housing in the W Cape consideration has also been given to household who do not have access to basic household services. The infrastructure module of the Provincial Housing Plan's Situational Analysis has been used as a source of information on this variable.

These criteria provide quantitative measures of different facets of housing demand in the W Cape. Their purpose is to inform a demand driven housing delivery strategy. To complement these quantitative measures, consideration has also been given to exploring different qualitative measures of housing demand (e.g.: the need for training in housing construction, access to housing finance, etc). Indicators of qualitative housing needs have been sourced from a review of Integrated Development Plans (IDP's) undertaken in the province and interviews conducted with officials of the District Councils and the 7 largest municipalities.

2. CURRENT HOUSING DEMAND

2.1 Those Eligible for Housing Subsidies

One of the housing indicators of relevance to the PHP is the number of households in the province who theoretically could be eligible for government housing subsidies, based on income qualification criteria (i.e.: households earning less than R3500 per month). Also of importance for the PHP is an understanding of housing affordability within this broadly defined target market.

Based on the 1996 Census information presented in the Demographic Module and summarised in Table 1 below, it is evident that 564 878 households (57.3% of all households) in the Western Cape earn less than R3 500 per month. In terms of housing demand, not all of these households would meet the other housing subsidy eligibility criteria and many within this broad income band already have access to adequate housing. Thus those falling within lower household income levels does not equate to the total demand for housing in the province. It is within this segment of the total housing market, however, that the PHP's main customers are to be found.

Table 1 : NUMBER OF HOUSEHOLDS by selected income categories of heads of household in the Province, 1996

	R0-1500 pm	R1501-2500 pm	R2501-3500 pm
CMA	203 350	81 302	56 161
Breede River	34 936	8 855	4 729
Klein Karoo	13 044	2 944	1 423
Overberg	19 852	5 558	3 076
Central Karoo	7 673	1 441	667
South Cape	26 861	8 536	4 981
West Coast	25 076	8 014	4 546
Winelands	26 819	9 266	5 768
TOTAL	357 611	125 916	81 351
The total number of households in the above income categories = 564 878, of a total number of 985 470 households in all income groups, i.e. 57,3% of households earned less than R3500 pm.			

Table 2 sets out the position with respect to lower income households in the major towns of the Western Cape.

Table 2 : NUMBER OF HOUSEHOLDS in major towns by selected income categories of heads of household, 1996

	R0-1500 pm	R1501-2500 pm	R2501-3500 pm
George	6 685	2 896	1 840
Mosselbaai	4 849	1 315	820
Oudtshoorn	4 637	1 570	921
Paarl	8 018	3 593	2 264
Stellenbosch	5 335	1 884	1 356
West Coast Peninsula	2 613	1 753	1 100
Worcester	5 896	2 683	1 697
TOTAL	38 033	15 694	9 998

From the provincial overview of lower income households tabulated above, the following features should be noted:

- The PHP needs to focus on strategies for housing the poor as 63 % of households eligible for housing subsidies in the Western Cape earn less than R1 500 per month.

- The target market of the Western Cape PHP is essentially urban as 65% of those eligible for housing subsidies live in the Cape Metropolitan Area (CMA), and 24 % in the major towns.

Tables 3 and 4 segment the Western Cape housing subsidy target market by sex for the major districts and towns of the province respectively. Of significance for the PHP is the high proportion of lower income households who are headed by women, particularly within the CMA (37.2%) and major towns (35.1%).

Table 3 : GENDER OF HEAD OF LOW INCOME HOUSEHOLDS (R0-3500): CMA AND DISTRICT COUNCIL AREAS, 1996

	Male	Female	% Female
CMA	213 905	126 876	37.2
Breede River	36 498	12 022	24.8
Klein Karoo	12 651	4 760	27.2
Overberg	21 503	6 983	24.5
Central Karoo	6 476	3 304	33.8
South Cape	28 805	11 573	28.7
West Coast	28 840	8 796	23.4
Winelands	29 519	12 334	29.5
TOTAL	378 197	186 648	33

Table 4 : GENDER OF HEAD OF LOW INCOME HOUSEHOLD (R0-3500) : MAJOR TOWNS, 1996

	Male	Female	% female
George	7 694	3 727	32.6
Mosselbaai	4 697	2 287	32.7
Oudtshoorn	4 504	2 624	36.8
Paarl	8 697	5 178	37.3
Stellenbosch	5 122	3 453	40.3
West Coast Peninsula	4 101	1 365	25
Worcester	6 564	3 712	36.1
TOTAL	41 379	22 346	35.1

Research undertaken by Carol Coombe (June 2000) indicates that female-headed households display a poverty rate double that of households headed by men.

Segmenting those eligible for housing subsidies by population group, it is evident that the Western Cape PHP must cater primarily for the Coloured and African housing markets. Africans make up 41% of all households that earn less than R1000 per month in spite of the fact that they only represent 22% of the total population. By comparison, in the CMA they form 54% of that group and in the major towns 24% (please see Tables 5 and 6 below).

Table 5 : NUMBER OF HEADS OF HOUSEHOLDS EARNING R1000 PER MONTH OR LESS: CMA AND DISTRICT COUNCILS, 1996

	Black	Coloured	Asian	White	Unspes	TOTAL
CMA	75 103	45 930	1 145	14 277	2 486	138 941
Breede Rivier	5 168	15 461	30	1 696	143	22 498
Klein Karoo	645	7 591	5	830	0	9 164
Overberg	3 917	6 920	25	1 720	289	12 871
Central Karoo	839	4 450	5	351	23	5 668
South Cape	6 411	8 990	24	2 577	182	18 184
West Coast	1 723	12 631	19	2 034	99	16 506
Winelands	5 463	8 856	34	2 429	139	16 921
TOTAL	99 269	110 829	1 287	25 914	3 454	240 753

Table 6 : NUMBER OF HEADS OF HOUSEHOLDS EARNING R1000 OR LESS PER MONTH: MAJOR TOWNS, 1996

	Black	Coloured	Asian	White	Unspes	TOTAL
George	1 469	2 036	5	604	33	4 147
Mosselbaai	2 173	1 129	3	386	17	3 708
Oudtshoorn	515	2 083	1	399	64	3 062
Paarl	2 232	2 407	0	461	68	5 168
Stellenbosch	1 321	799	18	1 533	21	3 692
WC Peninsula	313	854	4	231	15	1 417
Worcester	1 357	1 769	17	546	26	3 715
TOTAL	9 380	11 077	48	4 160	244	24 909

2.2 Housing Affordability of Those Eligible for Subsidies

Whilst households earning less than R3 500 per month may be eligible for housing subsidies, as an informant to the PHP it is necessary to assess the housing affordability of this target. It is often assumed that with the government's housing subsidy, low-income households will be able to afford the housing and associated services provided. Interviews conducted with housing officials throughout the province indicate that this is not the case and that many beneficiaries, especially the very poor, cannot afford housing provided as part of the national subsidy scheme.

No empirical research on a province wide basis has been undertaken on this important topic. Research on this subject undertaken in the CMA (Palmer Development Group, 1999), reveals the following:

- In the CMA's low-income housing areas on average the amount of money spent on services per month as a percentage of head of household income is about 35%. The Bureau of Market Research report that in 1998 African low income households nationally spent on average 13.3% on housing and electricity, whereas Coloured low income households spent on average 23.7% nationally. In terms of willingness to pay for services, the Palmer Development Group regard an average of 10% of income as the maximum amount a household would be prepared to allocate to service payments.

- In the low income settlements of the CMA the level of services provided are thus unaffordable to the majority of residents, especially those households in the R0 to R1 500 per month category. Not surprisingly CMA local authorities experience high levels of default rates for services payments. Whilst reasons for this include inadequate billing systems and socio-political factors, the lack of affordability remains the fundamental reason for non-payment.

- In terms of combining housing and services costs, the Palmer Development Group estimate that households are willing to allocate a maximum of 35% of household income for housing and services payments. Formal low-income housing projects in the CMA do not provide options to beneficiaries within this affordability profile.

- The 'mismatch' between service levels and affordability arises from the high services levels provided to low income groups. This impacts negatively on both the household's ability to pay and the financial viability of local authorities.

- Based on their research the Palmer Development Group recommend that tariff policy needs to be revised with 'pro-poor' objectives. Furthermore a differentiation in the level of house provided as part of the subsidy programme needs to be considered in the PHP, if the housing product delivered is to be sustainable and affordable.

2.3 Informal Housing

Another indicator of current housing demand that needs to be considered as an informant to the PHP concerns those households in the Western Cape living in informal dwellings. These informal dwellings take the form of backyard shacks in formal housing areas, shacks situated on serviced sites in formal housing areas, as well as the shacks of informal settlement areas.

The latest provincial information available on the type of dwelling in which Western Cape households live is sourced from the 1996 census and tabulated below.

Table 7 : TYPE OF DWELLING : metropolitan and district council areas, 1996

	Formal	Informal	Traditional	Backyard (not shack)	Other	TOTAL
CMA	483 185	125 118	2 789	32 351	8 091	651 534
Breede River	53 409	4 627	1 172	3 913	1 911	65 032
Klein Karoo	20 029	1 885	352	816	279	23 361
Overberg	33 232	4 625	885	1 973	661	41 376
Central Karoo	11 185	508	145	287	330	12 455
South Cape	48 704	12 609	1 354	3 562	1 313	67 542
West Coast	46 583	3 594	843	4 099	1 059	56 178
Winelands	52 010	9 899	1 035	3 995	1 053	67 992
TOTAL	748 337 ***75,9%***	162 865 ***16,5%***	8 575 ***0,9%***	50 996 ***5,2%***	14 697 ***1,5%***	985 470 ***100%***

Table 8 : TYPE OF DWELLING : major towns, 1996

	Formal	Informal	Traditional	Backyard (not shack)	Other	TOTAL
George	15 531	5 435	158	921	300	22 345
Mosselbaai	8 181	2 137	137	584	179	11 218
Oudtshoorn	8 811	1 395	157	452	138	10 953
Paarl	17 358	4 886	298	1 272	180	23 994
Stellenbosch	11 377	2 508	292	1 133	251	15 561
West Coast Peninsula	8 173	1 236	120	734	252	10 515
Worcester	13 806	1 618	130	634	248	16 436
TOTAL	83 237 ***(75%)***	19 215 ***(17,3%)***	1 292 ***(1,2%)***	5 730 ***(5,2%)***	1 548 ***(1,4%)***	111 022 ***(100%)***

From an analysis of the provincial housing stock the following is of relevance for the PHP:

- The 162 865 informal dwellings in the Western Cape constitute some 16.5% of the provincial housing stock.
- The CMA has 76% of the province's informal housing stock, yet only accommodates some 65% of the Western Cape's population. This indicates that housing demand is at a premium in the CMA and that the formal delivery system is not keeping pace with demand.
- There is a positive correlation between the degree of urbanization in a district and the proportion of the housing stock that is informal.
- Correspondingly informal dwellings are more prevalent in urban than in rural areas.
- George, Paarl, Cape Town and Mossel Bay have the highest incidence of informal dwellings in the province.

Specific research undertaken in the CMA to quantify the housing stock indicates a 29.4% higher incidence of informal housing than that recorded in the 1996 Census. Based on CMC's research the profile of informal housing in Greater Cape Town is as follows:

- 78 000 shacks in the CMA's informal settlement areas, mainly situated in the Cape Town and Tygerberg MLC areas
- 23 000 shacks on serviced sites
- 61 000 shacks in the backyard of residences in formal townships

Overall some 73.6% of the CMA's current housing need of 220 000 is estimated to arise from families who are living in inadequate housing. Informal housing is widespread in both so-called squatter areas as well as in formal townships. Research into the historical growth of informal settlements in the CMA indicates that in recent years the annual growth in informal housing has out-paced the growth in formal housing. Only the South Peninsula Municipality has managed to reduce its informal housing stock in recent years.

Research undertaken by Setplan (1998) in the course of formulating the provincial farm worker settlement policy, established that only 4.9% of farm workers in the Western Cape reside in informal dwellings.

2.5 Overcrowding

Another indicator of housing demand of relevance to the PHP is the extent of overcrowding in the current housing stock. Overcrowding is an important, but often under-recorded, component of those who are inadequately housed in the Western Cape because it is not as visible as informal housing.

Based on the 1996 Census the tables below set out the number of people per dwelling in the districts and major towns of the province.

Table 9 : NO OF PEOPLE PER TYPE OF DWELLING : metropolitan and district council areas : 1996

	Formal	Informal	Traditional	Backyard (not shack)
CMA	4.0	3.6	4.0	2.9
Breede River	4.2	3.7	4.7	3.2
Klein Karoo	4.7	4.4	4.4	3.1
Overberg	3.7	3.6	3.8	3.0
Sentrale Karoo	4.4	3.7	3.4	2.8
South Cape	4.0	3.6	3.8	3.0
West Coast	4.1	3.7	4.3	2.9
Winelands	4.1	3.9	4.3	2.8
AVERAGE	4.1	3.7	4.0	2.9

Source: Processed from unpublished census data, 1996.

Table 10 : NO OF PEOPLE PER TYPE OF DWELLING : major towns : 1996

	Formal	Informal	Traditional	Backyard (not shack)
George	4.3	3.8	3.9	3.0
Mosselbaai	3.9	3.3	3.3	2.3
Oudtshoorn	4.7	4.4	3.6	2.4
Paarl	4.5	4.0	4.3	2.9
Stellenbosch	3.5	3.4	4.6	2.0
West Coast Peninsula	4.6	3.5	4.6	3.0
Worcester	4.5	3.7	5.2	2.6
AVERAGE	4.3	3.7	4.2	2.6

Source: Processed from unpublished census data, 1996.

In the case of formal housing, the Karoo regions generally display a higher level of occupation of dwellings than elsewhere. There is also a higher level of occupation in formal dwellings in the major towns of the province than elsewhere.

Research of the CMA housing market indicates that some 51 000 families are living in circumstances of overcrowding, that this market segment comprises mainly Coloured families, and that their preference is to remain living in the neighbourhood they are familiar with (albeit in improved housing conditions). Families living in overcrowded conditions are mostly co-incident with those on the housing waiting lists.

Research undertaken by Setplan in the preparation of the provincial farm worker settlement policy revealed overcrowding in farm worker housing, given:

- 31% of farm worker families have on average 6 persons residing in a single room dwelling.
- 50% of farm worker families residing in a 2-room (or smaller) dwelling.

2.5 Tenure

Security of tenure, a pre-requisite for adequate housing, is an additional housing demand indicator of relevance to the PHP. In the 1996 Census respondents were questioned about the ownership of the dwellings within which they lived. The following table sets out a summary of responses within the Western Cape.

Table 11 : PRIVATE OWNERSHIP by type of dwelling for metropolitan and District Council areas: 1996 (ownership : non-ownership)

	Formal (%)	Informal (%)	Traditional (%)	Backyard (not shack)	Other (%)	TOTAL (%)
CMA	72 : 28	91 : 9				73 : 27
Breede River	47 : 53	78 : 22				46 : 54
Little Karoo	60 : 40	80 : 20				60 : 40
Overberg	49 : 51	77 : 23				51 : 49
Central Karoo	63 : 37	69 : 31				61 : 39
South Cape	68 : 32	88 : 12				70 : 30
West Coast	53 : 47	66 : 34				50 : 50
Winelands	53 : 47	82 : 18				54 : 46
TOTAL	66 : 34	88 : 12	62 : 38	26 : 74	33 : 67	67 : 33

Source: Processed from unpublished Census data, 1996.

The high private ownership ratio of informal dwellings is noted as an anomaly. This may, to a large degree, reflect an interpretation of ownership that is not in line with the traditional understanding of the concept. For the purposes of the PHP all of the 162 865 Western Cape families recorded in the 1996 Census as living in shacks, do not enjoy security of tenure. Many of those living in formal dwellings also do not have security of tenure, particularly low-income families in the private rental market.

The current focus on home ownership in projects financed with subsidies means that the low-income rental housing market is poorly researched in the W Cape. CMC research indicates that within the CMA local authorities administer some 49 694 rental housing units, mainly old stock as there have been few additions to the rental pool in recent years. To date the sale of council housing to occupants has had limited success.

Local authorities are currently subsidising their rental housing to the tune of R1 714 per annum per rental unit (i.e. R85m per annum), financed out of the rates and reserve accounts. Of importance to the PHP is that these distortions in the rental housing market are unsustainable. They undermine the financial capacity of local authorities to deliver housing, distort the rental price structure at the lower end of the market, discourage tenants from purchasing their homes and developers from investing in rental stock, and give rise to a recurrent hidden subsidy to occupants and an escalating burden on the ratepayer.

Within the rural areas the poor are vulnerable when it comes to security of tenure. In the course of interviewing district and municipal officials outside the CMA, the escalation in farm worker evictions and the resultant homelessness was widely reported on. This is increasing demand for housing in both rural settlements and the towns of he province. Also reported on was the insecure or lack of tenure of residents in private or state managed rural settlements (e.g. SAFCOL and WCNCB employees). The PHP needs to recognise displaced poor rural communities as a unique and vulnerable group of customers to be served and tailor programmes to address their specific housing needs.

2.6 Access to Services

A further indicator of housing demand of relevance to the PHP is the level of services that households have access to. Census information on this topic is limited. The Housing Prioritisation System (HPS) questionnaire distributed to local authorities (see Module G Appendix A), makes provision for input of level of service data into the provincial housing prioritisation system.

The Palmer Development Group in their CMA research report that municipalities face substantial service backlogs, with an estimated 13% of households not having access to adequate sanitation, 11% with no potable water, and 24% with no electricity. The Unicity Housing Task Team, however, report that access to engineering services is generally very good. As reported on in Section 2.2 above, where services have been provided to low-income communities in the CMA, in most cases residents cannot afford the monthly charges of that provided. With poor revenue collection systems in place, there is significant under-recovery of costs, further undermining the financial capacity of local authorities to assist in addressing the housing needs of the poor.

Research undertaken by Setplan in 1997/8 in the course of formulating the provincial farm worker settlement policy indicated that 14% of farm worker households have no direct access to tap water, 17% have no sanitation facilities and 41% do not have electricity.

2.7 Housing Backlogs

It is evident from the various criteria reviewed in this Module that there are a range of housing needs in the W Cape that the PHP needs to respond to. Housing waiting lists are recognised to be an insufficient basis on which to determine housing demand in the province. By implication the PHP needs to work towards the rationalisation and consolidation of waiting lists as part of local government restructuring process.

The new provincial HPS attempts for the first time to consolidate different variables of current housing demand into an integrated system (see Module G). Whilst to date the housing needs of dispersed rural communities have not been taken into consideration in the HPS and there are certain omissions (e.g. Paarl and Grabouw are not recorded) in the model, it nonetheless provides a useful overview of housing demand as point of departure for the PHP. Using this source Table 12 details housing demand for each locality in the province and segments W Cape housing demand into the metropolitan area, the 6 major towns, 68 small towns and 39 rural settlements.

Table 12: OVERVIEW OF CURRENT HOUSING NEED BY LOCALITY			
LOCALITY		**NO OF UNITS REQUIRED**	**% OF TOTAL**
Metro		**195220**	**70.92**
	City of Tygerberg	58000	21.07
	City of Cape Town	60718	22.06
	South Peninsula	28209	10.25
	Oostenberg	24025	8.73
	Helderberg	15427	5.60
	Blaauwberg	8841	3.21
Major Towns (x6)		**36687**	**13.33**
	Worcester	7394	2.69
	Oudtshoorn	5260	1.91
	George	9281	3.37
	Mossel Bay	2949	1.07
	Saldanha	1930	0.70
	Vredenburg	1732	0.63
	Paternoster	29	0.01
	St Helena Bay	989	0.36
	Stellenbosch	7123	2.59
Other Towns (x68)		**38411**	**13.95**
	Prince Alfred's Hamlet	495	0.18
	De Doorns	1100	0.40
	McGregor	300	0.11
	Ceres	1170	0.43
	Bonnievale	650	0.24
	Wolseley	541	0.20
	Rawsonville	161	0.06
	Ashton	835	0.30
	Robertson	900	0.33
	Montagu	367	0.13
	Beaufort West	1703	0.62
	Prince Albert	320	0.12
	Murraysburg	350	0.13
	Laingsburg	300	0.11
	Dysselsdorp	1350	0.49
	Calitzdorp	304	0.11
	Ladismith	347	0.13
	Uniondale	300	0.11
	Villiersdorp	1074	0.39
	Hermanus	4367	1.59
	Hangklip / Kleinmond	520	0.19
	Stanford	370	0.13
	Gansbaai	180	0.07
	Swellendam	577	0.21
	Caledon	500	0.18

	Napier	171	0.06
	Bredasdorp	400	0.15
	Struisbaai	125	0.05
	Greyton	125	0.05
	Riviersonderend	100	0.04
	Barrydale	120	0.04
	Knysna	3500	1.27
	Wildernis	396	0.14
	Riversdale	1100	0.40
	Heidelberg	400	0.15
	Grootbrakrivier	420	0.15
	Plettenberg Bay	1310	0.48
	Stilbaai	120	0.04
	Albertina	90	0.03
	Sedgefield	80	0.03
	Herbertsdale	14	0.01
	Langebaan	283	0.10
	Citrusdal	538	0.20
	Malmesbury	2060	0.75
	Clanwilliam	400	0.15
	Porterville	450	0.16
	Lambertsbaai	250	0.09
	Piketberg	800	0.29
	Moorreesburg	407	0.15
	Hopefield	306	0.11
	Van Rhynsdorp	250	0.09
	Velddrift	300	0.11
	Klawer	207	0.08
	Darling	80	0.03
	Riebeek-West	300	0.11
	Riebeek-Kasteel	210	0.08
	Franschhoek	1200	0.44
	Wellington	2818	1.02
Rural Settlements (x39)		**4949**	**1.80**
	Op die Berg	197	0.07
	Touwsrivier	150	0.05
	Saron	300	0.11
	Bitterwater	80	0.03
	Merweville	0	0.00
	Matjiesfontein	0	0.00
	Klaarstroom	0	0.00
	Zoar	350	0.13
	Haarlem	250	0.09
	De Rust	50	0.02
	Tesselaarsdal	188	0.07
	Botrivier	280	0.10
	Genadendal	330	0.12
	Elim	100	0.04
	Buffeljagsrivier	230	0.08

	Waenhuiskrans	150	0.05
	Suurbraak	249	0.09
	Protem	0	0.00
	Klipdale	0	0.00
	Nuweberg	0	0.00
	Boggomsbaai	147	0.05
	Friemersheim	275	0.10
	Buffeljags Bay	12	0.00
	Gouritzmond	15	0.01
	Slangrivier	405	0.15
	Leipoldtville	60	0.02
	Aurora	50	0.02
	Rietpoort	170	0.06
	Rhedelinghuis	79	0.03
	Koringberg	80	0.03
	Bitterfontein / Nuwerus	170	0.06
	Elandskloof	126	0.05
	Graafwater	101	0.04
	Wittewater	16	0.01
	Goedverwacht	25	0.01
	Wupperthal	0	0.00
	Kliprand	0	0.00
	Paleisheuwel	4	0.00
	Pniel	310	0.11
Rural Dispersed		**?**	**?**
- Farm Workers		?	?
- Rural Dwellers		?	?
- Private Settlements		?	?
TOTAL		**275267**	**100.00**

The following features of the provincial housing backlog, as recorded in the HPS, should be noted:

- The PHS does not incorporate housing demand for those living in a dispersed rural settlement pattern (i.e. farm worker housing, forestry stations and other ‘bosdorpies’, etc). In total these communities comprise approximately 8% of the total provincial population. From the interviews conducted with District Council officials only the Overberg District Council had an estimate of housing demand amongst those living in a dispersed rural settlement pattern. All reported that farm worker evictions are wide spread in the rural areas.

- The metro area accounts for some 71% of provincial housing demand.

- CMC research quantifies the metro housing backlog (220 000 units) 12.6% higher than the HPS.

- The large and small towns of the province collectively make up some 27.3% of overall demand, excluding those living in a dispersed rural settlement pattern.

- Combining the metro and town housing demand it is evident that the overwhelming majority of customers to be served by the W Cape PHP are urban based.

- Further research is needed to quantify housing demand amongst the 8% of the population who are living in a dispersed rural settlement pattern. What is known is that these segments of the community are poor (i.e. household income below the poverty datum line), and have a vulnerable tenure status given the prevalence of evictions. Assuming housing demand amongst communities living in a dispersed rural settlement pattern is in the range of 7 000 to 14 000 units, this group of customers comprise between 2.5% and 5% of overall provincial housing demand.

3. FUTURE HOUSING DEMAND

Having considered various estimates of the current housing backlog that the PHP must address, it is also necessary to explore the implications for demand arising from population growth over the 5 year PHP planning horizon.

Table 13 : HOUSING DEMAND DUE TO POPULATION INCREASES, ADJUSTED FOR IMPACT OF AIDS: 2000 - 2006 *

	High	Middle	Low
Cape Metropolitan Area	79 968	60 870	35 571
Breede River	8 032	6 114	3 573
Klein Karoo	2 909	2 213	1 2 94
Overberg	4 453	3 390	1 981
Central Karoo	1 472	1 121	655
South Cape	7 828	5 959	3 482
West Coast	6 799	5 175	3 024
Winelands	8 235	6 269	3 663
TOTAL (rounded)	119 700	91 100	53 200

* This implicitly assumes that the effects of AIDS will be evenly distributed throughout the Province.

Figures in the above tables have been calculated as follows:

- High, middle and low population estimates have been used as a basis to establish the increases in population between the years 2000 and 2006.
- The numbers of people in the low-income category were then calculated on the basis of the 57,3% derived from Table 7 in the 'demographics' report (see Module B).
- The increases were then apportioned to the various geographical sub-areas in line with proportions of total population for 2006 as per Table 26 of the 'demographics' report.
- The numbers of households were calculated on the basis of household sizes of 3,7
- Housing demand in major towns were calculated as follows: according to Table 27 of the 'demographics' report, about 10,4% of the increase in the provincial population occurred in these major towns. This proportion of the total demand for houses were distributed amongst these towns

proportional to their projected 2006 population sizes. These figures should be regarded as broad indications of the extent of demand rather than as exact figures.

Table 2 : HOUSING DEMAND IN MAJOR TOWNS : 2000 - 2006

	High	Middle	Low
George	2 490	1 895	1 213
Mossel Bay	1 164	886	567
Oudtshoorn	1 339	1 019	652
Paarl	2 757	2 098	1 343
Stellenbosch	1 541	1 173	751
West Coast Peninsula	1 173	892	571
Worcester	1 983	1 509	966
TOTAL (rounded)	12 450	9 470	6 060

It has been estimated that there will be a total of 1 000 000 AIDS orphans in South Africa by the year 2006. If it is assumed that the geographical distribution of such orphans will be proportional to the geographical distribution of HIV / AIDS infections, then the proportion of the 1 000 000 orphans that is likely to be in the Western Cape Province, may be calculated on the following basis:

By 2006 the total population of the Western Cape may be about 10% of the national population and the level of HIV infections in the Western Cape may be equal to 50% of the national rate (Dorrington, with respect to the CMA). Therefore the number of AIDS orphans may be 1 000 000 x 10% x 50% = 50 000, say between 40 000 and 60 000.

Many of these orphans are likely to be accommodated by relatives and friends, but many of them will be homeless unless they are provided for by the state or welfare organisations. The responsibility of the PHP in this regard should be investigated in collaboration with the Provincial Directorate of Health and Social Services.

4. ISSUES AND IMPLICATIONS

a. To date insufficient 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. In order to align housing delivery to the needs of customers, the PHP needs to ensure that an ongoing programme of market research is used to refine and update provincial housing delivery programmes.

b. Housing demand is most commonly quoted as a specific number of houses that need to be built. The evidence considered in this 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.

c. Towards the segmentation of housing demand in the W Cape, the following profile of customer groups and their housing needs emerges:

i. **Metro Demand** (220 000 or 71% of total demand)

1. 78 000 families living in shacks in informal settlements, predominantly Africans with the majority earning below R1500 per month. Most housing and services packages currently being supplied are unaffordable to this group. 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.

2. 51 000 families living in overcrowded conditions in formal housing areas. Predominantly Coloureds with a preference to remain living in the neighbourhoods they are familiar with. Greater affordability than squatter communities, but most cannot raise formal housing loans and are dependent on the micro-loan industry. Housing needs are formal housing, with freehold or rental tenure, preferably in proximity to current neighbourhoods.

3. 61 000 families living in backyard shacks in formal housing areas. Both African and Coloured families with greater relatively 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.

4. 23 000 shacks on serviced sites in formal housing areas. Predominantly African with limited affordability. Housing needs include transfer of ownership to occupants and improved quality and size of shelter.

ii. **Demand in Towns** (75 098 or 24% of total demand)

Comprises those families living in overcrowded conditions or in shacks in the towns of the province. Additional research required to segment these customers of the PHP as has been done in the CMA. Comprises Coloured and African families of low affordability. Housing needs vary depending on income, locality and current living conditions.

iii. **Rural Demand** (14 949 or 5% of total demand)

Under researched group of customers that can be segmented into those residing in rural settlements, on farms or on plantations and Nature Reserves. Previously the focus of Department of Land Affairs programmes but their housing needs are now a PHP responsibility. Vulnerable to farm evictions. Predominantly Coloured families most of whom receive 'in-natura' income as part of their remuneration package, which limits their choice in where they live. Housing needs include security of tenure, access to basic engineering services and community facilities, and improved shelter.

d. A unique category of customers the PHP needs to cater for are those households whose income is below the poverty datum line of some R1 100 per month. Their extremely limited affordability means that most current subsidy housing projects are unsuitable to their requirements. Specific indigent policy required to address their unique needs. Located throughout the province with a large proportion of households headed up by females. Scope of customers includes the homeless, street people, etc for whom specific assistance needs to be targeted as part of the PHP.

e. If the number of housing units required to solve 'the housing problem' is to be regarded as the criterion, then one has to conclude that the situation is hopeless. The current backlog in the Province is estimated to be in the order of 300 000 units. Adding the expected ±100 000 new units required in terms of growth projections up to 2006, then the total number of units required will be about 400 000. To cope with this demand by the year 2006, will require some R7,2 bn. The Department anticipates that no money will be made available for housing in the 2001/2002 financial year and that R263 million may be made available in 2002/2003. If it is assumed that about R300 million will be made available for each of the next financial years up to 2006, then a total of some R1,2 bn may be spent on housing in the planning period of this plan: a shortfall of R6 bn. In fact, the amount of money likely to be made available will not even cover the cost of the increase in demand due to population increases - in other words: the existing backlog is likely to increase if the current mode of delivery is pursued.