

MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KZN

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Contact details:

Contact Person:

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Urban-Econ Development Economists

37 Hunt Road
Glenwood
Durban, 4062
South Africa
Tel: +27 (0)31 202 9673
Email: durban@urban-econ.com
Eugene de Beer

The Social Housing Regulatory Authority (the "SHRA")

Physical Address

Sunnyside Ridge Office Complex
3rd Floor, Sentinel House
32 Princess of Wales Terrace
Parktown, Johannesburg
South Africa

Postal Address:

Postnet Suite 240
Private Bag X30500
Houghton
2041
Ms Phindile Moche
phindilem@shra.org.za



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ABBREVIATIONS AND ACRONYMS

BNG	Breaking New Ground
CBD	Central Business District
CHP	Comprehensive Housing Plan
CPI	Consumer Price Index
CRU	Community Residential Units
DHS	Department of Human Settlements
ECD	Early Childhood Development
EPHP	Enhanced Peoples Housing Programme
FLISP	Finance Linked Individual Subsidy Programme
GDP	Gross Domestic Product
IDP	Integrated Development programme
IRDP	Integrated Residential Development Programme
ISU	Informal Settlement Upgrade Programme (ISU)
JBC	Jobstown, Blaaubosch and Cavan
KDM	KwaDukuza Municipality
KZN	KwaZulu-Natal
KZNDOT	DZN Department of Transport
LED	Local Economic Development
LM	Local Municipality
MDMH	Medium-Density Mixed Housing
MTSF	Medium-Term Strategic Framework
NHBRC	National Home Builders Registration Council
NPO	Non-Profit Organisation
ODA	Other Delivery Agents
OSS	Operation Sukuma Sakhe

PGDS	Provincial Growth and Development Strategy
RDP	Reconstruction and Development Programme
RZ	Restructuring Zone
SA	South Africa
SACCI	South African Chamber of Commerce and Industry
SDF	Spatial Development Framework
SH	Social Housing
SHI	Social Housing Institution
SHRA	Social Housing Regulatory Authority
TNP	Tenant Profile Network
USD	United States Dollar

EXECUTIVE SUMMARY

Social Housing is a key priority area for the KwaZulu-Natal (KZN) government. Social Housing is targeted at low- and middle-income households who earn between R1500 and R15 000 per month. Social Housing is provided at affordable rates, on a secure basis to people who qualify. Social Housing developments are usually owned by the state, in the form of councils, or by Non-Profit Organisations (NPOs) such as housing associations.

The Social Housing Regulatory Authority (SHRA), has a mandate to invest, capacitate and regulate the social housing sector In South Africa. The decision-making process related to investment in Social Housing is largely informed by the demand for affordable rental housing. Thus, the aim of this study was to conduct a market demand study for affordable rental housing in KZN, specifically in the six regions presented below:

1. Alfred Duma Local Municipality.
2. KwaDukuza Local Municipality.
3. Msunduzi Local Municipality.
4. Newcastle Local Municipality.
5. Ray Nkonyeni Local Municipality.
6. uMhlathuze Local Municipality.

This study focuses on the demand for affordable housing specifically within 22 designated Restructuring Zones (RZs) that fall within the six regions listed above.

The research methodology undertaken in this study was primarily that of a technical methodology with elements of a participatory approach with relevant local municipal stakeholders. The research process included both qualitative and quantitative data analysis techniques and utilised both primary and secondary data sources.

Primary data and information collection included virtual meetings, telephonic discussions, electronic communication and questionnaire

feedback from social housing personal from the six regions and from relevant Social Housing Institutions. A Household Demand Questionnaire for the six regions was developed and administered to in excess of 600 individuals during January 2021 (non-qualifying participants were replaced, with a total of 600 responses received and analysed) and spread among each of the six study regions.

The secondary research component of this study took the form of a desktop review of housing sector reports, Social Housing Plans, Integrated Development Plans (IDP) Spatial Development Frameworks (SDFs), and statistical data sources.

The primary and secondary information was analysed and informed demand modelling for each respective region.

The key components of the study include:

- ✚ Location delineation for each of the six regions,
- ✚ Location analysis for each of the six regions,
- ✚ Economic Profiling for each of the six regions
- ✚ Demographic Market overview – for each of the six regions,
- ✚ Residential Market Analysis – for each of the six regions,
- ✚ Social Housing Sector Analysis/ Market Supply and Demand for each of the six regions, and
- ✚ Challenges faced during the housing delivery for each of the six regions.

In addition to the above, the study also provides an overview of the policy, legislative and macro spatial environment in which the affordable rental housing is impacted by. Furthermore, the study provides an overview of COVID-19 and its impact nationally and within the six regions of this study.

From the policy and legislative review, it is evident that housing is a key priority both nationally and provincially with numerous supporting, legislation, policies and programmes in place. Affordable rental

housing or social housing is a key component of these documents and initiatives.

The macro spatial environment in South Africa has been experiencing low growth rates overall and all sectors of the economy including the property sector has been struggling in recent years. The impact of COVID-19 puts further strain on the economy and government resources with subsequently impacts the supply of social housing in the country.

Some of The Key Findings of The Location Analysis Are as Follows:

The location analysis showed that each of the six regions either has two or more designated RZs with uMhlathuze having the fewest (two designated RZs) and Msunduzi having the most (eight designated RZs).

Most RZs were located close too or within the Central Business Districts (CBDs) and were found to be well accessible via major or minor transport routes. The main reasoning behind the chosen RZ of each region was closely distances to employment opportunities, transport routes, social amenities and general bulk infrastructure.

This study also looked at the main development indicators of the six regions to provide an understanding and indication of the potential sustainability and need for social housing within the regions.

Some of The Key Findings of The Economic Profiling Are Presented as Follows:

In terms of employment profiles, the highest unemployment rate is evident in Newcastle (38%) and the lowest is in KwaDukuza (24%). The level of unemployment in a region provides an indication of the feasibility of social housing developments. Regions with high unemployment rates provide a smaller market for social housing units.

Regarding the dwelling types, there is a need to note that Newcastle has the highest percentage (84%) of household dwellings that take the form of house or brick structure on a separate stand or yard while

Msunduzi has the smallest percentage (60%). This may indicate a need for housing in Msunduzi.

Regarding the housing tenure status, it should be noted that KwaDukuza has the smallest percentage of households that are owned and fully paid off. In addition, a significant portion of households are renting with the highest rental market being uMhlathuze followed by KwaDukuza. The regions with the highest rental market being uMhlathuze at 34% followed by KwaDukuza at 32%.

Alfred Duma has the highest percentage of households that are occupying dwellings rent free at 28% followed by KwaDukuza at 23%. From the six regions, Ray Nkonyeni has the highest percentage of households that are owned and fully paid off at 49%, while KwaDukuza has the smallest percentage of the six regions at 33%.

Regarding the access to various services, it is important to note that the majority of the regions analysed presents inadequate and uneven service provision. In terms of access to electricity, Alfred Duma has the lowest percentage of households that have access to electricity (82%), while uMhlathuze has the highest percentage of households that have access to electricity (93%). Although most of these regions have majority of households electrified, there are still substantial numbers of households in these regions that still rely on candles and paraffin as an energy source. Alfred Duma for example has 9,767 still rely on candles for a source of energy while 1,197 in Msunduzi are relying on paraffin.

In terms of access to water, most households in the six regions have either piped water inside their dwelling, piped water inside their yard or piped water on a community stand. uMhlathuze and Newcastle have the highest percentage of households that have piped water inside their dwelling (49% each) while KwaDukuza has the lowest percentage of households (33%).

Looking at refuse removal, the majority of households in the six regions either have their waste removed each week by the local authority or they have their own refuse dump. Ray Nkonyeni has the smallest percentage of households that have their waste removed by the local authority while Newcastle has the highest percentage of households at 71% that have their waste removed by the local authority. In Msunduzi 7,597 households have no form of waste disposal. Ray Nkonyeni has the lowest percentage of households that have their waste removed by the local authority. In Msunduzi, 7 597 households have no form of waste disposal.

Flush or chemical toilets and pit latrines are most common in these six regions with Ray Nkonyeni having the fewest percentage of households with a flush or chemical toilet at 45%. uMhlathuze and Newcastle has the highest percentage of households with a flush or chemical toilet at 63% and 62% respectively. A substantial number of households in all six regions have no access to any type of toilet facility, specifically Ray Nkonyeni and Msunduzi have 8,827 and 8,551 households respectively that have no access.

In addition, the largest portion of the population from all six regions fall into those that have achieved a grade 12 certificate only. The second largest portion of the population comprises those whose functional literacy is unknown.

Some of The Key Findings of The Demographic Profiling Are Presented as Follows:

Msunduzi has the largest population and number of households at 677,365 persons and 176,297 households respectively of the six regions. The population and household density are also the highest in Msunduzi compared to the other six regions. KwaDukuza has the lowest population and number of households at 253,743 persons and 76,638 households in 2019.

Regarding the household annual growth, it is important to note that the majority of the regions analysed presents a growth rate

averaging 1,62% per annum. This shows a general positive expansion and need for housing and social housing across all six regions. The average household size is largest in Newcastle and the lowest in KwaDukuza. This may indicate a need for more two-bedroom units within Newcastle.

In terms of age profiles, Msunduzi has the highest percentage of working aged population and Alfred Duma has the lowest. This may increase the likelihood of social housing take-up in Msunduzi as compared to Alfred Duma.

The aged population (60+) is constant throughout the six municipalities at around 6% to 8%. This is generally not the main target market for social housing uptake. With regard to racial profiles, the black population group makes up the vast majority of population in all six regions with the lowest being KwaDukuza Municipality. The coloured population makes up the smallest group in all six municipalities.

Some of The Key Findings of The Residential Analysis are Presented as Follows:

Each of the six regions have comprehensive housing plans in place to address housing shortages in each respective region. Numerous programmes are currently underway to address housing needs across all housing categories. Progress within the housing programmes is varied and, in some cases, limited due to resource and/or bulk infrastructure constraints.

Some of Key Findings of The Social Housing Analysis/Market Assessment and Demand Assessment are as Follows:

Alfred Duma demonstrate that there is a substantial need and demand for social housing within the municipality. Alfred Duma could feasibly accommodate 2 762 social housing units by 2025 with this figure growing to 3 145 units by 2030. All three designated RZ's reflect

significant and growing demand and developments of these potential sizes would ensure feasibility.

KwaDukuza could feasibly accommodate 8 783 social housing units which will grow to 12 674 units by 2030. Blythedale Beach could definitely support a social housing development as demand is positive and exceeds 1 000 units by 2025, however, a development in this location should be proportionately smaller than KwaDukuza CBD. In addition, the demand in Hyde Park will only exceed 1 000 units by 2025 therefore this development could possibly be postponed to a future date and be smaller than the developments in KwaDukuza CBD and Blythedale Beach.

Msunduzi could feasibly accommodate 4 460 social housing units by 2025 with this figure growing to 5 684 units by 2030. All three abovementioned RZs reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

The Newcastle LM could feasibly accommodate 2 943 social housing units which will grow to 4 457 units by 2030. The social housing demand although positive in Arbor Park and Fernwood, does not exceed 1 000 units by 2025. Arbor Park however does reach over 1 000 social housing units demanded by 2030. This model suggests that the Arbor Park and Fernwood social housing developments be postponed and/or are proportionately smaller than the Newcastle Central RZ social housing development.

Ray Nkonyeni could feasibly accommodate 2 079 social housing units by 2025 with this figure growing to 2 953 units by 2030. Both of the abovementioned RZs reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

In total uMhlathuze could feasibly accommodate 1 449 social housing units by 2025 with this figure growing to 2 209 units by 2030. Both RZs reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

The market and demand assessment of each of the six regions suggest that there is a demand for social housing within each region. However, this was not the case in terms of the demand for social housing with each of the 22 identified RZs. In some cases, such as the Arbor Park and Fernwood RZs in Newcastle and the Hyde Park RZ in KwaDukuza sufficient demand for social housing is only reached in 2025 or 2030. In these cases, it is recommended that these social housing developments be postponed to further in the future.

Some of The Key Findings of The Social Housing Challenges are Presented as Follows:

In terms of overall housing challenges in the six regions, there is a shortage suitable land for social housing within some of the RZs. This is owing to some of the following factors:

- The boundaries of some RZs are limited to one project or property.
- Available land parcels are less than acceptable average site size for Social Housing.
- Limited vacant land parcels within some of the RZs. There are limited existing buildings that are suitable to convert to Social Housing.

In addition, there is a general challenge with bulk infrastructure in some RZs particularly those in Alfred Duma and Ray Nkonyeni.

1 INTRODUCTION

This report is submitted to the Social Housing Regulatory Authority (SHRA) as the final deliverable, namely, The Composite Report. This report builds on the previous deliverables, namely, the *Situational Analysis Report* and *The Market Supply and Demand Assessment Report* that was previously submitted to SHRA.

The aim of the overall study is to conduct a market demand study for affordable rental housing in KwaZulu-Natal (KZN) Province, specifically in the six regions presented below.

TABLE 1: SIX REGIONS AND RESTRUCTURING ZONES

Regions	Name of Restructuring Zone Area
Alfred Duma	1. Hospital Street
	2. Ladysmith Central
	3. Dunlop
Newcastle	4. Arbor Park
	5. Newcastle Central
	6. Fernwood
KwaDukuza	7. KwaDukuza CBD
	8. Blythedale Beach
	9. Hyde Park
uMhlathuze	10. Aquadene
	11. uMhlathuze Village
Ray Nkonyeni	12. Marburg
	13. Protea Park
	14. Uvongo
Msunduzi	15. Pietermaritzburg Central,
	16. Oribi,
	17. Westgate/Grange,
	18. Copesville,
	19. Raisethorpe Central,
	20. Otto's Bluff,

- | | |
|-----|------------------------|
| 21. | Hayfields/Linconmeade, |
| 22. | Edendale
Corridor |

1.1 STUDY OBJECTIVES AND PURPOSE

The overall purpose of the study will be to conduct a market study to determine the demand for affordable rental housing in the identified Restructuring Zones. The ultimate outcome of this process is to inform key decisions that relate to the current and future direction of the Social Housing Programme in the KZN Province in these six (6) identified regions.

This study will give the "SHRA" and housing developers some insights into the potential demand that exists for different categories of housing. In addition, the study will highlight the affordability issues facing households within the different income ranges and the risks these households face in maintaining the rental/ownership housing.

1.1.1 SCOPE OF THE WORK

The scope of the work as per the terms of reference includes the following:

1. Undertake a thorough market assessment of the regions as identified in TABLE 1.
2. Undertake a demand study for social rental housing and affordability in these municipal areas with objective to answer the question – what is the demand for social housing in these six regions?
3. Show demand for social housing per capita per region.
4. Conduct an analysis of the COVID19 impact on social housing projects.
5. Compile comprehensive reports with findings, conclusion and recommendations that include the following:

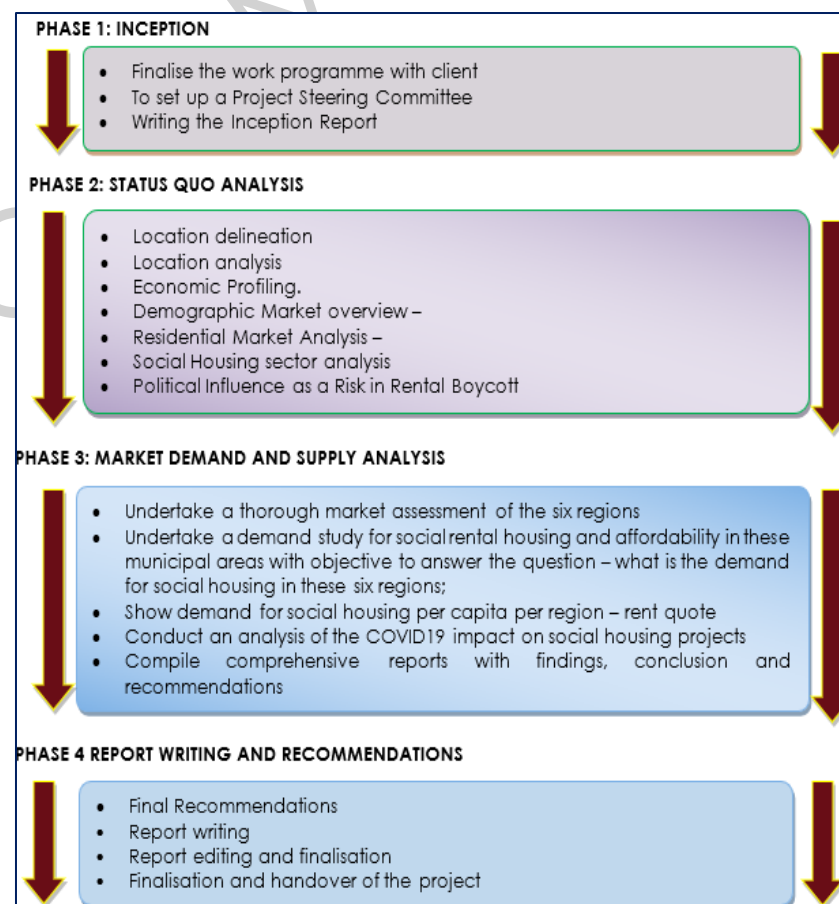
- **Location Delineation** defining clearly the area of coverage and rationale e.g., looking at what modes of transport, education and health amenities exist and are planned for particularly in these demarcated RZs.
- **Location Analysis** for each of the six (6) regions: defining what the total need for housing is, what is the size of a social housing portfolio vs other housing responses, how is the current housing response segmented e.g., what is the percentage of informal vs formal settlements, subsidized vs privately funded, ownership vs rental, what is the land need to address current and future social housing needs vs the available feasible land in the RZ nodes.
- **Economic Profiling.** What is the size of each of these six (6) regional economies, what in these are the dominant contributors, what are the current and future forecast growth and performance patterns of the various segments of these economies?
- **Demographic Market Overview** –housing market area delineation and population size, household sizes, age profile, racial profile, levels of education, employment status and what is the split of occupations in which sectors, what are people choosing for dwelling types and tenure status, annual household incomes, living standard measurement, level of indebtedness and affordability, dominant household expenditure patterns, what percentage across all these aspects represents the Social Housing target market.
- **Residential Market Analysis** – South Africa affordable housing overview, local residential market activity in the surrounding areas, residential demand modelling, what is an overview of the residential market trends underlining the source market area.
- **Social Housing Sector Analysis** – size of the existing portfolio, what is the size of the planned and approved developments, what are the occupancy vs vacancy rates, what are the average vacancy filling turnaround times, what are the unit types and sizes for which the market is most lucrative.
- **Political Influence as a Risk in Rental Boycott** – what is an overview on political interference to influence rent boycott and hijackings of units. Show what is the best approach to mitigate such risks.

- **Findings, Recommendations, and Conclusion**

1.1.2 METHODOLOGY

The methodology indicated on the following page is based on the understanding of the objectives, the scope and the requirements of the project.

FIGURE 1: RESEARCH METHODOLOGY



The methodology that is generally followed consists of five main phases as displayed in the table below. It should be noted that the specific detailed work plan is formulated together with the client before commencement of the project.

TABLE 2: METHODOLOGY STEPS

Phases of The Project	Steps of The Phase	Deliverables
Phase 1: Preparation	<ul style="list-style-type: none"> Finalise the work programme with client 	Inception Report
	<ul style="list-style-type: none"> To set up a Project Steering Committee 	
	<ul style="list-style-type: none"> Writing the Inception Report 	
Phase 2: Status Quo Analysis	<ul style="list-style-type: none"> Location delineation for each of the six (6) regions 	Status Quo Report
	<ul style="list-style-type: none"> Location analysis for each of the six (6) regions 	
	<ul style="list-style-type: none"> Economic Profiling for each of the six (6) regions 	
	<ul style="list-style-type: none"> Demographic Market overview – for each of the six (6) regions 	
	<ul style="list-style-type: none"> Residential Market Analysis – for each of the six (6) regions 	
	<ul style="list-style-type: none"> Social Housing sector analysis for each of the six (6) regions 	
	<ul style="list-style-type: none"> Political Influence as a Risk in Rental Boycott for each of the six (6) regions 	
Phase 3: Market Demand and Supply Analysis	<ul style="list-style-type: none"> Undertake a thorough market assessment of the six (6) regions 	Supply and Demand Analysis Report
	<ul style="list-style-type: none"> Undertake a demand study for social rental housing and affordability in these municipal areas with objective to answer 	

Phases of The Project	Steps of The Phase	Deliverables
	the question – what is the demand for social housing in these six regions?	
	<ul style="list-style-type: none"> Show demand for social housing per capita per region – rent quote 	
	<ul style="list-style-type: none"> Conduct an analysis of the COVID19 impact on social housing projects 	
	<ul style="list-style-type: none"> Compile comprehensive reports with findings, conclusion and recommendations 	
Phase 4: Report and Recommendations	Final Recommendations	Final Report
	Report writing	
	Report editing and finalisation	
	Finalisation and handover of the project	

SOURCE: URBAN ECON, 2021

1.2 RESEARCH APPROACH

The research methodology undertaken is primarily that of a technical methodology with elements of a participatory approach with respective local municipal stakeholders. The research process included both qualitative and quantitative data analysis techniques. Both primary and secondary research were conducted during this study.

1.2.1 PRIMARY DATA COLLECTION

Primary data and information collection included virtual meetings, telephonic discussions, electronic communication and questionnaire

feedback from social housing personal from Alfred Duma, Newcastle, KwaDukuza, uMhlathuze, Ray Nkonyeni and Msunduzi as well as relevant Social Housing Institutions. All full stakeholder engagement list can be found in **Error! Reference source not found.** of this report.

In addition to the above, a *Household Demand Questionnaire* for the six regions was developed and conducted by means of 600 personal interviews during January 2021 and spread among each of the six study regions. Difficulties were experienced due to the Covid-19 restrictions, which limited the extent of the survey. The survey was targeted at the Social Housing Market and was undertaken in the main concentration areas i.e., the Central Business Districts (CBDs) and taxi ranks of the respective regions. A copy of the questionnaire can be found in Appendix 1 of this report.

1.2.2 SECONDARY RESEARCH

The secondary research component of this study took the form of a desktop review of housing sector reports, Social Housing Plans, Integrated Development Plans (IDP) and Spatial Development Frameworks (SDFs) for Alfred Duma, Newcastle, KwaDukuza, uMhlathuze, Ray Nkonyeni and Msunduzi. Residential trend reports and other key research reports from Property Management Companies such as Lighthouse, Trafalgar, Tenant Profile Network (TPN), PayProp etc. was also assessed in this study. In addition, statistical databases from Quantec and Statistics South Africa were utilised. The primary and secondary information was analysed and entered into the demand models for each respective region

1.3 REPORT STRUCTURE

This report consists of the following sections:

Section 1: Introduction

Section 2: The Contextual Environment

Section 3: Regional Market Assessment

Section 4: Alfred Duma Regional Market Scoping

Section 5: Newcastle Regional Market Scoping

Section 6: KwaDukuza Regional Market Scoping

Section 7: uMhlathuze Regional Market Scoping

Section 8: Ray Nkonyeni Regional Market Scoping

Section 9: Msunduzi Regional Market Scoping

Section 10: Other Factors Influencing Social Housing

Section 11: Conclusion

2 CONTEXTUAL ENVIRONMENT

2.1 INTRODUCTION

This section provides an overview of the legislative, policy environment and macro economy in which the 22 RZs are located. The South African economy is profiled in this section.

2.2 LEGISLATIVE AND POLICY BACKGROUND

HOUSING POLICIES, LEGISLATION AND PROGRAMMES

There are a number of policy and strategy frameworks which intend to bring economic benefits and improve quality of life for all South Africans. These national, provincial, and district policies and strategies are relevant to the housing development of any municipality in South Africa. Thus, the purpose of this section is to present the policy and strategy framework that has been developed to enable the housing development in the identified regions.

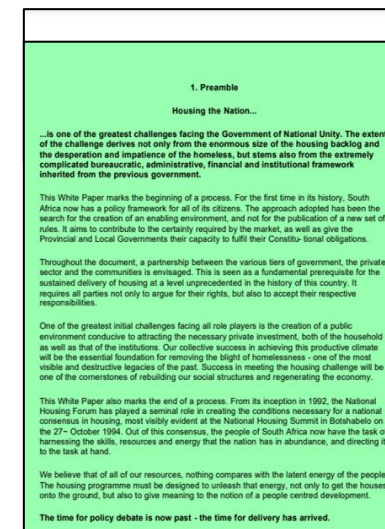
2.2.1 BACKGROUND

South Africa's housing policy was entrenched in the Housing White Paper, which was published in 1994. The White Paper focussed on stabilising the environment to transform the fragmented, complex and racially based financial and institutional framework inherited from the previous government, while at the same time establishing new systems to ensure delivery to address the housing backlog.

Since 1994, the White Paper has been supplemented by a number of new policies and programmes that seek to enhance the existing delivery mechanisms to promote a more proactive and effective delivery of houses to the citizens of South Africa.

Some of these include:

- Integrated Residential Development Programme
- Upgrading of informal settlements
- Social Housing Programme
- Institutional Subsidies
- Community Residential Unit Programme
- Individual Subsidy Programme
- Consolidation Subsidy Programme
- Enhanced Extended Discount Benefit Scheme
- Enhanced People's Housing Process
- Comprehensive Housing Plan
- Inclusionary Housing Policy
- Rental Housing for the Poor
- Breaking New Ground (BNG) Programme
- Rental Housing Act, 1999 (Act 50 of 1999)
- Home Loan and Mortgage Disclosure Act, 2000 (Act 63 of 2000)
- Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998)
- Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 (Act 19 of 1998).



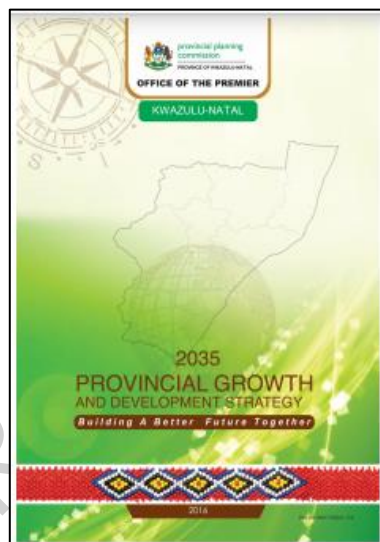
The provision of housing has been a priority focus of the South African government since 1994. The Reconstruction and Development Programme (RDP) set a goal of building 300 000 houses per annum, with a minimum of 1 million low-cost houses to be built by 1999. Although government was not able to achieve this goal and is still addressing a large housing backlog, the figures give an indication of the level of commitment by the government to provide adequate housing to its citizens.

2.2.2 PROVINCIAL POLICY FRAMEWORK

2.2.2.1 PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY¹

The provision of a house continues to be an important part of human settlements. Liveable human settlements require integrated planning that involves; a safe and sustainable living environment, infrastructure that allows and enables economic activity, delivery of services and social facilities, as well as ongoing maintenance capacity.

Equitable human settlement refers to developments in both urban and rural settings that address the poverty traps that were created in the location of settlements in the past. This has not been an easy ideal to achieve given the historical issues related to land availability and the



slow progress, almost a stalemate, on land reform in the Province. KZN is, "hampered by slow progress with suitable tenure arrangements that would promote sustainable settlements, as well as the delivery of adequate services throughout the province".

Much is still to be done to facilitate the existence of racially and culturally integrated human settlements, which are also promoting citizens to pursue their social, cultural, political and economic goals. This requires communities and their members to be at the centre of the scaling-up of service delivery through their involvement in planning and implementation of programmes either as part of voluntary self-provisioning system or as paid-up community members. These issues are at the core of the KZN PGDS 2035.

The vision for KZN as outlined in the PGDS 2035 is to, "by 2035 [...] be a prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the World" (KZN PGDS, 2016). In line with reaching this vision the strategy outlines seven strategic goals to address the challenges the Province faces and take advantage of the opportunities present. The strategic goals designed for the province focus on:

1. Inclusive Economic Growth
2. Human Resource Development
3. Human and Community Development
4. Infrastructure Development
5. Environmental Sustainability
6. Governance and Policy; and
7. Spatial Equity.

¹ KwaZulu-Natal Office of the Premier: 2035 Provincial Growth and Development Strategy

Each of these goals has a number of strategic objectives and goal indicators in order to further define the goal and provide a means of monitoring progress. As this report focuses on the provision of housing the strategic objectives and goal indicators identified for the third strategic goal, that of human and community development, are particularly relevant. This third strategic goal of the KZN PGDS 2035 focuses on human and community development towards poverty and inequality reduction in KZN. This goal is aligned to various National Outcomes such as:

- Outcome 2: Health
- Outcome 3: All people in South Africa are and feel safe
- Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all
- Outcome 8: Sustainable Human Settlements and Improved Quality of Household Life
- Outcome 11: Create a better South Africa, contribute to a better and safer Africa in a better world
- Outcome 13: An inclusive and responsive social protection system; and
- Outcome 14: Nation Building and Social Cohesion.

Human development and the development of communities are central themes of the Province's strategy for growth and development. The development of communities encompasses a wide range of services and functions that support the manner in which people live and socialise, and the PGDS recognises that social issues and social functioning have serious implications for infrastructure development, economic approaches, environmental, and spatial planning issues. This goal area looks at social services such as welfare, health services, the means for establishing and maintaining livelihoods and the structures/ settlements in which citizens live; the safety of citizens and the means to maintain and re-

create bonds between people are pertinent here. The interventions in this goal area take place at a local level and all the other areas of the PGDS have implications for the way that community life is realised. As with other goal areas, this area has to deal with the tangible and intangible legacies of deprivation and under-resourcing. An underlying theme is that of moving people from a mode of coping with poverty to a mode of empowerment, empowerment for self-sustenance. Underlying this is a need to transform the mind-set of asset entitlement whereby poverty eradication and social grants orientation is balanced with a mission towards socio-economic empowerment of citizens, coupled with the promotion of personal and community action. Qualitative and sustainable interventions have been proposed at community level, these require monitoring and evaluation mechanisms. As in other areas, political support is required for realising the objectives set out in this goal and the co-ordination of mandates across different levels and spheres of government.

In delivering services there is need to prioritise under-served areas and the objectives require the co-ordination of effort amongst the social partners: community organisations, business and labour organisations in partnership with government. The overarching KZN initiative, described in the Poverty Eradication Master Plan, sets an important framework for delivery: Integration and Coordination: calling for/mandating social partners to act in concert, the technical facilitation of game changing interventions through a central point of co-ordination and harnessing the resource commitments of provincial and municipal resources and of course to co-ordinate resource commitments of social partners.

This goal has resonance with services for the vulnerable. The demographic and poverty profile of KZN make it necessary to have a strong net of social services and the concept of community

development encompasses social as well as local economic/livelihood strategies. This goal area can only achieve its objectives with the parallel efforts of human resource development interventions, to bolster and further the individual's participation in and contribution to community life.

Since the publication of the PGDS, the Province, frequently in concert with national organs, has further built on and developed programmes and interventions to deal with poverty, unemployment and inequality at local level. This goal area incorporates much of the thinking that informs the Poverty Eradication Master Plan, the Agricultural Radical Socio-Economic Transformation Model and the Social Cohesion, Migration and Community Integration projects and works in tandem with SMME and informal economy support measures. These studies and plans are leaned on in this goal area as they offer latest research, approaches and have been drawn up in multi-stakeholder forums.

Human and community development services depend largely on access to a variety of social, socio-economic and health infrastructure. Goal 4 of the PGDS deals with transport, accessibility and bulk infrastructure to ensure in the medium to long term that social and health facilities are accessible, within relatively easy reach of communities both urban and rural. This goal area calls for accessible, quality services and leaves the task of enumerating the various types of facilities to the PGD Plan.

Communities are vital vehicles to effect collective transformation of rural and urban community areas. The opportunity to transform the lives of the poor are best located within the social, economic and institutional dynamics of communities. Therefore, community development programmes and projects that could be designed and implemented by the collective efforts of community members or in



which community members have been fully participants and are more responsive to community felt needs and are capable of generating an enthusiastic sense of ownership. These are critical ingredients for sustainable development programmes and projects.




The strategic objectives towards the goal of Human and Community Development are the following:



- (a) Eradicate poverty and improve social welfare services.
- (b) Enhance health of communities and citizens.
- (c) Safeguard and enhance sustainable livelihoods and food security.
- (d) Promote sustainable human settlements.
- (e) Enhance safety and security.
- (f) Advance social cohesion and
- (g) Promote youth, gender and disability advocacy.

The table on the following page outlines the strategic objectives and the specific objective indicators for the third strategic goal of Human and Community Development towards poverty and inequality reduction in KZN.

TABLE 3: KZN PGDS STRATEGIC GOAL 3, OBJECTIVES, INTERVENTIONS AND INDICATORS

Strategic Objective	Interventions	Objective Indicator
3.1 Eradicate poverty and improve social welfare 	<p>3.1(a) Accelerate the roll-out of and the monitoring and impact evaluation of the Poverty Eradication Master Plan and Sukuma Sakhe (on which the PEMP builds) and related social welfare programmes including the development of Community and Ward Based Plans for the identified, most poverty-stricken municipalities; and to address facilities and services for the elderly, drug addicted individuals, indigent households and victims of abuse.</p> <p>3.1(b) Implement a comprehensive social welfare system. This refers to the services traditionally within the ambit of social welfare services – the imperative here is to expand social services progressively to people in all areas, urban and rural, formal and informal settlements.</p> <p>3.1(c) Achieve universal coverage in ECD for children from 0 to 4 years through the ECD Educator Development, ECD Practitioner Development and ECD Centre Development projects; recognising the potential for income generation and job creation. This should include up-skilling and development of DSD, its systems and professional staff a to extend their roles to systematically address the massification of ECD.</p> <p>3.1(d) Collaborate with NGOs with proven track records to augment service delivery, training of trainers / practitioners, and for implementation models.</p>	<p>3.1.1 Effective dependency ratio.</p> <p>3.1.2 Functional Operation Sukuma Sakhe war rooms.</p> <p>3.1.3 Poverty gap (p1) and severity of poverty (p2).</p> <p>3.1.4 Reduction in child poverty and malnutrition: % children that are stunted, wasted or obese.</p> <p>3.1.5 Reduction in relative poverty.</p> <p>3.1.6 Number of eligible social grant applications.</p>
3.2 Enhance the health of communities and citizens 	<p>3.2(a) Re-engineer Primary Health Care including community and facility-based services and programmes, as well as to integrate lessons learned from NHI pilot.</p> <p>3.2(b) Implement the 90-90-90 strategy for HIV, AIDS, TB and Non-Communicable Diseases.</p> <p>3.2(c) Enhance physical and mental health programmes with increased focus on screening and referral.</p> <p>3.2(d) Research metric to track causes of natural deaths and notifiable deaths as an early warning</p>	<p>3.2.1 Percentage of people living within an internationally acceptable radius of a fully functional healthcare facility throughout the Province.</p> <p>3.2.2 Infant mortality rate (per 1000 live birth).</p> <p>3.2.3 Under 5 mortality rate (per 1000 live birth).</p> <p>3.2.4 Maternal mortality in facility ratio (per 100 000 live births).</p> <p>3.2.5 Percentage of the population with private medical cover.</p>
3.3 Safeguard and enhance	<p>3.3(a) Development of facilities for local markets, production / processing facilities and retail facilities including appropriate storage and logistics measures.</p>	<p>3.3.1 Dietary Diversity Index (%of households consuming fewer than the 15</p>

Strategic Objective	Interventions	Objective Indicator
sustainable livelihood and food security 	<p>3.3(b) Facilitate skills development in communities aligned to local economies to support local food production and provision of consumer services.</p> <p>3.3(c) Accelerate the implementation of the KZN Poverty Eradication Master Plan to contribute to food security.</p> <p>3.3(d) Expedite the roll-out of the National Schools Nutrition Programme.</p> <p>3.3(e) Implement an integrated system for continuous assessment of poverty, malnutrition and hunger and to measure migration out of the poverty trap, targeting the most marginalised urban and rural communities, including an early-warning system.</p>	<p>major food categories in the previous month).</p> <p>3.3.2 Hunger episodes (the incidence of a household member gone hungry at least sometimes in the preceding 12 months and refers to a percentage of households).</p>
3.4 Promote sustainable human settlements 	<p>3.4(a) Establish a joint provincial forum to address human settlements to ensure coordinated and integrated development planning and implementation.</p> <p>3.4(b) Implement polycentric nodal development aligned to Provincial Spatial Development Framework to achieve sustainable livelihoods.</p> <p>3.4(c) Undertake a comprehensive review of the KZN Human Settlements Strategy incorporating the key focus areas of informal settlements upgrade, social housing, housing in the gap market and a comprehensive rural settlement policy. This will ensure housing programmes that address the needs of all KZN citizens and that lays the foundation for a mixed approach in terms of tenure and products available, as well as reduce travel time between work and place of residence.</p>	<p>3.4.1 Percentage of households living in formal dwellings per district.</p> <p>3.4.2 Percentage housing backlog.</p> <p>3.4.3 Percentage households with a registrable form of tenure.</p> <p>3.4.4 Percentage of Provincial Human Settlement budget spent on formal settlement development.</p> <p>3.4.5 Percentage of Social Housing and Rental Opportunities.</p>
3.5 Enhance safety and security 	<p>3.5(a) Develop a Consolidated Crime Prevention and Crime Combating Strategy for the Province.</p> <p>3.5(b) Develop a consolidated Road Safety Strategy for the Province.</p> <p>3.5(c) Institute Victim Empowerment Programmes across the Province.</p> <p>3.5(d) Improve and extend programmes to address violence and anti-social behaviour amongst men, especially young men (who are often perpetrators and victims of such violence).</p> <p>3.5(e) Improve and extend programmes providing services to those often targeted in violence with a particular focus on women and children and those in the LGBT communities.</p> <p>3.5(f) Policing Forums across the Province. These partnerships between civil society, business and criminal justice system at local level can work in tandem with Victim Empowerment Programmes. The DCSL must take the lead role in promoting their effective functioning across</p>	<p>3.5.1 Total number of crimes measured as the number of crimes reported per 100 000 /population).</p> <p>3.5.2 Number of fatal accidents reported.</p> <p>3.5.3 Number and/or spread of functional Community Policing Forums.</p> <p>3.5.4 Number of serious crimes reported.</p> <p>3.5.5 Number of crimes against women and children and elderly.</p> <p>3.5.6 Number of drug related crimes reported.</p>

Strategic Objective	Interventions	Objective Indicator
	urban-rural, formal and informal settlements including business and commercial districts. Establish and strengthen Community. 3.5(g) Reduce livestock theft.	
3.6 Advance social cohesion and social capital 	3.6(a) Establish a Social Development Council at Provincial level to systematically build social capital and work for social cohesion. 3.6(b) Formalise and implement a social cohesion strategy for the Province (to cover responsible citizenry, moral regeneration, ethics at work etc.). 3.6(c) Develop and implement programmes that provide norms and behaviour that create an enabling environment for the NGO sector. 3.6(d) Support mutually beneficial platforms as solutions to help reduce tensions between South African and foreign small and informal traders. 3.6(e) Develop industry-orientated arts, culture and sports programmes.	3.6.1 Numbers of incidents of politically motivated, racially or religiously based violence or other forms of intolerance or disharmony reported per district per annum, and trends, throughout the Province. 3.6.2 Number and extent of community level organisations (NGOs) active in participating in government department programmes, with active registration status, as brought together through and represented in the proposed Social Development Council.
3.7 Promote youth, gender and disability advocacy and the advancement of women 	3.7(a) Develop programmes to track social and economic development among the youth. 3.7(b) Develop programme to track the socio-economic empowerment of women in both rural/traditional and urban areas. 3.7(c) Develop programme for tracking social and economic advancement of people with disabilities. 3.7(d) Strengthen mechanisms to measure the impact of development plans in the empowerment of women, youth and people with disabilities, including increased levels of participation in the governance structures and processes of the Province.	3.7.1 Percentage of youth, in all spheres of socio-economic opportunities. 3.7.2 Percentage of women in all spheres of socio-economic opportunities. 3.7.3 Percentage of people with disability in all spheres of socio-economic opportunities. 3.7.4 Level of participation of women, youth and people with disabilities in the processes of governance and consultative structures at all levels.

SOURCE: KZN PGDS 2035

2.2.2.2 MASTER SPATIAL PLAN FOR KWAZULU-NATAL FOR HUMAN SETTLEMENTS INVESTMENT 2016

The Vision for the KZN Human Settlement Master Spatial Plan is for KZN, by 2030, to be recognised for its compact, connected and integrated human settlement pattern across different scales reflecting successful spatial transformation, founded on the values of sustainability, collaboration, choice, and value creation. In this regard, a number of objectives have to be achieved, including the following:

- Objective 1: Spatial transformation
- Objective 2: Compact settlements and settlement patterns
- Objective 3: Connected settlements and settlement patterns
- Objective 4: Integrated settlements and settlement patterns
- Objective 5: Functional residential property market in urban and rural areas
- Objective 6: Consistent application of policies, principles, objectives and concepts across various scales (provincial, regional, local)



- Objective 7: Institutional capacity for effective planning and implementation.

2.2.2.3 DEPARTMENT OF HUMAN SETTLEMENTS ANNUAL PERFORMANCE PLAN 2017/18 – 2019/20²

The following are some of the important points for this report taken from the Annual Performance Plan 2017/18 – 2019/20 regarding the housing developments.

- 19,5% of the households live in an RDP/government subsidised dwelling.
- Housing development should be undertaken in an integrated and sustainable manner.
- Urbanisation brings along with it many challenges, mainly the availability of bulk infrastructure and the pressure on available and well-located land. A concerted effort is now being made to focus more on urban projects such as the fast tracking of the Informal Settlement Upgrades, IRDP, FLISP, GAP housing and Social Housing.
- The housing programmes implemented by Programme 3 Housing Development includes: Finance Linked Individual Subsidy Programme (FLISP), Enhanced Peoples Housing Process (EPHP), Informal Settlement Upgrade Programme (ISU), Informal Residential Development Programme (IRDP), Emergency Housing and Operation Sukuma Sakhe (OSS), as well as Social/Rental Housing, Community Residential Units, Rectification, Military Veterans, Social and Economic Amenities and Rural Housing.
- The eradication of the informal settlements in the Province and the eradication of the temporary residential accommodation within the eThekweni municipality remains a

² Human Settlement, Province of Kwa-Zulu Natal. Annual Performance Plan 2017/18 – 2019/20.

http://www.kzndhs.gov.za/Uploads/documents/Resource_Centre/Strategic_documents/Annual_Performance_Plans/APP_2017-18-2019-20_CD.pdf

priority to be implemented over the remaining Medium-Term Strategic Framework (MTSF) period and beyond.

- Other key focus areas for the achievement of Outcome 8 targets are the acquisition of suitable well-located land for human settlements, creation of affordable rental stock and making provision for the gap market. To increase the supply of gap market housing to meet the high demand, the Department will be engaging with the private sector developers and other stakeholders inclusive of financial institutions. Furthermore, greater emphasis will be given to IRDP projects which will make available serviced sites for FLISP.
- In addressing the title deeds backlog, Built Environment Service providers have been appointed to attend to the opening of township registers, pegging of sites, beneficiary administration and conveyancing matters.
- The Department is currently utilizing innovative construction technologies i.e., alternative building technology and materials voucher system versus brick and mortar which takes longer and results in a longer waiting period for the beneficiaries to benefit from a housing opportunity.
- Strategic Objective 2 - Accelerate the creation of rental housing opportunities, and implement projects that ensure spatial, social and economic integration. The Department will continue to promote effective and efficient social and rental housing delivery.
- Strategic Objective 3 - Improve access to tenure.



The Department will fast track the transfer of title deeds to promote home ownership.

2.2.3 LEGISLATIVE FRAMEWORK

The South African Constitution, 1996 enshrines the right of everyone to have access to adequate housing and makes it incumbent upon the State to take reasonable legislative and other measures within its available resources to achieve the progressive realization of this right.

In response to this Constitutional imperative, Government has in terms of the Housing Act, 1997 (Act No 107 of 1997), introduced a variety of programmes which provide the poor households access to adequate housing. The policy principles set out in the White Paper on Housing aim to provide poor households with houses as well as basic services.




The housing vision is the establishment of viable, socially and economically integrated communities, situated in areas allowing convenient access to economic opportunities, as well as to health, educational and social amenities in which all South Africans will, on a progressive basis, have access to permanent residential structures with secure tenure ensuring internal and external privacy and providing adequate protection against the elements; and potable water, adequate sanitary facilities and domestic energy supply.

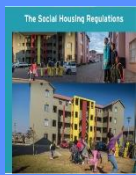
The following table shows some of the relevant legislation that influences human settlement.






TABLE 4: LEGISLATIVE FRAMEWORK






Statute	Description
Constitution of the Republic of South Africa (Act 108 of 1996)	The Right to have access to adequate housing; Right to have access to land for all South Africans.



Statute	Description
Housing Act (Act 107 of 1997)	The establishment and maintenance of habitable, stable and sustainable public and private residential developments to ensure viable households and communities, in areas allowing convenient access to economic opportunities and to health, educational and social amenities, in which all citizens and permanent residents of the Republic will, on a progressive basis, have access to: Permanent residential structures with secure tenure, ensuring internal and external privacy and providing adequate protection against the elements; and Potable water, adequate sanitary facilities and domestic energy supply. 
Rental Housing Act (Act 50 of 1999)	The Rental Housing Act identifies objectives to be promoted to achieve a rental housing market which is stable and growing. Future housing projects should include rental housing in areas where there is a need for this type of housing. The management and administration capacity of the public and private sector with regards to rental housing should be improved. 
Social Housing (Act 16 of 2008)	The aim of the Social Housing Act is to amongst other things; to outline to the three levels of government - their function in regard to social housing, to codify in legislation the recognition to social housing institutions. To help establish a regulatory board called the Social Housing Regulatory Authority and related matters of public funds dealing with Social housing institutions. 
Social Housing Regulations	According to section 19 of the Social Housing Act, in addition to this Act the Minister must make a set of regulations i.e., a framework which prescribes a code of conduct, the investment criteria and the qualifying criteria for social housing institutions may create

Statute	Description
	regulations concerning the agreements between the Social Housing Regulatory Authority and other delivery agents. This includes agreements between the Regulatory Authority and provincial government as well as between the Regulatory authority and National Housing Finance Corporation: the section also gives them the power to prescribe any further administrative or additional matter as well as penalties for contravening or not complying. This includes imprisonment with a maximum of six months and/or fine or both. 
Human Settlements Vision 2030	A priority in the 2030 Strategy vision of the State is housing for the poor. The policy that needs to be looked at is referred to as "Gap housing", which is described as the space present in the market between state supplied houses and houses which the private sector delivers. The gap housing policy is aimed at assisting teachers, nurses, firefighters whose income ranges from R1 500 and R15 000 pm. Which is too small of an amount to be able to afford private housing or qualify for home loans and too large to qualify for state supplies housing i.e., RDP housing. The National Housing Finance Corporation (NHFC) provides monetary assistance via an initiative called Finance Linked Individual Subsidy Programme (FLISP), which gives all qualifying individuals the ability of being granted with loans and bonds from banks or financial institutions 
Social contract for rapid housing delivery (Act 2005)	In Cape town delegates gathered for this initiative with the aim to remove slums as quickly as possible by no later than 2014, they wanted to provide formal housing to the 'poorest of the poor' and to cut by 50% access to the built areas. Rental stock was to be created for mobile migrant Durban populace 

Statute	Description
	who want to reside closer to their job areas. As well as educate housing consumers. Overall to accelerate provision of housing to the poor as rapidly as possible.
Housing Consumer Protection Measures Act (Act 95 of 1998)	The aim of the Act is to protect homeowners from inferior workmanship. Builders are responsible for design and material defects for three months, roof leaks for a year, and any structural failures of houses for five years. NHBRC inspectors may assess workmanship during and after the building process. 
Division of Revenue Act (Act No. 7 of 2003)	The Act ensures the equitable division of revenue between national, provincial and local spheres of government. It prescribes conditions to be met to receive the grant funding. The Act clearly sets out the duties of the transferring officer and receiving officer of the Human Settlement Development Grant. 
Comprehensive Plan for Creating Sustainable Human Settlements 2004	Accelerating the delivery of housing as a key strategy of poverty alleviation; Utilizing provision of housing as a major job creation strategy; Leveraging growth in the economy; etc. The Breaking New Ground Principles should form the basis for housing project prioritization. 
Spatial Planning and Land Use Management Act (Act no 16 of 2013)	All development applications need to be made in terms of the provisions made in SPLUMA, this includes developments on Tribal Land. Spatial patterns of human settlement development should adhere to the principles outlined in SPLUMA. 
Integrated Housing and Human Settlement	Schedule 5 to Division of Revenue Act of 2008 outlines that to provide for the facilitation of a sustainable housing development process by laying down general principles applicable to housing development in all 

Statute	Description
Development Grant (IHAHSD)	spheres of government through the Division of Revenue Act.
Integrated Urban Development Framework (IUDF) 2014	The Integrated Urban Development Framework (IUDF) is designed to unlock the development synergy that comes from coordinated investments in people and places and builds on various chapters in the National Development Plan (NDP) and extends Chapter 8 'Transforming human settlements and the national space economy', and its vision for urban South Africa. 
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act of 1998	The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act was promulgated in 1998. The Act repeals the Prevention of Illegal Squatting Act No. 52 of 1951 and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act also makes it an offence to evict legally without due process of law 
Home Loan and Mortgage Disclosure Act of 2000	The Act provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities. It requires financial institutions to disclose information and identities discriminatory lending patterns. The Act came into operation during 2003. 
The Less Formal Township Establishment Act No. 113 of 1991	This Act is specifically for guiding rapid township establishment where housing is in dire need. 
Communal Land Rights Act No 11 of 2004	The Act deals with Communal Land Rights and is pertinent to the housing instruments that promote housing under this form of ownership. 

SOURCE: DEPARTMENT OF HUMAN SETTLEMENTS - NATIONAL HOUSING POLICY AND SUBSIDY PROGRAMMES, 2010

2.2.4 RENTAL HOUSING PROGRAMMES

The purpose of this sub-section is to provide a greater understanding of the Gap/Affordable Housing market trends in South Africa, existing housing policies and subsidies that are in place, relevant stakeholders.

The section is structured under the following headings:

- Overview of the Gap Housing Market in South Africa.
- Gap Housing Programmes.

2.2.4.1 OVERVIEW OF THE GAP HOUSING MARKET IN SOUTH AFRICA³

This 'GAP' housing market refers to those who are unable to participate in the open housing market due to the difficulty for individuals to secure loans yet have incomes that are too high to qualify for a state housing subsidy. Affordable housing involves a cheaper, more affordable housing type to answer to the needs of the GAP market. It is important to note that affordable housing does not refer to sub-standard accommodation and it shouldn't be seen as an extension of the Reconstruction and Development Programme (RDP), but rather as a separate issue.

Three important things to know about GAP Market in South Africa:

- It is the largest market in South Africa, with the most people and the most properties.
- Volume + value: things are starting to change.
- Lenders are active, and not only the ones expected.

It is the largest market in South Africa, with the most people and the most properties.

- The GAP market is actually all those who cannot easily access affordable housing - that is, where supply doesn't match demand.
- Property values of less than R500 000.
- Households that earn between R1 500 and R15 000 per month and do not qualify for state subsidies or bank loans.
- Includes government subsidised and private sector housing stock.
- An affordable suburb is a neighbourhood with an identifiable name and recognized boundaries in which the average worth of the residential properties within it is less than or equal to R 500 000.
- Just under half (47%) of affordable market properties are found in former-black townships.
- Only about 4% of properties in the affordable market are in Sectional Title schemes.
- During 2010, 80% of all new build was in the affordable market; vs. about 35% of all resale.
- Of almost 6 million residential properties on the Deeds Registry, 3.5 million (58%) are valued at less than R500 000; and
- There are 6,886 suburbs on the deed's registry, and about 3 500 have an average property value of less than R500 000.

Volume + value: things are starting to change.

- While GAP market (and unvalued) activity dominates the new build market, resales are dominated by the 'regular' (R500 000 +) market.

³ Affordable Land and Housing Data Centre (2010).
www.alhdc.org.za/downloads/R500k_and_below.ppt

- The GAP market transacts much less frequently than the 'regular' market. The lower the property value, the lower the rate of churn. This means less supply in the resale market.
- Resale property values have been consistently higher than the values of new builds. In GAP market areas, new builds have not gone over an average value of R320 000 (affordable to a family earning R11 500 per month). This may be due to the affordability constraints in these areas.
- The majority of properties in South Africa are owned by people who do not own any other property.

Lenders are active, and not only the ones expected.

- Unsurprisingly, more higher value properties are financed with a mortgage than lower value properties. Fewer gap market properties are financed with a mortgage than 'regular' market properties.
- Absa bank (25%) holds the most mortgage loans (by number) in the GAP market, followed by Standard Bank (22%). Nedbank (19%) has a greater number of Gap market loans than FNB (17%). SA Home Loans (3%) also features, although marginally. The 10% belongs to other mortgagees.

RECOGNISE OPPORTUNITIES: AFFORDABILITY FOR FINANCE²

The following table shows the household affordability for a loan.

TABLE 5: HOUSEHOLD LOAN AFFORDABILITY

Household Income	Financial Institution	FLISP ⁴
R500 household income	BNG House	None
R1 500 household income	R10 000 loan	None
R2 500 household income	R70 328 loan	None
R3 500 household income	R98 459 loan	R87 000
R7 000 household income	R196 919 loan	R67 000
R9 000 household income	R253 181 loan	R55 000
R12 500 household income	R351 641 loan	R35 000
R15 000 household income	R480 000 loan	R20 000
R16 000 household income	R514 549 loan	None

SOURCE: FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME (2018)

⁴ Finance Linked Individual Subsidy Programme [Online]. Available: www.flisp.co.za.

HOME LOAN QUALIFICATION⁵

The following are the things one should consider when intending to apply for a home loan:

- The home one can afford depends on his/her monthly income, expenses, outstanding debt, income tax and credit profile.
- To get bond pre-approval, one's disposable income should exceed 30% of his/her gross monthly income.
- The applicant would have to ensure that he/she has documents to prove his/her income and expenses. Also, he/she has to keep his/her pay slips, a record of his/her pension and medical-fund contributions, receipts, and more.
- Has the applicant made provision for a change in circumstances (e.g., getting married or starting a family), as well as inflation and interest-rate hikes?
- The applicant must put in an offer on a property he/she can afford. Thus, it is important for the applicant to take this step before he/she go house hunting.
- When one qualifies for a pre-approved home loan, he/she gets a certificate. Thus, he/she should take the same certificate with him/her when he/she put in an Offer to Purchase. This shows the amount one qualifies for and is valid for 90 days.
- A pre-approved home loan – and a certificate to prove that one has a bond pre-approval – shows the estate agent and the seller that he/she means business.

In addition, the size category of homes is as follows⁶:

- Small-sized homes – 20-80 square metres.

- Medium-sized homes – 80-230 square metres.
- and Large-sized homes – 230-800 square metres.

2.2.4.2 GAP HOUSING PROGRAMMES

The following discusses some of the South African housing programmes that are relevant to this study.

Comprehensive Housing Plan (CHP)⁷

The CHP for the Development of Integrated Sustainable Human Settlements (Breaking New Ground) is aimed at eradicating informal settlements in South Africa in the shortest possible time. It incorporates principles such as:

- Integrating subsidised, rental and bonded housing.
- Providing municipal engineering services at a higher level, applying them consistently throughout townships.
- Providing ancillary facilities such as schools, clinics and commercial opportunities.
- Combining different housing densities and types, ranging from single-stand to double-storey units and row houses.

The CHP is being implemented through informal settlement-upgrading pilot projects in each province. The CHP focuses on:

- Accelerating housing delivery as a key strategy for poverty alleviation.
- Using housing provision as a major job-creation strategy.
- Ensuring that property can be accessed by all as an asset for wealth creation and empowerment.
- Leveraging growth in the economy, combating crime and promoting social cohesion.

⁵ Ooba, experts in home finance. <https://www.ooba.co.za/apply-home-loan/prequalify>

⁶ BusinessTech, 2017. The average house price in South Africa: 2013 vs 2017. <https://businesstech.co.za/news/wealth/171149/the-average-house-price-in-south-africa-2013-vs-2017/>

⁷ Human Settlement. South Africa Yearbook 2015/16. http://www.southafrica-newyork.net/consulate/Yearbook_2016/HumanSettlement-SAYB1516n.pdf

- Using housing development to break down barriers between the first-economy residential property boom and the second-economy slump.
- Using housing as an instrument for the development of sustainable human settlements in support of spatial restructuring.
- Diversifying housing products by emphasising rental stock.

Breaking New Ground⁸

Breaking New Ground (BNG) is a policy initiated by the Department of Human Settlement to accelerate the delivery of quality housing to the people. The policy shifts focus from providing low-cost housing to a comprehensive strategy that looks at low cost, middle income, rental stock, provision of serviced sites and the improvement of informal settlements.

Housing mandate before the BNG programme restricted subsidies to household earning less than R 3 500 per month. This was based on the assumption that private finance would be accessed for the construction of houses by income groups earning more than R 3 500 per month. However, this did not occur as commercial banks were unable to extend finance effectively to this lower segment of the market. As a result, there has been a growing disjuncture between subsidised and non-subsidised residential units. This impacted negatively on the residential property market.

The BNG programme expands the mandate of government to encompass the broader residential housing market, meaning that lower-middle income groups will also be supported by the government subsidy programme. As an example, the Finance-Linked Subsidy Programme (FLISP) facilitates the accessibility of affordable

housing finance to medium income households (earning R 3 501 to R 15 000 per month) by providing a mechanism to overcome the down-payment barrier.

The BNG programme also seeks to strengthen the partnerships between government and the private sector in the development of sustainable human settlements. The support of the private sector is sought through:

- Construction capacity and the collapsing of the subsidy bands.
- The provision of housing finance.
- Project management and other support.
- Employer-assisted Housing.

The Department of Human Settlements (DHS) launched the new Mortgage Default Insurance Scheme (MDI) and the revised Finance-Linked Individual Subsidy Programme (FLISP) on the 1 April 2012. The government has also made provision for other housing subsidies or grants, which is made available to qualifying beneficiaries. While there are many different housing subsidies available, only the relevant subsidies to the Gap Housing (Households earning between R 3 500 and R 15 000 per month) market are discussed below.

The Finance Linked Individual Subsidy Programme (FLISP)⁹

The Finance Linked Individual Subsidy Programme (FLISP) is a subsidy instrument that assists qualifying households by providing a once-off down payment to those households who have secured mortgage finance to acquire a residential property for the first time. FLISP assists qualifying beneficiaries who obtain mortgage finance from a bank to:

⁸ Breaking New Ground: A Comprehensive Plan for the Development of Integrated Sustainable Human Settlement. <http://bngtv.co.za/>

⁹ FLISP KZN. <http://www.kzndhs.gov.za/index.php/flisp>

- Acquire ownership of an existing residential property.
- Obtain vacant serviced residential stands which are linked to house building contracts with home builders registered with the National Home Builders Registration Council (NHBRC) or,
- Build a new house with the assistance of a home builder registered with the National Home Builders Registration Council (NHBRC), on a serviced residential stand, that is ready owned by the beneficiary.

The FLISP is targeted at households whose gross income range is between earn between R3 501– R22 000 (do not have a gross combined household income of more than R 22 000) and are South African citizens or must hold a permanent residence permit. The affordability ceiling of a first-time buyer who qualifies for a FLISP subsidy has been increased from the previous average home loan amount of R 680 000 to a value of up to R 870 000.

To apply for FLISP one must be in the market looking for a house and should be able to secure a home loan / bond as it is a requirement to access the FLISP subsidy. One must contact or visit the Department of Human Settlements Helpdesk and The Bank.

The objective of the programme is to reduce the initial mortgage loan amount to render the monthly loan repayment instalments affordable over the loan payment term, or mortgage loan period, or can be used as a deposit to purchase the property.

If the home loan application of a person is declined by the bank, then that person will not be able to access the FLISP.

If a person has already purchased a property, and the property has already been transferred into his/her name with effect from 01 April

2012 that person will also be eligible to apply for FLISP provided that he/she meet the necessary requirements.

The subsidy is also available to civil servants provided that their total household income including their housing allowance does not exceed R22 000 per month, excluding overtime and commission.

Government offers a subsidy application for first time home buyers. Few home buyers or estate agents assisting home buyers are aware that they can access a subsidy to assist them to buy a property. Many new home owners are unaware that they can: make use of FLISP to assist them to buy any type of property and that they are not restricted to a specific FLISP pre-approved property development, but can also buy a property from a private seller; Utilise FLISP as a deposit to cover a shortfall of a home loan approved; Use FLISP to reduce their home loan repayment and debt due to a lending institution and/or reduce their home loan term and save thousands of Rands; and Apply retrospectively for a FLISP subsidy, even after they have become home owners (each Province has their own "terms and conditions" for such retrospective applications).

As home buyers, estate agents, mortgage originators are not properly informed about the application of FLISP, many opportunities to convert unsuccessful home loan applications goes awry, property sales are lost, as well as opportunities for home buyers to own their own homes.

Integrated Residential Development Programme¹⁰

Low-income settlements continued to be located on the urban periphery without the provision of social and economic amenities, as in the Apartheid era. Thus, a new Programme was introduced to

¹⁰ Integrated Residential Development Programme (IRDP).

[http://www.kzndhs.gov.za/Uploads/documents/Services/Subsidy_Administration/Subsidy%20Instruments%20\(English\).pdf](http://www.kzndhs.gov.za/Uploads/documents/Services/Subsidy_Administration/Subsidy%20Instruments%20(English).pdf)

facilitate the development of integrated human settlements in well-located areas that provide convenient access to urban amenities, including places of employment. The Programme also aims at creating social cohesion.

The Integrated Residential Development Programme (IRDP) provides for the acquisition of land, servicing of stands for a variety of land uses including commercial, recreational, schools and clinics, as well as residential stands for both low, middle and high-income groups. The land use and income group mix will be based on local planning and needs assessment.

The IRDP can be undertaken in phases or in a single phase. The first phase could provide serviced stands, whereas the second phase provides for housing construction for qualifying low-income beneficiaries and the sale of stands to persons who for various reasons, do not qualify for subsidies, and for commercial uses.

RENTAL PROGRAMME¹¹

The Rental Housing Strategy draws on policy and legislation from all three spheres of government, with the aim of directing government resources towards facilitating the development of the housing sector to maximise benefit for low-income households in South Africa.

Government's aim in facilitating access to housing in the country emphasises:

- The need to ensure that residential areas give people living access to socio-economic opportunities and amenities.
- That the quality of the housing provided makes for sustainable human settlements.

- That, to achieve this, greater densification and economic and racial integration of towns and cities is important and,
- That low and moderate-income households have greater choice of tenure types, including access to decent rental housing opportunities.

2.2.5 SYNOPSIS

The table below provides an overview of the definitions and target markets for both bonded and rental categories of low-income housing programmes and subsidies which will be considered as part of the potential housing development within the designated areas.

TABLE 6: BONDED TENURE LOW INCOME HOUSING PROGRAMMES AND SUBSIDIES, 2018

Programme	Definition
Breaking New Ground (BNG) Housing	<ul style="list-style-type: none"> • In 2004 the Cabinet approved the "Comprehensive Plan for the Development of Sustainable Human Settlements". Also known as BNG, the policy sought to replace the conventional delivery of subsidised housing units (RDP). • Alter the housing patterns in the country by integrating communities and placing them closer to areas of economic opportunity. • Aimed at the low-income market, earning below R3 500 per month (gross). • Units should be developed in close proximity to public transport routes, work opportunities and social amenities such as schools, creches, churches etc.
Finance Linked Individual Subsidy	<ul style="list-style-type: none"> • Financial assistance to qualifying households by providing a once-off down payment. • Specifically, towards first-time property owners. • Aimed at the GAP market R3 501– R22 000 (gross).

¹¹ The KwaZulu-Natal Rental Housing Strategic Plan 2012-2017.

http://www.kzndhs.gov.za/Uploads/documents/Resource_Centre/Strategic_documents/Strategic_Plans/KZN_KZN_Rental_Housing_Strategic_Plan.pdf

Programme	Definition
Programme (FLISP) or GAP Housing	<ul style="list-style-type: none"> Unit types are generally multi-storey, detached or semi-detached units – maximum product price of R 300 000 recently removed. Development of these units is along major roadways and close to social amenities such as churches, creches, schools etc/
Affordable Bonded Housing	<ul style="list-style-type: none"> Affordable bonded units cater to lower income earners able to qualify for a mortgage – aiming at earners of R9 000+ per month (gross). Units generally detached, semi-detached or freestanding units – stand sizes range from 120m² to 250m². Affordable housing units could also be obtained through the FLISP subsidy programme.

SOURCE: NHFC, SHRA AND CENTRE FOR AFFORDABLE HOUSING IN AFRICA AS SEEN IN FERNRIDGE CONSULTING

TABLE 7: RENTAL TENURE LOW INCOME HOUSING PROGRAMMES AND SUBSIDIES

Programme	Definition
Community Rental Units (CRU's)	<ul style="list-style-type: none"> CRU housing is a fully subsidised rental option for income earners up to R3 500 per month (gross). Aim to provide temporary (less permanent) housing to persons currently residing in informal settlements. Integration of public housing in the housing market. Sustainable public housing assets. Units are developed along major roadways and in close proximity to social amenities such as schools, creches etc.
Social Housing	<ul style="list-style-type: none"> Social housing is a partially subsidised rental option for income earners between R1 500 and R15 000 per month. Provided by private Social Housing Institutions (SHI's), MOEs, ODAs and Coops. Excludes individual ownership.

¹² Stats SA (2020). Statistical Release: Gross Domestic Product Second Quarter 2020.

Programme	Definition
	<ul style="list-style-type: none"> This offers a first step to people entering the housing market. Administered and regulated by SHRA (Social Housing Regulatory Authority).

SOURCE: NHFC, SHRA AND CENTRE FOR AFFORDABLE HOUSING IN AFRICA AS SEEN IN FERNRIDGE CONSULTING

2.3 MACRO SPATIAL BACKGROUND

This section provides an overview of the macro economy in which the 22 RZs are located. The South African economy is profiled in this section.

2.3.1 SNAPSHOT OF THE SOUTH AFRICAN ECONOMY

The South African economy has continued to contract for five consecutive quarters since Q3 2019. Real gross domestic product (measured by production), decreased by a record 51,0% in the second quarter of 2020 owing to the impact of the COVID-19 lockdown restrictions since the end of March 2020¹². Q3 Gross Domestic Product (GDP) rebounded with the easing of lockdown with an estimated 13,5% growth, resulting in an annualised growth rate of 66,1%¹³. Whilst this Q3 surge in economic activity may seem impressive, it comes off the very low base recorded in the second quarter. Despite the rebound, South African industries still have a long way to go to reach pre-pandemic production levels with the economy currently 5,8% smaller than it was at the end of 2019.

The government's response to the containment of the spread of the virus, has been swift and far-reaching, however the unintended economic consequences of the social distancing measures and intermittent lockdown restrictions imposed on South Africa have

¹³ Stats SA (2020). Data Stories: GDP rallies as lockdown restrictions ease – 8 December 2020.

significantly deepened the recession and will seriously hinder growth prospects.

2.3.2 ECONOMIC GROWTH PROSPECTS

Further declines are expected as analysts suggest prospects for 2020 and 2021 have worsened considerably owing to the COVID-19 pandemic, pressure on state finances, poor financial condition of state-owned enterprises, and South Africa's sovereign credit risk downgrade to junk status. In the wake of this uncertainty, growth prospects for 2020 and 2021 remain suppressed with a growth rate forecast for 2020 of -8.8%¹⁴. Whilst initial GDP forecasts for 2021 initially expected a contraction, it seems that a moderate rebound in economic growth is anticipated. However, uncertainty remains high around government's commitment and ability to execute its post-Covid-19 economic recovery strategy.

South Africa's average real GDP growth rate during 2009 to 2019 was 1.4% per annum, while the average real GDP growth rate during 2020 to 2025 is forecast at 1.3% per annum. If this latter growth rate materialises, it would mean that South Africans would have experienced nearly two decades of no real growth in income (or wealth) on an average per capita basis.

2.3.3 SECTORAL OVERVIEW

South Africa's economy rebounded in the third quarter of 2020 (July–September), coinciding with the easing of COVID-19 lockdown restrictions. All industries recorded an increase in economic activity supported by an increase in exports and household spending, most significantly manufacturing, trade and mining.

The largest contributors to growth in GDP in the third quarter are outlined below⁷:

- Manufacturing, trade and mining were the biggest drivers of growth in the third quarter. The manufacturing industry rose at an annualised rate of 210,2%, mostly driven by increases in the production of basic metal products, petroleum, vehicles, and food and beverages.
- Trade was the second biggest positive contributor to growth, increasing at an annualised rate of 137,0%. There was a rise in wholesale, retail and motor trade sales, supported by increased consumer spending.
- The jump in mining activity was driven mostly by increased production of platinum group metals, iron ore, gold and manganese ore. The industry was also supported by a rise in exports.
- Despite all industries recording positive results in the third quarter, agriculture and government are the only two that have so far weathered the effects of the pandemic. Comparing the level of economic activity in the first three quarters of 2020 with the first three quarters of 2019 (not annualised), agriculture has grown by 11,3% while government is marginally up by 0,8%. All other industries are down, with construction (-20,0%), transport and communication (-15,6%), and manufacturing (-14,9%) the worst affected.

2.3.4 OTHER KEY NATIONAL INDICATORS

2.3.4.1 INFLATION RATE

- Annual Consumer Price Index (CPI) inflation averaged 3.1% in the third quarter of 2020 as lockdown restrictions continued to

¹⁴ Quantec (2020). Economic Review: Quarterly Report – November 2020.

ease. This was a jump up from the second quarter's 2.4%, but still down on the first quarter number of 4.4% as well as the 4.1% recorded a year ago. This increase in inflation was driven by the following price movements:

- The largest increase was recorded by miscellaneous goods and services (6.6%), followed by education (6.4%), food prices (4%) and health products and services, also 4% year-on-year.
- Alcohol and tobacco and housing and utility prices were relatively aligned with the average inflation rate at around 3% year-on-year.
- Below average rates of price increases were recorded by household equipment (1.7%) and recreation (1%).
- Insignificant price increases were recorded by clothing (0.3%), transport (0.1%) and restaurants and hotels (0.4%).
- Communication prices showed slight deflation (-0.2%).
- Projections suggest that inflation risks appear to be strongly biased to the downside in the short- to medium term.

2.3.4.2 EXCHANGE RATES

The global COVID-19 pandemic caused heightened volatility in financial markets throughout 2020 with fluctuations in currency markets having largely followed the spread of the pandemic. The US currency depreciated drastically against the euro between late May and early September, and the dollar is expected to remain at these lower levels, R16.20 to R16.75 against the United States Dollar (USD) up to mid-2021.

2.3.4.3 TRADE

South Africa's trade surplus more than halved from R202 billion in the first quarter of 2020 to R91.5 billion in the second quarter. The reduction in the trade surplus resulted from a larger contraction in the value of net gold and merchandise exports than merchandise imports. The decline in the value of both exports and imports reflected lower volumes. However, since May 2020, monthly trade

statistics have reflected a significant improvement in the trade account, with the trade surplus amounting to R39bn in August.

Year-to-date exports are now close to their levels recorded the same time 2019 (0.4% y/y and year-to-date), although this is partly owing to some elevated export prices. The year-to-date increase in exports is mainly owing to a large increase in precious metals and stones exports, which overshadows the weakness in other export categories (vegetable products and animal and vegetable fats).

Total imports increased 7.4% m/m but on a year-to-date basis, were still 15.9% lower than in the corresponding period in 2019. More than a quarter of this year-to-date year-on-year decline is owing to a smaller oil imports bill which in turn is mainly as a result of lower oil prices. The broad-based increase in imports is consistent with the general economic recovery that we envisage, although the numbers are still well below their pre-pandemic peaks and consistent with the weakness in domestic demand.

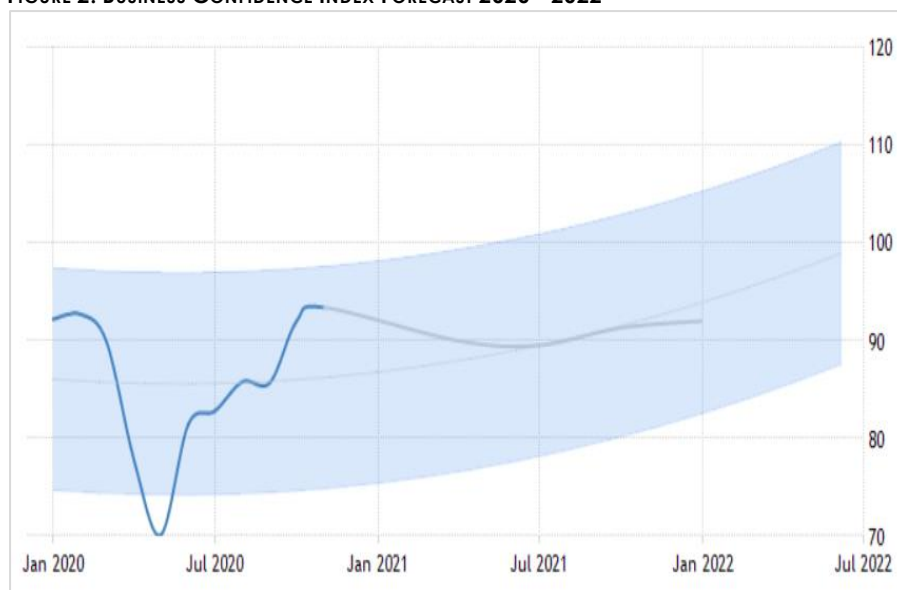
2.3.4.4 BUSINESS CONFIDENCE OVERVIEW

In South Africa, the South African Chamber of Commerce and Industry (SACCI) Business Confidence Index reflects the neutral sentiment in the marketplace, as it captures the prevailing business climate and what businesses are experiencing. The index is composed by thirteen sub-indices, including energy supply, manufacturing, exports, imports, vehicle and retail sales, construction, inflation, share prices, private sector borrowing, financing cost, precious metal prices and exchange rate.

South Africa's SACCI business confidence index rose above pre-pandemic levels to 93.4 in November 2020 from 92 in October¹⁵. November's reading marks the highest reading since April 2019, driven by low inflation and the resumption of trade, amid the easing of lockdown restrictions. Still, "confidence remains plagued by poor economic performance, high unemployment, and the government's rapidly rising debt levels", stated SACCI.

The following figure reflects the BCI forecast to July 2022.

FIGURE 2: BUSINESS CONFIDENCE INDEX FORECAST 2020 - 2022



SOURCE: TRADING ECONOMICS (2020)

The SACCI business confidence index in South Africa is expected to be 93.00 points by the end of Q4 2020, according to Trading Economics global macro models and analysts' expectations. In the longer-term, the South Africa SACCI Business Confidence Index is

projected to trend around 91.30 in 12 months' time, 92.00 points in 2021 and 92.50 points in 2022 according to Trading Economics' econometric models.

2.4 IMPACT OF COVID-19 ON SOCIAL HOUSING

The 2019 – 2024 National Social Housing targets equate to 30 000 Social Housing units by 2024. KwaZulu-Natal is to contribute significantly to this target, as the second largest province in terms of social housing development. In August 2019, the KZN Department of Human Settlement approved a Social Housing Roll-Out Plan to guide the implementation of rental housing within the province over a 5-year period. This plan seeks to deliver over 10 000 units by 2023.

The impact of COVID-19 has placed pressure on all sectors of the economy as well as on government expenditure. Thus, it is expected that COVID-19 will impact the social housing targets both nationally and provincially. The section assesses the impact of COVID-19 on Alfred Duma, KwaDukuza, Msunduzi, Newcastle, Ray Nkonyeni and uMhlatuze, and the respective restructuring zones.

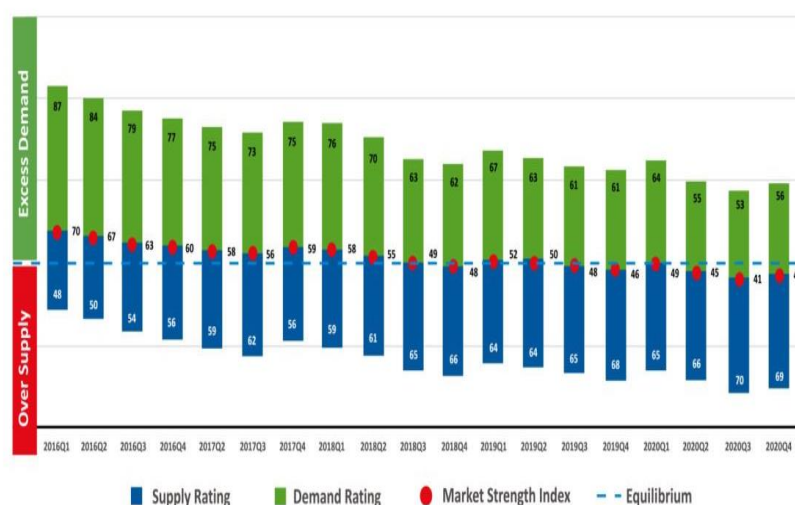
In South Africa, 3.7 million households live in rented accommodation with 3 million households renting formal housing. Two million households rent a house, flat, apartment, cluster, townhouse or semidetached dwelling and just under 1 million households rent a backyard house, flat or room, granny flat or SQ. Leaving 762 thousand households who rent traditional or informal dwellings. This indicates that there is a shortage of formal rental housing on a national level. Despite the housing shortage, the country experienced a decreased demand rental housing during the 2020.

According to the TPN Vacancy Survey, South Africa experienced a decreased demand for rented accommodation which pushed up

¹⁵ Trading Economics (2020) South Africa SACCI Business Confidence Index 1985-2020 Data | 2021-2023 Forecast. Available: <https://tradingeconomics.com/south-africa/coincident-index>

vacancy levels in 2020. Thus, affordability was a major contributor to the decreased demand of rental accommodation in 2020. According to TNP, income constraints were cited as the biggest contributor to tenants' early cancellation of lease agreements during 2020. PayProps head of data and analytics Johette Smuts, also stated that affordability has been an important driving force behind the dramatic rental slowdown due to loss of income from pandemic-related redundancies. According to Smuts, many tenants have taken a reduction in their monthly income or lost their source of income completely, which has forced them to re-evaluate their rental situation or to downscale. The following figure outlines the strength of the rental market since 2016 Q1 to 2020 Q4.

FIGURE 3: RENTAL MARKET STRENGTH INDEX



SOURCE: TPN (2020)

The TPN Vacancy Survey found that landlords are experiencing increased vacancies, which in the final quarter of 2020 went up to 12.91%. However, vacancy rates have started to recover in the Western Cape, Eastern Cape and KZN. In KZN vacancy rates stand at

7.9% with eThekweni at only 4.2% and the North Coast only at 7.4%. KZN however, also holds the record for worst performing rental payment behaviour, where only 73.55% of KZN tenants are in good standing.

The PayProp Rental Index for the second quarter of 2020 reflected the first clear indication of the effects of lockdown on rent levels, rental growth and arrears in South Africa. The data shows sub-inflationary rental growth rates for April, May and June at 2.3%, 1.1%

and 1.6% respectively (year on year). This is despite inflation dipping to its lowest level in years. Three provinces experienced negative year-on-year rental growth in Q2. This meant that rental properties were cheaper in Q2 2020 than in Q2 2019. In KZN rental prices decreased by 1.6, and the Western Cape by a 0.04%. The biggest change from Q1 to Q2 was in KZN where growth rates went from a positive 3.3% year-on-year to a negative 1.6% year-on-year – a change of almost five percentage points.

The average national rent for Q2 was R7,746, up R115 from R7,631 in 2019. The Western Cape is still the most expensive province in which to rent, with an average rent of R9,022, down from R9,025 a year ago. KZN, the second most expensive province a year ago, moved to fourth position after experiencing negative growth of 1.6% over the year. Gauteng is now the second most expensive province.

Interviews and questionnaire feedback from municipal personnel from the six regions outlined the following impact of COVID-19 on social housing projects within each municipality. These responses are tabulated below.

TABLE 8: THE IMPACT OF COVID-19 ON THE SIX REGIONS

Region	COVID-19 Impacts on Social Housing
Alfred Duma	Alfred Duma stated that due to COVID-19, Council was unable to advertise tenders to SHIs and ODAs.
KwaDukuza	KwaDukuza outlined that most of the municipalities social housing plans were disturbed by COVID-19. The

Region	COVID-19 Impacts on Social Housing
	impact of COVID-19 has slowed down the progress on matters relating to social housing institutes database appointment. To mitigate the impact of COVID-19 on housing projects in the municipality and restructuring zones. KwaDukuza has taken steps in conjunction with the Department of Housing to do an awareness campaign about COVID-19. However, this was not targeted at its social housing projects since the municipality does not currently have any active social housing projects at present.
Msunduzi	<p>In Msunduzi, questionnaire and telephonic communication with Capital City Housing NPC, a private entity that provides social housing initiatives within the Pietermaritzburg area, outlined that the impact that COVID-19 has had on the social housing projects Msunduzi as follows:</p> <ul style="list-style-type: none"> - Tenants experienced job losses and reduced income during lockdown, this made payments of rental a challenge. Capital City Housing offered relief to tenants that had valid income reductions. - Capital City Housing rental collection rates during April dropped to +/- 70% but this started to recover from May. - Capital City Housing COVID-19 initiatives included trying to encourage tenants to always adhere to COVID-19 protocols to increase awareness. The company also started a drive in which they issued out masks to the tenants. - Due to COVID 19 protocol many staff were operating from homes and the company had to ensure staff we well equipped to carry out their tasks. <p>Key interventions: Capital City Housing had taken steps to mitigate the impact of COVID-19 on social</p>

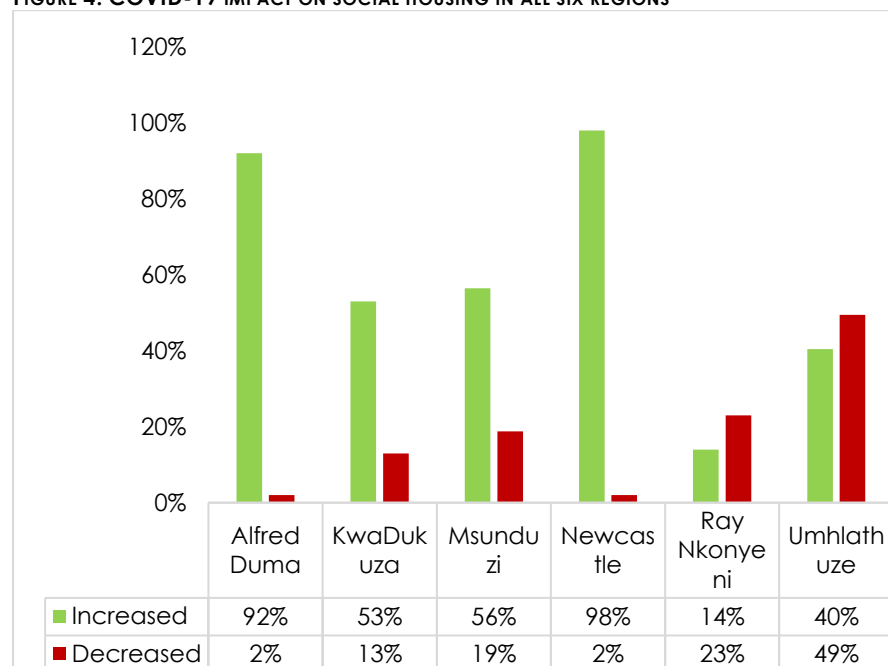
Region	COVID-19 Impacts on Social Housing
	housing projects in the municipality through a rental reduction relief that was introduced in lockdown and since the pandemic.
Newcastle	In Newcastle, since no social housing projects are currently active, COVID-19 has not impacted the municipality and thus no mitigation measures have been considered.
Ray Nkonyeni	Ray Nkonyeni has not felt the impact of COVID-19 on social housing developments since projects have not yet began in the municipality.
uMhlathuze	uMhlathuze has not felt the impact of COVID-19 on social housing developments since these housing projects have not yet began within the municipality.

SOURCE: MUNICIPAL CONSULTATIONS: VIRTUAL INTERVIEWS AND QUESTIONNAIRE FEEDBACK (2021)

The following figure shows the impact of COVID-19 on social housing in all six regions based on survey responses received during this study.

The figure illustrates that 98% of survey respondents from Newcastle LM and 92% of survey respondents Alfred Duma LM believe that COVID-19 has increased the need for social housing within these municipalities. uMhlathuze LM is the only region where the majority of survey respondents believe that COVID-19 has decreased the need for social housing.

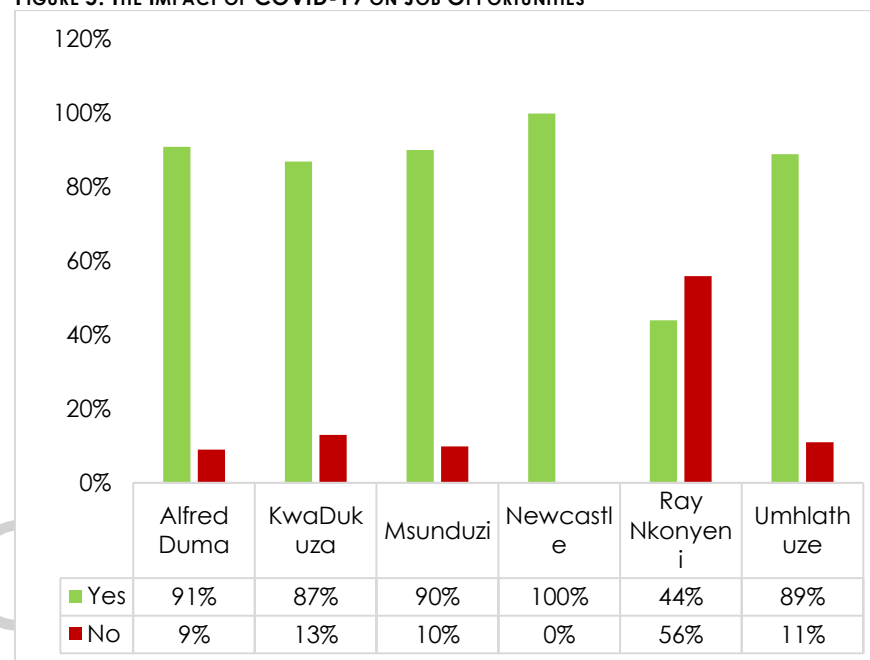
FIGURE 4: COVID-19 IMPACT ON SOCIAL HOUSING IN ALL SIX REGIONS



Source: Urban-Econ Assessment based on Survey Feedback (2021)

In terms of employment opportunities, the figure below shows that 100% of survey respondents believe that COVID-19 is reducing employment opportunities in Newcastle LM and 91% of survey respondents in Alfred Duma believe the same. KwaDukuza, Msunduzi and uMhlathuze also received high figures for this survey question with exception of Ray Nkonyeni.

FIGURE 5: THE IMPACT OF COVID-19 ON JOB OPPORTUNITIES



Source: Urban-Econ Assessment based on Survey Feedback (2021)

2.5 CONCLUSION

This section provided an overview of the policy, legislative and macro spatial environment in which the affordable rental housing is impacted by. This section also provided an overview of COVID-19 and its impact nationally and within the six regions of this study.

It is evident that housing is a key priority both nationally and provincially with numerous supporting, legislation, policies and programmes in place. Affordable rental housing or social housing is a key component of these documents and initiatives.

The macro spatial environment in South Africa has been experiencing low growth rates overall and all sectors of the economy

including the property sector has been struggling in recent years. The impact of COVID-19 puts further strain on the economy and government resources with subsequently impacts the supply of social housing in the country.

Given the trends outlined in this section and the negative impact that COVID-19 has had on the demand for rental housing, vacancy rates and employment as a whole, social housing could provide valuable support to low-income households during a challenging period. COVID-19 could also increase the demand for CRUs as it becomes a more affordable option to many South Africans. In summary, social housing and CRUs can improve the resilience of many struggling residents by broadening their options during the COVID-19 crisis.

Social housing and CRUs could also be the key to unlocking productivity growth and private investment in a post-Covid-19 economy (Melzer, 2020). Productivity and investment can be stimulated through increased infrastructure growth and public sector expenditure. However, it also increases risks since many South Africans may struggle to pay their rent.

3 REGIONAL MARKET ASSESSMENTS

This section assesses the demand for potential Social Housing developments within 22 RZs in six regions within KZN. The Demand for Social Housing within the proposed RZs has been determined through analysing the socio-economic indicators for the local market area as well as local development drivers and a needs and preferences assessment conducted through surveys.

3.1 MARKET ASSESSMENT METHODOLOGY

To undertake the market assessment the following was considered:

- The urban and spatial development framework plans as contextual background to the socio-economic impact.
- The demographic growth patterns and trends from which the residential demand was derived.
- A market supply and demand analysis to determine current supply and demand of rental housing trends.
- A market needs and preferences survey to understand market trends for social housing.

The methodology applied consisted of the following steps.

TABLE 9: DEMAND MODEL METHODOLOGY

Step	Key Activities
1. Overall Economic Assessment	<ul style="list-style-type: none"> • Overview of the economy of each region with special reference to the immediate area in which the RZ's are located as well as the residential availability in the wider area. • Desktop profile of each region, detailing demographic and socio-economic profiles. • Review current and planned nodal interventions in the region regarding current housing provision and future plans. • Review of factors that will lead to the growth of the economy in the short and long term in the region.

Step	Key Activities
	<ul style="list-style-type: none"> • Spatial cohesion of the RZ in macro and micro context i.e., relative to the major land uses and other major developments in the region.
2. Supply Side Analysis	<ul style="list-style-type: none"> • Location of available social housing stock in the immediate area and in competing areas is analysed.
3. Demand Side Analysis	<ul style="list-style-type: none"> • Demand for residential space is a function of the current housing backlog in the region, household growth and density, nett migration patterns, disposable income levels and current market trends for social housing. • The demand for social housing is calculated at a Regional (Local Municipal) level and then analysed per RZ applying the results of the needs and preferences survey to ensure the model reflects current market trends. • The demand model takes the following factors into account: <ul style="list-style-type: none"> ○ The growth rate of the population and households in the Municipality based on population modelling. ○ Nett migration patterns based on the long-term inter-municipal trends reflected in the 2011 Census and 2016 Community Surveys. ○ Income profiles isolating the SHRA income bands of R1 500 to R15 000 ○ Preferences of the social housing market segment as determined through the surveys to determine 1) current housing satisfaction levels, 2) propensity to take up social housing opportunities, 3) the impact of Covid-19 and 4) attractiveness of the alternative RZ in each of the Regions. ○ Estimates of the existing backlog demand calculated using the widely accepted approach utilised by municipalities in their planning documents where the social housing

Step		Key Activities
		backlog is calculated as the sum of all eligible households (earning between R1 500 and R15 000 per month) living in substandard dwelling units. <ul style="list-style-type: none"> Existing supply of social housing opportunities in the Region. Determine the effective market demand for social housing in each of the RZ.
4.	Effective Demand for Social Housing	<ul style="list-style-type: none"> The effective demand at the site for social housing units is an interpreted result flowing from the demand and supply factors considered in the preceding analysis as well as the current market trends observed through the survey.
5.	Report Development	<ul style="list-style-type: none"> The final conclusion and recommendations are formulated into suitable comprehensive report document

SOURCE: URBAN-ECON, 2021

3.2 DEMAND PLANNING PRINCIPLE

The demand model utilises projections in population, number of households, income distribution trends and market preferences for social housing in order to provide a dynamic indication of demand. Projections are based on observed trends in demographic and economic indicators for the region between 2010 and 2020. The demand model indicates both the total demand for housing as well as the demand for housing in terms of income categories and housing sub-markets.

Social housing has a distinct target market because social housing focuses on a segment of the residential market that can support the payment of rental rates. According to SHRA, social housing's definition in the context of the South African rental housing sector is: "Rental units aimed at households with incomes of between R1 500 and R15 000 per month". Thus, social housing targets households with monthly incomes ranging from R1 500 to R15 000. In effect, the target

market for this project is focused on households that fall within this income band. The following diagram provides a broad indication of the total number of households within the North West Province that form part of the core target market of social housing.

3.3 CONCLUSION

This section provided a detailed methodology that was applied in the demand assessment of this study. This methodology was utilised in six separate demand models for each respective region that will be outlined in turn, starting with Alfred Duma and ending with uMhlatuze in the next six sections of this report.

4 REGION 1: ALFRED DUMA

4.1 INTRODUCTION

This section provides the local delineation, location analysis, economic profiling, demographic profiling, residential analysis, housing sector analysis, key findings of the household surveys as well as the market and demand assessments for the Alfred Duma region.

4.2 LOCATION DELINEATION

This section assesses the demand for social housing in Alfred Duma within the three RZs namely, Hospital Street, Ladysmith Central and Dunlop. In the Dunlop RZ, there are two sites which are located further away from the central business district. The smaller Dunlop site is situated close to Ezakheni and while the larger Dunlop site is closer to the R163. Hospital Park and Ladysmith Central are centrally located with the main transport route (R163) passing through these RZs. The three RZs are illustrated in Map 1 on the following page.

4.3 LOCATION ANALYSIS

4.3.1 REGIONAL CONTEXT

The strategic location of the Alfred Duma is recognised in the recently introduced Provincial Growth and Development Plan for KZN which classifies Ladysmith as a tertiary node with regional significance. This means that the area is earmarked for the location of infrastructure that serves the whole of uThukela District and beyond and connects the region with the major urban centres such as Durban and Johannesburg.

4.3.2 REGIONAL TOURIST DESTINATIONS

The Alfred Duma is also well located in relation to at least two of the major tourism destinations in KZN. It serves as a base for the

exploration of the Battlefields to the north and uKhahlamba-Drakensburg Park to the south. The latter is a World Heritage Site and a world acclaimed tourist destination. This park is 243 000ha in extent and it is located along uThukela District administrative boundary. There are several natural and cultural attractions that exists within uKhahlamba-Drakensberg destination. The natural attractions include the Drakensberg Mountain, Archaeological sites, nature reserves (game viewing and bird watching), uThukela Biosphere Reserve, Tugela Catchments and Tugela River, Natural Bush, Forests and the climate is mostly comfortable. The cultural attractions include the certain parts of the Battlefields and Memorial, Museums, Monuments, Rock Art, Crafts, Recreation (Horse Riding) and tourism routes.

MAP 1: ALFRED DUMA LM RESTRUCTURING ZONES, 2017



Source: Department of Human Settlements (2017)

4.3.3 ADMINISTRATIVE ENTITIES

The municipality has a total of 36 wards. There are ten tribal councils within the Alfred Duma and the bulk fall within the former Indaka Area. The bulk of these areas still falls under private ownership and the main land use is residential, with small, scattered commercial shops and government offices.

4.3.4 CORRIDORS

THE N3 AND N11 NATIONAL/PROVINCIAL CORRIDOR

The N3 National Corridor runs along the south western part of the Alfred Duma LM. It is identified in the NDP and the PGDS as a development corridor linking the national economic hubs of Johannesburg and Durban. At a local level, it is however a limited access movement corridor with limited bearing on the local spatial system except at key road intersections. The intersection, which is the closest to the urban core of the municipality, namely the N11 and N3 interchange, is not located in the municipality and falls in the Okhahlamba municipality. It also serves as a provincial access route to tourism destinations such as the Battlefields and the Drakensburg.

Although the N11 is also a limited access national corridor, it serves a dual function, it is a major link and trade route between KZN and Mpumalanga Province through Ladysmith. It is also one of the major regional arterials connecting the northern parts of KZN with towns such as Ladysmith (to a limited extent) and Newcastle all located along this route. It is the primary access route to the Battlefields and the northern KZN Coal Rim which includes all the above-mentioned towns. It provides access to the Klip River and connects it to several agricultural districts to the north of Ladysmith. Major settlements such as Matiwane.

Driefontein and Nkunzi also gain access off the N11. Development along the N3 and N11 Development Corridors should follow the following guidelines:

- The N3 and N11 are national limited access and highspeed public transport routes as such direct access onto these roads is subject to the national road transport regulations.
- Higher order land uses should be accommodated in the nodes, but lower order land uses could develop in a linear fashion subject to alternative access opportunities; and
- A 15m buffer should be observed from the boundary of the road reserve. This has implications for settlements that have encroached onto the buffer areas.

This road provides an alternative route to Gauteng and Mpumalanga with views of scenic beauty, which can attract both domestic and international tourist thereby promoting Local Economic Development (LED) projects at some locations.

PRIMARY DEVELOPMENT CORRIDORS

At least two existing roads have potential to develop as primary or sub-regional development corridors. These routes create opportunities to unlock new development areas and consolidation of existing areas and provides direct access to Ladysmith. The key existing primary corridors are the following:

- P32 which runs in an east-west direction from Ladysmith through St Chads and the northern border to Ezakheni Township to Indaka Municipality in the east. This is the busiest corridor in the Alfred Duma LM. It is one of the roads that carry huge volumes of vehicular and trade related traffic. It also provides access to many peri urban and rural settlements located just outside of Ezakheni Township.
- R103 runs parallel to the N3 in an east west direction. It is a regional arterial which carries trade and passenger traffic, and runs through Colenso, Roosboom and Ladysmith.
- Development along this route is subject to the rules and regulations of the provincial Department of Transport.

SECONDARY CORRIDORS

Several roads serve as secondary access routes within the Alfred Duma LM. These provide access to major settlements and serve as a link with Ladysmith town. Secondary corridors include the following:

- P189 which runs through Driefontein and serves as the main access route to settlements such as Driefontein, Burford, Peace Town, Watersmeet, etc. It is also the main access route to the Driefontein node.
- P33 which branches off the N11 approximately 25km north of Ladysmith Town. It is the primary access route to settlements such as Nkunzi, Cremin, and Steincoal Spruit, and serves to connect Ladysmith and Dundee and Vryheid. It also runs through the coal rim and serves as a regional arterial carrying trade and passenger traffic. This is an agricultural corridor.
- P326 which runs between Colenso and Ladysmith through Pieters and Ezakheni Industrial Estate. This road serves as the main access to Ezakheni Industrial and Ezakheni Township. It also runs through commercial farms and has potential for both agriculture and eco-tourism.
- P263 which runs in an east-west direction linking settlements such as
- Elandslaagte and Cremin east of the N11 with Matiwane and Licitania west of the N11 and beyond. It is one of the major links with the Free State Province through Collins Pass and has potential to serve as a by-pass onto the N3. This is generally an agricultural and settlement corridor.

TERTIARY CORRIDORS

Tertiary corridors link service satellites in the sub-district and provide access to public and commercial facilities at a community level. Tertiary corridors are as follows:

- Road running through Ezakheni Township linking the Ezakheni Colenso Corridor with the Limehill/Ekuvukeni (Indaka)

Ladysmith Corridor. This is the main collector distributor road for the Ezakheni Township and the surrounding settlements.

- P237 linking Driefontein Complex with R103 through Besters. This road requires substantial upgrading where it becomes D44.
- The road from Elandslaagte through Cremin linking Ekuvukeni Ladysmith Corridor with P33 (Ladysmith/Dundee) Corridor. Development of this corridor will open the area between Cremin and St Chads for future residential development.
- In addition, there are many local roads that serve different functions which also have potential to develop into local corridors. These will be identified and characterised as part of the refinement of the SDF and/or preparation of Local Area Plans (LAPs).

4.3.5 NODES

PRIMARY NODE

The Ladysmith Town is a sub-regional centre servicing the entire Alfred Duma LM and beyond. Therefore, this is a primary node for investment promotion and centre of supply of services in the LM. It forms part of the district spatial systems and is identified in the district SDF as a primary node or main economic hub. This is despite Alfred Duma being recognized as a third order centre at a provincial level. This node has administrative, social, and economic potential and there is provision of concentration of different activities of services.

SECONDARY NODES

While Ladysmith serves as a regional centre, at least two other areas present an opportunity for the development of secondary nodes with much less threshold/sphere of influence, namely Colenso and Ezakheni. Three main factors have influenced the selection of these areas, that is location in relation to major access routes, location in relation to large rural or urban settlements, which provides a threshold

for services, rendered from these areas and development potential based on the above two factors, and broad overview of the historical development of the areas as well as the current level of development.

Ezakheni has potential to serve the whole of Ezakheni Township and the surrounding rural settlement. Spatial development in Ezakheni should focus on transforming the area into a mixed land use area, and a viable service centre developed with social, economic and other facilities.

Colenso was previously a thriving rural service centre for the surrounding farming community has experienced decline in both character and function. It is characterized by derelict and poorly maintained buildings, deteriorating quality of infrastructure and the associated services, and lack of investment. With most of the land around this town being subject to land restitution and claims, it is critically important to repackage Colenso as a centre of activity and an anchor point for the integration and coordination of support services to the various land reform projects. It also has potential for the following activities:

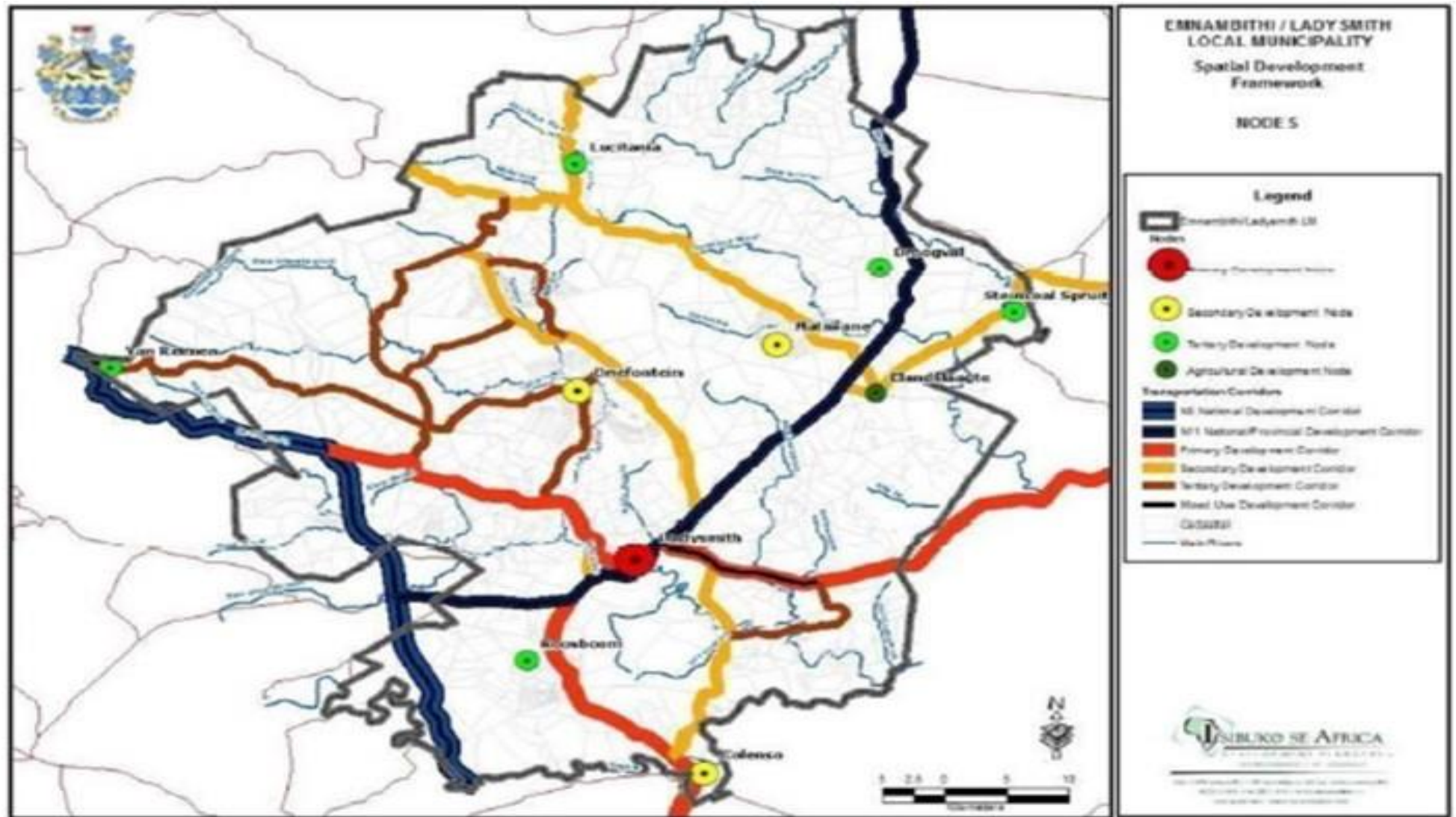
- Low-key commercial activities and service industry targeting local communities and vehicular traffic passing through R103.
- Low-density residential development for people who want to be close to urban opportunities but live a rural lifestyle.
- Public facilities serving different at least two or more settlement clusters.

TERTIARY NODES

In addition to the secondary centres, the vision for the future spatial development of Alfred Duma LM makes provision for the development of community centres within a cluster of settlements. Driefontein, Roosboom, Matiwane and Lucitania can be classified as Tertiary centres on a municipal scale. These small centres serve as location points for community facilities serving the local community such as:

- Primary and secondary schools.
- Clinics including mobile clinics.
- Pension pay points.
- Community halls and other community facilities.
- The identification of tertiary nodes will be undertaken with the participation of the affected communities.

MAP 2: ALFRED DUMA NODE AND CORRIDORS

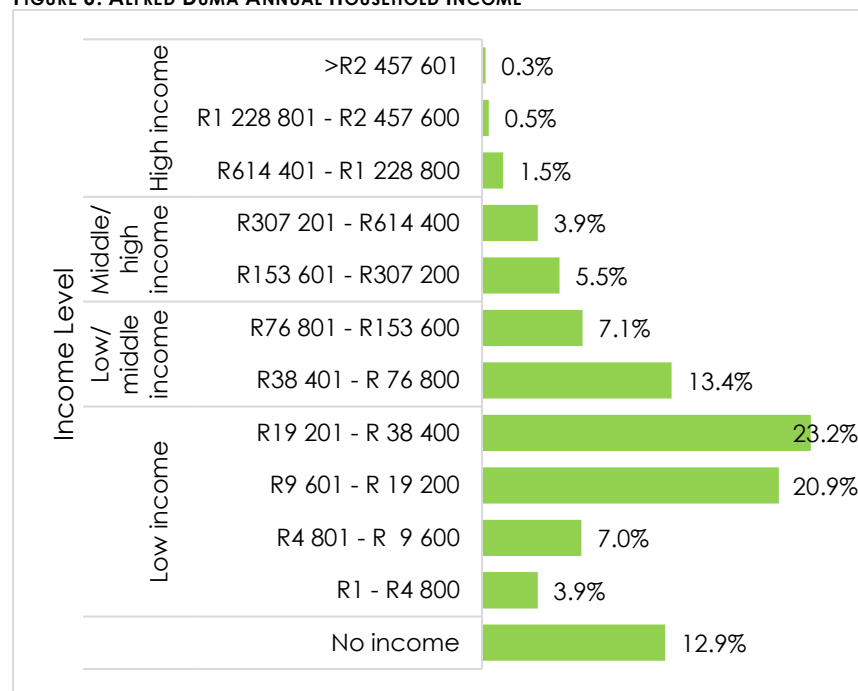


4.4 ECONOMIC PROFILING

This section outlines the economic profile for Alfred Duma. It includes indicators such as annual household income, development indicators, dwelling type, tenure status and household facilities within the region.

The figure below provides a profile of the annual household income of the region.

FIGURE 6: ALFRED DUMA ANNUAL HOUSEHOLD INCOME



SOURCE: CALCULATIONS BASED ON DATA FROM THE 2011 CENSUS

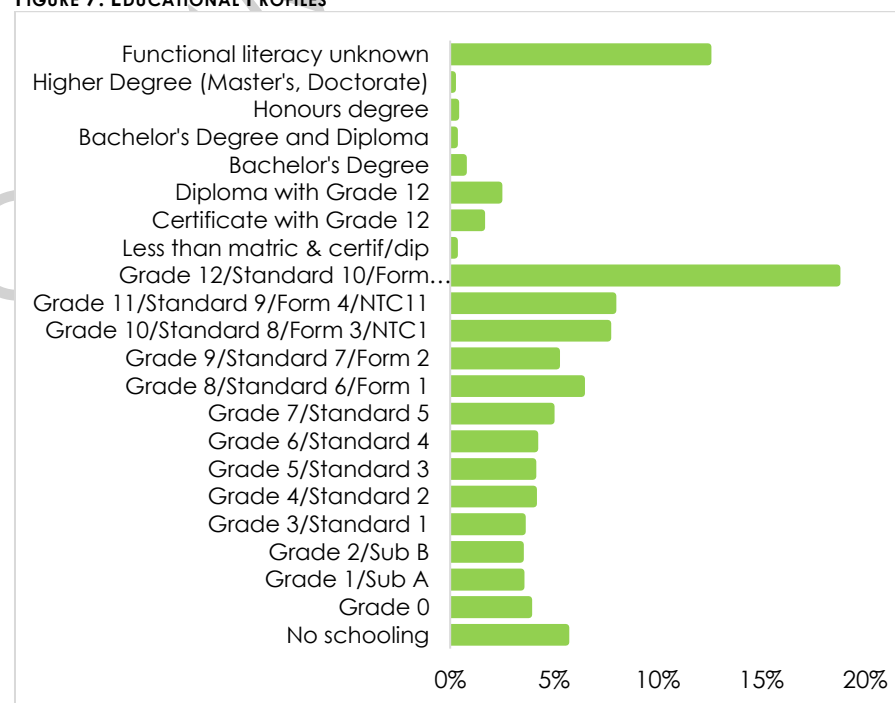
In terms of income category, the majority of the households in Alfred Duma falls within the lower income segment with 23,2% of the households earning between R19,201 – R38,400 per annum followed by 20,9% earning between R9,601 – R19,200 per annum. The smallest number of households in this region fall within high income category

(>R 2,457,601 per annum) which make up only 0,3% of all households. It is estimated that in 2020, the average household income in this region is R7,551 per month or R90,606 per annum based on historical data trends.

4.4.1 DEVELOPMENT INDICATORS

Regarding educational profiles, the following figure outlines these for Alfred Duma.

FIGURE 7: EDUCATIONAL PROFILES



SOURCE: STANDARDISED REGIONAL, QUANTEC 2019

From the previous figure it is evident that the largest portion of the population (19%), in Alfred Duma falls into those that have achieved a grade 12 certificate only. The second largest portion of the

population (12%) comprises those whose functional literacy is unknown.

In terms of employment profiles, the table below outlines that 52 510 people are employed and 28 678 people are unemployed in Alfred Duma. This shows a high unemployment rate of 35% and labour force participation rate of 53%

TABLE 10: EMPLOYMENT PROFILES, ALFRED DUMA

WORKING AGE POPULATION	153,914
EMPLOYED	52,510
UNEMPLOYED	28,678
NOT ECONOMICALLY ACTIVE	72,727
UNEMPLOYMENT RATE	35%
LABOUR FORCE PARTICIPATION RATE	53%
ABSORPTION RATE	34%

SOURCE: STANDARDISED REGIONAL, QUANTEC 2019

4.4.2 DWELLING TYPE

The types of dwellings in Alfred Duma are outlined below.

TABLE 11: ALFRED DUMA TYPE OF DWELLING

Alfred Duma Type of Dwelling	Number of Households	Percentage of Households
House or brick structure on a separate stand or yard	43 349	72%
Traditional dwelling/hut/structure made of traditional materials	10 132	17%
Flat in a block of flats	2 274	4%
Town/cluster/semi-detached house (simplex, duplex or triplex)	914	2%
House/flat/room, in backyard	1 728	3%
Informal dwelling/shack, in backyard	726	1%

Alfred Duma Type of Dwelling	Number of Households	Percentage of Households
Informal dwelling/shack, NOT in backyard, e.g., in an informal/squatter settlement	619	1%
Room/flatlet not in backyard but on a shared property	212	0%
Other/unspecified/NA	359	1%
Total - Type of dwelling	60 313	100%

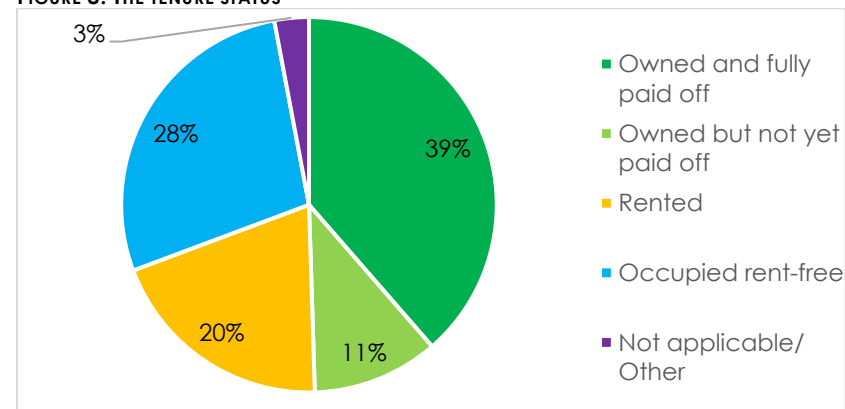
SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC, 2019

In terms of type of dwellings, in Alfred Duma 72% of dwellings are house or brick structures on a separate stand or yard followed by 17% that are traditional dwellings. The third most common dwelling type in Alfred Duma are flats at 4% of all households in the region.

4.4.3 TENURE STATUS

This sub-section outlines the housing tenure status of Alfred Duma. Alfred Duma has the highest percentage of households that are occupying owned and fully paid off dwellings at 39%. The tenure status of these regions is represented graphically below.

FIGURE 8: THE TENURE STATUS



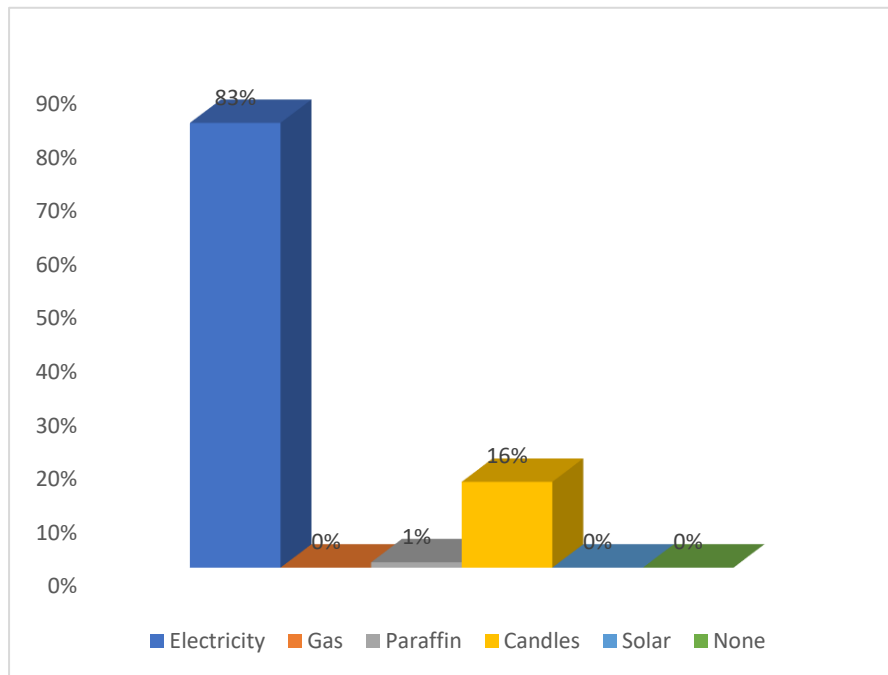
SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC, 2020

4.4.4 HOUSEHOLD FACILITIES

This subsection provides an overview of the household facilities in Alfred Duma.

The figure below shows that 83% of households in the region has access to electricity while 16% of households make use of candles as an energy source.

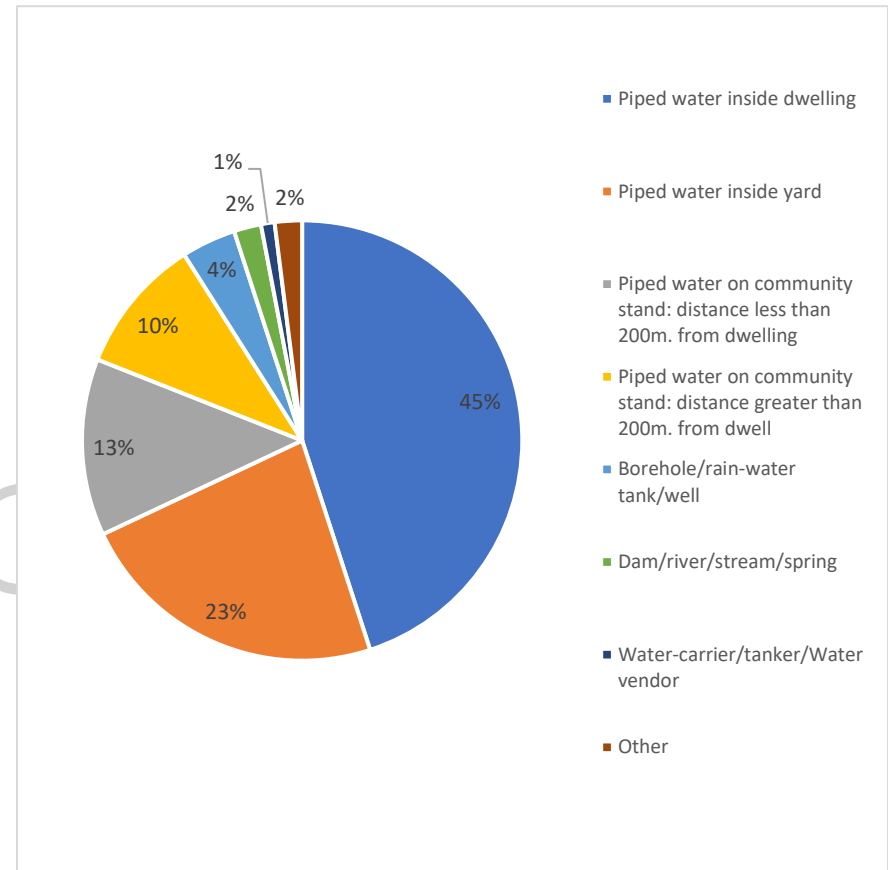
FIGURE 9: ACCESS TO ELECTRICITY



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC, 2020

In terms of access to water, 45% of households in Alfred Duma has access to piped water inside their dwellings while 23% of households has access to piped water in their yard.

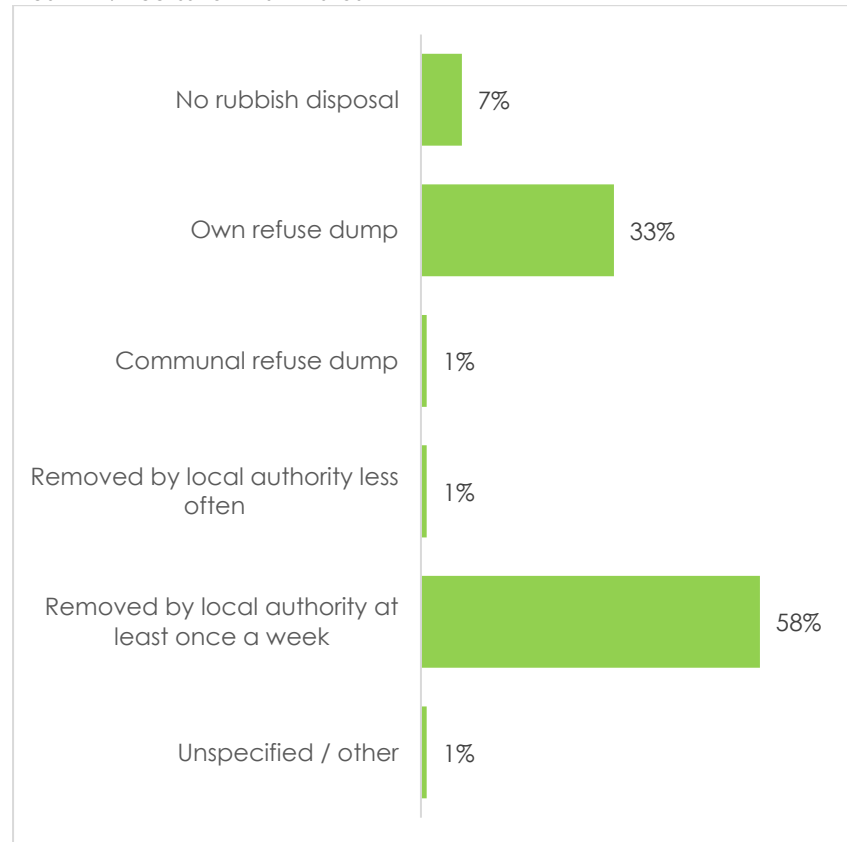
FIGURE 10: ACCESS TO WATER



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC, 2020

In terms of waste disposal 58% of households in Alfred Duma has their waste removed by the local authority at least once a week while 33% of households have their own refuse dump as illustrated in the following figure.

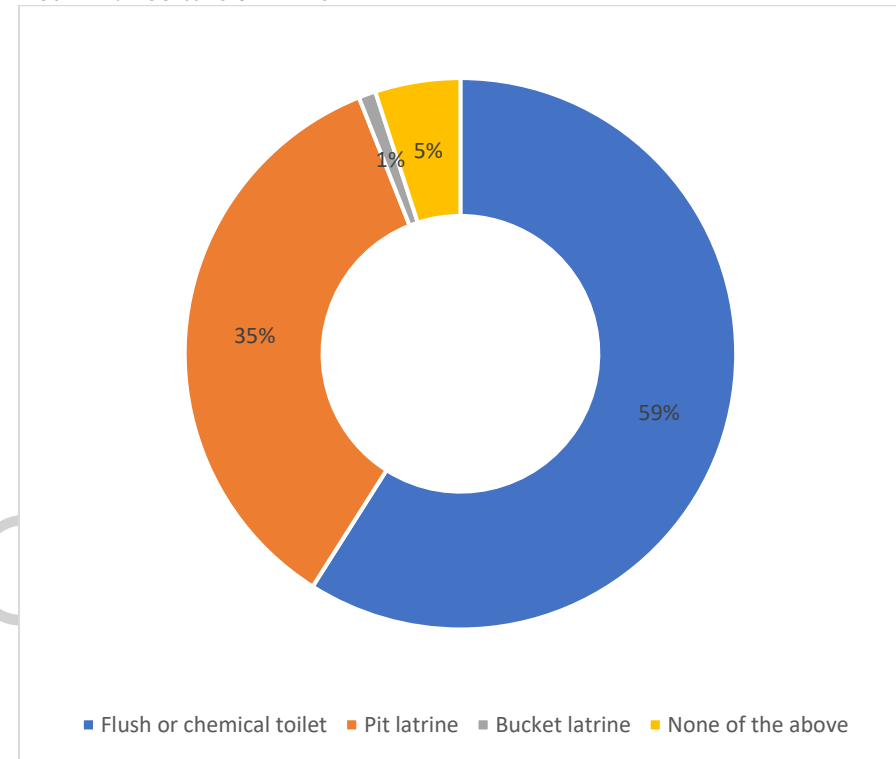
FIGURE 11: ACCESS TO WASTE DISPOSAL



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC, 2020

Regarding sanitation, 59% of households in Alfred Duma has access to flush or chemical toilets while 35% of households have access to pit latrines.

FIGURE 12: ACCESS TO SANITATION

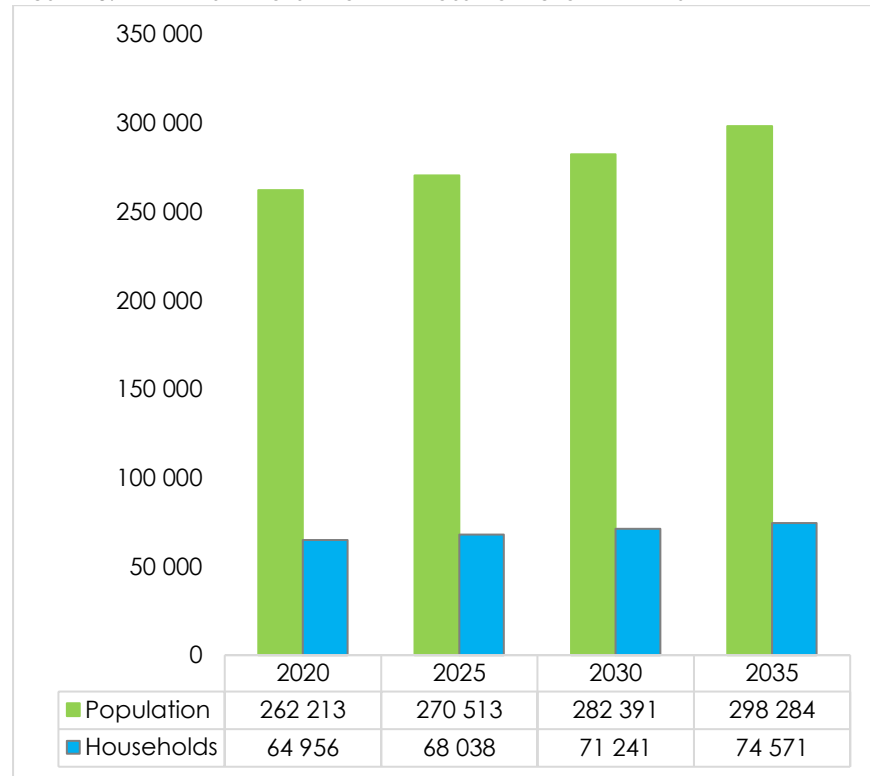


SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC, 2020

4.5 DEMOGRAPHIC MARKET OVERVIEW

The population and household growth trends for Alfred Duma is illustrated in the following graph in order to provide an indication of the future expansion of the region.

FIGURE 13: ALFRED DUMA POPULATION AND HOUSEHOLD GROWTH TRENDS

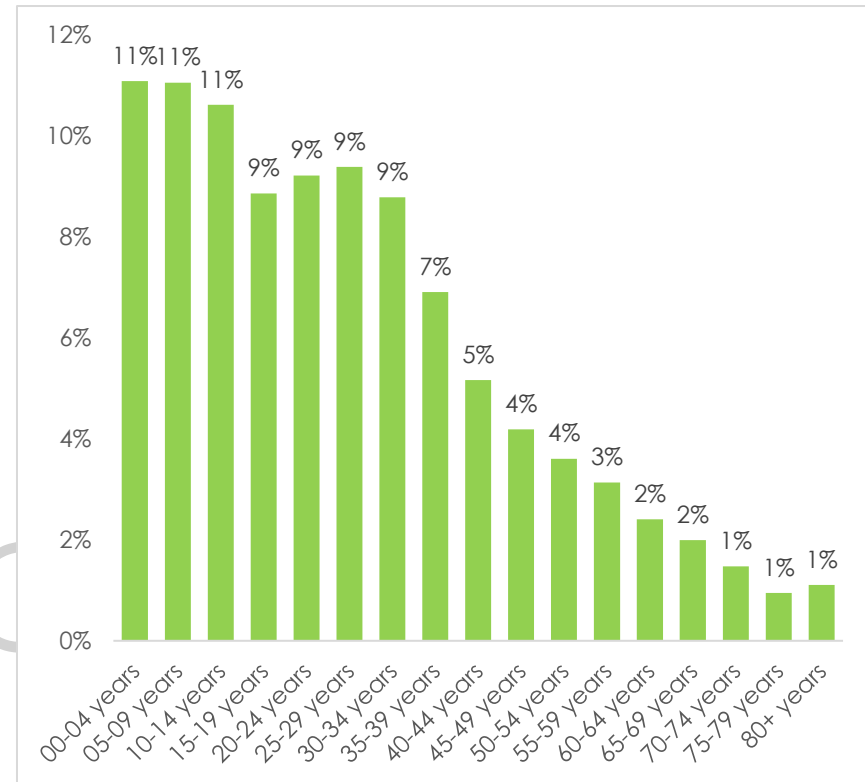


SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC, 2019

An average annual population growth rate of 0,6% and a household growth rate of 0,9% was experienced in Alfred Duma between 2009 and 2019. In 2020, the population stood at an estimated 262 213 and the number of households at 64 956.

In terms of age profiles, Alfred Duma has a relatively young population with 33% of the population falling between the ages of 00 and 14 years old. The population that are 60 years and above equates to 7%.

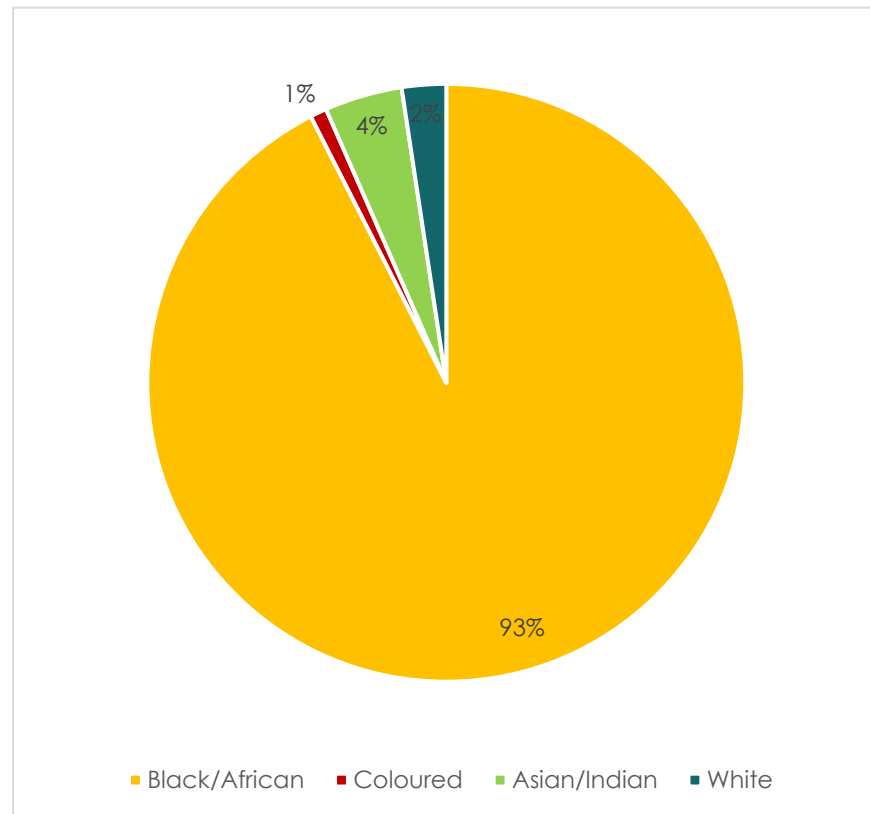
FIGURE 14: AGE PROFILE



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC, 2019

The racial profile of Alfred Duma indicates that 93% of the population fall into the Black/African category, while 4% are Asian/Indian, 2% White and 1% Coloured as illustrated in the following pie chart.

FIGURE 15: RACIAL PROFILE



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC, 2019

4.6 RESIDENTIAL MARKET ANALYSIS

4.6.1 ALFRED DUMA HOUSING PLAN

The overall objective of the Alfred Duma Integrated Housing Sector Plan is to have a five-year Plan to serve as a strategic planning tool that guides human settlement development within Alfred Duma LM in a more responsive way to meet the municipal's housing demand. In this regard, the main objectives of the plan include:

- Identify and analyse the housing delivery gaps within the municipal area.
- Update the data to determine new trends that may influence the delivery of sustainable human settlements.
- Assess whether the existing projects (especially those that have not yet been implemented) should be encouraged or discouraged.
- Identify areas where housing development should be encouraged and where they should be discouraged – in line with both the District and municipality's IDP and SDF (including any sectoral plan).
- Align the sector plan with national and provincial legislative and policy framework,
- Advise on the appropriate mechanisms of speedy delivery of sustainable human settlements; or alternatively.
- Advise on the most effective mechanism of prioritizing and implementing the housing projects, within the available municipal capacity.
- Ensure that the plan has a clear programme that can be used to influence budgetary processes – internal and external.

The Vision for the Housing Sector Plan Vision is:

"A Municipality that embraces and promotes sustainable human settlements through the provision of affordable and sustainable housing, efficient social, economic and physical infrastructure".

To make this vision a reality, the Municipality has to support the notion of productivity, inclusivity, good governance and sustainability which should include but not limited to:

- Initiating measures that manage development of sustainable human settlements.
- Initiating housing delivery (sustainable human settlement) to respond to housing needs.
- Provision of other services and facilities that complement sustainable human settlements.

- Securing and coordinating funding for sustainable human settlements.
- Engaging the relevant housing stakeholders to achieve sustainable human settlements.

4.7 HOUSING SECTOR ANALYSIS

4.7.1 ALFRED DUMA HOUSING TRENDS

Currently, the Municipality is in the process to develop and package additional housing projects as a means of addressing the housing backlog and respond to the expressed or felt housing need. Housing projects in Alfred Duma Municipality are at different stages of development with the majority being in the planning phase.

CURRENT HOUSING PROJECTS

The table below reflects the stormwater projects that are underway.

TABLE 12: STORM WATER DAMAGED PROJECTS

Wards	9, 10, 20,22,25
Project Number	K13070013, K13070014, K130700118, K130700117, K130700119, K130700115
Implementing Agent (IA)	Bkekzas Trading, Tshwara Thebe Construction cc, Mandlethu Projects, NMQ Surveyors, Hencon Vob JV & Five and Only Development
Number of Units	3 600
Approved Beneficiaries	2 791
Status	IA's were advised to submit close out reports no later than 09 June 2017. They were also informed that the municipality will not accede to any applications of time and will not be responsible for any payments after the expiration of the contracts. At a meeting held with the

DoHS on 12 May it was agreed that the contracts will not be extended and that two submissions be made to the HOD to appoint a service provider to complete the project, i.e. To appoint a service provider from the DoHS database and for the municipality to appoint a service provider in terms of Regulation 36 of the MFMA. It was also agreed that the DoHS appoints an independent structural engineer to undertake and assess the houses. The DoHS has prepared the submissions to the HOD for the above appointments. VNA was also requested to ensure that the close out reports are submitted no later than 18 June 2017 which should include those of the IA's.

SOURCE: ALFRED DUMA INTEGRATED HOUSING SECTOR PLAN, 2017

EZAKHENI 642 SLUMS CLEARANCE PROJECTS

The table below reflects the Slums Clearance Projects which are mainly from Wards 6 and 8.

TABLE 13: SLUMS CLEARANCE PROJECTS

Wards	6 & 8
Project Number	K10110004
Implementing Agent (IA)	Akusheshe JV
Number of Units	642
Approved Beneficiaries	633
Status	A letter was submitted to the DoHS for funding to complete the planning stage of the project culminating in the opening of a Township register and deal with the beneficiary issues. The DoHS has confirmed that it is working on a submission to HEAC for funding to appoint

	a service provider to finalise all outstanding issues of the project.
--	---

SOURCE: ALFRED DUMA INTEGRATED HOUSING SECTOR PLAN, 2017

Ezakheni Rectification Housing Projects

The table below reflects the rectification housing projects that are mainly in Ezakheni within Wards 9,1,2,3 and 4.

TABLE 14: RECTIFICATION HOUSING PROJECTS

Wards	9,1,2,3 & 4
Number of Units	199
Approved Beneficiaries	199
Status	At a meeting with the DoHS it was agreed that the municipality appoint a service provider to complete the outstanding houses using Regulation 36. It was also agreed that the DoHS appoints a structural engineer to do the assessment. The Bid Specs sat on 12 June 2017 to consider the bid document. It was agreed that the bid document be finalised once the structural engineer has finalised the assessments in order to attain an accurate figure.

SOURCE: ALFRED DUMA INTEGRATED HOUSING SECTOR PLAN, 2017

EMERGENCY HOUSING PROJECTS

The table below reflects the emergency housing projects that are mainly in Ward 25.

TABLE 15: EMERGENCY HOUSING PROJECTS

Ward	25
Project Number	K11030004

Implementing Agent (IA)	Dezzo Holdings, Isibanisezwe, Ntokozweni, Umlilo
Number of Units	1 500
Approved Beneficiaries	306
Status	The Tri-partite agreement for Messrs Isibanisezwe and Umlilo were signed. Messrs Umlilo and Isibanisezwe are not on site. Messrs Isibanisezwe indicated that they cannot continue until their outstanding payments are finalised which are due to them for over a year. Messrs Dezzo has confirmed that they will re-establish site within two weeks but raised concern about the signing of the Tri-partite agreement.

SOURCE: ALFRED DUMA INTEGRATED HOUSING SECTOR PLAN, 2017

HOUSING PROJECTS AT PLANNING STAGE

The Municipality through the implementing agency undertakes the prefeasibility studies (Stage 1) in respect of the projects to determine the viability of the projects. Thereafter, there was a need to proceed to Stage 2 which included the installation of internal services and the construction of the top structures. Below is a list of projects that are in the planning phase.

TABLE 16: HOUSING PROJECTS AT PLANNING STAGE

Project Name	Ward No.	Units	Status
Cremin Restitution Project	24	500	Implementing Agent has commenced with the planning of the project and the project is 80% complete. Awaiting the finalization of the issue of the land which has partial land claim. Progress meetings are being held on a monthly basis.
Besters Housing Project	23	1 000	The IA has completed Stage 1 application pack and has submitted same to the DoHS

Project Name	Ward No.	Units	Status
			for approval. The project will be an urban project. Awaiting confirmation of bulk services from the District Municipality. One farm removed from the project as it falls within the Ukhahlamba Municipal jurisdiction.
Mithandi Insitu Upgrade	20	1 000	IA has submitted the application for Stage 1 to the DoHS. The pack has been assessed and the outstanding information has been requested from the IA. No progress has been made from the IA thus far.
Acaciavale 250	20	250	IA has been appointed
Acaciavale Phase 1	20	1 000	IA has been appointed
Acaciavale Phase 2	20	1 000	IA has been appointed
Stimela Ezakheni D 400	4	400	IA has been appointed
Colenso 4000	25	4 000	IA has been appointed
Limit Hill 200	22	200	IA has been appointed
St Chads 500	23	500	IA has been appointed
Ezakheni 1000	6	1 000	IA has been appointed
Roosboom 1000	13	1 000	IA has been appointed
Ezakheni C/Colenso 250	5 & 25	250	IA has been appointed
Kwashuzi Tshwara Thebe	28	1 000	All milestones completed. Two IA's working in same area. Awaiting the Ingonyama Trust Board to finalize development agreement. Upon receipt of letter, Stage 1 pack will be submitted to the DoHS for approval.

Project Name	Ward No.	Units	Status
Somshoek/Skoko	31	1 000	IA requested to close out stage 1. PDA application approved. IA submitted house plan and it was referred back by the Engineering Department.
Fittypark	28	1 000	Stage 1 complete. Waiting for the Tripartite agreement to be signed by DoHS. 879 beneficiaries have been approved. The boundaries which are common with Kwashuzi housing project are being attended to.
Vaalkop	32	1 000	The IA is experiencing a problem in resolving the Land/legal issues. Meeting held with DRDLR for new Development Rights Agreement and Item currently serving at various council committees for approval so that DRDLR can provide a new Agreement for the MM to sign.
Kwajwili/Ncama	31	1 000	The PDA application submitted by 03/03/2017. Finalizing co-ordinates. Geotech report being finalized. The project falls on ITB land and State land. The project is continuing on ITB land while the acquisition of the state land is being finalized. Meeting held with DRDLR for new Development Rights Agreement and Item currently serving at various council committees for approval so that DRDLR can provide a new Agreement for the MM to sign.
Nazareth Mkhombe	32	1 000	The Tri-partite agreement has been signed by all parties for stage 1 and the IA is in the process of submitting the stage 2 application to the DoHS.

SOURCE: ALFRED DUMA INTEGRATED HOUSING SECTOR PLAN, 2017

MIXED HOUSING PROJECTS

The constitution mandates the municipality to provide shelter for low-income earners. Whilst this is the role mandate of the municipality, it is also expected play a role other segments of the society. In this regard, the mandate of the municipality with regard to other social segments of society is to facilitate the development of housing by creating an enabling environment for the market to create housing opportunities.

The municipality is currently engaged in a number of projects that will deliver housing opportunities for low-income earners. Government's direct intervention in the property market has been to ensure provision of shelter for low-income earners and lower middle class. The assumption is that the property market will provide for the middle class and high-income earners. However, the property market can no longer cater for the housing needs of the working class. Consequently, this class is being eroded to low-income category while they do not qualify for full government support.

The role of Alfred Duma in the district economy has resulted in a growing working class. This requires municipality to develop models for rolling out middle income housing. The municipality has entered into creative partnerships with the private sector to develop this housing segment. The municipality has made land available for social housing.

TABLE 17: MIXED HOUSING PROJECTS

Site Description	Zoning	Ownership	Site Area	No. Of Blocks Per Site	Total Number of Units At 30 Units/ Blocks
Acaciavale	Mixed use	ELM	9Ha	10	300
Colenso Hostel	CRU	ELM	2Ha	3	90

Site Description	Zoning	Ownership	Site Area	No. Of Blocks Per Site	Total Number of Units At 30 Units/ Blocks
Steadville Hostel	CRU	RSA	2.3Ha	3	90
Ezakheni C	CRU	ELM	8Ha	10	300
Total					780

SOURCE: ALFRED DUMA INTEGRATED HOUSING SECTOR PLAN, 2017

4.7.2 SOCIAL HOUSING CHALLENGES

Alfred Duma Municipality faces a range of key issues related to housing development. These issues are significant, and some can hamper the municipality from delivering sustainable human settlements to its citizens. These key issues include serious housing backlog, land issues, delivery sustainable human settlement, land typology, basic infrastructure and overlapping housing institutions. These issues are explained further in the section that follows.

Housing Backlog: Alfred Duma Municipality faces a serious housing backlog. This has been exacerbated by the merger of the two municipalities where one of them was largely rural.

Land Release for Housing Development: the pattern of land ownership within the Municipality demonstrates multiple tenure rights. It ranges from ITB, private, communal to state land. Land parcels that are privately owned or are under DRDLR or Tribal Authority slows down the housing delivery pace due to its complex and cumbersome processes involved in unlocking land for housing development.

Basic Infrastructure: the urban areas and some towns in Alfred Duma are supplied with an advanced level of infrastructure (i.e., water, electricity, sanitation, road and transport facilities) compared to other areas particularly the rural areas.

Land Topography: the topography of the municipality is characterized by hilly, undulating landscapes, moderate to steeply slopes, broad valleys and flat plains along with the rolling hills. The topography and slopes impact on development and provision of services including housing and road network.

Population Growth Rate: Alfred Duma like many other many other municipalities in South Africa that have vibrant economic towns or cities experience an influx of people coming to their areas in search of employment opportunities and better living standards.

Overlapping Authority: the issue of overlapping authority is linked to matters of land. There is an overlapping authority between traditional councils (who are allocating land for settlement purposes and administering the state land on day-to-day basis) and the Department of Rural Development and Land Reform that is the custodian of state land.

Sustainable Human Settlement: rural settlements in Alfred Duma Municipality are not sustainable in the short to long term. Most people in the area do not derive a sustainable living from rural agriculture.

Land Invasion: land invasion is one of the serious issues confronting the municipality. Some of the land parcels that are privately owned or under the state have experienced mushrooming of unplanned settlements.

In the case of Alfred Duma, the one project identified within the Dunlop RZ had to be closed-out for a considerable time until 2020. This was due to the unavailability of bulk services; however, the district municipality has since committed to supply the required infrastructure.

Other challenges faced by the LM was the fact that the RZs within Alfred Duma were project-based rather than area-based. This discrepancy had a serious impact on the role out of Social Housing projects in Alfred Duma.

In addition, the land identified in Hospital Park RZ is still under authority of the Department of Public works, however, progress was made on this matter in December 2020. Further delays were caused by the incorrect land identified as Dunlop being previously allocated to an Implementing Agent to undertake the development, but they failed to proceed with the project. There is also lack of municipal-owned properties within the existing RZ boundaries.

TABLE 18: LAND STATUS AND CHALLENGES IN ALFRED DUMA

Restructuring Zone	Land Status and Challenges
DUNLOP RZ	<ul style="list-style-type: none"> No projects have been constructed nor under construction within the Dunlop RZ. The project pipeline within the zone consists of Dunlop. Pre-feasibility assessments have been conducted; however, the project is unfeasible due to the lack of bulk services infrastructure. There is an unavailability of bulk services infrastructure - uThukela District Municipality only recently provided written commitment to undertake infrastructure upgrades in the area. The existing RZ boundaries are confined to a project area, subsequently there is a limited area within which social housing can be implemented. The Municipality proposes for the boundaries to be extended to include properties suitable social housing that has been identified outside the boundaries: <ul style="list-style-type: none"> ERF 15590 - to be implemented as an integrated project, including serviced sites and social housing. Currently, detailed planning is underway. Property 2- Recently acquired by the HDA on behalf of the Municipality to implement an IRDP project that will include a social housing component. Property consists of 400 erven to be consolidated.

Restructuring Zone	Land Status and Challenges
HOSPITAL PARK Site 1	<ul style="list-style-type: none"> No projects have been constructed nor under construction. The project pipeline within the zone consists of: Portion 1 of erf 127 (Farquhar Road) - 150 units. Property is currently being transferred from the Department of Public Works to the Municipality. There has been delays in this regard and Municipality has requested the assistance of Human Settlement to expedite process.
HOSPITAL PARK Site 1	<ul style="list-style-type: none"> No projects have been constructed nor under construction. The Municipality has identified the following projects within the RZ: ERF 722- requires pre-planning assessments and is subject to AMAFA legislation to request demolition. ERF 14790- requires pre-planning assessments. ERF 979- requires pre-planning assessments.

Source: Adapted from the Performance of Gazetted RZs within the KZN Province, 2020

4.8 KEY FINDINGS FROM HOUSEHOLD SURVEY

This section assesses the results of the market survey to inform current household profiles and housing preferences.

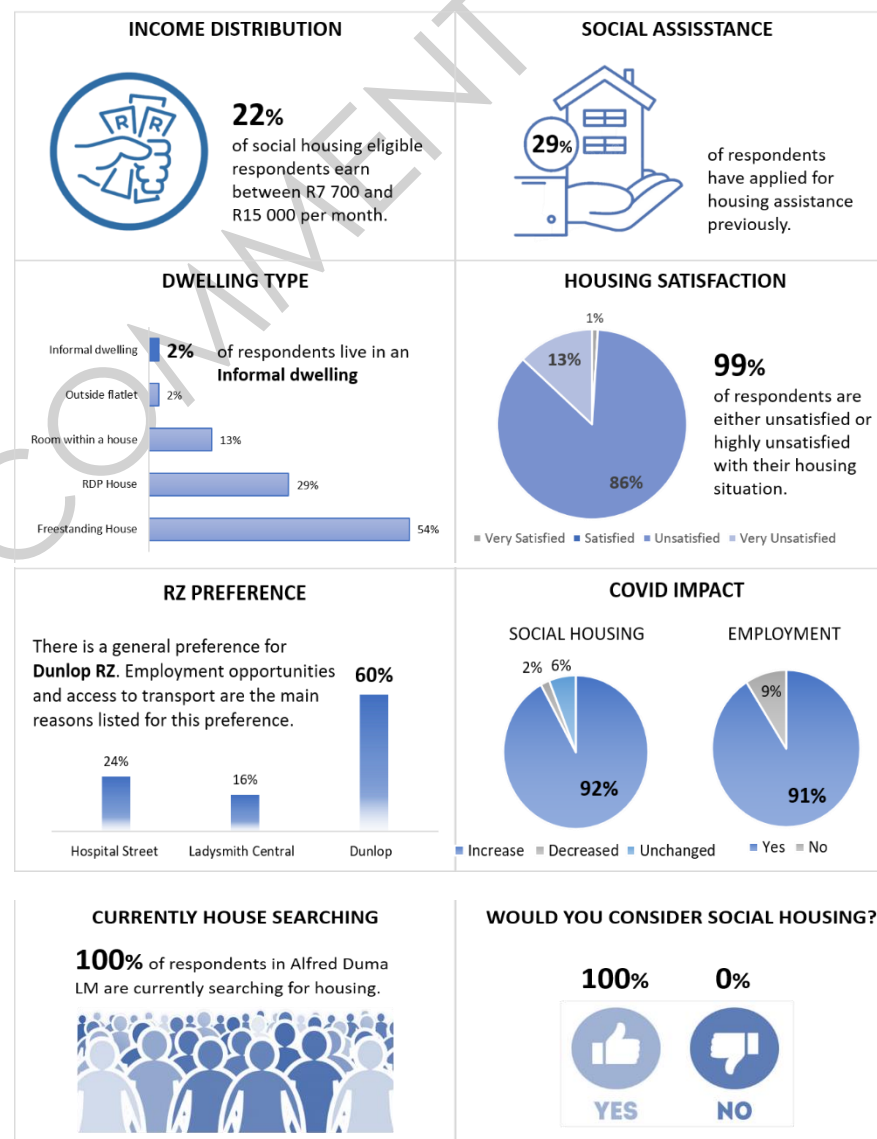
4.8.1 KEY FINDINGS FROM HOUSEHOLD SURVEYS

The questionnaire targeted employed individuals between the ages of 25 and 65 who could be eligible for social housing. The specific purpose of the survey process was to address information gaps relating to the following themes:

Preference for social housing and specifically preference for social housing between the Hospital Street, Ladysmith Central and Dunlop RZ's.

The results of the market trends assessment are presented below.

FIGURE 16: ALFRED DUMA LM MARKET ASSESSMENT, 2021



SOURCE: URBAN-ECON (2021)

The key findings indicate that there is a substantial need for social housing within Alfred Duma LM. The market trend assessment reveals that there is a significant number of households (22%) that earn between R7 700 and R15 000 per month, the upper income bands of the social housing market segment. This is important as it affects the financial feasibility of a potential social housing project.

In line with the housing shortage reported in the planning documents, the market assessment reflects that the 29% of respondents have applied for housing assistance previously, with 2% of respondents currently living in an informal dwelling. In addition, a vast majority of respondents (99%) reported that they were either unsatisfied or highly unsatisfied with their current housing situation and 100% of respondents reported that they are currently seeking housing. These factors suggest that there is a need for housing relief in the region and that a social housing development could vastly improve the housing situation in the municipality.

Whilst there may be a need for social housing provision in the municipality, this does not always translate to demand for such a project. This, however, does not seem to be the case in Alfred Duma LM as 100% of respondents reported that they would move into a social housing development. Specifically, there seems to be a greater preference for social housing in Dunlop compared to Hospital Street and Ladysmith Central with 60% of respondents choosing Dunlop as their preferred RZ. The main reasons reported for this preference include:

- "It is close to employment opportunities".
- "Close to transport routes".
- "Good services in that area".

Those that reported a preference for Dunlop cited proximity to employment opportunities and access to transport routes as their main reasons.

Lastly it is important to note that 91% of respondents believe that the COVID-19 pandemic is having a negative effect on employment opportunities within the Alfred Duma LM. This is an evolving situation and needs to be monitored as household income, and therefore employment, is a key determinant of social housing eligibility and demand. Overall, the survey results reveal that there is a substantial need for social housing provision in Alfred Duma LM.

4.9 MARKET SUPPLY ASSESSMENT

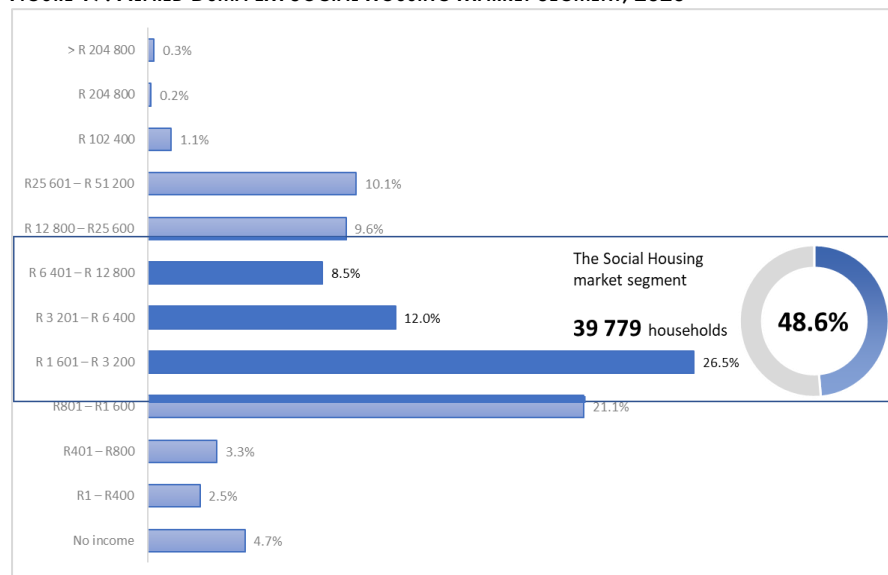
As there are currently no social housing developments within Alfred Duma LM, there is no current supply considered in this analysis.

4.10 MARKET DEMAND ASSESSMENT

4.10.1 MARKET AFFORDABILITY

Income levels are a key determinant of demand for social housing. The income bands highlighted reflect the target market for social housing within Alfred Duma LM, those earning between R1 500 and R15 000 per month. The total target market for social housing is 39 779 households as of 2020, accounting for 48.6% of households within the local municipality.

FIGURE 17: ALFRED DUMA LM SOCIAL HOUSING MARKET SEGMENT, 2020



Source: Urban-Econ (2021)

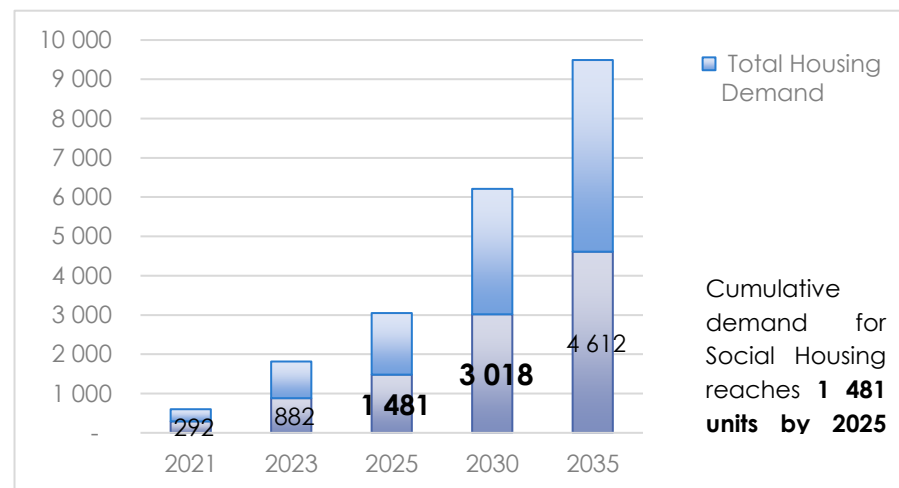
4.10.2 MARKET DEMAND AND AFFORDABILITY ASSESSMENT

Applying the affordability analysis to the cumulative demand projections reveals the total demand for social housing from the target market in Alfred Duma LM.

The following table reflects the total number of housing units demanded within Alfred Duma LM as well as the total number of social housing units demanded by the target market.

Given historical household growth and migration rates, the cumulative demand for social housing is 1 481 units by 2025 with longer term demand expected to increase to 3 018 units by 2030.

FIGURE 18: CUMULATIVE DEMAND FOR HOUSING IN ALFRED DUMA LM, 2021 - 2035



Source: Urban-Econ (2021)

4.10.3 BACKLOG OF SOCIAL HOUSING

Alfred Duma Municipality faces a serious housing backlog. This has been exacerbated by the merger of the two municipalities where one of them was largely rural. The housing backlog manifest itself in the form of slums especially in the periphery of the towns and traditional/informal dwellings that were constructed with substandard material largely in the rural parts of the municipality. In fact, most of these dwellings were constructed without building plans or consultation with the municipality.

As such, and in line with the widely adopted IDP methodology of backlog calculations, the social housing backlog for this demand analysis is calculated as the sum of all eligible households (earning between R1 500 and R15 000 per month) living in substandard dwelling units.

For the purposes of this analysis, substandard dwelling units are classified in the data as:

- Traditional dwelling/hut/structure made of traditional materials.
- Informal dwelling/shack, in backyard.
- Informal dwelling/shack, not in backyard, e.g., in an informal/squatter settlement; and
- Other/unspecified.

Using this methodology, the social housing backlog in Alfred Duma LM as of 2020, is **9 594** units.

4.10.4 EFFECTIVE DEMAND FOR SOCIAL HOUSING

Effective demand applies the market perception of social housing, particularly within the three identified RZ's, to the market affordability analysis to reflect the real demand to be expected from the market.

The following table takes into account the findings from the above-mentioned market trends assessment to calculate the Effective Demand:

- 100% of households in Alfred Duma LM would consider moving into a social housing development.
- 60% of households would prefer to move into Dunlop RZ compared to 24% that would prefer to move to Hospital Street and 16% into Ladysmith Central.

TABLE 19: EFFECTIVE DEMAND FOR SOCIAL HOUSING PER RZ IN ALFRED DUMA LM, 2021 - 2035

	2021	2022	2023	2024	2025	2030	2035
Cumulative Social Housing Demand	292	586	882	1,181	1,481	3,018	4,612
Housing Backlog*	9,594	9,594	9,594	9,594	9,594	9,594	9,594
Total Social Housing Demand	9,886	10,180	10,477	10,775	11,076	12,612	14,206

	2021	2022	2023	2024	2025	2030	2035
Effective Social Housing Market Demand	9,886	10,180	10,477	10,775	11,076	12,612	14,206
Effective Demand per RZ							
Hospital Street RZ	2,373	2,443	2,514	2,586	2,658	3,027	3,409
Ladysmith Central RZ	1,582	1,629	1,676	1,724	1,772	2,018	2,273
Dunlop RZ	5,932	6,108	6,286	6,465	6,645	7,567	8,524

*Note: The calculation of the housing backlog figures is based on the application of acceptable planning parameters that are utilised in official municipal documents.

Source: Urban-Econ (2021)

The market demand assessment reflects sufficient demand to consider the provision of social housing in Alfred Duma LM. Within the next five years, the market will demand 11 070 social housing units which will grow to 12 612 units by 2030.

Given market preferences, Dunlop seems to be a more favourable location for social housing with 6 645 units demanded by 2025 and 7 567 units demanded by 2030. Hospital Street and Ladysmith Central could also support a social housing development as demand is positive and exceeds 1 000 units by 2025, however, a development in these locations should be proportionately smaller.

4.10.5 DEMAND PER INCOME CATEGORY: RENT QUOTE

An estimated rent quote per RZ was calculated given household affordability and SHRA's rental structure to establish the rental values the households could be expected to pay for social housing in Alfred Duma LM.

The rental structure as stipulated by SHRA is displayed in the table below.

TABLE 20: SHRA RENTAL STRUCTURE FOR SOCIAL HOUSING, 2020

Income Category Annual	Income Category Monthly	Rental as % of Income (SHRA)	Estimated Rental Range
R18 000 – R42 000	R1 500 - R3 500	25	R 375 - R 875
R42 001 – R66 000	R3 501 - R5 500	27	R 876 - R 1 485
R66 001 – R92 400	R5 501 - R7 700	32	R 1 486 - R 2 464
R92 401 – R135 600	R7 701 - R11 300	35	R 2 465 - R 3 955
R135 601 – R180 000	R11 301 - R15 000	37	R 4 181 - R 5 550

Source: Urban-Econ (2021)

The following tables reflect the rent quote per RZ; effective social housing demand for each RZ per rental category.

TABLE 21: RENT QUOTE FOR HOSPITAL STREET RZ, ALFRED DUMA LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	26.5 %	1,293	1,370	1,448	1,649	1,857
R 876 - R 1 485	8.6%	421	446	472	537	605
R 1 486 - R 2 464	5.1%	249	264	279	317	358
R 2 465 - R 3 955	4.8%	233	246	261	297	334
R 4 181 - R 5 550	3.6%	178	188	199	226	255
Effective Social Housing Demand	48.6 %	2,373	2,514	2,658	3,027	3,409

Source: Urban-Econ (2021)

TABLE 22: RENT QUOTE FOR LADYSMITH CENTRAL RZ, ALFRED DUMA LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	26.5 %	862	913	965	1,099	1,238
R 876 - R 1 485	8.6%	281	298	315	358	404
R 1 486 - R 2 464	5.1%	166	176	186	212	238
R 2 465 - R 3 955	4.8%	155	164	174	198	223
R 4 181 - R 5 550	3.6%	118	125	133	151	170
Effective Social Housing Demand	48.6 %	1,582	1,676	1,772	2,018	2,273

Source: Urban-Econ (2021)

TABLE 23: RENT QUOTE FOR DUNLOP RZ, ALFRED DUMA LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	26.5 %	3,231	3,424	3,620	4,122	4,643
R 876 - R 1 485	8.6%	1,053	1,116	1,180	1,343	1,513
R 1 486 - R 2 464	5.1%	622	659	697	794	894
R 2 465 - R 3 955	4.8%	581	616	651	742	835
R 4 181 - R 5 550	3.6%	444	470	497	566	638
Effective Social Housing Demand	48.6 %	5,932	6,286	6,645	7,567	8,524

Source: Urban-Econ (2021)

4.10.6 FEASIBLE SOCIAL HOUSING PLANNING

Taking into account market demand and SHRA's standard social housing unit mix based on income, this section outlines the feasible upper limits of potential social housing provision within Alfred Duma LM.

The SHRA model requires higher rentals from the upper income earners to subsidise lower rentals from the lower income earners in order to achieve financial feasibility. As such, there needs to be a greater proportion of upper income households in a social housing development. SHRA's standard social housing unit mix suggests that a minimum of 30% of the units need to be rented to the highest income bracket households – those earning between R11 300 and R15 000 monthly. This sets the limits for the size of potential social housing developments in the RZs.

The following table reflects the proposed social housing developments per RZ.

TABLE 24: POTENTIAL SOCIAL HOUSING DEVELOPMENTS IN ALFRED DUMA LM RZ'S

		Feasible Social Housing Units					
		Hospital Street		Ladysmith Central		Dunlop	
Rental Range	%	2025	2030	2025	2030	2025	2030
R 375 - R 875	10 %	66	75	44	50	166	189
R 876 - R 1 485	20 %	133	151	88	101	331	377
R 1 486 - R 2 464	20 %	133	151	88	101	331	377
R 2 465 - R 3 955	20 %	133	151	88	101	331	377
R 4 181 - R 5 550	30 %	199	226	133	151	497	566
		663	755	442	503	1,657	1,887

Source: Urban-Econ (2021)

In total Alfred Duma LM could feasibly accommodate 2 762 social housing units by 2025 with this figure growing to 3 145 units by 2030. All three abovementioned RZ's reflect significant and growing

demand and developments of these potential sizes would ensure feasibility.

4.10.7 LAND REQUIREMENTS FOR DEMAND

This section investigates the land requirements for the provision of potential social housing developments in Alfred Duma LM.

Social Housing falls within the Medium-Density Mixed Housing (MDMH) density brackets. MDMH is defined as housing that has a minimum of 50 dwelling units per hectare (du/ha) and a maximum of 125 du/ha. Social housing (SH) is defined as medium- to high-density housing with different tenure options but excluding immediate ownership. Given the typical densities of current social housing development, the following density scenario's will be utilised to approximate the land requirements of the potential social housing development per RZ:

- Density Scenario 1: 80 u/ha
- Density Scenario 2: 100 u/ha
- Density Scenario 3: 120 u/ha

TABLE 25: LAND REQUIREMENTS FOR POTENTIAL SOCIAL HOUSING PROVISION IN ALFRED DUMA LM, 2025 - 2030

	Hospital Street		Ladysmith Central		Dunlop	
Density Scenario	2025	2030	2025	2030	2025	2030
80 u/ha	8	9	6	6	21	24
100 u/ha	7	8	4	5	17	19
120 u/ha	6	6	4	4	14	16

Source: Urban-Econ (2021)

4.10.8 LAND PIPELINE AND LAND OPPORTUNITIES

In 2018, Alfred Duma LM prepared a project pipeline that was approved by Council and submitted to the provincial Department to be included into the Social Housing Roll-Out Plan (2018-2023) as the official implementation tool to guide the implementation of social housing over the 5-year period. In 2018, the LM also established a

panel of implementing agents to appoint for all housing programmes, including social housing. In 2020, the LM initiated a process to establish a SHI database.

The table below provides the land pipeline for each RZ in Alfred Duma

TABLE 26: SOCIAL HOUSING PIPELINE IN ALFRED DUMA

Restructuring Zone		Number of Social Housing Units
1.	Hospital Street	200
2.	Ladysmith Central	200
3.	Dunlop	400

Source: Questionnaire feedback from Municipalities, 2020

Alfred Duma LM in conjunction with the Department of Human Settlements has identified additional areas for Social Housing, and a resolution for the expansion of the RZ was approved by Council. The reason for expansion was given as the current zones being inadequate since they were project based.

With regard to land opportunities for future social housing development, the LM has identified the following additional areas for social housing:

- Indoor sports complex.
- Extension 18

The Implementation of the role out of the first development is estimated between 12 to 18 months.

4.11 CONCLUSION

In Alfred Duma there are three RZs namely, Hospital Street, Ladysmith Central and Dunlop. In the Dunlop RZ, there are two sites which are located further away from the central business district. Hospital Park and Ladysmith Central are centrally located with the main transport route (R163) passing through these RZs.

In terms of income category, the majority of the households in Alfred Duma falls within the lower income segment with 23,2% of the households earning between R19,201 – R38,400 per annum followed by 20,9% earning between R9,601 – R19,200 per annum. It is estimated that the average household income in this region is R7,551 per month or R90,606 per annum.

The largest portion of the population (19%), in Alfred Duma falls into those that have achieved a grade 12 certificate only. The second In terms of employment profiles, 52 510 people are employed, and 28 678 people are unemployed in Alfred Duma. This shows a high unemployment rate of 35%.

In terms of type of dwellings, in Alfred Duma 72% of dwellings are house or brick structures on a separate stand or yard followed by 17% that are traditional dwellings. The third most common dwelling type in Alfred Duma are flats at 4% of all households in the region. The tenure status of Alfred Duma shows that the region has the highest percentage of households that are occupying owned and fully paid off dwellings at 39%.

In terms of household services, 83% of households in the region has access to electricity, 45% of households has access to piped water inside their dwellings, 58% of households has their waste removed by the local authority at least once a week while only 59% of households has access to flush or chemical toilets.

An average annual population growth rate of 0,6% and a household growth rate of 0,9% was experienced in Alfred Duma between 2009 and 2019. In 2020, the population stood at an estimated 262 213 and the number of households at 64 956.

In terms of age profiles, Alfred Duma has a relatively young population with 33% of the population falling between the ages of 00 and 14 years old. The racial profile indicates that 93% of the population fall into the Black/African category.

There are currently no social units in place as council is in the process of appointing a Panel of consultants to undertake the developments.

The market assessment and demand assessment demonstrate that there is a substantial need and demand for social housing within the municipality.

The market assessment reflects that a significant percentage, (29%) of respondents having applied for housing assistance previously with 2% of respondents currently living in an informal dwelling. In addition, a vast majority of respondents (99%) reported that they were either unsatisfied or highly unsatisfied with their current housing situation and 100% of respondents reported that they are currently seeking housing.

These factors suggest that there is a need for housing in the region and that a social housing development could vastly improve the housing situation in the municipality. In addition, 60% of respondents reported that they would move into a social housing development with a greater preference for social housing in the Dunlop RZ. These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation in the municipality.

Alfred Duma could feasibly accommodate 2 762 social housing units by 2025 with this figure growing to 3 145 units by 2030. All three designated RZ's reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

5 REGION 2: KWADUKUZA

5.1 INTRODUCTION

This section provides the local delineation, location analysis, economic profiling, demographic profiling, residential analysis, housing sector analysis, key findings of the household surveys as well as the market and demand assessments for the KwaDukuza region

5.2 LOCATION DELINEATION

This section assesses the demand for social housing in KwaDukuza LM within the three identified restructuring zones (RZs). While the KwaDukuza CBD RZ is centrally located, the Blythedale Beach RZ and Hyde Park RZ are located at the outskirts of KwaDukuza. The main transport route (R102) passes through the KwaDukuza CBD RZ and Hyde Park RZ with the highway running parallel to the R102. The Blythedale Beach RZ is located on the coast away from the business hub of KwaDukuza and is accessible via internal route networks. The three RZ's are illustrated in Map 3 on the following page.

5.3 LOCATION ANALYSIS

KwaDukuza Municipal area of jurisdiction is approximately 734.971km² in extent. The KwaDukuza municipal area stretches from the Zinkwazi River in the north to the UThongathi River in the South. It borders four Municipalities, viz, eThekweni, Ndwedwe, Maphumulo and Mandeni. It is one of the four municipalities that make up the ILembe District Municipality.

KwaDukuza functions as the district node and dominant commercial centre in the ILembe District. KwaDukuza Municipality occupies a coastal and inland stretch of approximately 52.3 km in length and 23 km in width, a variety of clustered and ad hoc settlements and small towns exist and are linked with a well-developed network of roads

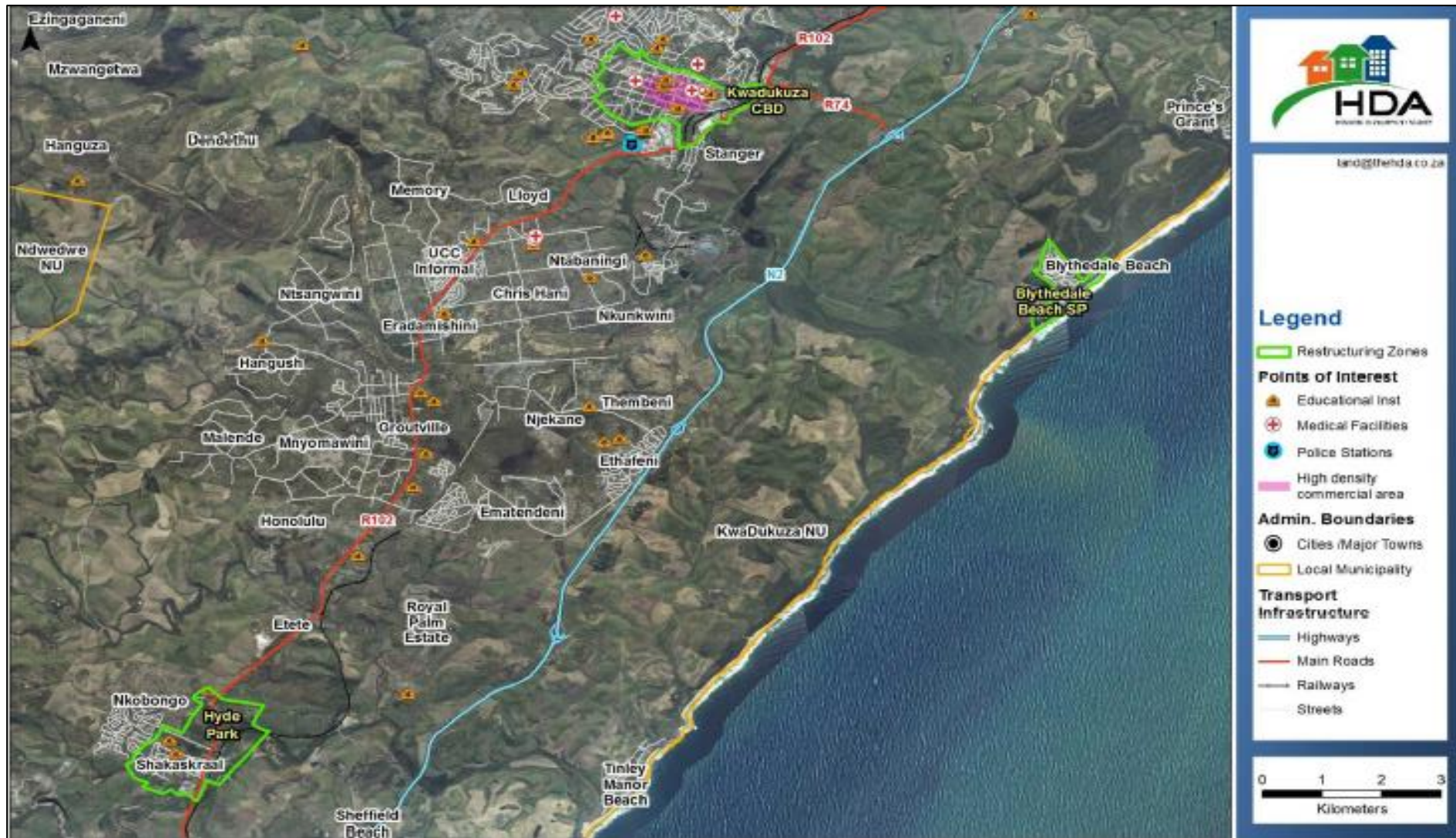
and rail infrastructure. The key feature of KwaDukuza is the N2 Development Corridor that runs through it.

The KwaDukuza Municipality is probably one of the most exciting and best kept secrets in South Africa currently. Nestled between the Tongati and Tugela rivers, KwaDukuza covers an area of approximated at 633km². This is the economic hub of the iLembe District Municipality. A total of 29 municipal wards constitutes the KwaDukuza Local Municipality.

The name KwaDukuza epitomizes the historical background of the area being the home to King Shaka Gravesite and Memorial. The town KwaDukuza is built on the original site of King Shaka's Royal settlement called Dukuza. The KwaDukuza museum is situated opposite the site of King Shaka Memorial and is dedicated to the sugar industry and colonialism, the cultural heritage of the early settlers of the town Stanger. The population dynamics of KwaDukuza Municipality is highly diverse due its multi-racial composition and rich settlement history.

KwaDukuza has a distinct eastern flavour and is linked to the earlier settlement of Indian families who were imported to work on the sugar cane farms of the big sugar barons such as Sir Liege Hullet.

MAP 3: KWADUKUZA LM RESTRUCTURING ZONES, 2017



Source: Department of Human Settlements (2017)

In terms of settlements, the existing urban development is located in the formally established towns of KwaDukuza, Ballito, uMhlali, Shaka's Kraal, Prince's Grant, Blythedale Beach, Tinley Manor, Zinkwazi as well as portions of Groutville. Peri-urban to semi-rural settlement occurs throughout much of the center of the municipality, extending from the northern boundary via KwaDukuza, Groutville and uMhlali to the southern edge abutting eThekweni.

It must be noted that densities and development qualities vary significantly. Although some rural settlement occurs in the Groutville area, much of the rural and traditional settlement is concentrated in the north-western Ingonyama Trust areas. A variety of new housing areas are in the process of being established throughout the municipality from Ballito in the south to Darnall in the north.

5.3.1 NODES

KwaDukuza Spatial Development Framework identified four economic growth nodes within

KwaDukuza area of jurisdiction. The following are the four economic growth nodes:

1. Darnall Node, which includes areas of Zinkwazi, Darnall, Nyathikazi, Sakhamkhanya, Doringkop, San Sauci, Nonoti Mouth, Princess Grant, New Guilderland, etc.
2. KwaDukuza Node, which includes areas of Blythedale Beach, Shakaville, Lindelani, Stanger Manor, Stanger Heights, Doctorskop, Glenhills, Shayamoya, Rocky Park, KwaDukuza Central, Madundube, etc.
3. Groutville Node, which includes areas of Ntshawini, Groutville, eTete, Thembeni, Addington Farm, etc.
4. Southern, Driefontein, Ballito Node, which includes areas of Driefontein, Shakaskraal, Salt Rock, Tinley manor, Woodmead, Shayamoya, etc.

5.3.2 REGIONAL MOBILITY N2, M4

Provide connectivity to region and beyond mobility function. Activity concentrations at intersections; response to visibility value; Possible future mass transit (BRT) to be explored.

5.3.3 REGIONAL ACCESSIBILITY

R102 Provide higher level accessibility to main development areas, structure intensive growth responses Linear patterns of higher intensity radiating from route Mass Transit – regional access (BRT), Bus and Taxi.

5.3.4 URBAN ARTERIAL

R613, R74 Provide higher level accessibility to main development areas, structure intensive growth responses. Higher intensity development along routes and concentrations of activity at interchanges. Regional and local transit systems (Bus and Taxi).

5.3.5 RURAL ARTERIAL

R613, R74 Primarily mobility, providing improved connectivity between rural/ transitional areas and the core corridor opportunity area. Limited development along route, Regional and local transit systems (Bus, Taxi).

5.3.6 LOCAL COLLECTOR

P100 and other P routes provide access to more localized settlements, tying them into the broader urban system. Lower intensity non-residential development along route, higher density residential clusters at key points.

MAP 4: KWADUKUZA ROAD NETWORKS



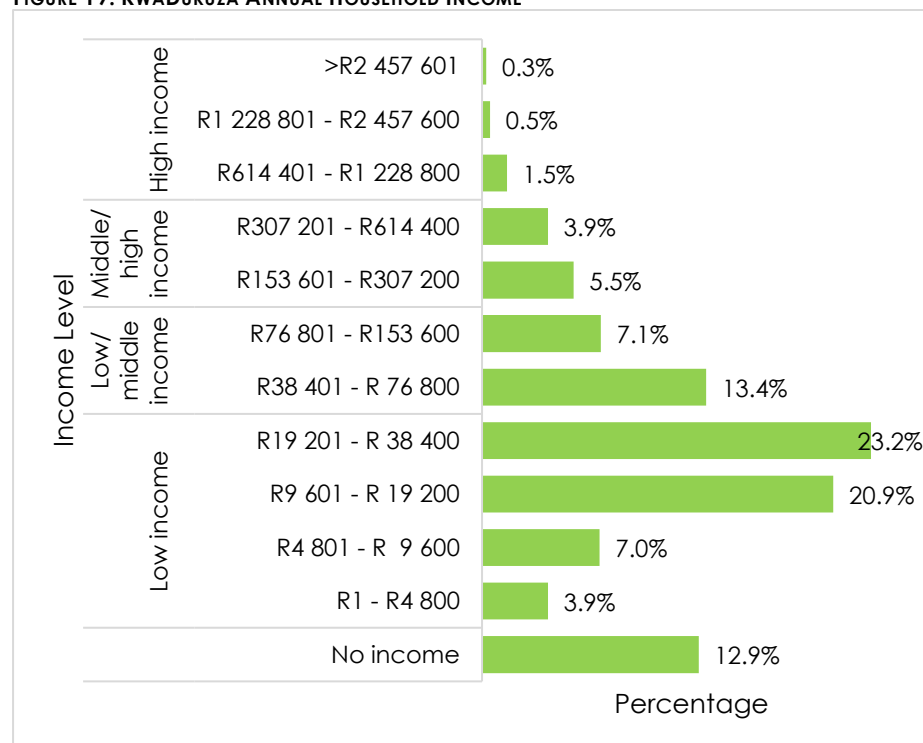
SOURCE: KWADUKUZA IDP, 2020

5.4 ECONOMIC PROFILING

This section outlines the economic profile for KwaDukuza. It includes indicators such as annual household income, development indicators, dwelling type, tenure status and household facilities within the region.

The figure below provides a profile of the annual household income of the region.

FIGURE 19: KWA DUKUZA ANNUAL HOUSEHOLD INCOME



SOURCE: CALCULATIONS BASED ON DATA FROM THE 2011 CENSUS

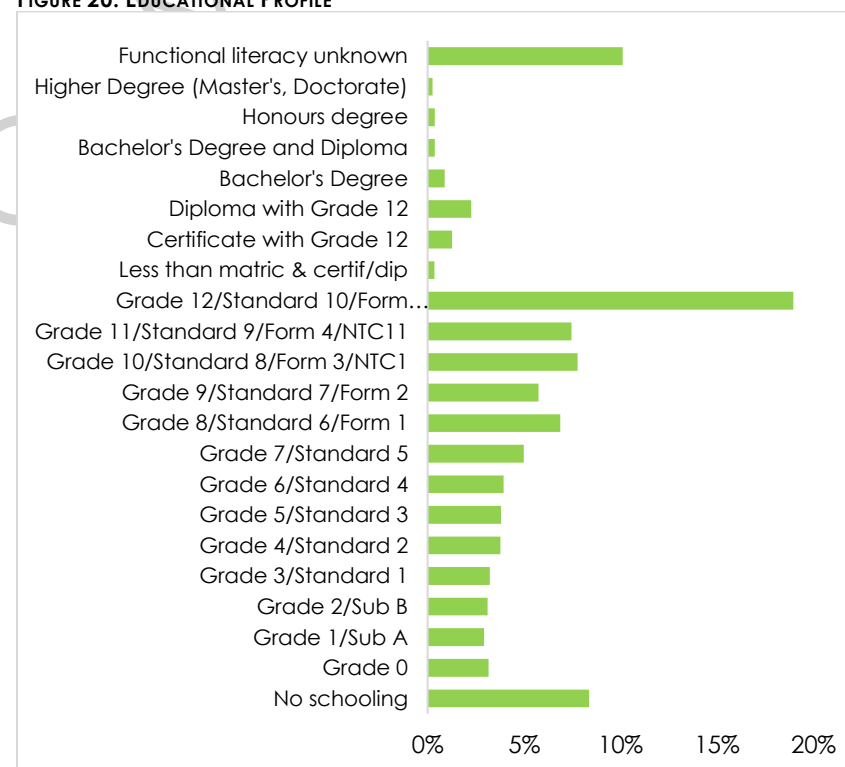
The majority of the households in KwaDukuza falls within the lower income segment with 23,2% of the households earning between

R19,201 – R38,400 per annum followed by 20,9% of households earning between R9,601 – R19,200 per annum. The smallest number of households in this region fall within high income category (>R 2,457,601 per annum) which make up only 0,3% of all households. It is estimated that in 2020, the average household income in this region is R9,295 per month or R111,537 per annum.

5.4.1 DEVELOPMENT INDICATORS

Regarding educational profiles, the graph below outlines these for KwaDukuza.

FIGURE 20: EDUCATIONAL PROFILE



SOURCE: STANDARDISED REGIONAL, QUANTEC 2019

From the figure above it is evident that the largest portion of the population (19%), in KwaDukuza falls into those that have achieved a grade 12 certificate only. The second largest portion of the population (10%) comprises those whose functional literacy is unknown.

In terms of employment profiles, the table below outlines that 82 003 people are employed and 25 321 people are unemployed in KwaDukuza. This shows an unemployment rate of 24% and labour force participation rate of 64%.

TABLE 27: EMPLOYMENT PROFILES

Working age population	168,491
Employed	82,003
Unemployed	25,321
Not economically active	61,167
Unemployment rate	24%
Labour force participation rate	64%
Absorption rate	49%

SOURCE: STANDARDISED REGIONAL, QUANTEC 2019

5.4.2 DWELLING TYPE

In KwaDukuza, 71% of dwellings are house or brick structures on a separate stand or yard followed by 8% to households that are in informal dwellings in an informal settlement and 5% that are traditional dwellings.

TABLE 28: KWADUKUZA TYPE OF DWELLING

KwaDukuza Type of Dwelling	Number of Households	Percentage of Households
House or brick structure on a separate stand or yard	54 746	71%

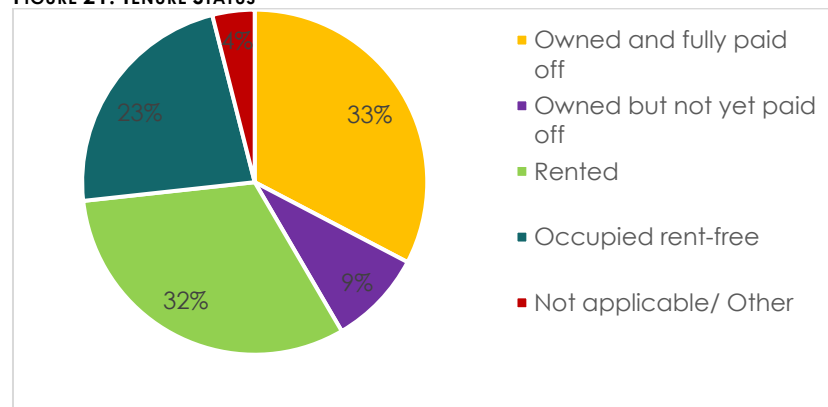
KwaDukuza Type of Dwelling	Number of Households	Percentage of Households
Traditional dwelling/hut/structure made of traditional materials	4 086	5%
Flat in a block of flats	2 969	4%
Town/cluster/semi-detached house (simplex, duplex or triplex)	1 972	3%
House/flat/room, in backyard	1 808	2%
Informal dwelling/shack, in backyard	2 564	3%
Informal dwelling/shack, NOT in backyard, e.g., in an informal/squatter settlement	5 869	8%
Room/flatlet not in backyard but on a shared property	531	1%
Other/unspecified/NA	2 093	3%
Total - Type of dwelling	76 638	100%

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC

5.4.3 TENURE STATUS

This subsection outlines the housing tenure status of KwaDukuza. In KwaDukuza, 33% of households are occupying owned and fully paid off dwellings followed closely by 32% of households that are renting. The tenure status of these regions is represented graphically below.

FIGURE 21: TENURE STATUS



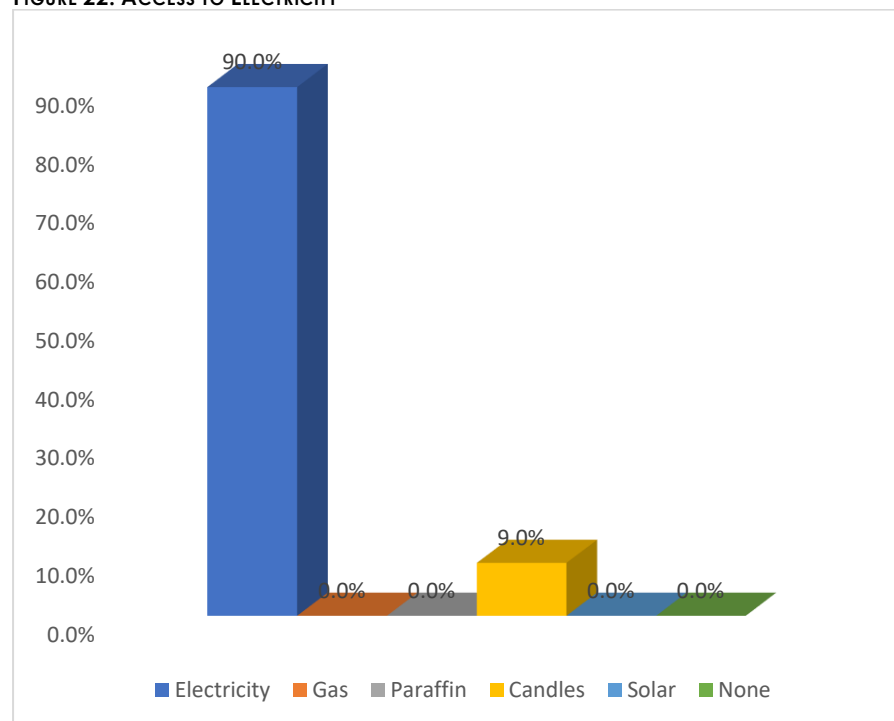
SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

5.4.4 HOUSEHOLD FACILITIES

This subsection provides an overview of the household facilities in KwaDukuza.

The figure below shows that 90% of households in the region has access to electricity while 9% of households make use of candles as an energy source.

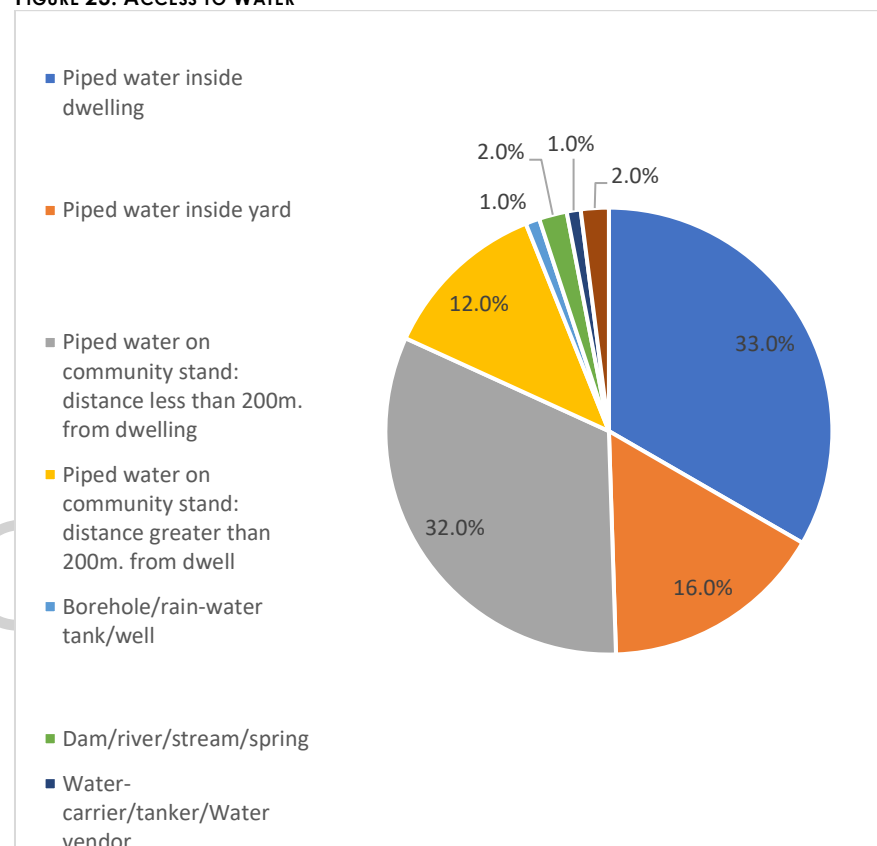
FIGURE 22: ACCESS TO ELECTRICITY



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

In terms of access to water, 33% of households in KwaDukuza has access to piped water inside their dwellings while 16% of households has access to piped water in their yard.

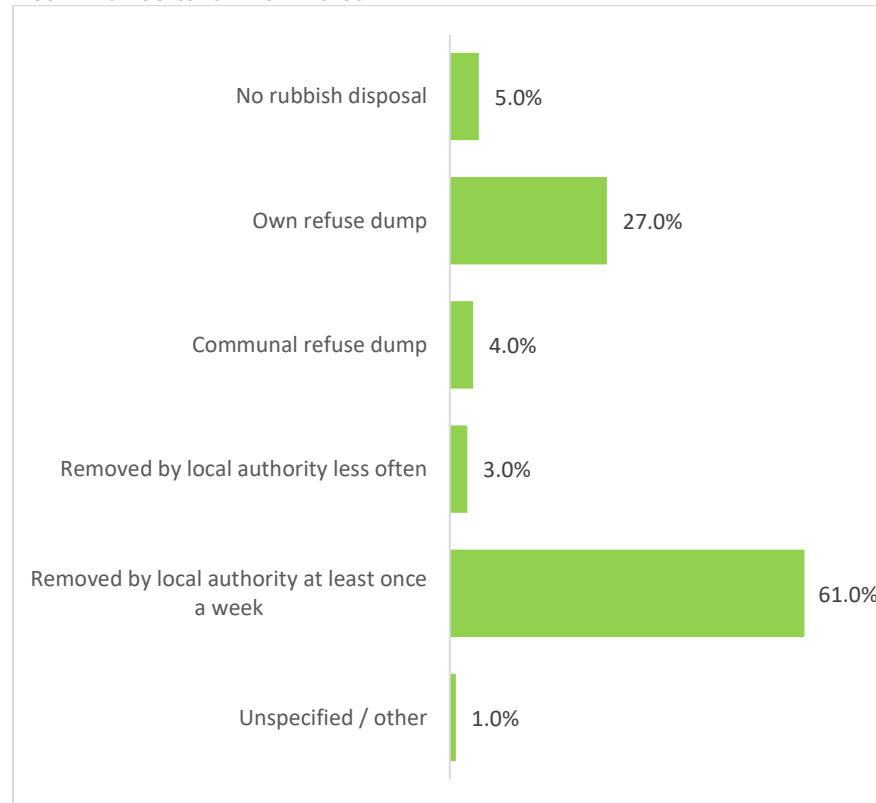
FIGURE 23: ACCESS TO WATER



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

In terms of waste disposal 61% of households in KwaDukuza has their waste removed by the local authority at least once a week while 27% of households have their own refuse dump as illustrated in the following figure.

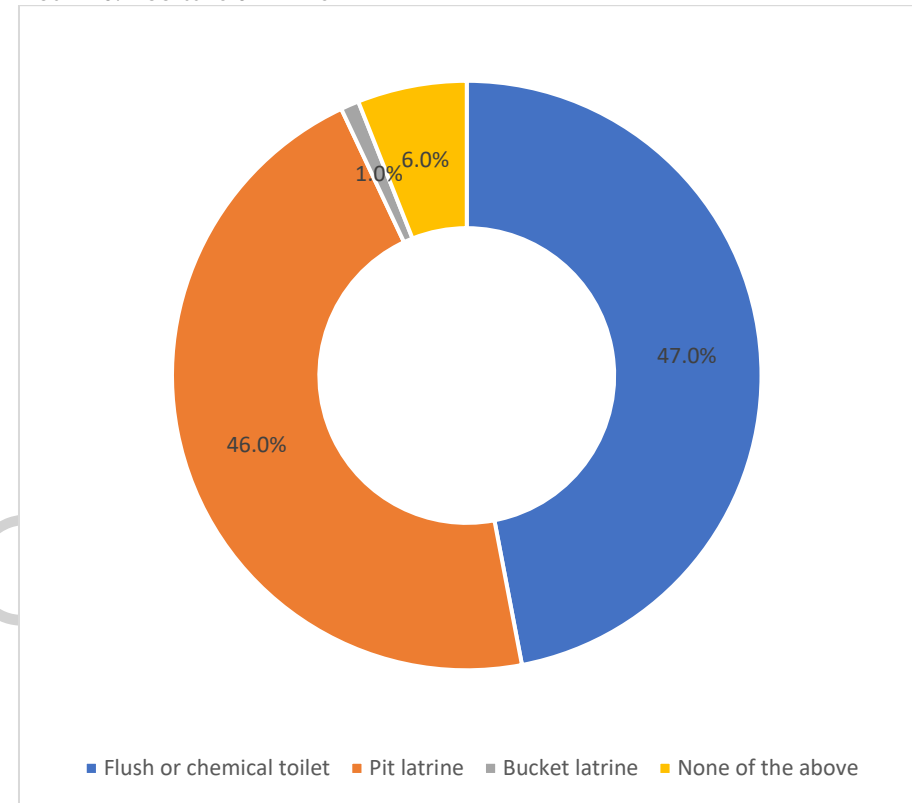
FIGURE 24: ACCESS TO WASTE DISPOSAL



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

Regarding sanitation, 47% of households in KwaDukuza has access to flush or chemical toilets while 46% of households have access to pit latrines.

FIGURE 25: ACCESS TO SANITATION

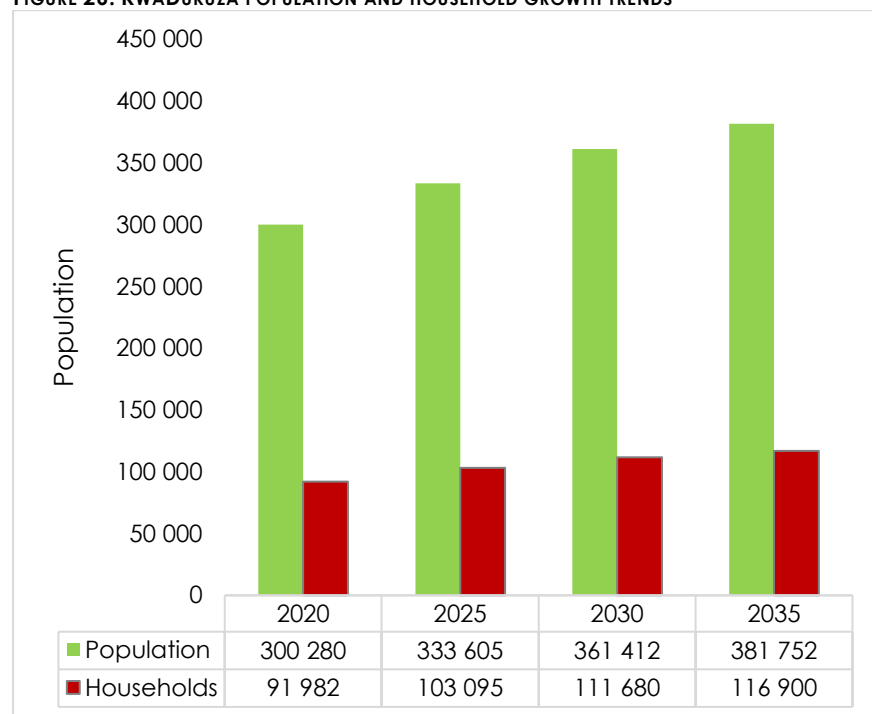


SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

5.5 DEMOGRAPHIC MARKET OVERVIEW

The population and household growth trends for KwaDukuza is illustrated in the following graph in order to provide an indication of the future expansion of the region.

FIGURE 26: KWADEKUKUZA POPULATION AND HOUSEHOLD GROWTH TRENDS

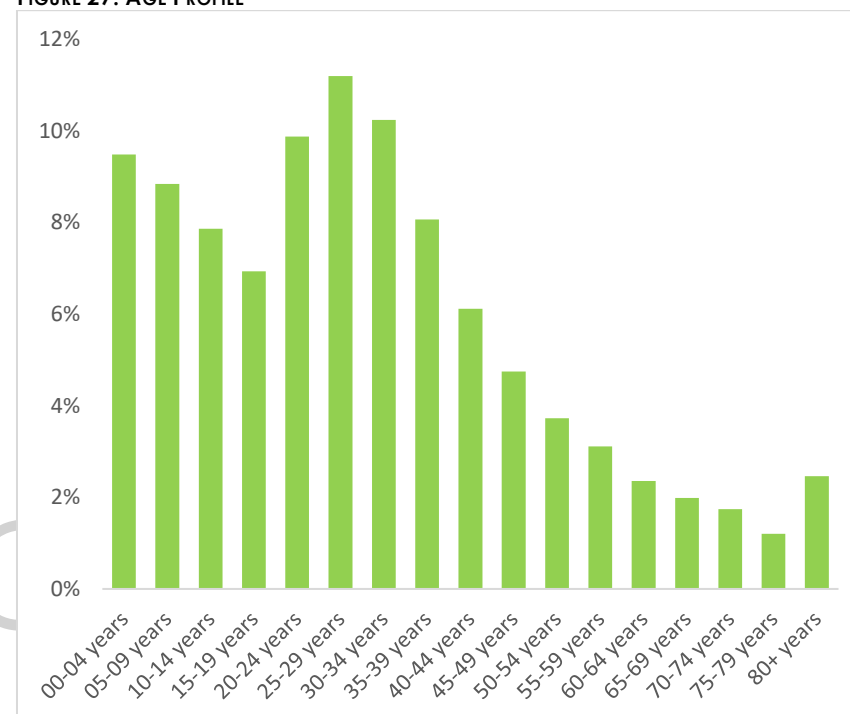


SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2020

An average annual population growth rate of 2,1% and a household growth rate of 2,3% was experienced in KwaDukuza between 2009 and 2019. In 2020, the population stood at an estimated 300 280 and the number of households at 91 982.

In terms of age profiles, KwaDukuza has 24% of the population falling between the ages of 00 and 14 years old. The population that are 60 years and above equates to 9%

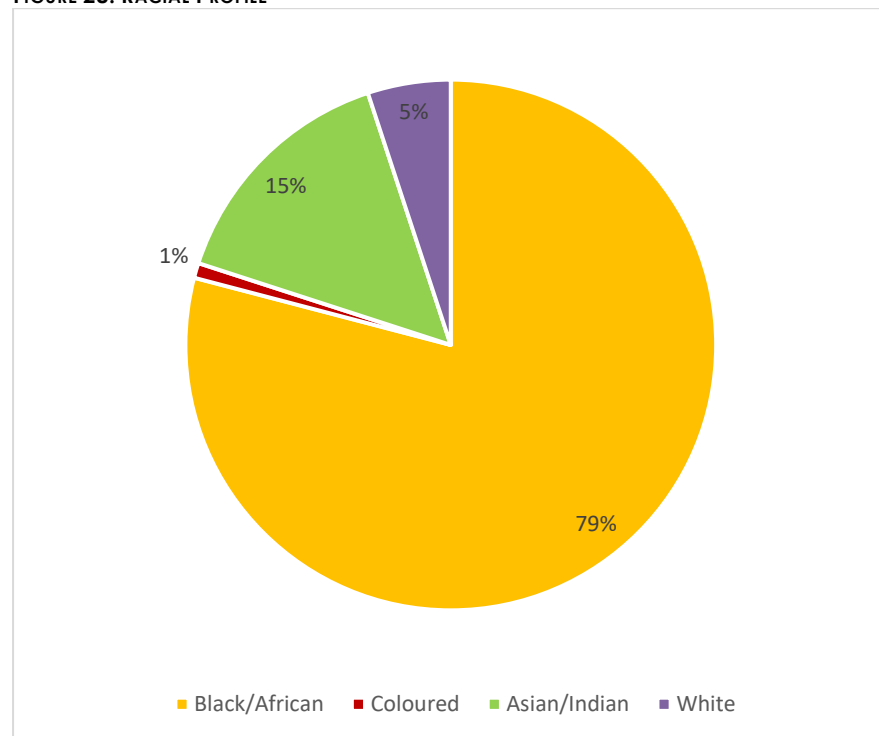
FIGURE 27: AGE PROFILE



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2020

The racial profile of KwaDukuza indicates that 79% of the population fall into the Black/African category, while 15% are Asian/Indian, 5% White and 1% Coloured as illustrated in the following pie chart.

FIGURE 28: RACIAL PROFILE



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2020

5.6 RESIDENTIAL MARKET ANALYSIS

5.6.1 KWADUKUZA HOUSING PLAN

The primary objective of the Housing Sector Plan is to take all reasonable and necessary steps within the framework of National Legislation and Policy to ensure that all residents within KwaDukuza LM area of jurisdiction have access to adequate shelter on a progressive basis. In this regard, the vision developed for the development of human settlement states:

"To build vibrant and better communities within the KwaDukuza area of jurisdiction, through the provision of habitable, stable and sustainable settlement opportunities."

To achieve the preceding vision, KwaDukuza Municipality's human settlement mission statement is:

"To be the leading human settlement services unit within the KwaZulu-Natal Province, working towards a slum-free environment through the provision of Low-income, affordable housing and rental accommodation to all residents who meets the criteria set by National Government." Key programmes and strategies developed to achieve the vision and mission are presented in the following table.

TABLE 29: KWADUKUZA HOUSING PRIORITY PROGRAMMES AND PROJECTS

Priority Programmes	Strategies
Medium Density Housing and or Rental stock	Identify projects
	Identify suitable land for development
Accelerate delivery of low-income housing units	Implement in-situ upgrades in rural areas
	Implement Greenfield projects in well located land
	Implement infill Projects within Urban areas
Institutional Capacity	Source funding for programmes and necessary capital for payment of personnel

SOURCE: KWADUKUZA HUMAN SETTLEMENT PLAN

5.7 HOUSING SECTOR ANALYSIS

5.7.1 KWADUKUZA HOUSING TRENDS

The iLembe DM is one of the fastest growing municipalities in the province, with KwaDukuza experiencing one of the highest levels of population growth, due to the better working opportunities that exist within the municipality and better access to social and infrastructure. There is a definitive correlation between population growth and

infrastructure development and the associated delivery of housing for the anticipated growth. In addition to this, population growth also creates many social problems and puts more pressure on the municipality to provide sufficient housing and infrastructure to cater the influx of people coming into the municipality.

The housing developments in the municipality comprises of:

- Traditional rural dwelling units; formal dwelling units within the urban areas.
- Private housing developments.
- 'informal settlement' mainly situated on periphery.

As part of dealing with the emerging developmental trends the municipality has developed Precinct Plans/Local Area Plan as a way to map out the way basic development should take place.

HOUSING DEMANDS AND BACKLOGS

KwaDukuza IDP 2017/2022 estimates the current housing backlog within the municipality at 68 000 dwelling units.

According to the presentation completed at the Housing Summit (May 2018) housing demand was 78000, which is broken down as follows:

- Low-Income Housing is estimated at 38 000.
- Affordable Housing is estimated at 15 000.
- **Community Residential Units is estimated at 10 000.**
- **Social Housing is estimated at 10 000.**
- Old Age Home Units is estimated at 5 000.

*For purposes of being consistent with information contained within the KwaDukuza IDP (2017/2022), the estimated housing backlog used within this report will be **68 000 units**.*

The current KwaDukuza Integrated Human Settlement Development Plan (IHSDP) 2012 – 2017 notes various housing projects geared toward addressing housing backlog.

TABLE 30: BACKLOGS DEALT WITH IN THE PAST FINANCIAL YEARS

Ward No.	Name of the Project	Classification	No. of Units	Funding Source
10	Aldinville	Insitu -Upgrade	600	DoH.
10&11	Charlotdale	Greenfield & Insitu-Upgrade	3000	DoH.
9/11/12/14&26	Chief Albert Luthuli	Rural	1000	DoH.
11	Chris Hani	Slum Clearance	Unknown	DoH.
1	Dendethu	Greenfield	Unknown	DRDLR & DoH.
10 & 12	Dube Village	Insitu Upgrade	700	DoH.
21	Driefontein	Insitu Upgrade	1500	DoH.
12	Ethafeni	Insitu Upgrade	1000	DoH.
7	eTete Phase 1	Combination of Greenfield and Slum clearance	510	DoH.
7	eTete Phase 2	Combination of Greenfield and Slumclearance	1095	DoH.
20	eTete Phase 4	Insitu Upgrade	1000	DoH.
5	Extension 36	Slum Clearance	298	DoH.
5	Extension 46	Slum Clearance	284	DoH.
25	Emdlebeni	Rural	1000	DoH.
14&24	Groutville P1	Slum-Clearance	1841	DoH
11	Groutville P2	Insitu Upgrade	1980	DoH
9	Groutville P5	Insitu Upgrade	980	DoH
3	Hyde Park Sugar Estate	Integrated Residential Development	Unknown	DoH

Ward No.	Name of the Project	Classification	No. of Units	Funding Source
5	Lindelani P1	Consolidation	272	DoH
5	Lindelani P2	Insitu Upgrade	303	DoH
14	Lloyds	Slum Clearance	1000	DoH
27	Madundube	Insitu Upgrade	1000	DRDLR & DoH.
18	Mbozamo	Slum Clearance	Unknown	DoH
24	Melville	Unknown	Unknown	DoH
22	Mellowood Park	Greenfield	Unknown	DoH
9	Mgigimbe	Insitu Upgrade	600	DoH
8	Nkobongo P1	Slum Clearance	Unknown	DoH
8	Nkobongo P2	Slum Clearance	Unknown	DoH
3	Nonoti Mouth	Insitu Upgrade	380	DoH
3	Nyathikazi	Insitu Upgrade & Greenfield	Unknown	DoH
26	Ntshaweni	Slum Clearance	Unknown	DoH
1	Sakhamkhanya	Insitu Upgrade	3000	DoH
18	Senzangakhona	Consolidation	120	DoH
23	Shayamoya P1	Combination of Greenfield and Slum clearance.	988	DoH
23	Shayamoya P2	Combination of Greenfield and Slum clearance.	1235	DoH
2	Siyembezi/Zinkwazi P1	Greenfield	494	DoH
2	Siyembezi/Zinkwazi P2	Greenfield	1100	DoH
4	Shakashead P1	Slum Clearance	382	DoH
4	Shakashead P2	Slum Clearance	737	DoH

Ward No.	Name of the Project	Classification	No. of Units	Funding Source
18	Shakaville Extension	Greenfield	295	Financial Institution.
13	Steve Biko P1	Slum Clearance	198	DoH
13&26	Steve Biko P2	Slum Clearance	1000	DoH
1	Sokesimbone	Rural	100	DoH
19	Rocky Park	Integrated Residential Development	Unknown	DoH/Financial Institution
Total				29 992

KwaDukuza Housing Sector Plan 2018

In addition to the above the KwaDukuza IHSDP also notes affordable/middle- and high-income projects. The table below indicates the breakdown of the housing categories within the municipality, which starts to paint a picture in terms of the housing needs within the municipality especially within the low-income market:

TABLE 31: BREAKDOWN OF HOUSING CATEGORIES PER WARDS

Housing Category	2011	2016
Formal	56 853	74 934
Traditional	3746	3858
Informal	9685	11 674
Total	70 284	90 466

SOURCE: KWADUKUZA HOUSING SECTOR PLAN 2018

CURRENT HOUSING PROJECTS

A list of the current housing projects implemented by the Municipality is as follows:

TABLE 32: KDM HOUSING PROJECTS- 2018

March 2018	Development Name	Ward No	Project Yield
Pre-Planning	Gaza Strip		
	Shakaville Extension		

March 2018	Development Name	Ward No	Project Yield
Obtained Stage Approval	Charlotte Dale Station	11/29	1000
	Driefontein	21	1500
	Etete Phase 4	7/20	1480
	Hyde Park Country Estate		4600
	Madundube	27	1000
	Nonoti Mouth	3	350
	Nyathikazi	3	1009
	Sihle Phakathi	24	1000
	Mgigimbe	9	500
Not Obtained Stage Approval	Gledhow Compound	15	
	Greater Driefontein	21	1000
	Hangoes	9	1000
	Kwatwele		1000
	Mellowood Park	22	
	Monkey Town	17	1000
	Mvoti Toll	15	
	Ohlange	17	1000
	Old Military Base Mvoti		
	San Souci	25	1000
	Vlakspruit	23	
Implementation Phase	Aldinville	10	600
	Chris Hani	15	1000
	Dube Village	12/29	700
	Ethafeni		
	Etsheni / Njekane (P2)	12	842
	Lindelani Phase 1	303	
	Lloyds	14	1000
	Mnyundwini (Priority 5)		
	Ntshawini	26	1000
	Rocky Park Integrated Res Dev	19	776
	Sakhamkhanya	1	2224
	Shakashead Phase 1	4	382
	Shayamoya Phase 2	23	1235
	Siyembezi Phase 1	2	494
	Sokesimbone	1/25	1000
	Steve Biko Phase 2	13/16/26	881
	Groutville Priority 2	11	2000
	Groutville Priority 5	9	900

March 2018	Development Name	Ward No	Project Yield
Housing Projects Blocked	Groutville (Priority 1)	14/24	1863
	Shakashead Phase 2	4	737
	Melville Village	14/24	
	Chief Albert Luthuli Reform	9/11/12/14&26	1000
	Siyembezi Phase 2	2	1100
	Extension 46	5	284
Close Out	Shayamoya Phase 1	23	988
	Steve Biko Phase 1	13	188
	Nkobongo Phase 1	8/22	499
	Etete Phase 2	7	1349
	Stanger Section 36		
	Nkobongo Phase 2	8/22	1052
Total			42836

SOURCE: KWADUKUZA HOUSING SECTOR PLAN 2018

5.7.2 SOCIAL HOUSING CHALLENGES

The following challenges hinders the delivery of housing in KwaDukuza:

- The scarcity of land for human settlement development'
- In cases where land is available, the landowners request for extremely high compensation (prices),
- Unavailability of funds for land acquisition,
- Unavailability of Council owned land for human settlement in Ballito make it impossible for Council to ensure integration of communities,
- Insufficient budget provided by the National and Provincial Human Settlements department (Housing Development Grant),
- Land invasion of land earmarked for human settlements development,
- Lack of bulk infrastructure funding for water, sanitation and electricity,

- Slow pace in eradicating informal settlements due to budget constraints,
- Incomplete Chief Albert Luthuli Informal Land Tenure Upgrade programme,
- In most instances, these people are living in very squalor or difficult conditions. This then necessitates KwaDukuza Municipality to be proactive in providing decent living conditions for these people e.g., Shakaspring.
- Unavailability of Funds for Land Acquisition.
- Lack of Council owned land for human settlement in Ballito make it possible for Council to ensure integration of communities.
- Insufficient Funds for Bulk Infrastructure e.g., bulk electricity, roads, sewerage and water.
- Land Invasion.
- Selling of Council Land.
- Rapid increase of population adds on the housing backlogs, unavailability of accommodation.
- Influx of people coming to KwaDukuza to seek job opportunities.
- Budget -Cut/Constraints.
- Discontinuing of Rectification Programme.
- None-Prioritisation of Rural Development.
- Slow turnaround time in issuing of title deeds for beneficiaries of human settlements projects,

KwaDukuza, like Alfred Duma and Newcastle, also has land issues related to bulk infrastructure and land invasion. Illegal occupation of housing is also experienced within the municipality. In addition, the Blythedale Beach RZ may also be a challenge for social housing. A mixed-use resort namely the Blythedale Coastal Resort was planned to be built in Blythedale Beach with 5 123 Residential opportunities, 1 095 affordable housing opportunities, 40 000 m2 commercial and retail space, 1 200 sleeper hotel and resort, water theme park, school

of golf, sporting school of excellence R3 Billion land sale R12 Billion plus top structure. However, there has also being an ongoing court dispute about land claims in Blythedale Beach that needs to be resolved before housing developments can continue. This development could increase the demand for social housing at this development is to assist workers that will serve the mixed-use resort development to have easy and accessible accommodation. Their alternative option is to travel long distances from places like Shakashead, Etete and Groutville to the development which is located on the coast.

5.8 KEY FINDINGS FROM HOUSEHOLD SURVEY

5.8.1 KEY FINDINGS FROM HOUSEHOLD SURVEYS

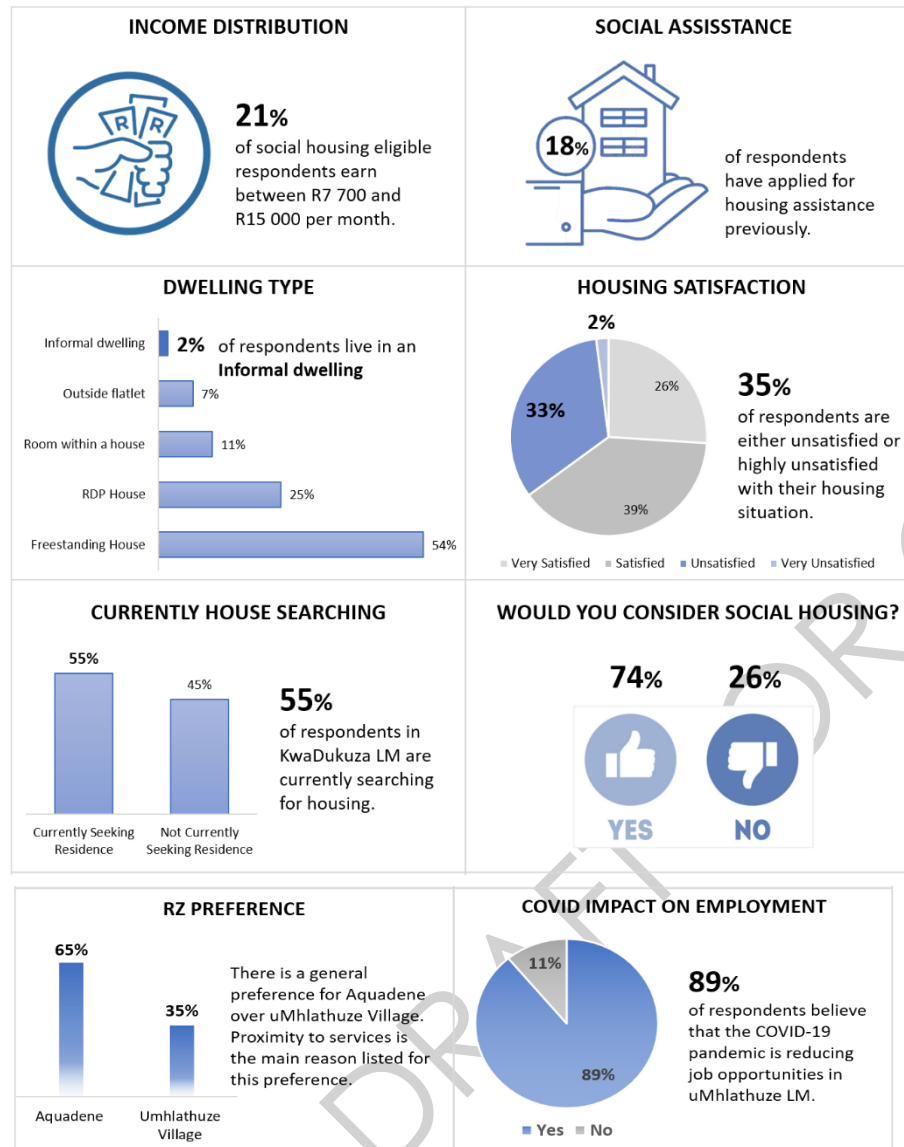
This section assesses the market survey results to inform current household profiles and preferences.

The questionnaire targeted employed individuals between the ages of 25 and 65 who could be eligible for social housing. The specific purpose of the survey process was to address information gaps relating to the following themes:

- Preference for social housing and specifically preference for social housing between the KwaDukuza CBD, Blythedale Beach and Hyde Park RZ's. Influencing factors regarding the willingness of people within KwaDukuza LM to relocate to a potential social housing development.

The results of the market trends assessment are presented on the following page.

FIGURE 29: KwaDukuza LM Market Assessment, 2021



Source: Urban-Econ (2021)

The key survey findings shows that there is a general need and appetite for social housing within KwaDukuza LM. The market trend assessment reveals that 22% of respondents earn between R7 700 and R15 000 per month, the upper income bands of the social housing market segment.

In line with the housing shortage reported in the planning documents, the market assessment reflects that 18% of respondents have applied for housing assistance previously with 2% of respondents currently living in an informal dwelling. In addition, a combined 35% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation and 55% of respondents reported that they are currently seeking housing. These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation and poverty levels of many households in the municipality.

Whilst there may be a need for social housing provision in the municipality, this does not always translate to demand for such a project. This, however, does not seem to be the case in KwaDukuza LM as 74% of respondents reported that they would move into a social housing development. Specifically, there seems to be a greater preference for social housing in KwaDukuza CBD compared to Blythedale Beach and Hyde Park with 54% of respondents choosing KwaDukuza CBD as their preferred RZ. The main reasons reported for this preference include:

- "I need housing so any location would be good,"
- "It is close to employment opportunities."
- "It is close to transport routes".

Those that reported a preference for KwaDukuza CBD cited proximity to employment opportunities as their main reasons.

Lastly it is important to note that 87% of respondents believe that the COVID-19 pandemic is having a negative effect on employment opportunities within the KwaDukuza LM. This is an evolving situation

and needs to be monitored as household income, and therefore employment, is a key determinant of social housing eligibility and demand. Overall, the survey results reveal that there is a current need and market appetite for social housing provision in KwaDukuza LM.

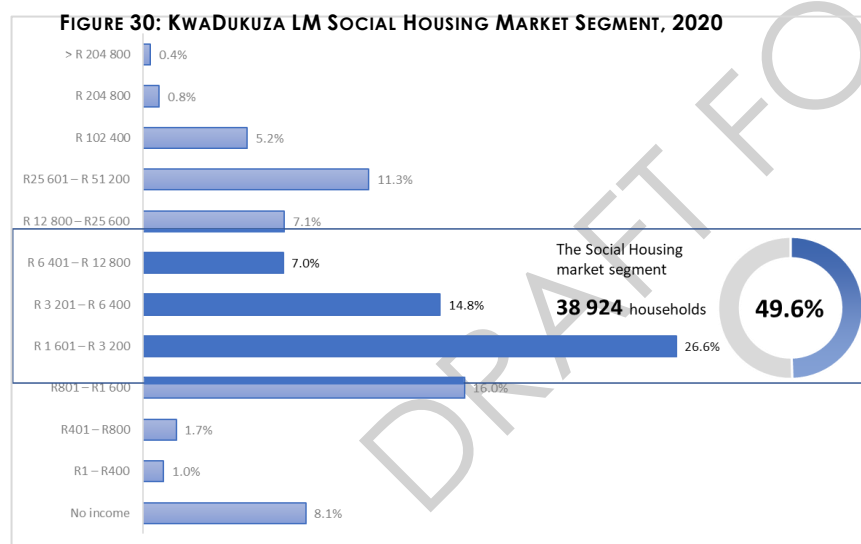
5.9 MARKET SUPPLY ASSESSMENT

As there are currently no social housing developments within KwaDukuza LM, there is no current supply considered in this analysis.

5.10 MARKET DEMAND ASSESSMENT

5.10.1 MARKET AFFORDABILITY

Income levels are a key determinant of demand for social housing. The income bands highlighted reflect the target market for social housing within KwaDukuza LM, those earning between R1 500 and R15 000 per month. The total target market for social housing is 38 924 households as of 2020, accounting for 49.6% of households within the local municipality.

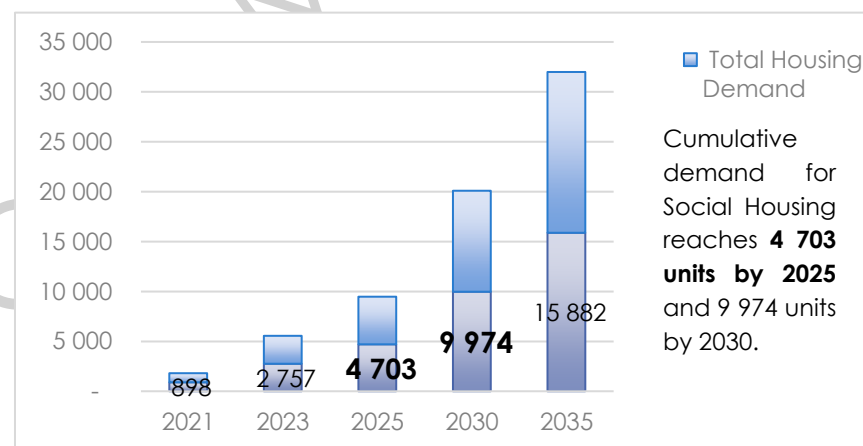


SOURCE: URBAN-ECON (2021)

5.10.2 MARKET DEMAND AND AFFORDABILITY ANALYSIS

Applying the affordability analysis to the cumulative demand projections reveals the total demand for social housing from the target market in KwaDukuza LM. The following figure reflects the total number of housing units demanded within KwaDukuza LM as well as the total number of social housing units demanded by the target market.

FIGURE 31: CUMULATIVE DEMAND FOR SOCIAL HOUSING IN KWADUKUZA LM, 2021 - 2035



SOURCE: URBAN-ECON (2021)

Given historical household growth and migration rates, the cumulative demand for social housing is 4 703 units by 2025 with longer term demand expected to increase to 9 974 units by 2030.

5.10.3 BACKLOG OF SOCIAL HOUSING

The KwaDukuza IDP (2019/2020) reports that the low-income housing backlog is still high, but the Municipality is in the process of finalizing the delivery of the already constructed houses to the respective beneficiaries. If household growth and housing delivery continues at its current pace, then the backlog is set to remain over a period of 10 to 15 years and increase dramatically if delivery is not significantly

increased. The KwaDukuza Housing Demand Database suggests that the total housing backlog in KwaDukuza currently sits at 68 000 units. The social housing backlog for this demand analysis, however, utilises the widely adopted IDP methodology of backlog calculations, and is calculated as the sum of all eligible households (earning between R1 500 and R15 000 per month) living in substandard dwelling units.

For the purposes of this analysis, substandard dwelling units are classified in the data as:

- Traditional dwelling/hut/structure made of traditional materials.
- Informal dwelling/shack, in backyard.
- Informal dwelling/shack, not in backyard, e.g., in an informal/squatter settlement; and
- Other/unspecified.

Using this methodology, the social housing backlog in KwaDukuza LM as of 2020, is **7 166** units.

5.10.4 EFFECTIVE DEMAND FOR SOCIAL HOUSING

Effective demand applies the market perception of social housing, particularly within the two identified RZ's, to the market affordability analysis to reflect the real demand to be expected from the market.

The following table takes into account the findings from the above-mentioned market trends assessment to calculate the Effective Demand:

- 74% of households in KwaDukuza LM would consider moving into a social housing development.

¹⁶ It should be note that the Blythedale Estate development on which the need for Social Housing in this RZ is based, has currently been placed on-hold due to legal disputes. The demand reflected in the table will only be realized in this RZ one that

- 54% of households would prefer to move into KwaDukuza CBD RZ compared to 34% that would prefer to move to Blythedale Beach RZ and 12% to Hyde Park RZ.

TABLE 33: EFFECTIVE DEMAND FOR SOCIAL HOUSING PER RZ IN KWADUKUZA LM, 2021 - 2035

	2021	2022	2023	2024	2025	2030	2035
Cumulative Social Housing Demand	898	1,817	2,757	3,719	4,703	9,974	15,882
Housing Backlog*	7,166	7,166	7,166	7,166	7,166	7,166	7,166
Total Social Housing Demand	8,064	8,983	9,923	10,885	11,869	17,140	23,048
Effective Social Housing Market Demand	5,968	6,648	7,343	8,055	8,783	12,684	17,055
Effective Demand per RZ							
KwaDukuza CBD RZ	3,222	3,590	3,965	4,350	4,743	6,849	9,210
Blythedale Beach RZ¹⁶	2,029	2,260	2,497	2,739	2,986	4,312	5,799
Hyde Park RZ	716	798	881	967	1,054	1,522	2,047

*Note: The calculation of the housing backlog figures is based on the application of acceptable planning parameters that are utilised in official municipal documents.

SOURCE: URBAN-ECON (2021)

development takes place. Also see the subsection later in this report that addresses this aspect in more detail.

The market demand assessment reflects sufficient demand to consider the provision of social housing in KwaDukuza LM. Within the next five years the market will demand 8 783 social housing units which will grow to 12 674 units by 2030.

Given market preferences, KwaDukuza CBD seems to be a more favourable location for social housing with 4 743 units demanded by 2025 and 6 849 units demanded by 2030. Blythedale Beach could definitely support a social housing development as demand is positive and exceeds 1 000 units by 2025, however, a development in this location should be proportionately smaller than KwaDukuza CBD. In addition, the demand in Hyde Park will only exceed 1 000 units by 2025 therefore this development could possibly be postponed to a future date and be smaller than the developments in KwaDukuza CBD and Blythedale Beach.

5.10.5 DEMAND PER INCOME CATEGORY: RENT QUOTE

An estimated rent quote per RZ was calculated given household affordability and SHRA's rental structure to establish the rental values the households could be expected to pay for social housing in KwaDukuza LM. The rental structure as stipulated by SHRA is displayed in the table below.

TABLE 34: SHRA RENTAL STRUCTURE FOR SOCIAL HOUSING, 2020

Income Category Annual	Income Category Monthly	Rental as % of Income (SHRA)	Estimated Rental Range
R18 000 – R42 000	R1 500 - R3 500	25	R 375 - R 875
R42 001 – R66 000	R3 501 - R5 500	27	R 876 - R 1 485
R66 001 – R92 400	R5 501 - R7 700	32	R 1 486 - R 2 464
R92 401 – R135 600	R7 701 - R11 300	35	R 2 465 - R 3 955

R135 601 – R180 000	R11 301 - R15 000	37	R 4 181 - R 5 550
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Source: Urban-Econ (2021)

The following tables reflect the rent quote per RZ; effective social housing demand for each RZ per rental category.

TABLE 35: RENT QUOTE FOR KWADUKUZA CBD RZ IN KWADUKUZA LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	26.6 %	1,727	2,125	2,542	3,671	4,936
R 876 - R 1 485	10.7 %	692	851	1,018	1,471	1,977
R 1 486 - R 2 464	5.6%	363	447	534	772	1,038
R 2 465 - R 3 955	3.9%	255	314	376	543	730
R 4 181 - R 5 550	2.9%	185	228	272	393	529
Effective Social Housing Demand	49.6 %	3,222	3,965	4,743	6,849	9,210

SOURCE: URBAN-ECON (2021)

TABLE 36: RENT QUOTE FOR BLYTHEDALE BEACH RZ IN KWADUKUZA LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	26.6 %	1,087	1,338	1,600	2,311	3,108
R 876 - R 1 485	10.7 %	436	536	641	926	1,245
R 1 486 - R 2 464	5.6%	229	281	336	486	653
R 2 465 - R 3 955	3.9%	161	198	237	342	460
R 4 181 - R 5 550	2.9%	117	143	172	248	333

Rental Range	%	2021	2023	2025	2030	2035
Effective Social Housing Demand	49.6 %	2,029	2,497	2,986	4,312	5,799

SOURCE: URBAN-ECON (2021)

TABLE 37: RENT QUOTE FOR HYDE PARK RZ IN KWADUKUZA LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
		1	3			
R 375 - R 875	26.6 %	384	472	565	816	1,097
R 876 - R 1 485	10.7 %	154	189	226	327	439
R 1 486 - R 2 464	5.6%	81	99	119	171	231
R 2 465 - R 3 955	3.9%	57	70	84	121	162
R 4 181 - R 5 550	2.9%	41	51	61	87	118
Effective Social Housing Demand	49.6 %	716	881	1,054	1,522	2,047

SOURCE: URBAN-ECON (2021)

5.10.6 FEASIBLE SOCIAL HOUSING PLANNING

Taking into account market demand and SHRA's standard social housing unit mix based on income, this section outlines the feasible upper limits of potential social housing provision within KwaDukuza LM.

The SHRA model requires higher rentals from the upper income earners to subsidise lower rentals from the lower income earners in order to achieve financial feasibility. As such, there needs to be a greater proportion of upper income households in a social housing development. SHRA's standard social housing unit mix suggests that a minimum of 30% of the units need to be rented to the highest income bracket households – those earning between R11 300 and R15 000 monthly. This sets the limits for the size of potential social housing developments in the RZ's.

The following table reflects the proposed social housing developments per RZ.

TABLE 38: POTENTIAL SOCIAL HOUSING DEVELOPMENTS IN KWADUKUZA LM RZ's

		Feasible Social Housing Units					
		KwaDukuza CBD		Blythedale Beach		Hyde Park	
Rental Range	%	2025	2030	2025	2030	2025	2030
R 375 - R 875	10 %	91	131	57	83	20	29
R 876 - R 1 485	20 %	182	262	114	165	40	58
R 1 486 - R 2 464	20 %	182	262	114	165	40	58
R 2 465 - R 3 955	20 %	182	262	114	165	40	58
R 4 181 - R 5 550	30 %	272	393	172	248	61	87
		908	1,312	572	826	202	291

SOURCE: URBAN-ECON (2021)

In total KwaDukuza LM could feasibly accommodate 1 682 social housing units by 2025 with this figure growing to 2 429 units by 2030. Given the feasible social housing projections, it is suggested that social housing be prioritised for KwaDukuza CBD and Blythedale Beach RZ's. These RZ's reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

5.10.7 LAND REQUIREMENTS FOR DEMAND

This section investigates the land requirements for the provision of potential social housing developments in KwaDukuza LM.

Social Housing falls within the Medium-Density Mixed Housing (MDMH) density brackets. MDMH is defined as housing that has a minimum of 50 dwelling units per hectare (du/ha) and a maximum of 125 du/ha.

Social housing (SH) is defined as medium- to high-density housing with different tenure options but excluding immediate ownership. Given the typical densities of current social housing development, the following density scenario's will be utilised to approximate the land requirements of the potential social housing development per RZ:

- Density Scenario 1: 80 u/ha
- Density Scenario 2: 100 u/ha
- Density Scenario 3: 120 u/ha

TABLE 39: LAND REQUIREMENTS FOR POTENTIAL SOCIAL HOUSING PROVISION IN KwaDukuza LM, 2025 - 2030

Density Scenario	KwaDukuza CBD		Blythedale Beach	
	2025	2030	2025	2030
80 u/ha	11	16	7	10
100 u/ha	9	13	6	8
120 u/ha	8	11	5	7

SOURCE: URBAN-ECON (2021)

5.10.8 LAND PIPELINE AND LAND OPPORTUNITIES

The table below outlines the land pipeline for KwaDukuza.

TABLE 40: SOCIAL HOUSING LAND PIPELINE IN KwaDukuza

Restructuring Zone	Number of Social Housing Units
1. KwaDukuza CBD	1 500 units
2. Blythedale Beach ¹⁷	500 units
3. Hyde Park	1 500 units

Source: Questionnaire feedback from Municipalities, 2020

The LM is planning to implement social housing projects soon. The LM is still in the process of ensuring compliance with all the relevant requirements to implement social housing projects in KwaDukuza.

¹⁷ See section 4.3.3.8

Future land opportunities for Social Housing in KwaDukuza LM include Ballito and Salt Rock (Sheffield).

5.11 CONCLUSION

In KwaDukuza LM there are three identified RZs. While the KwaDukuza CBD RZ is centrally located, the Blythedale Beach RZ and Hyde Park RZ are located at the outskirts of KwaDukuza. These RZ's are close to the CBD have been seen to attract people who are looking to rent as they are closer to their places of employment

The majority of the households in KwaDukuza falls within the lower income segment with 23,2% of the households earning between R19,201 – R38,400 per annum followed by 20,9% of households earning between R9,601 – R19,200 per annum. It is estimated that the average household income in this region is R9,295 per month or R111,537 per annum.

The largest portion of the population (19%), in KwaDukuza falls into those that have achieved a grade 12 certificate only. In terms of employment profiles, 82 003 people are employed, and 25 321 people are unemployed in KwaDukuza. This shows an unemployment rate of 24%.

In KwaDukuza, 71% of dwellings are house or brick structures on a separate stand or yard followed by 8% to households that are in informal dwellings in an informal settlement and 5% that are traditional dwellings.

The housing tenure status of KwaDukuza. In KwaDukuza, 33% of households are occupying owned and fully paid off dwellings followed closely by 32% of households that are renting.

In terms of services, 90% of households in the region has access to electricity, only 33% of households has access to piped water inside

their dwellings, 61% of households in KwaDukuza has their waste removed by the local authority while only 47% of households in KwaDukuza has access to flush or chemical toilets.

An average annual population growth rate of 2,1% and a household growth rate of 2,3% was experienced in KwaDukuza between 2009 and 2019. In 2020, the population stood at an estimated 300 280 and the number of households at 91 982.

In terms of age profiles, KwaDukuza has 24% of the population falling between the ages of 00 and 14 years old. The racial profile of KwaDukuza indicates that 79% of the population fall into the Black/African category, while 15% are Asian/Indian, 5% White and 1% Coloured.

There is currently no social housing project in KwaDukuza. Both the market assessment as well as demand assessment suggests that there is a need and demand for social housing within the municipality.

The market assessment reflects that a significant portion of respondents have applied for housing assistance previously with 18% of respondents have applied for housing assistance previously with 2% of respondents currently living in an informal dwelling. In addition, a combined 35% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation and 55% of respondents reported that they are currently seeking housing. Additionally, 46% of respondents reported that they would move into a social housing development with a greater preference for social housing in KwaDukuza CBD RZ. These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation KwaDukuza.

The KwaDukuza LM could feasibly accommodate 8 783 social housing units which will grow to 12 674 units by 2030. Blythedale Beach could definitely support a social housing development as demand is positive and exceeds 1 000 units by 2025, however, a development in this location should be proportionately smaller than KwaDukuza

CBD. In addition, the demand in Hyde Park will only exceed 1 000 units by 2025 therefore this development could possibly be postponed to a future date and be smaller than the developments in KwaDukuza CBD and Blythedale Beach.

6 REGION 3: MSUNDUZI

6.1 INTRODUCTION

This section provides the local delineation, location analysis, economic profiling, demographic profiling, residential analysis, housing sector analysis, key findings of the household surveys as well as the market and demand assessments for the Msunduzi region.

6.2 LOCATION DELINEATION

This section reviews the demand for social housing in Msunduzi LM specifically regarding eight potential restructuring zones: Edendale Corridor, Hayfields/Linconmeade, Otto's Bluff, Raisethorp Central, Copesville, Westgate/ Grange, Oribi and Pietermaritzburg Central. The Msunduzi LM is situated within the uMgungundlovu District in KwaZulu-Natal. It encompasses the city of Pietermaritzburg, the capital of the province and the main economic hub of the district. This is illustrated in MAP 5 on the following page.

6.3 LOCATION ANALYSIS

The Msunduzi Municipality is one of the seven local municipalities that make-up uMgungundlovu District Municipality (UMDM) in the KwaZulu-Natal Province. Although the district municipality covers an area of approximately 8 500km² and is the second largest municipality in size in KwaZulu Natal after eThekweni metropolitan municipality, the Msunduzi Municipality occupies only 7% of the UMDM area.

The Msunduzi Municipality lies approximately 85km west of Durban. The N3 national highway (corridor) and the R56 provincial arterial route runs through the municipality in an east-west and north-south directions respectively. The municipality shares boundaries with the Mkhambathini Municipality to the east, Richmond Municipality to the

south, Impendle Municipality to the southwest, uMngeni Municipality to the west and uMshwathi Municipality to the north.

Pietermaritzburg, situated in the Msunduzi Municipality, is the second largest city within KwaZulu-Natal Province and the fifth largest city in South Africa. It is the capital city of the Province of KwaZulu-Natal and the main economic hub within uMgungundlovu District Municipality and the Midlands generally. It is well developed with industrial and commercial activities and is the service centre for the surrounding commercial farmlands, rural settlements, rural towns and tourist destinations such as the Midlands Meander.

It is also the seat for the provincial legislature and parliament, and an administrative hub for the whole KwaZulu-Natal Province. A well-established provincial road network supports functionality between the Msunduzi Municipality and its catchment area.

MAP 5: MSUNDUZI LM RESTRUCTURING ZONES, 2017



Source: Department of Human Settlements (n.d.)

6.3.1 NODES

The following table presents the nodes from Msunduzi Local Municipality.

TABLE 41: MSUNDUZI NODES

Name of the node	Description of the node
The CBD Node	This is the heart of the City and consists of the core and the frame surrounding it. The core contains the full range of uses associated with a CBD, while the frame accommodates transitional uses at a lesser density. The so-called CBD extension node, which includes the recently developed Motor World, the Bird Sanctuary Site, the Midlands Mall, and the RAS is incorporated into the CBD Node.
Regional Multi-Use Nodes	This level of node includes a retail component between 75 000 m ² and 120 000 m ² and serves a regional function. In addition to retail, it can include a wide range of compatible uses. There is one existing Regional Multi-Use Node (Liberty Mall and the surrounding area). There is a new proposed Multi-Use Node that will be introduced at Shenstone, in the Edendale area.
Community Multi-Use Nodes	These serve a community function and would have a retail component ranging from 25 000 m ² - 40 000 m ² . These nodes also accommodate a wide range of compatible uses, and the SDF distinguishes between existing community nodes to be maintained at existing levels, those with the potential for expansion, and future nodes. Essentially, a new Multi-Use Community Node will be developed on the Edendale Road.
Neighbourhood Multi-Use Nodes	These operate at a neighbourhood level and have retail components of between 5 000 m ² and 12 000 m ² . These types of nodes occur in two forms, viz as mono use nodes that are pure retailing, and those that are multi-use. Again, the SDF identifies existing

Name of the node	Description of the node
	nodes that are to be maintained or expanded, and future nodes.
Focussed Multi-use Nodes	This node includes light industrial, warehousing, "big-box" retailing, and other uses not normally found in the other nodes and is located at Camps Drift.
Administrative Node	This node is on the edge of the CBD Node and includes Greys Hospital, Carter High School, and the Town Hill Hospital Grounds, to which the Provincial Parliament is likely to relocate.
Rural Service Centres	Rural Service Centres (RSC's) are identified focal points from which a conglomeration of services would occur to serve the generally poor rural communities. These are main distribution centres, or higher order points (nodes) where services are concentrated. The RSC's are based on the Rural Service System model which seeks to spatially distribute economic activities (including effective service delivery) at an identified concentration point (node) along movement networks. The concentration of economic activities is based on mutual benefit i.e., shared infrastructure, shared market, and one activity producing an input for another activity. The range of services at a concentration point is determined by the threshold which it serves, and, therefore, the larger the threshold, the greater the range of activities. Most of these nodal points are located in the Vulindela area.
Large Scale Mixed- Use Nodes (Corridor Opportunity Areas)	Large scale mixed-use nodes are identified along the N3. These offer opportunities for integrated and coordinated mixed use developments, which include activities such as industry, offices, and commercial land uses. In terms of Provincial policy, development is to be encouraged along the Provincial Priority Corridor (N3) at appropriate locations. In the case of Msunduzi, this would be around the intersections where development

Name of the node	Description of the node
	potential still exists, i.e., the Lynfield Park/Lion Park and Richmond/Umlaas Road intersections. Local Area Development Plans would be required.

SOURCE: MSUNDUZI IDP 2020

6.3.2 CORRIDORS

The following table presents the corridors from Msunduzi Local Municipality:

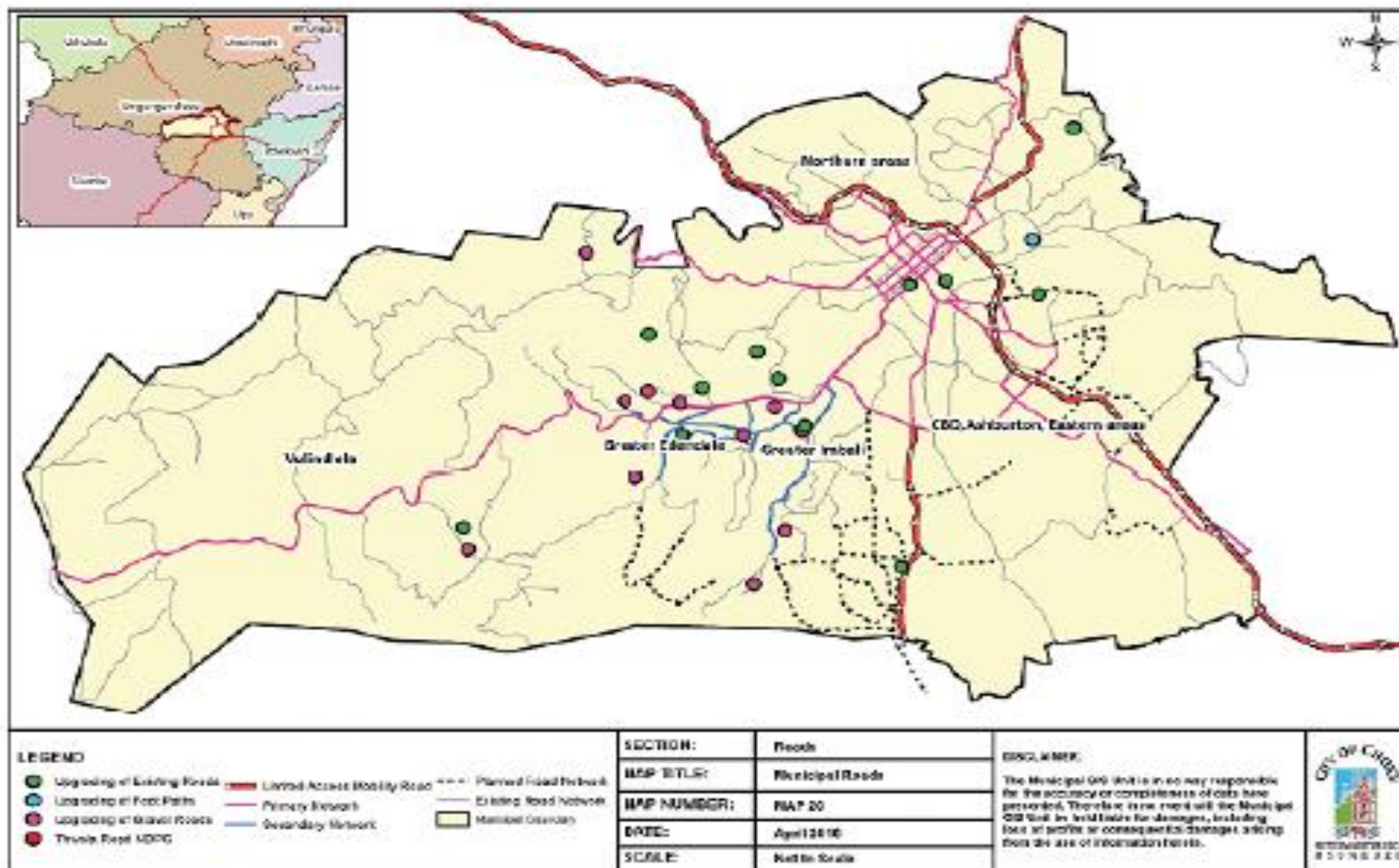
TABLE 42: MSUNDUZI CORRIDORS

Name of the corridor	Description of the corridor
Provincial Priority Corridor/Limited Access Mobility Road	This is the N3 which has been identified as a priority development corridor by the Provincial Cabinet. Its prime function is to serve as a long-distance movement corridor, and although the agglomeration benefits of the corridor should be optimised, this should not interfere with its primary function. Consequently, development will be located at or near some intersections.
Activity Spines	Generally referred to as development corridors, these occur along major arterials leading into or from the CBD Node. A mix of complementary land uses including retail, office, entertainment, and residential; about half a street block in width fronting onto the arterials are to be encouraged, but only in specific areas.
Arterial Roads and Bypasses	These existing, improved, and proposed roads are aimed at improving accessibility, alleviating congestion in and around the core, and opening up areas previously excluded from the local economy. In the case of future roads, the alignment shown is merely diagrammatic. The proposed road "matrix" comprises both major and minor arterial connections. A number of such roads is proposed in the Edendale, Imbali, Ashburton areas in order to

Name of the corridor	Description of the corridor
	improve connectivity to all parts of the city, especially new employment areas.

SOURCE: MSUNDUZI IDP 2020

MAP 6: MSUNDUZI ROAD NETWORKS



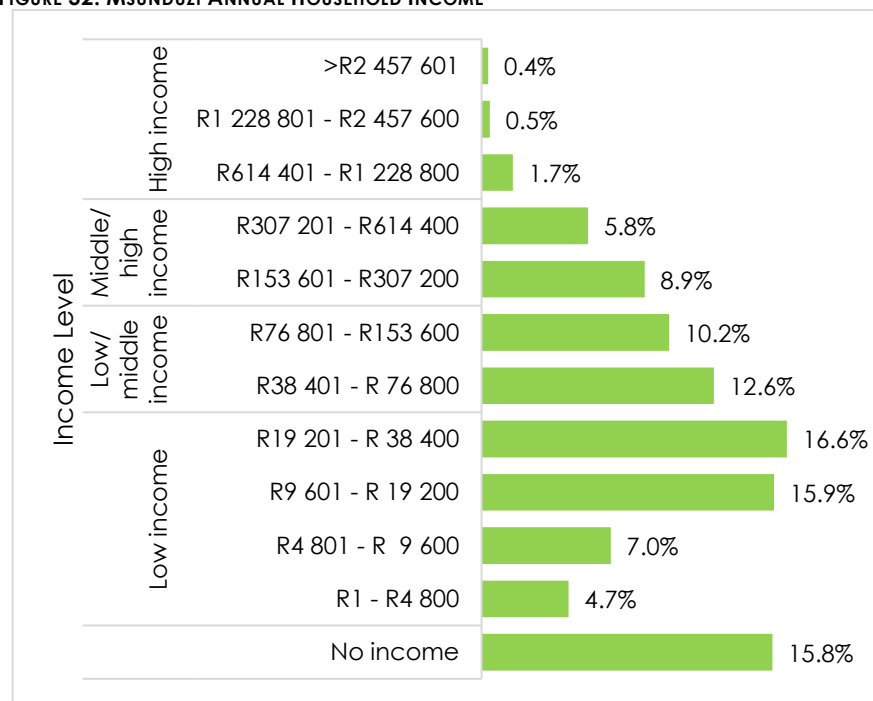
SOURCE: MSUNDUZI, IDP 2020

6.4 ECONOMIC PROFILING

This section outlines the economic profile for Msunduzi. It includes indicators such as annual household income, development indicators, dwelling type, tenure status and household facilities within the region.

The figure below provides a profile of the annual household income of the region.

FIGURE 32: MSUNDUZI ANNUAL HOUSEHOLD INCOME



SOURCE: CALCULATIONS BASED ON DATA FROM THE 2011 CENSUS

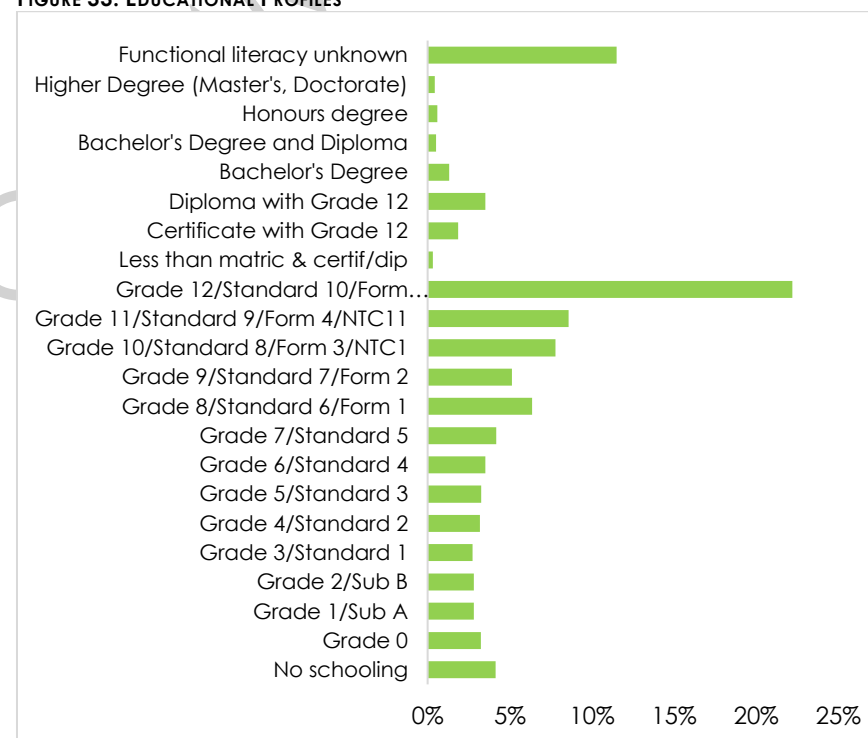
The majority of the households in Msunduzi falls within the lower income segment with 16,6 % of the households earning between R19,201 – R38,400 per annum followed closely by 15,6% earning

between R9,601 – R19,200 per annum. The high-income category (>R 2,457,601 per annum) makes up 0.4% of all households. The estimated average household income in this region is R11,590 per month or R139,083 per annum in 2020.

6.4.1 DEVELOPMENT INDICATORS

Regarding educational profiles, the graph below outlines these for Msunduzi.

FIGURE 33: EDUCATIONAL PROFILES



SOURCE: STANDARDISED REGIONAL, QUANTEC 2019

From the figure above, the largest portion of the population (22%), in Msunduzi falls into those that have achieved a grade 12 certificate

only. The second largest portion of the population (12%) comprises those whose functional literacy is unknown.

In terms of employment profiles, the table below outlines the number of people employed and unemployed in Msunduzi. In terms of employment profiles, the table below outlines that 192 894 people are employed and 84 949 people are unemployed in Msunduzi. This shows a high unemployment rate of 31% and labour force participation rate of 61%

TABLE 43: EMPLOYMENT PROFILES

WORKING AGE POPULATION	457,357
EMPLOYED	192,894
UNEMPLOYED	84,949
NOT ECONOMICALLY ACTIVE	179,515
UNEMPLOYMENT RATE	31%
LABOUR FORCE PARTICIPATION RATE	61%
ABSORPTION RATE	42%

SOURCE: STANDARDISED REGIONAL, QUANTEC 2019

6.4.2 DWELLING TYPE

In Msunduzi, 60% of dwellings are house or brick structures on a separate stand or yard followed by 17% that are traditional dwellings. The third most common dwelling type in Msunduzi are flats at 6% of all households in the region.

TABLE 44: MSUNDUZI TYPE OF DWELLING

Msunduzi Type of Dwelling	Number of Households	Percentage of Households
House or brick structure on a separate stand or yard	106 436	60%

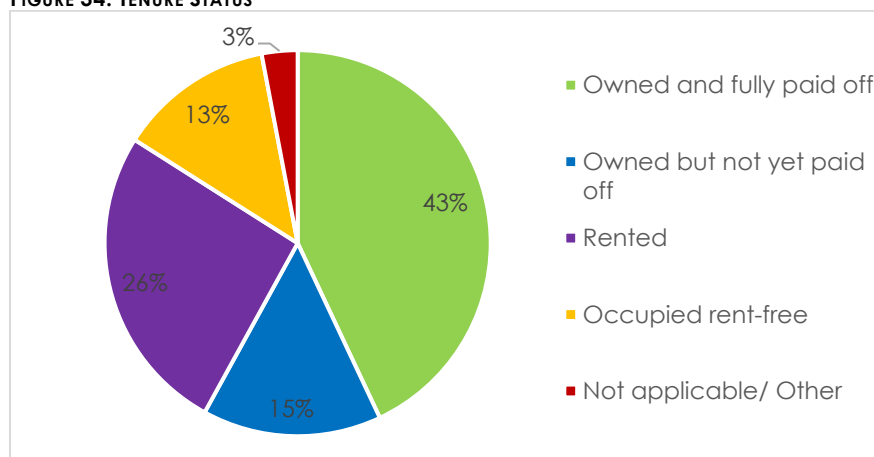
Traditional dwelling/hut/structure made of traditional materials	29 795	17%
Flat in a block of flats	10 209	6%
Town/cluster/semi-detached house (simplex, duplex or triplex)	6 896	4%
House/flat/room, in backyard	3 341	2%
Informal dwelling/shack, in backyard	4 803	3%
Informal dwelling/shack, NOT in backyard, e.g., in an informal/squatter settlement	10 107	6%
Room/flatlet not in backyard but on a shared property	1 819	1%
Other/unspecified/NA	2 892	2%
Total - Type of dwelling	176 297	100%

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC

6.4.3 TENURE STATUS

This subsection outlines the housing tenure status of Msunduzi. In Msunduzi, 43% of households are occupying owned and fully paid off dwellings followed by 26% of households that are renting. The tenure status of these regions is represented graphically below.

FIGURE 34: TENURE STATUS



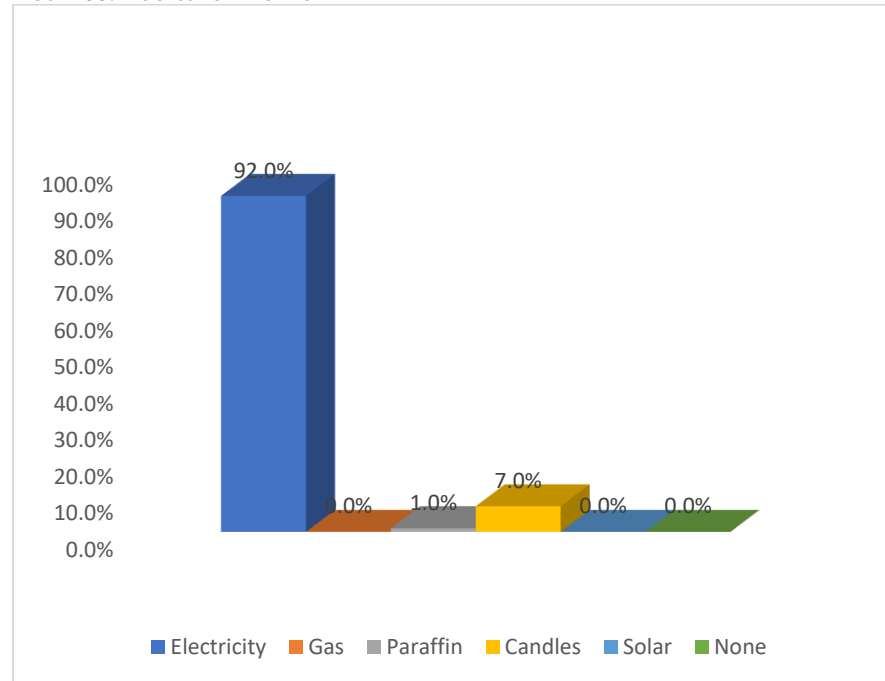
SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

6.4.4 HOUSEHOLD FACILITIES

This subsection provides an overview of the household facilities in Msunduzi.

The figure below shows that 92% of households in the region has access to electricity while 7% of households make use of candles as an energy source.

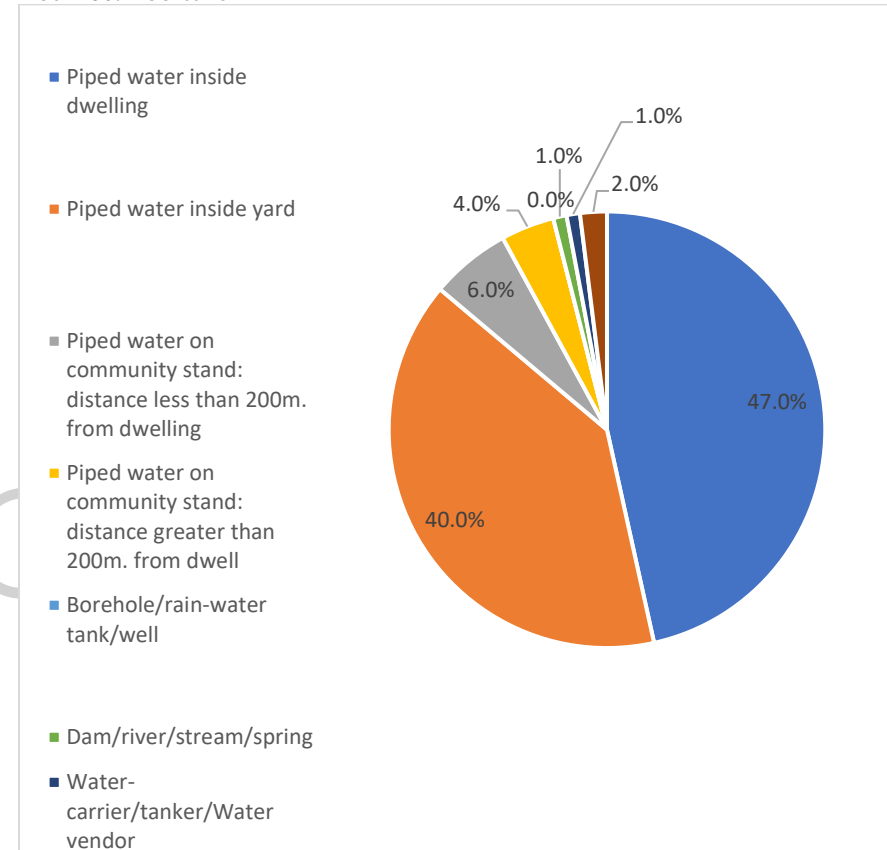
FIGURE 35: ACCESS TO ELECTRICITY



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

In terms of access to water, 47% of households in Msunduzi has access to piped water inside their dwellings while 40% of households has access to piped water in their yard.

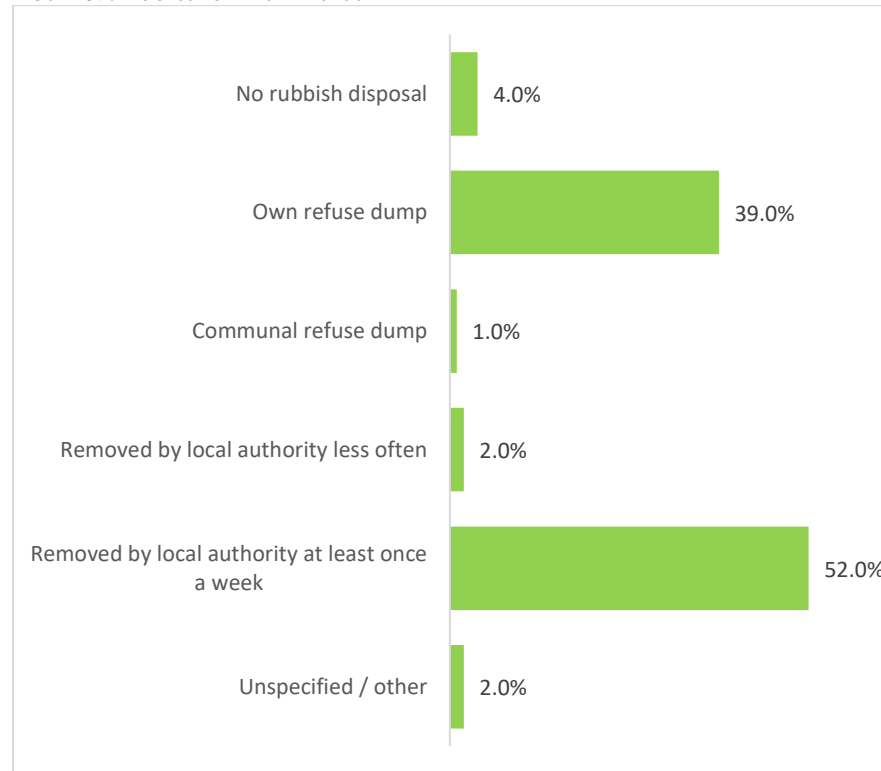
FIGURE 36: ACCESS TO WATER



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

In terms of waste disposal 52% of households in Msunduzi has their waste removed by the local authority at least once a week while 39% of households have their own refuse dump as illustrated in the following figure.

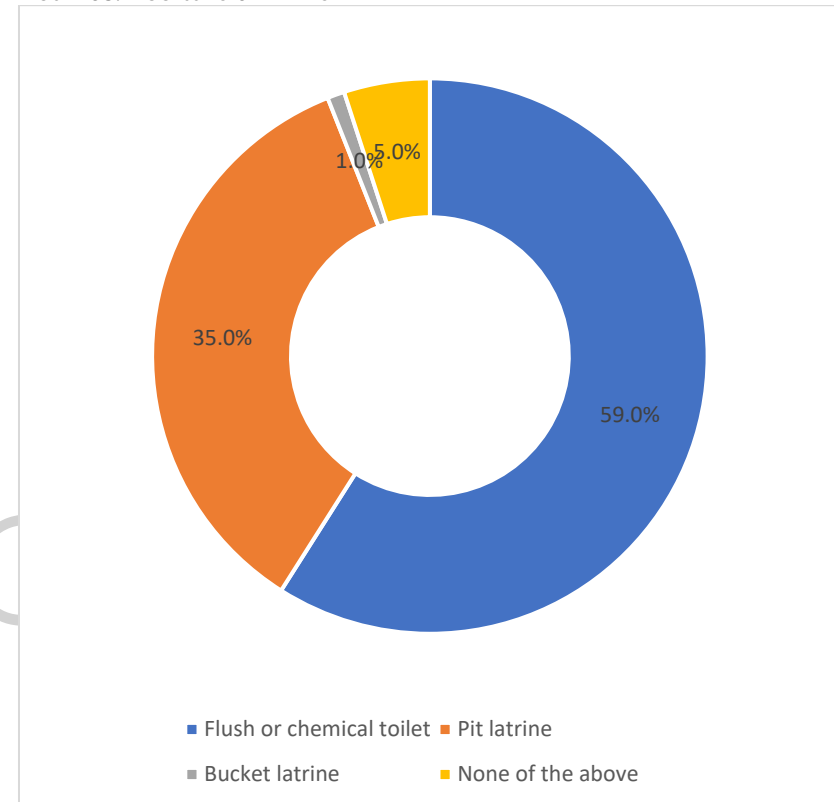
FIGURE 37: ACCESS TO WASTE DISPOSAL



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

Regarding sanitation, 59% of households in Msunduzi has access to flush or chemical toilets while 35% of households have access to pit latrines.

FIGURE 38: ACCESS TO SANITATION

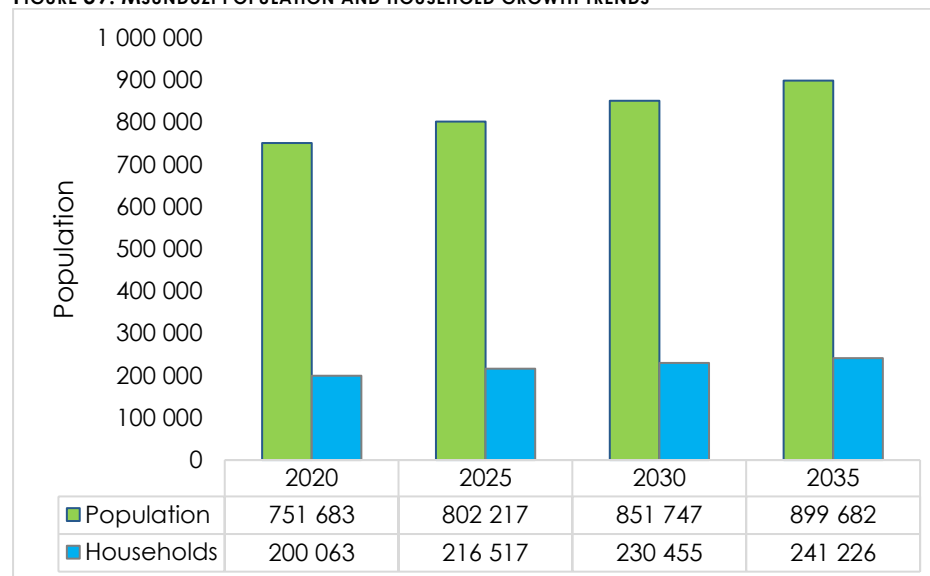


SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

6.5 DEMOGRAPHIC MARKET OVERVIEW

The population and household growth trends for Msunduzi is illustrated in the following graph in order to provide an indication of the future expansion of the region.

FIGURE 39: MSUNDUZI POPULATION AND HOUSEHOLD GROWTH TRENDS

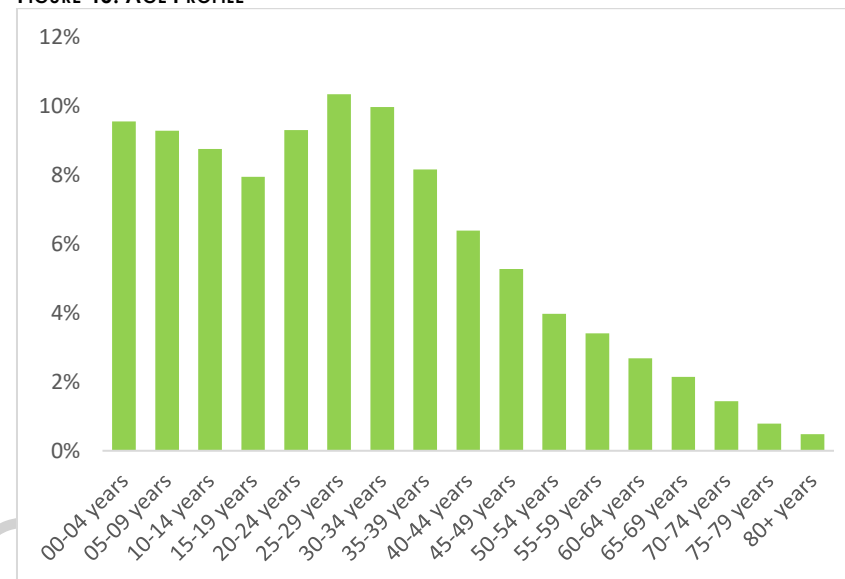


SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

An average annual population growth rate of 1,3% and a household growth rate of 1,6% was experienced in Msunduzi between 2009 and 2019. In 2020, the population stood at an estimated 751 681 and the number of households at 200 063.

In terms of age profiles, Msunduzi has 26% of the population falling between the ages of 00 and 14 years old. The population that are 60 years and above equates to 7%

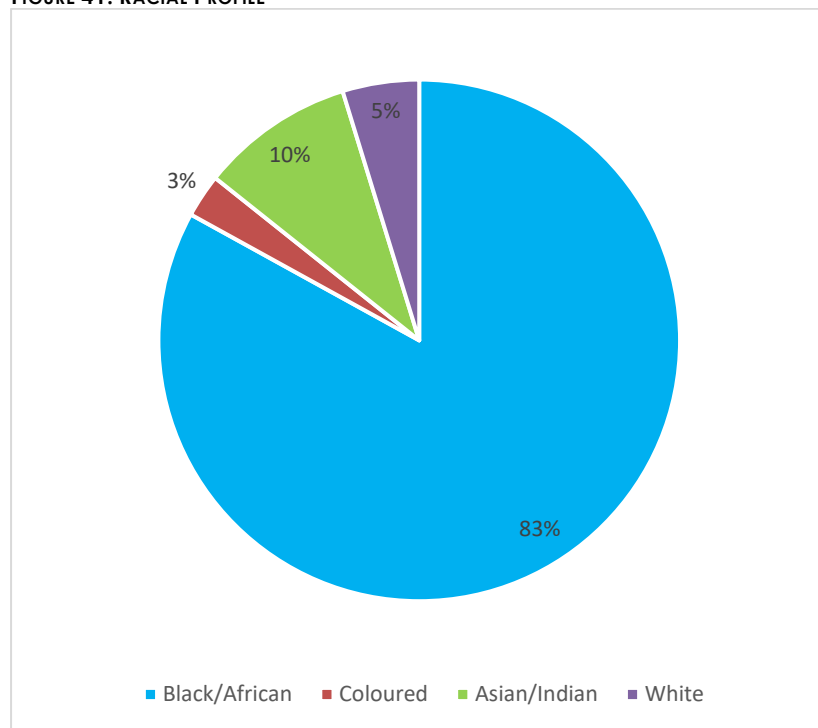
FIGURE 40: AGE PROFILE



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

The racial profile of Msunduzi indicates that 83% of the population fall into the Black/African category, while 10% are Asian/Indian, 5% White and 3% Coloured as illustrated in the following pie chart.

FIGURE 41: RACIAL PROFILE



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

6.6 RESIDENTIAL MARKET ANALYSIS

6.6.1 MSUNDUZI HOUSING PLAN

Msunduzi Municipality previously followed a “**mass housing delivery approach**” based on chasing pre-set delivery targets and paid limited attention to the quality of the environments being created. The municipality seeks to shift away from this and adopt a strategic approach in line with the long-term development vision.

In this regard, the Human Settlement Plan developed contained a number of housing programmes including the following:

- Facilitates and promotes synergies while living space for each locality to develop a unique character based on its strengths and location advantages.
- Acknowledges and seeks to refine the development vision outlined in the IDP by indicating the desired future situation in respect of the development of human settlements.
- Outlines the human settlement development strategy which provide objectives statements and serve as a road map to the desired future situation; and
- Presents the strategic intervention areas/initiatives which essentially are the activities that should be undertaken to achieve the objectives.

To achieve the preceding programmes, a number of strategies have been suggested. These include the following:

- To strengthening municipal capacity to deliver sustainable settlements.
- To establish synergistic relations with stakeholders and potential partners.
- To develop effective systems and procedures for the delivery of the human settlement programme.
- To reduce housing backlog in all its forms and transform existing settlements into sustainable human settlements.
- To use housing development as a catalyst for socio-economic development

6.7 HOUSING SECTOR ANALYSIS

6.7.1 MSUNDUZI HOUSING TRENDS

The Msunduzi Municipality has identified a number of housing projects that aim to address the municipal social housing demand. These projects are at different stages – a number of them have been

completed; with a majority of them being either in planning or implementation phases.

HOUSING PROJECTS IN URBAN AREAS

The majority of housing projects in the Msunduzi are individual, and project linked subsidy projects. Housing projects in urban areas are as follows:

- The Municipality is administering a total of 40 housing projects at present.
- A total of 30 056 housing subsidies for these projects have been applied for.
- To date 25 657 houses have been built, and 4 399 houses still have to be built.

TABLE 45: CURRENT URBAN HOUSING PROJECTS

Project Area	Current Stages	No. of Units
Msunduzi Wirewall Rectification	Construction of Top structures	2 086
Msunduzi Operation Sukuma Sakhe (OSS1) Housing Project	Construction of top structures	117
Jika Joe CRUs Project	Construction of bulk engineering services	1 164
Msunduzi Operation Sukuma Sakhe (OSS2) Housing Project	Construction of top structures	216
Thembalihle Housing Project	Social Facilitation	401
Thamboville Housing Project	Social Facilitation	203
Glenwood Q-section Housing Projects	Resolving social issues	216
Ethembeni		4 000
Site 11 Housing Project	Resolving social issues	252
Total		8 655

SOURCE: MSUNDUZI HOUSING SECTOR PLAN 2018

HOUSING PROJECTS IN RURAL AREAS

TABLE 46: CURRENT RURAL HOUSING PROJECTS

Project Area	Current Stages	No. of Units
Vulindlela Rural Housing Project	Construction of top structures	25 000
Total		25 000

SOURCE: MSUNDUZI HOUSING SECTOR PLAN 2018

HOUSING PROJECTS IN INFORMAL SETTLEMENTS

According to the Msunduzi (IDP, 2017-2022:131), 97% of all informal settlements in Msunduzi are in urgent need of upgrading intervention. The distribution of projects within the Municipality indicates that:

- 60% of projects are located in Edendale/Imbali ABM
- 22.5% of projects are located in the Central Areas ABM
- 17.5% of projects are located in the Northern ABM.

TABLE 47: CURRENT HOUSING PROJECTS

Project Area	Ward Number	No. of Units
Vulindlela Rural Housing Project	-	25 000
Edendale Unit S Phase 8 Ext.	Ward 17	428
Willowfountain EE (Phase 1)	-	73
Lot 182 Sinathing Housing Project	-	133
Crest Place	Ward 28	31
Imbali Crossing	Ward 19	142
Bantane Place	Ward 23	350
Nkululeko/ Regina Road	Ward 28	251
Shamrock	Ward 28	35
Wayside Place	Ward 28	37
Nhalakahle	Ward 31	599
Maryvale	Ward 35	70
Mkondeni	Ward 37	965
Mkondeni / Sport	Ward 37	3 000
Hollingwood	-	1 000

Project Area	Ward Number	No. of Units
Khalanyoni	-	1 000
Edendale J2 & Quarry	Ward 11 & 12	1 000
Revamp, RefurbishmentSlangspruit	Ward 13	585
Khalanyoni	-	1 000
Edendale J2 & Quarry	Ward 11 & 12	1 000
Revamp, RefurbishmentSlangspruit	Ward 13	585
Edendale Bulwe	Ward 11 & 12	1 000
Total		35 699

SOURCE: MSUNDUZI HOUSING SECTOR PLAN 2018

RENTAL/SOCIAL HOUSING SUPPLY

In the absence of a waiting list, it is hard to calculate the total demand for rental housing in Msunduzi. However, in 2013, the construction of more than 900 rental housing units in the Westgate/Grange area - it was proposed that 287 units will cater for households earning up to R3 500 and 665 will cater for households with an income of up to R15 000 per month. The programme commenced in 2014.

TABLE 48: RENTAL/SOCIAL HOUSING PROJECTS

PROJECT AREA	WARD NUMBER	NO. OF UNITS
Imbali Crossing	Ward 19	142
Buntine Place	Ward 23	350
Gomorra	Ward 23	571
Crest Place	Ward 28	31
Mayfair Road	Ward 28	63
Nkululeko/ Regina Road	Ward 28	251
Shamrock	Ward 28	35
Wayside Place	Ward 28	37
Mattison Drive	Ward 30	5
Comet Place	Ward 30	35
Privet Road	Ward 30	48
Old Greyton/ Khan Road	Ward 30	94

PROJECT AREA	WARD NUMBER	NO. OF UNITS
Springvale	Ward 30	73
Nhalakahle	Ward 31	599
Jesmondene	Ward 35	88
Maryvale	Ward 35	70
Ohtmann Road	Ward 35	41
Mkondeni	Ward 37	965
Total		3498

SOURCE: MSUNDUZI HOUSING SECTOR PLAN 2018

TABLE 49: PROJECTS BY CAPITAL CITY HOUSING

PROJECT NAME	STREET	NO. OF UNITS	YEAR
Aloe Ridge	Westgate/ Grange (R56)	950	2018
Acacia Park	Oribi Road	300	2004
Municipal Units	Various	55	2002
Signal Hill	Nienaber Road	364	2008
Total		1669	

SOURCE: MSUNDUZI HOUSING SECTOR PLAN 2018

PLANNED HOUSING PROJECTS FOR MSUNDUZI

TABLE 50: PLANNED HOUSING INITIATIVES

Project Area	Current Stages	No. of Units
Verification of Occupancy of Rental	Verification has started. To date a very poor response by tenants	250
Prepare New Leases for All Verified Tenancies	Prepare and sign new leases. To date a very poor response by tenants.	250
Implementation of Eviction Orders for Defaulting Tenants	Commence Legal Action and eviction if necessary, on defaulting tenants.	250
Valuation and Rent Determination	Commence valuation and rent determination report.	305
Total		1055

SOURCE: MSUNDUZI HOUSING SECTOR PLAN 2018

HUMAN SETTLEMENT PROJECTS

TABLE 51: HOUSING PROJECTS - PLANNING STAGE

Project Area	Wards	No. of Units
Ethembeni	-	4 000
Harewood	-	1 000
Mkondeni / Sport	Ward 37	3 000
Yellowwood Place	Ward 32	90
Copesville	Ward 29	1 176
Kwa 30 Housing Project	-	400
Hollingwood	-	1 000
Khalanyoni	-	1 000
Glenwood 2 South East Sector (3000 units)	-	3 000
Edendale J2 & Quarry	Ward 11 and 12	1 000
Edendale Bulwe	Ward 11 and 12	1 000
Signal Hill	-	3 000
Ambleton Ph 3	-	3 000
Revamp, Refurbishment Slangspuit	Ward 13	585
Msunduzi Wirewall	-	2 086
North East Sector	-	281
Edendale S 8 Ext	Ward 17	428
Total		26 046

SOURCE: MSUNDUZI HOUSING SECTOR PLAN 2018

MSUNDUZI' S HOUSING DELIVERY PERFORMANCE

According to statistics from the KZN Department of Human Settlements-Inland Region, Msunduzi delivered 22 473 housing units (actual delivery) between 2009 and 2018. The delivery formed part of 16 projects across Msunduzi, of which the Vullindlela Rural Housing project contributed 93%. The municipality had a planned delivery target of 24 795 for the same timeframe. This implies that 2 322 housing units were not delivered.

6.7.2 SOCIAL HOUSING CHALLENGES

While government housing grants and subsidies serve as an opportunity for the development of sustainable human settlements and meeting the housing needs of local communities, several factors have potential to impede realisation of this ideal. Firstly, some of the land that could potentially be accessed for housing is still subject to the Subdivision of Agricultural Land Act, Act No. 70 of 1970. These properties may not be used for settlement purposes unless the Department of Agriculture has released them from agricultural use. In this regard, special issues include the following:

- Land Availability and Release.
- Land legal problems affecting the transfer of land and housing.
- Coordination Among Spheres of Government.
- Apartheid spatial structure.
- Availability of Bulk Infrastructure.
- Illegal occupation of land identified for housing.

Secondly, implementation of human settlement projects is the mandate of the national and provincial Human Settlement. It involves the coordination of the activities of various government department, the municipality and service delivery agencies. However, it is common for government departments to identify projects and develop programmes separately. This makes coordination difficult and delays the development of settlements into sustainable human settlements in line with the national policy.

Other issues related to housing delivery include among others the following:

- Accreditation level 1 for housing delivery from the Department of Human Settlement (DOHS).
- Funding and assistance for upgrading of informal settlements from DOHS (National Upgrading, Support Programme).

- Prioritised for Social Housing and identified as one of 13 municipalities with Provisional Restructuring Zones.
- Land invasion creates queue jumping.
- Release of suitably located land for housing being delayed by the state. Many parcels have been identified but the state is delaying release.
- Land/ legal problems are affecting transfers both of land for housing and completed houses; and
- Suitable organisational structure and staffing in the Municipality not approved to deliver on housing fully.

Issues related to rental stock include among others the following:

- Ageing infrastructure (rental flats).
- Insufficient funding for repairs and maintenance which relates to poor rental payments.
- Possibility of transferring certain rental units under Enhanced Extended Discount Benefit Scheme (EEDBS) policy (National Department of Human Settlement Policy); and
- Delays by DOHS in investigation of rental stock for the EEDBS transfers.
- Illegal occupation of land.
- Land legal problems affecting the transfer of land and housing.

The number of social housing units that have already been developed in Msunduzi are outlined in the following table.

TABLE 52: COMPLETED SOCIAL HOUSING UNITS IN MSUNDUZI

Restructuring Zone	Number of Social Housing Units	Current Status
Acacia Park	311 units	Completed
Signal Hill	393 units	Completed
Aloe Ridge	952 units	Aloe Ridge has units that were invaded by the MKMVA and some of those units were not

Restructuring Zone	Number of Social Housing Units	Current Status
		completed, 691 units are completed.

SOURCE: CAPITAL CITY HOUSING QUESTIONNAIRE FEEDBACK, 2020

The following table provides the current social housing vacancy rates in Msunduzi.

TABLE 53: CURRENT VACANCY RATES IN MSUNDUZI

Restructuring Zone	Vacancy Rates
Acacia Park	1 %
Signal Hill	10 %
Aloe Ridge	5% (excluding the invaded units)

SOURCE: CAPITAL CITY HOUSING QUESTIONNAIRE FEEDBACK, 2020

According to Capital City Housing, the firm has experienced that the demand for secondary units remains low. In addition, the vacancy rate remains high at Signal Hill and Aloe Ridge.

A lack of partnership between SHIs and the LM is also noted. For Social Housing development to occur effectively suitable land and services need to be provided. Other general land challenges include:

- Coordination Among Spheres of Government.
- Apartheid spatial structure.
- Availability of Bulk Infrastructure.
- Illegal occupation of land identified for housing.

6.8 KEY FINDINGS FROM HOUSEHOLD SURVEY

6.8.1 KEY FINDINGS FROM HOUSEHOLD SURVEYS

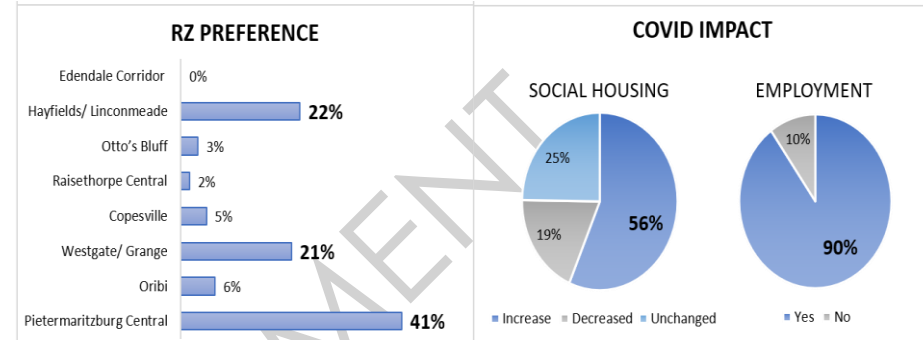
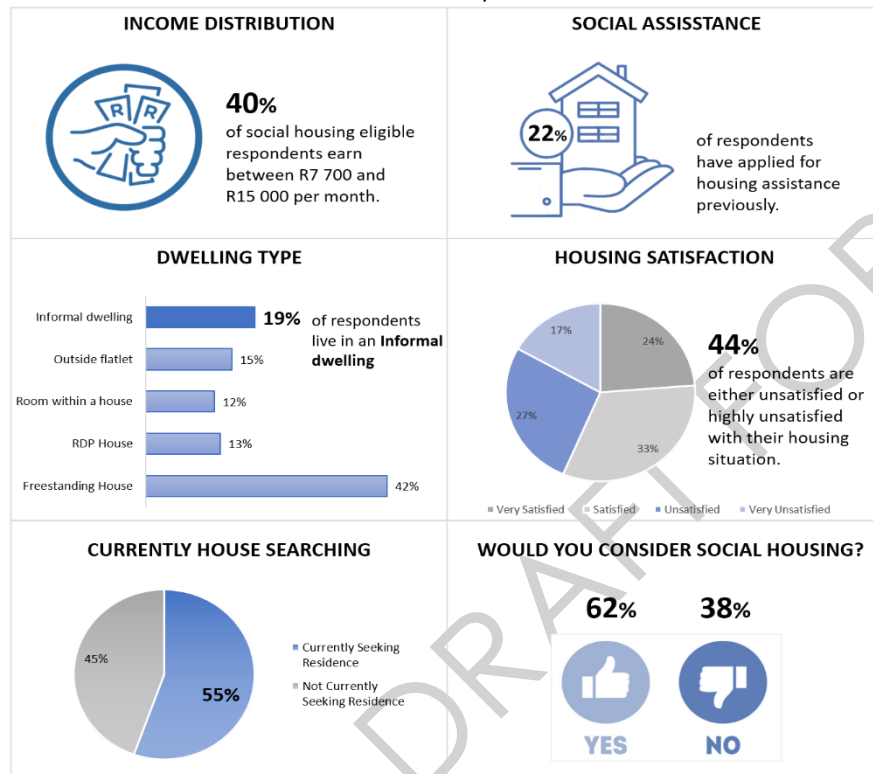
This section assesses the market survey results to inform current household profiles preferences.

The questionnaire targeted employed individuals between the ages of 25 and 65 who could be eligible for social housing. The specific purpose of the survey process was to address information gaps relating to the following themes:

- Preference for social housing and specifically preference for social housing between the eight RZ's.
- Influencing factors regarding the willingness of people within Msunduzi LM to relocate to a potential social housing development.

The results of the market trends assessment are presented below.

FIGURE 42: MSUNDUZI LM MARKET ASSESSMENT, 2021



The market assessment presents a strong motivation for the provision of social housing in Ray Nkonyeni LM. The market trend assessment reveals that there is a large market (40%) of households that earn between R7 700 and R15 000 per month, the upper income bands of the social housing market segment. This is important as it affects the financial feasibility of a potential social housing project as the upper income earners subsidise the lower income earners.

In line with the housing shortage reported in the planning documents, the market assessment reflects that 22% of respondents have applied for housing assistance previously with a concerning 19% of respondents currently living in an informal dwelling. In addition, a combined 44% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation and more than half of respondents (55%) reported that they are currently seeking housing. These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation and poverty levels of many households in the municipality.

In addition to the need for social housing suggested by the market assessment, there is also market buy in as 62% of respondents reported that they would move into a social housing development in Msunduzi LM. The most preferred locations for social housing seem to be Pietermaritzburg central RZ (41%), Hayfields/Linconmeade RZ (22%) and Westgate/Grange (21%). The main factors influencing

these preferences access to employment opportunities, proximity to transport services and need for housing.

Lastly it is important to note that respondents do believe that the Covid-19 pandemic is affecting employment opportunities and social housing demand in the area. 56% of respondents believe that the COVID-19 pandemic is increasing the need/ demand for social housing whilst 90% of respondents believe that jobs in the municipality are being negatively affected. This is an evolving situation and needs to be monitored as household income, and therefore employment, is a key determinant of social housing eligibility and demand. Overall, the survey results reveal that there is a current need and market appetite for social housing provision in Msunduzi LM.

6.9 MARKET SUPPLY ASSESSMENT

6.9.1 MARKET SUPPLY

In 2013, the MHA proposed the construction of more than 900 rental housing units in the Westgate/ Grange area. It was proposed that 287 units will cater for households earning up to R3 500 and 665 will cater for households with an income of around R7 500 per month. The programme commenced in 2014 and to date the Msunduzi Housing Sector Plan reports that 3 498 housing units should have been supplied with a further 719 units supplied by Capital City Housing. However, the SHRA KZN – units under regulation database reveals that 1 692 social housing units have been provided in Msunduzi LM. As such these **1 692** units will be included as social housing supply in the market demand assessment.

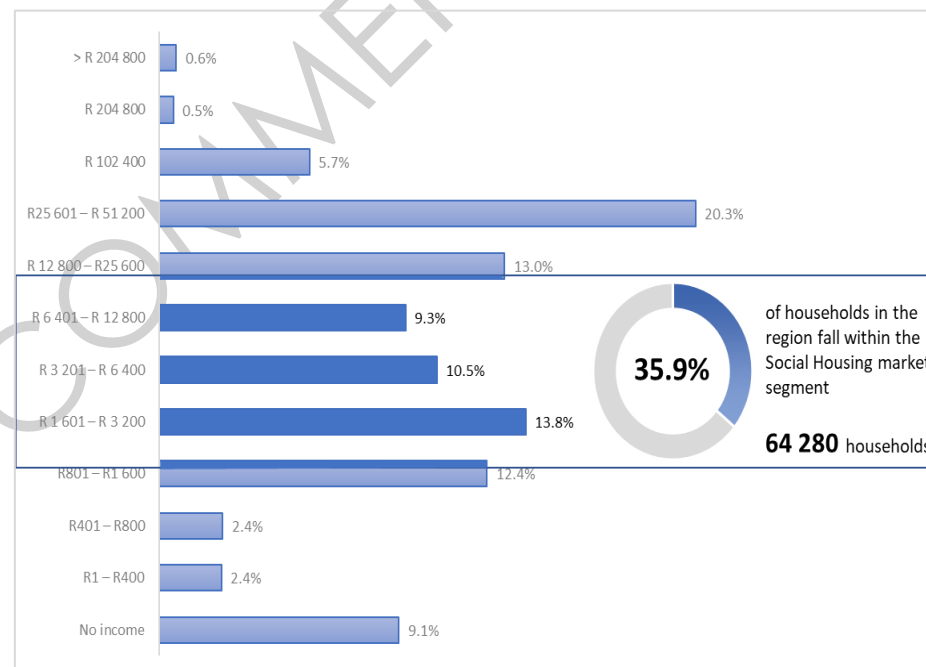
6.10 MARKET DEMAND ASSESSMENT

6.10.1 MARKET AFFORDABILITY

Income levels are a key determinant of demand for social housing. The income bands highlighted reflect the target market for social

housing within Msunduzi LM, those earning between R1 500 and R15 000 per month. The total target market for social housing is 64 280 households as of 2020, accounting for 35.9% of households within the local municipality.

FIGURE 43: MSUNDUZI LM SOCIAL HOUSING MARKET SEGMENT, 2020



SOURCE: URBAN-ECON (2021)

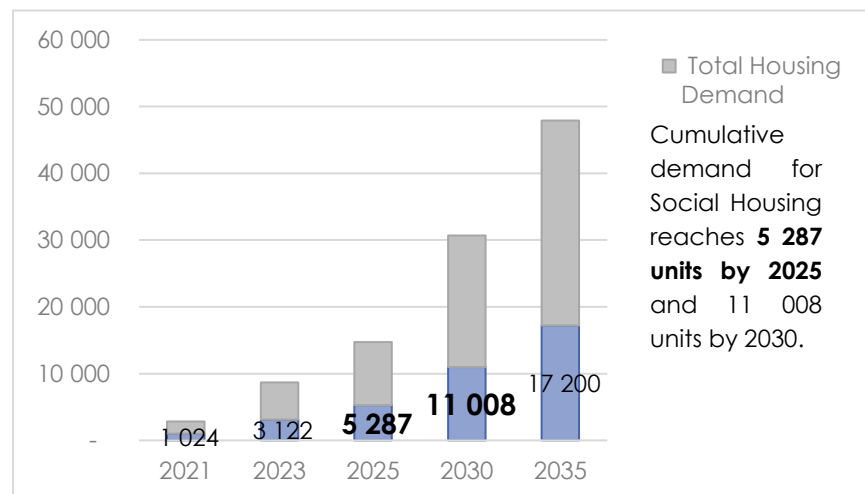
6.10.2 MARKET DEMAND AND AFFORDABILITY ANALYSIS

Applying the affordability analysis to the cumulative demand projections reveals the total demand for social housing from the target market in Msunduzi LM.

The following table reflects the total number of housing units demanded within Msunduzi LM as well as the total number of social housing units demanded by the target market.

Given historical household growth and migration rates, the cumulative demand for social housing is 5 287 units by 2025 with longer term demand expected to increase to 11 008 units by 2030.

FIGURE 44: CUMULATIVE DEMAND FOR HOUSING IN MSUNDUZI LM, 2021 - 2035



SOURCE: URBAN-ECON (2021)

6.10.3 BACKLOG OF SOCIAL HOUSING

The extent of the housing backlog/ 'need for housing' in the Msunduzi LM is reported in the Housing Sector Plan as severe with Msunduzi LM accounting for more than 50% of the housing backlog in the District – at 44 263 out of 79 998 units.

As the current method noted in the municipal planning documents is based in Census 2001-2011 data, a more recent dataset (2019) is utilised to inform current demand. As such, and in line with the widely adopted IDP methodology of backlog calculations, the housing backlog for this demand analysis is calculated as the sum of all households living in substandard dwelling units less those that earn too little to be eligible for social housing.

For the purposes of this analysis, substandard dwelling units are classified in the data as:

- Traditional dwelling/hut/structure made of traditional materials.
- Informal dwelling/shack, in backyard.
- Informal dwelling/shack, not in backyard, e.g., in an informal/squatter settlement; and
- Other/unspecified.

Using this methodology, the social housing backlog in Msunduzi LM as of 2020, is **17 257** units.

6.10.4 EFFECTIVE DEMAND FOR SOCIAL HOUSING

Effective demand applies the market perception of social housing, particularly within the three identified RZ's, to the market affordability analysis to reflect the real demand to be expected from the market.

The following table takes into account the findings from the above-mentioned market trends assessment to calculate the Effective Demand:

- 62% of households in Msunduzi LM would consider moving into a social housing development with the following RZ preferences:
 - 41% of households would prefer Pietermaritzburg Central RZ,
 - 22% of households would prefer Hayfields/Linconmeade RZ,
 - 21% of households would prefer Westgate/Grange RZ,
 - 6% of households would prefer Oribi RZ,
 - 5% of households would prefer Copesville RZ,
 - 3% of households would prefer Otto's Bluff RZ,
 - 2% of households would prefer Raisethorpe Central RZ, and
 - 0% would prefer Edendale Corridor RZ.

TABLE 54: EFFECTIVE DEMAND FOR SOCIAL HOUSING IN MSUNDUZI LM PER RZ, 2021 - 2035

	2021	2022	2023	2024	2025	2030	2035
Cumulative Social Housing Demand	1,02 4	2,06 5	3,12 2	4,19 6	5,28 7	11,0 08	17,2 00
Housing Backlog*	17,2 57	17,2 57	17,2 57	17,2 57	17,2 57	17,2 57	17,2 57
Total Social Housing Demand	18,2 82	19,3 22	20,3 79	21,4 53	22,5 44	28,2 65	34,4 57
Total Social Housing Supply	1,69 2	1,69 2	1,69 2	1,69 2	1,69 2	1,69 2	1,69 2
Effective Social Housing Demand	16,5 90	17,6 30	18,6 87	19,7 61	20,8 52	26,5 73	32,7 65
Effective Social Housing Market Demand	10,2 86	10,9 31	11,5 86	12,2 52	12,9 28	16,4 76	20,3 15
Effective SH Market Demand per RZ							
Edendale	0	0	0	0	0	0	0
Hayfields/ Linconmead	2,26 3	2,40 5	2,54 9	2,69 5	2,84 4	3,62 5	4,46 9
Otto's Bluff	309	328	348	368	388	494	609
Raisethorp Central	206	219	232	245	259	330	406
Copesville	514	547	579	613	646	824	1,01 6
Westgate/ Grange	2,16 0	2,29 5	2,43 3	2,57 3	2,71 5	3,46 0	4,26 6
Oribi	617	656	695	735	776	989	1,21 9
Pietermaritzburg Central	4,21 7	4,48 2	4,75 0	5,02 3	5,30 1	6,75 5	8,32 9

*Note: The calculation of the housing backlog figures is based on the application of acceptable planning parameters that are utilised in official municipal documents.

SOURCE: URBAN-ECON (2021)

The market demand assessment shows exceptionally strong demand for social housing in Msunduzi LM. Within the next five years the market will demand 12 928 housing units which is expected to grow to 16 476 units by 2030.

Given market preferences, the strongest demand is reflected for Pietermaritzburg Central RZ, followed by Hayfields/Linconmeade RZ and then Westgate/Grange RZ. All three locations show social housing demand exceeding 2 500 units by 2025 with Pietermaritzburg Central reflecting demand of 5 301 units. Whilst some of the other RZ's could support much smaller developments, it is suggested that social housing provision is concentrated in the abovementioned three RZ's given the significant need and demand expressed.

6.10.5 DEMAND PER INCOME CATEGORY: RENT QUOTE

An estimated rent quote per RZ was calculated given household affordability and SHRA's rental structure to establish the rental values the households could be expected to pay for social housing in Msunduzi LM.

The rental structure as stipulated by SHRA is displayed in the table below.

TABLE 55: SHRA RENTAL STRUCTURE FOR SOCIAL HOUSING, 2020

Income Category Annual	Income Category Monthly	Rental as % of Income (SHRA)	Estimated Rental Range	SHRA Standard Social Housing Unit Mix
R18 000 – R42 000	R1 500 - R3 500	25	R 375 - R 875	10%
R42 001 – R66 000	R3 501 - R5 500	27	R 876 - R 1 485	20%
R66 001 – R92 400	R5 501 - R7 700	32	R 1 486 - R 2 464	20%
R92 401 – R135 600	R7 701 - R11 300	35	R 2 465 - R 3 955	20%
R135 601 – R180 000	R11 301 - R15 000	37	R 4 181 - R 5 550	30%

SOURCE: URBAN-ECON (2021)

The following tables reflect the rent quote per RZ for the suggested three RZ's that report the greatest need and demand.

TABLE 56: RENT QUOTE FOR PIETERMARITZBURG CENTRAL RZ IN MSUNDUZI LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	38.6%	1,627	1,832	2,045	2,606	3,213
R 876 - R 1 485	21.0%	887	999	1,114	1,420	1,751
R 1 486 - R 2 464	13.5%	569	641	715	912	1,124
R 2 465 - R 3 955	14.6%	615	693	773	985	1,215
R 4 181 - R 5 550	12.3%	520	585	653	832	1,026
Effective Social Housing Demand	100.0%	4,217	4,750	5,301	6,755	8,329

SOURCE: URBAN-ECON (2021)

TABLE 57: RENT QUOTE FOR HAYFIELDS/LINCONMEADE RZ IN MSUNDUZI LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	38.6%	873	983	1,097	1,398	1,724
R 876 - R 1 485	21.0%	476	536	598	762	940
R 1 486 - R 2 464	13.5%	305	344	384	489	603
R 2 465 - R 3 955	14.6%	330	372	415	529	652
R 4 181 - R 5 550	12.3%	279	314	350	447	551

Rental Range	%	2021	2023	2025	2030	2035
Effective Social Housing Demand	100.0%	2,263	2,549	2,844	3,625	4,469

SOURCE: URBAN-ECON (2021)

TABLE 58: RENT QUOTE FOR WESTGATE/GRANGE RZ IN MSUNDUZI LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	38.6%	833	939	1,047	1,335	1,646
R 876 - R 1 485	21.0%	454	512	571	727	897
R 1 486 - R 2 464	13.5%	291	328	366	467	576
R 2 465 - R 3 955	14.6%	315	355	396	505	622
R 4 181 - R 5 550	12.3%	266	300	335	426	526
Effective Social Housing Demand	100.0%	2,160	2,433	2,715	3,460	4,266

SOURCE: URBAN-ECON (2021)

6.10.6 FEASIBLE SOCIAL HOUSING PLANNING

Taking into account market demand and SHRA's standard social housing unit mix based on income, this section outlines the feasible upper limits of potential social housing provision within Msunduzi LM.

The SHRA model requires higher rentals from the upper income earners to subsidise lower rentals from the lower income earners in order to achieve financial feasibility. As such, there needs to be a greater proportion of upper income households in a social housing development. SHRA's standard social housing unit mix suggests that a minimum of 30% of the units need to be rented to the highest income bracket households – those earning between R11 300 and R15 000 monthly. This sets the limits for the size of potential social housing developments in the RZ's.

The following table reflects the proposed social housing developments per RZ.

TABLE 59: POTENTIAL SOCIAL HOUSING DEVELOPMENTS IN MSUNDUZI LM RZ's, 2025 - 2030

		Feasible Social Housing Units					
		PMB Central		Hayfields/ Linconmeade		Westgate/ Grange	
Rental Range	%	2025	2030	2025	2030	2025	2030
R 375 - R 875	10 %	218	277	117	149	112	142
R 876 - R 1 485	20 %	435	555	234	298	223	284
R 1 486 - R 2 464	20 %	435	555	234	298	223	284
R 2 465 - R 3 955	20 %	435	555	234	298	223	284
R 4 181 - R 5 550	30 %	653	832	350	447	335	426
		2,177	2,774	1,168	1,489	1,115	1,421

SOURCE: URBAN-ECON (2021)

In total, Msunduzi LM could feasibly accommodate 4 460 social housing units by 2025 with this figure growing to 5 684 units by 2030. All three abovementioned RZ's reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

6.10.7 LAND REQUIREMENTS FOR DEMAND

This section investigates the land requirements for the provision of potential social housing developments in Msunduzi LM.

Social Housing falls within the Medium-Density Mixed Housing (MDMH) density brackets. MDMH is defined as housing that has a minimum of

50 dwelling units per hectare (du/ha) and a maximum of 125 du/ha. Social housing (SH) is defined as medium- to high-density housing with different tenure options but excluding immediate ownership. Given the typical densities of current social housing development, the following density scenario's will be utilised to approximate the land requirements of the potential social housing development per RZ:

- Density Scenario 1: 80 u/ha
- Density Scenario 2: 100 u/ha
- Density Scenario 3: 120 u/ha

TABLE 60: LAND REQUIREMENTS FOR POTENTIAL SOCIAL HOUSING PROVISION IN MSUNDUZI LM, 2025 - 2030

	PMB Central		Hayfields/ Linconmeade		Westgate/ Grange	
Density Scenario	2025	2030	2025	2030	2025	2030
80 u/ha	27	35	15	19	14	18
100 u/ha	22	28	12	15	11	14
120 u/ha	18	23	10	12	9	12

SOURCE: URBAN-ECON (2021)

6.10.8 LAND PIPELINE AND LAND OPPORTUNITIES

In 2008 the LM commissioned a market demand feasibility study for social housing. The study was finalized and four RZs were identified. These RZs include the following: Northern Area, North West Area, Central Area, Southern Area, South western Area, Ambleton. The land pipeline for Msunduzi is tabled on the following page.

TABLE 61: SOCIAL HOUSING LAND PIPELINE IN MSUNDUZI

	Restructuring Zone	Number of Potential Social Housing Units
1.	Pietermaritzburg Central	Beverstock Road – 300 units Manor Garden Shorts Retreat
2.	Oribi	Oribi Village – 500 units
3.	Westgate/Grange	
4.	Copesville	
5.	Raisethorpe Central	Nkululeko/Regina Road – 300 units Woodpecker Road – 560 units Bombay/Lucia Road – 150 units
6.	Otto's Bluff	
7.	Hayfields/Linconmeade	Ethembeni -126 units Padca
8.	Edendale Corridor	Bantine Place
9.	Signal Hill	Signal Hill Phase 2 – 500 units
10.	Eastwood/Glenwood	Eastwood Flats – 34 units Glenwood South East Sector – 800 units Orthaman Road

SOURCE: QUESTIONNAIRE FEEDBACK FROM MUNICIPALITIES, 2020

In terms of land opportunities for future social housing development in Msunduzi, all identified land for social housing development has been included and given a project against that land parcel and is included in the Msunduzi Social Housing Pipeline.

6.11 CONCLUSION

In Msunduzi there are eight RZs namely, Edendale Corridor, Hayfields/Linconmeade, Otto's Bluff, Raisethorp Central, Copesville, Westgate/ Grange, Oribi and Pietermaritzburg Central.

The majority of the households in Msunduzi falls within the lower income segment with 16,6% of the households earning between R19,201 – R38,400 per annum followed closely by 15,6% earning between R9,601 – R19,200 per annum. The estimated average household income in this region is R11,590 per month or R139,083 per annum in 2020.

The largest portion of the population (22%), in Msunduzi falls into those that have achieved a grade 12 certificate only. In terms of employment profiles, 192 894 people are employed, and 84 949 people are unemployed in Msunduzi. This shows a high unemployment rate of 31%.

In Msunduzi, 60% of dwellings are house or brick structures on a separate stand or yard followed by 17% that are traditional dwellings. The third most common dwelling type in Msunduzi are flats at 6% of all households in the region.

The housing tenure status of Msunduzi. In Msunduzi, 43% of households are occupying owned and fully paid off dwellings followed by 26% of households that are renting.

In Msunduzi, 92% of households has access to electricity, only 47% of households in Msunduzi has access to piped water inside their dwellings, 52% of households in Msunduzi has their waste removed by the local authority at least once a week while 59% of households in Msunduzi has access to flush or chemical toilets.

An average annual population growth rate of 1,3% and a household growth rate of 1,6% was experienced in Msunduzi between 2009 and 2019. In 2020, the population stood at an estimated 751 681 and the number of households at 200 063.

In terms of age profiles, Msunduzi has 26% of the population falling between the ages of 00 and 14 years old. The racial profile of Msunduzi indicates that 83% of the population fall into the Black/African category.

The market assessment as well as demand assessment of Msunduzi reflect that there is a significant need and demand for social housing within the municipality.

The market assessment reflects that 22% of respondents have applied for housing assistance previously with a concerning 19% of respondents currently living in an informal dwelling. In addition, a

combined 44% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation and more than half of respondents (55%) reported that they are currently seeking housing with 62% willing to move into social housing. The most preferred locations for social housing seem to be Pietermaritzburg central RZ (41%), Hayfields/Linconmeade RZ (22%) and Westgate/Grange (21%). These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation and poverty levels of many households in the municipality.

In total, Msunduzi LM could feasibly accommodate 4 460 social housing units by 2025 with this figure growing to 5 684 units by 2030. All three abovementioned RZ's reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

7 REGION 4: NEWCASTLE

7.1 INTRODUCTION

This section provides the local delineation, location analysis, economic profiling, demographic profiling, residential analysis, housing sector analysis, key findings of the household surveys as well as the market and demand assessments for the Newcastle region

7.2 LOCATION DELINEATION

This section reviews the demand for social housing in Newcastle LM within the three identified restructuring zones (RZs). Arbor Park and Newcastle Central are located in the hub of Newcastle with the main transport route (R34) passing through the Newcastle Central RZ. Arbor Park is also accessible via the R22 highway. Fernwood is located at the outskirts of Newcastle and are connected via internal transport routes. The three RZ's are illustrated in Map 7 on the following page.

7.3 LOCATION ANALYSIS

Newcastle LM is one the three local municipalities that make up Amajuba District Municipality, with the others being Dannhauser and eMadlangeni Local Municipalities. It is located on the North-Western of the KZN Province and borders onto Free State and Mpumalanga Provinces to the West and North respectively. The local municipalities of eMadlangeni and Dannhauser Local Municipalities are located along the Eastern and Southern boundaries of Newcastle. Spatially Newcastle covers an area of approximately 1 854km² in extent.

7.3.1 DISTRICT CONTEXT

Newcastle is by far, the largest economic hub within the administrative boundaries of Amajuba District. It is located on the North-Western side of KZN and shares the borders with the neighbouring provinces of Mpumalanga and Free State. Newcastle

LM has a geographical coverage of 1854 km², and it is bounded by the Utrecht Municipality to the East, and Dannhauser Municipality towards the South, Free State Province (Thabo Mofutsanyane District Municipality) to the West and Mpumalanga Province (Gert Sibande District Municipality) to the North. The city of Newcastle is a service centre serving the region, mainly rural hinterlands, with the CBD being the primary economic and social node for the city. Newcastle also serves a number of small settlements which surround it.

MAP 7: NEWCASTLE LM RESTRUCTURING ZONES, 2017



Newcastle is well placed to benefit from regional economic growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of government in KwaZulu-Natal. Newcastle is centrally located in the northern region of KZN, halfway between Johannesburg and the harbours of Durban and Richards Bay, hence contributing to the export of manufactured goods, as well as for distribution to the Gauteng market. Newcastle is also provided with good access infrastructure to these areas, which includes road and rail networks. It is situated on the national rail route between the Durban Container Terminal and City Deep in Gauteng, and has within its confines, major rail exchange yards, supporting railway stations and extensive goods conversion/warehousing facilities. Previous reviews of the local economy have identified manufacturing, tourism and agriculture as the three main economic sectors in the area. In Newcastle, there are 34 sectors that contribute to the GVA-R, of which metal products, machinery and household appliances products is the largest contributor, followed by the education and land, and the land and transportation sector. The GVA-R, of Newcastle has experienced a significant increase over the last 12 years.

7.3.2 REGIONAL AND LOCAL ROAD NETWORK

Movement within Newcastle can be divided into two categories, that is:

- Movement that traverses the Municipal Area not having any settlement within the Municipal Area as a destination; and
- Movement that takes place between destinations or settlements within the Municipal Area.

With regards to the former, movements along the national road apply. For example, the N11 is used as the connecting route between Northern KwaZulu-Natal and Mpumalanga.

7.3.3 LOCAL ACCESS AND MOVEMENT

With regards to internal movement, a number of prominent routes can be identified. Firstly, there is a strong movement of people between Madadeni and Osizweni, the latter being the core area of the Municipal Area. Secondly, a strong movement axis exists between Madadeni and Osizweni along the MR483. Thirdly, a movement axis is found between the Newcastle CBD on to other smaller settlements, such as Memel to the West and Ingogo, Charlestown and Volksrust to the North.

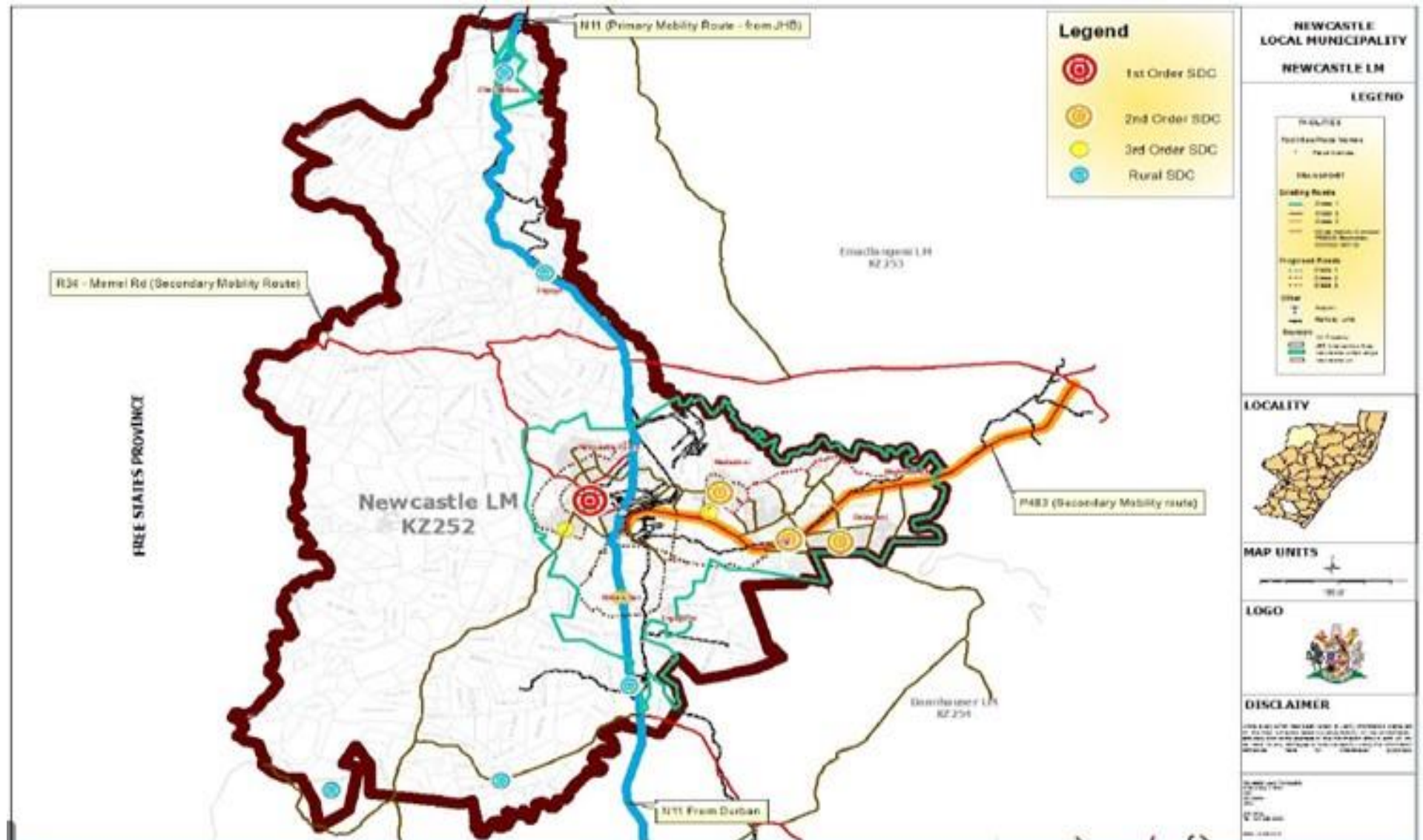
7.3.4 REGIONAL ACCESS AND MOVEMENT

Newcastle Municipality enjoys relatively good access at a national and regional scale. North-South linkages are facilitated by the N11 and East-West linkages by the P483 and R34. The N11 is a primary movement and mobility corridor. It runs in a North-South direction from the N2 in Ermelo to the N3 in Ladysmith through Newcastle Town thus making the area highly accessible and well connected to the national, provincial and regional road network.

Although the SDF identifies this route as a primary corridor, access to it is governed in terms of the South African National Roads Agency Limited (SANRAL) regulations. This includes limitations imposed on the number and location of direct access points and location of uses, which may be viewed as having potential to interrupt traffic flows.

Secondary corridors include the R34 which runs East from Newcastle to Utrecht and beyond to Vryheid and Richards Bay, and West to Memel and Vrede as well as the R621 linking to Dannhauser. These routes all originate from the CBD. The Madadeni-Osizweni section of the road to Utrecht (MR483) has been identified as a mixed-use corridor and is to be developed with nodes of services and economic opportunities. Regional access routes are subject to the rules and regulations of the Department of Transport.

MAP 8: NEWCASTLE CORRIDORS



DRAFT FOR COMMENT

Four development corridors and Mobility Routes were identified in Newcastle. These development corridors and mobility routes must become the primary vehicles for the establishment of urban cohesion and integration, as well as become the catalysts for land use and transportation integration. The identified development corridors are as follows:

- N11 Primary Mobility Route.
- R34 Secondary Mobility Route.
- P483 Mixed-used Activity Corridor.
- Allen Street Mixed-used corridor.

In terms of the urban accessibility index, the majority of Newcastle is regarded as 1.25 to 2 hours regarding the efficiency in accessing both the public and private sector services. There are also areas within Newcastle which were identified as Protected Areas and also Landscape Corridors mainly significant for tourism development.

Further, Newcastle municipality has been identified as being along a Secondary Corridor, the N11 National Route. the area within the vicinity of the Newcastle CBD has been identified as an Economic Value Adding Area. We have also been identified as KwaZulu-Natal's Secondary Node, which is basically an urban centre with good existing economic development and the potential for growth and services to the regional economy. Furthermore, there are pockets of areas which have been identified as being part of a Protected Area/Landscape Corridors/Protected Areas Expansion Strategy.

7.3.5 KEY NODES

Newcastle has been identified as a secondary investment node with a number of nodes and potential nodes within. This nodal structure is as follows:

TABLE 62: KEY NODES IN NEWCASTLE

Type of Node	Area
Secondary Investment Node (PSEDS)	-Newcastle
Secondary Node (PGDS)	-Newcastle
Primary CBD Node (Municipal SDF)	-Newcastle CBD -Proposed JBC CBD
Regional Multi Use Node (Municipal SDF)	-Emerging Southern Business extension (Casino Development Newcastle Mall and surroundings)
Community Multi Use Node (Municipal SDF)	-Emerging Northern Business extension, (Majuba Mall and surroundings), -Madadeni CBD -Osizweni CBD
Neighbourhood Multi Use Nodes	-Huttenheights, -Pioneer Park, -Barry Hertzog Park -Ncandu Park, -Arbor Park, -Fairleigh, -Lennoxton -Fernwood, -Surayaville, -Madadeni Sec D (x2) -Madadeni Sec F, -Madadeni Sec P, -Osizweni Sec A, -Osizweni Sec B, -Osizweni Sec C, -Killbarchan
Multi Use Node	-Vlam
Industrial Node	-Newcastle Industrial Area / Mittal / Karbochem / Madadeni Industrial
Large-Scale Mixed-Use Nodes	-P483 Corridor
Rural Nodes (Municipal SDF)	-Ingogo, -Leokop, -Charlestown, -Ballengeich / Bosworth, -Normandien
Smaller nodes of importance: Medical Multi Use Nodes Educational Multi Use Nodes	-Newcastle Private & Provincial Hospital, Madadeni Provincial Hospital, -Newcastle Training Centre, Madadeni, Majuba FET College, NUTEC, UNISA,
Social Multi Use Nodes	Damelin, Boston College, ITB, -Madadeni Section 2
Amajuba Mountainous Nodal Policy	-Dunblane node, -Normandien Pass Node

Type of Node	Area
Development Nodes (District SDF)	-Muller's Pass Node, -Ingogo / Botha's Pass Node

NEWCASTLE IDP, 2020

However, in a simplified way, the key nodes are the following:

- The Newcastle CBD as a Primary CBD Node.
- The Madadeni CBD as a Community Multi use Node.
- The Osizweni CBD as a Community Multi use Node.
- The JBC intervention and investment area as a Primary CBD Node.
- The Newcastle South intervention and investment area (Equarand) as a Regional Node.
- The Kilbarchan, Ingagane & Ballengeich intervention area as a Neighbourhood Multi Use Node.
- The Charlestown intervention area as a Rural Node.

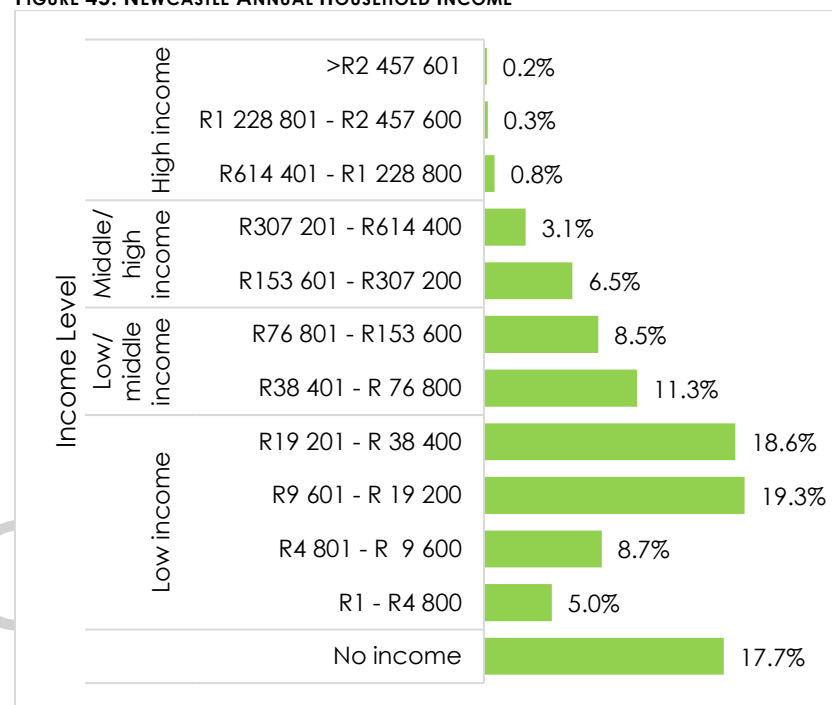
The majority of the area west of the Newcastle CBD has been identified as Priority Agriculture, with small pockets being identified as Tourism. The area that is immediately within the vicinity of the Newcastle CBD has been identified as Economic Value Adding Areas, whereas most of the Newcastle east area is identified as having very small pockets of Potential Agriculture. Up north, along the N11 route, the area has been identified for Tourism, and small pockets with Mining Rights.

7.4 ECONOMIC PROFILING

This section outlines the economic profile for Newcastle. It includes indicators such as annual household income, development indicators, dwelling type, tenure status and household facilities within the region.

The figure alongside provides a profile of the annual household income of the region.

FIGURE 45: NEWCASTLE ANNUAL HOUSEHOLD INCOME



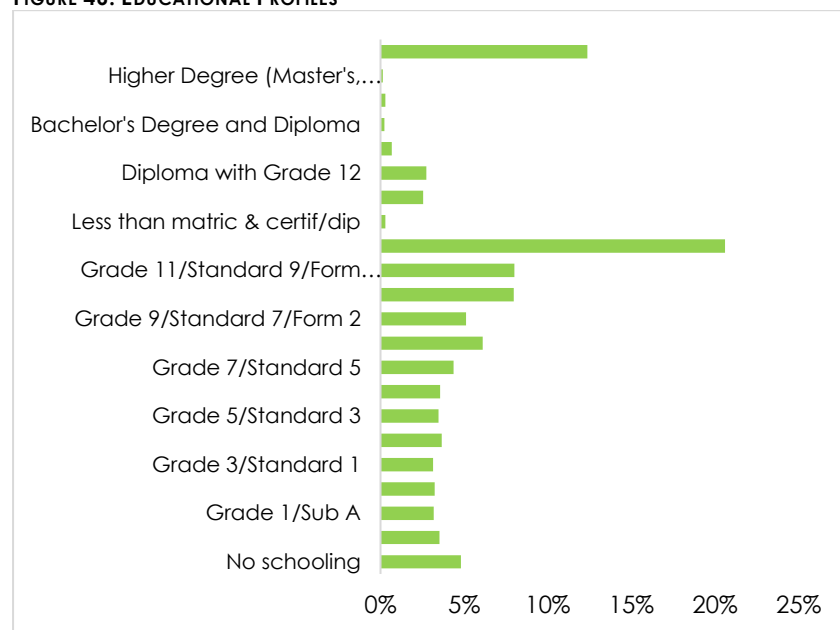
SOURCE: CALCULATIONS BASED ON DATA FROM THE 2011 CENSUS

The majority of the households in Newcastle also falls within the lower income segment with 19,3% of the households earning between R9,601 – R19,200 per annum followed by 18,6% earning between R19,201 – R38,400 per annum. The smallest number of households in this region fall within high income category (>R 2,457,601 per annum) which make up 0.2% of all households. It is estimated that in 2020, the average household income in this region is R7,832 per month or R93,986 per annum based on historical data trends.

7.4.1 DEVELOPMENT INDICATORS

Regarding educational profiles, the graph below outlines these for Newcastle.

FIGURE 46: EDUCATIONAL PROFILES



SOURCE: STANDARDISED REGIONAL, QUANTEC 2019

From the figure above it is evident that the largest portion of the population (21%), in Newcastle falls into those that have achieved a grade 12 certificate only. The second largest portion of the population (12%) comprises those whose functional literacy is unknown.

In terms of employment profiles, the table below outlines that 77 624 people are employed and 47 624 people are unemployed in Newcastle. This shows a high unemployment rate of 38% and labour force participation rate of 49%.

TABLE 63: EMPLOYMENT PROFILE

WORKING AGE POPULATION	253,131
EMPLOYED	77,624
UNEMPLOYED	47,252

NOT ECONOMICALLY ACTIVE	128,255
UNEMPLOYMENT RATE	38%
LABOUR FORCE PARTICIPATION RATE	49%
ABSORPTION RATE	31%

SOURCE: STANDARDISED REGIONAL, QUANTEC 2019

7.4.2 DWELLING TYPE

In Newcastle 84% of dwellings are house or brick structures on a separate stand or yard. This is followed by 3% that are traditional dwellings, 3% House/flat/room, in backyard and 3% informal dwelling in an informal settlement.

TABLE 64: NEWCASTLE TYPE OF DWELLING

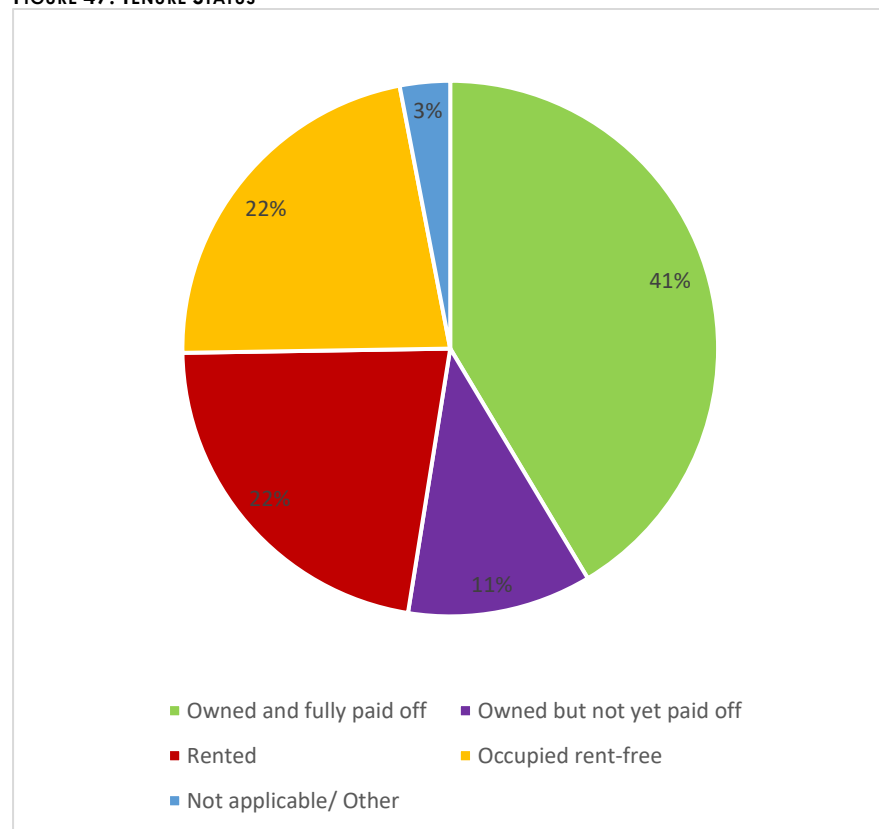
Newcastle Type of Dwelling	Number of Households	Percentage of Households
House or brick structure on a separate stand or yard	77 419	84%
Traditional dwelling/hut/structure made of traditional materials	2 908	3%
Flat in a block of flats	2 286	2%
Town/cluster/semi-detached house (simplex, duplex or triplex)	1 307	1%
House/flat/room, in backyard	2 302	3%
Informal dwelling/shack, in backyard	2 062	2%
Informal dwelling/shack, NOT in backyard, e.g., in an informal/squatter settlement	2 814	3%
Room/flatlet not in backyard but on a shared property	158	0%
Other/unspecified/NA	430	0%
Total - Type of dwelling	91 688	100%

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC, 2019

7.4.3 TENURE STATUS

This sub-section outlines the housing tenure status of Newcastle. In Newcastle 41% of households are occupying owned and fully paid off dwellings followed by 22% of households that are renting. The tenure status of these regions is represented graphically below.

FIGURE 47: TENURE STATUS



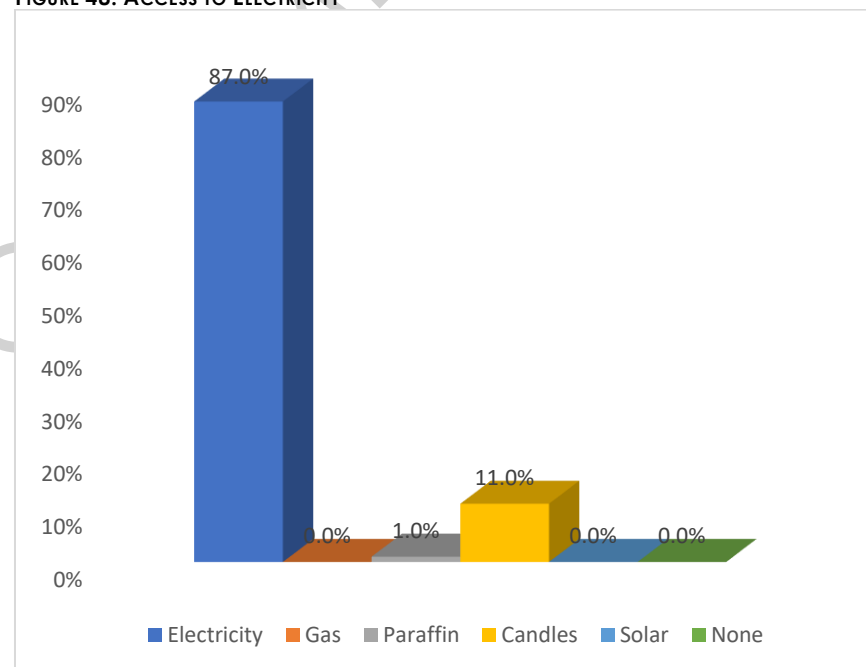
SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC

7.4.4 HOUSEHOLD FACILITIES

This subsection provides an overview of the household facilities in Newcastle.

The figure below shows that 87% of households in the region has access to electricity while 11% of households make use of candles as an energy source.

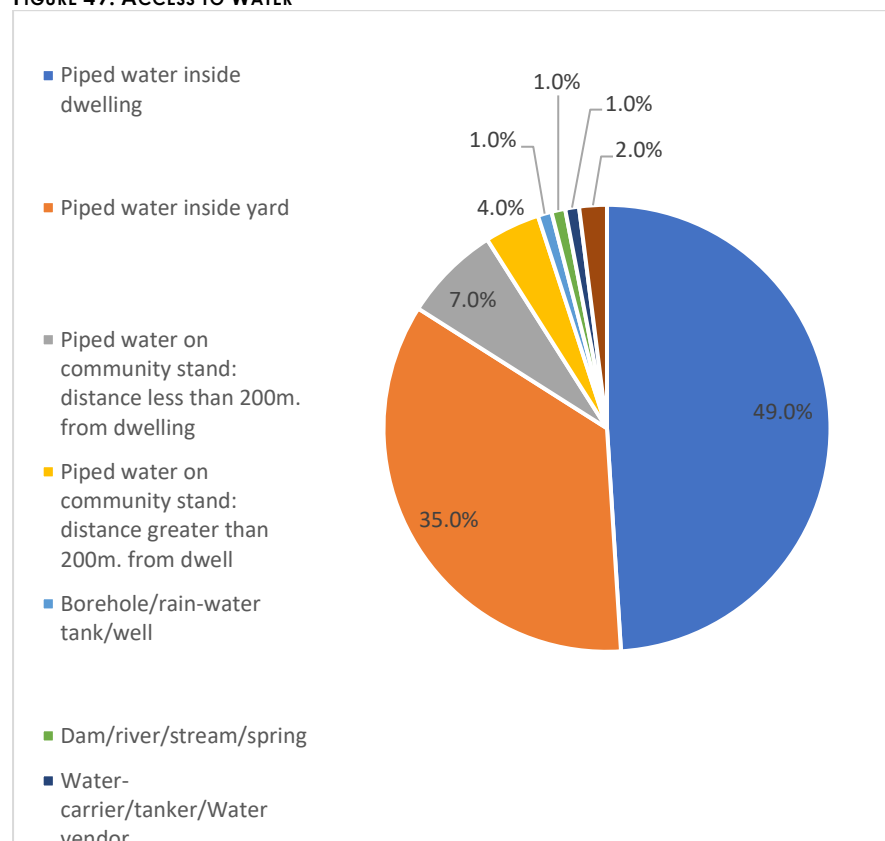
FIGURE 48: ACCESS TO ELECTRICITY



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

In terms of access to water, 49% of households in Newcastle has access to piped water inside their dwellings while 35% of households has access to piped water in their yard.

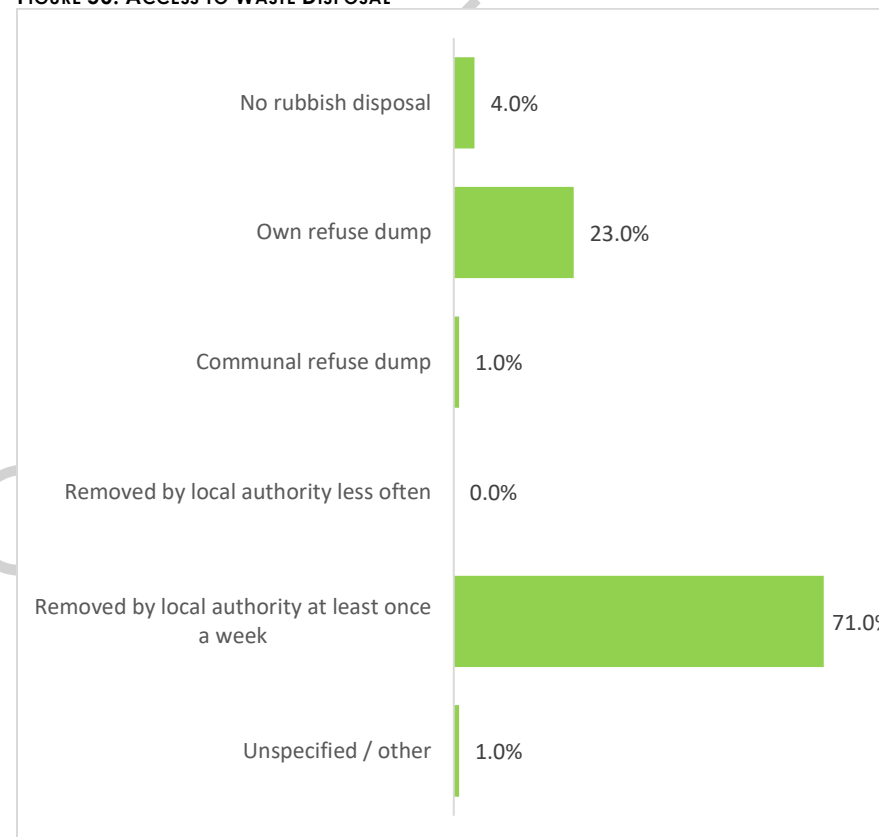
FIGURE 49: ACCESS TO WATER



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

In terms of waste disposal 71% of households in Newcastle has their waste removed by the local authority at least once a week while 23% of households have their own refuse dump as illustrated in the figure alongside.

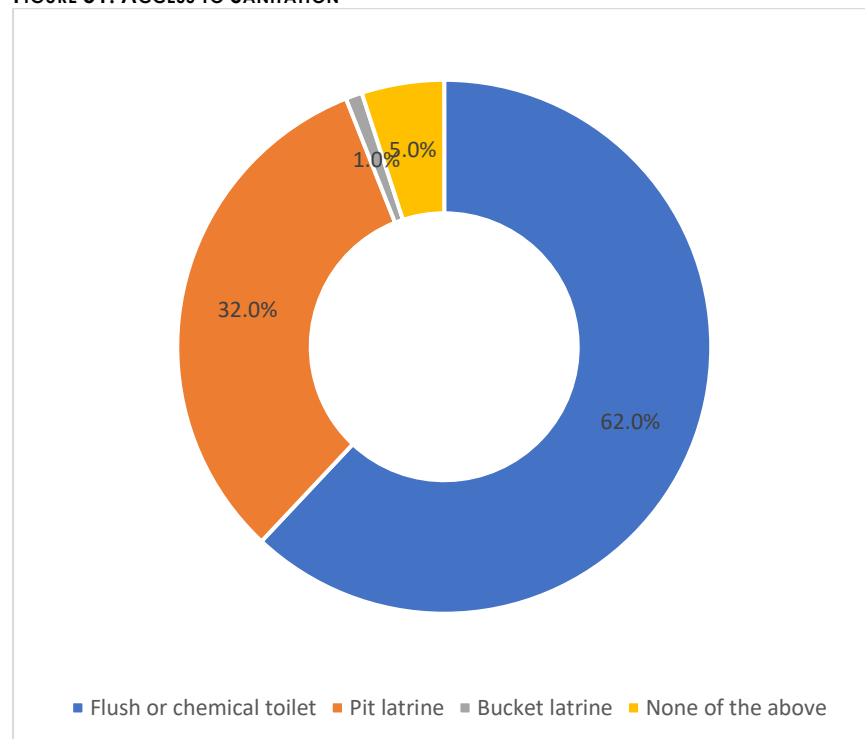
FIGURE 50: ACCESS TO WASTE DISPOSAL



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

Regarding sanitation, 62% of households in Newcastle has access to flush or chemical toilets while 32% of households have access to pit latrines.

FIGURE 51: ACCESS TO SANITATION

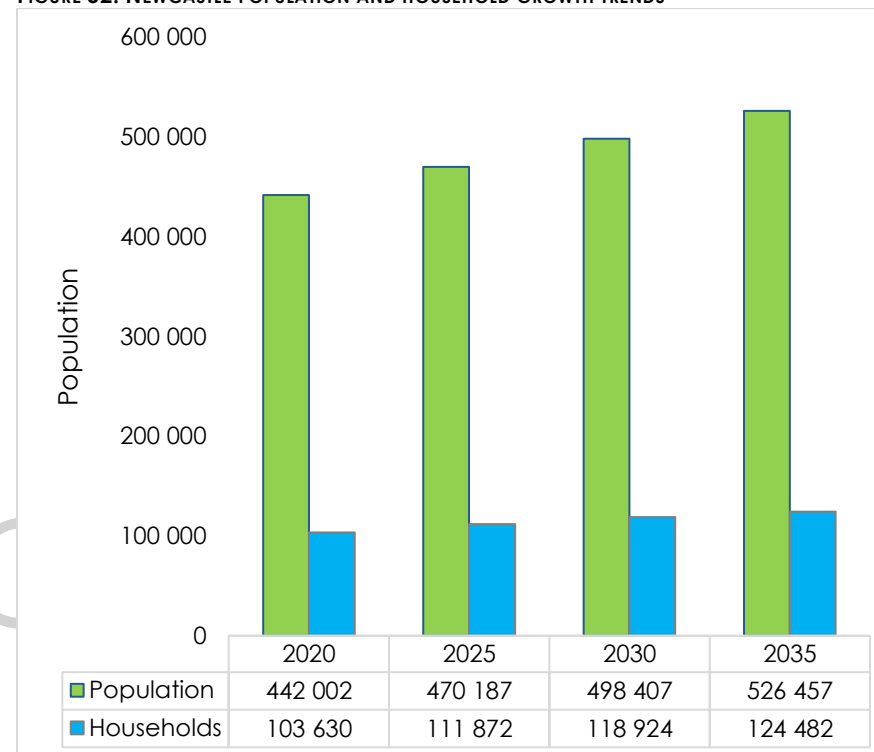


SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

7.5 DEMOGRAPHIC MARKET OVERVIEW

The population and household growth trends for Newcastle is illustrated in the following graph in order to provide an indication of the future expansion of the region.

FIGURE 52: NEWCASTLE POPULATION AND HOUSEHOLD GROWTH TRENDS

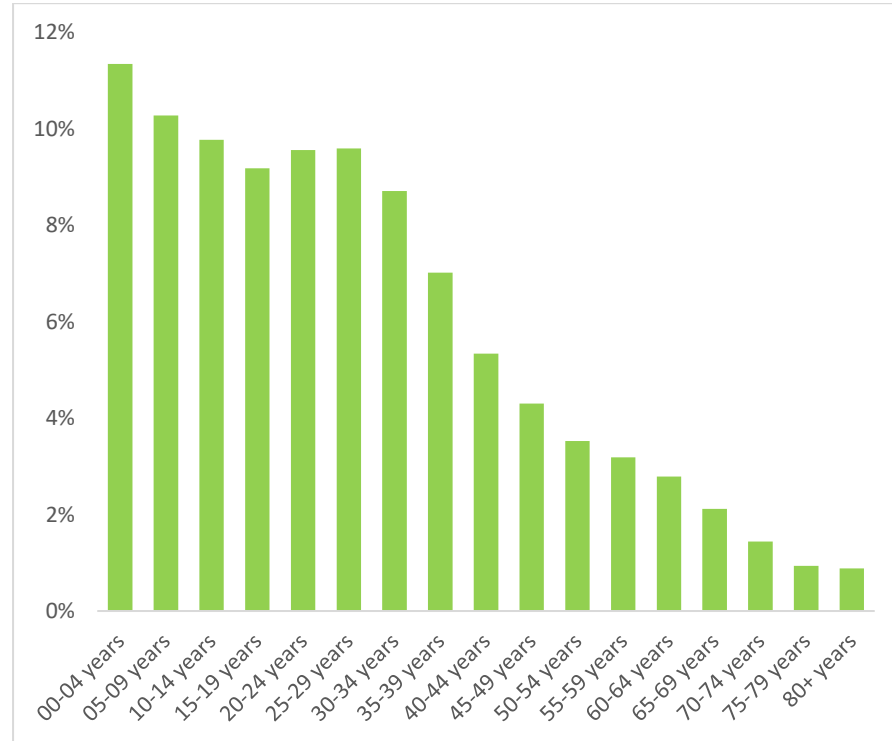


SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

An average annual population growth rate of 1,2% and a household growth rate of 1,5% was experienced in Newcastle between 2009 and 2019. In 2020, the population stood at an estimated 442 002 and the number of households at 103 630.

In terms of age profiles, Newcastle has a relatively young population with 31% of the population falling between the ages of 00 and 14 years old. The population that are 60 years and above equates to 8%.

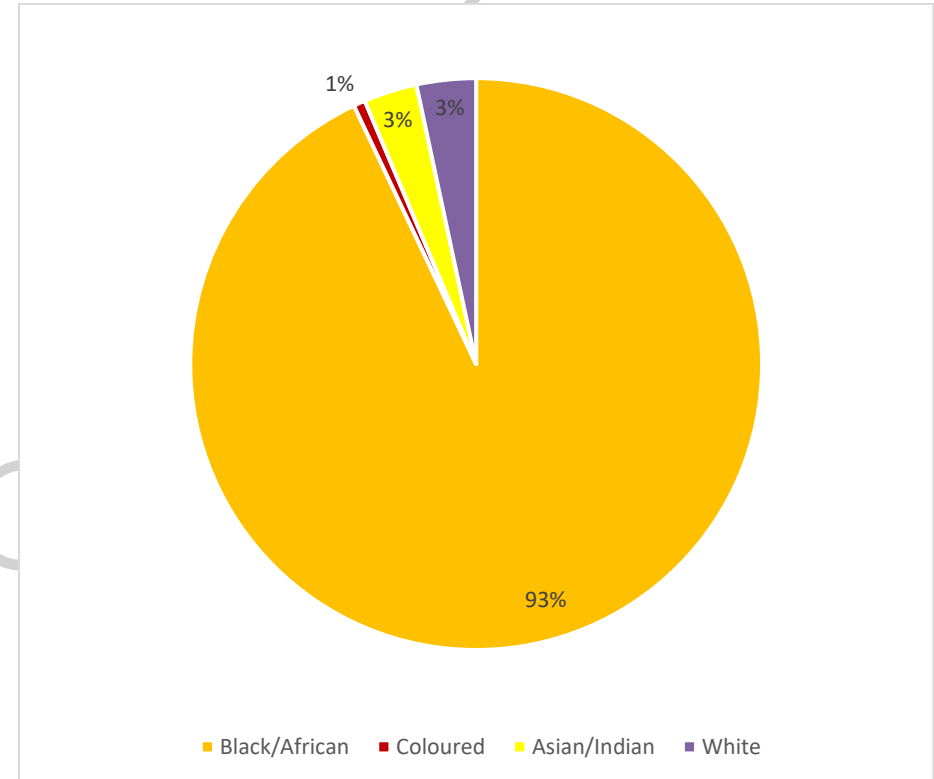
FIGURE 53: AGE PROFILE



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

The racial profile of Alfred Duma indicates that 93% of the population fall into the Black/African category, while 3% are Asian/Indian, 3% White and 1% Coloured as illustrated in the following pie chart.

FIGURE 54: RACIAL PROFILE



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

7.6 RESIDENTIAL MARKET ANALYSIS

7.6.1 NEWCASTLE HOUSING PLAN

Newcastle Housing Plan

The Newcastle LM has a vision for human settlement development concentrated around the following:

- To facilitate delivery of sustainable integrated human settlements and manage efficiently and effectively

construction of housing projects by speeding up projects under construction phase and planning stage.

- Finding innovative ways in dealing with issues of sub-contractors currently posing challenge to projects on the ground. To identify strategies in dealing with projects at initial stages.
- Prioritisation and capacitation of Housing Project Implementation Unit.
- To provide a variety/typologies of housing opportunities to the range of households in the municipal area.

In this regards, Newcastle LM puts more emphasises on a number of priorities including the following:

- National, Catalytic and Spatial Transformative Projects.
- Release and Development of State and Publicly Owned Land for Human Settlements Development and Spatial Transformation.
- Improving Access to Affordable Housing Finance through establishment of Human Settlements Development Bank.
- Upgrading of Informal Settlements.
- Targeted Applications of the Housing Subsidies.
- Employer Assisted Housing Schemes.
- Military Veterans Housing.
- Title Deed Restoration Programme.
- Affordable rental housing opportunities.
- **Social Housing** and Community Residential Units (CRUs).

THE NEWCASTLE INFORMAL SETTLEMENT STRATEGY

The Newcastle Informal Settlement Strategy and Programme has been finalised and its intension is to give effect to the National Upgrading Support Programme which acts as a support vehicle to

the National Department of Human Settlements in its implementation of the Upgrading of Informal Settlements Programme (UISP). The overall strategy and programme are informed by the Assessment and Categorisation of each of the informal settlements, which is the specific purpose of this report. An assessment and categorisation are conducted in order to determine the current status of the informal settlements with the aim of establishing whether or not an informal settlement is suitable for in situ upgrading, or whether a settlement will require a different type of intervention such as relocation. These different outcomes were categorised into four classes namely: Category A (full upgrade); Category B1 (Interim Basic services); Category B2 (Emergency Basic services) and Category C (Relocation).

JBC (JOBSTOWN, BLAUBOSCH AND CAVAN) PRECINCT PLAN 2016

Further, the Municipality has developed the JBC precinct plan with more focus on human settlement development. JBC is currently a node in the east of Newcastle with a shopping complex, community hall and government-related services. It comprises of Jobstown, Blaubosch and Cavan and is located along the P483 main road. The area was initially envisaged as a primary node, playing a competitive role to the CBD. However, its role in the greater space economy has been reconsidered and the current JBC Precinct Plan aims to make the node a secondary node, with the main purpose of integrating Newcastle West and East spatially and functionally¹⁸.

JBC is one of the strategic development initiatives in the Newcastle East and along the P483 Corridor. It forms part of the urban regeneration and sustainable human settlement initiatives that covers the JBC farms. JBC has a large catchment area, with an existing population of 48 286 people and a secondary catchment of 271 294 people from the surrounding settlements. Currently, the area

¹⁸ The National Treasury Final Precinct Plan Evaluation: Newcastle JBC Hub, 2016

experiences various spatial, social and economic challenges. These include sprawling low densities, limited vacant land, poor access to bulk services, limited private sector investment, poor public safety, unemployment, environmental degradation and limited access to active open spaces. In order to counter these issues, the precinct plan delineates land for a mixture of activities that will resolve spatial issues, improve urban life and encourage economic activity.

The proposed land uses for the urban core of the JBC node are shown in the figure below. Total extent of the proposed development is 60 hectares, which is comparable to the 69 hectares of the Newcastle CBD development site. The land use delineations give an indication both of the needs in the JBC area as well as the market demand of the urban areas of Newcastle. Mixed use retail and residential are the dominant land uses proposed, which is likely due to the population and catchment area of JBC.

TABLE 65: LAND USE DELINEATIONS OF PROPOSED JBC CORE

No	Project Name	Type	Ward	No of Units
1	Osizweni Section E Phase 3 Housing Project	ISU	Ward 9/32	507
2	Kathide Housing Project	Rural	Ward 6 and Ward 12	2 000
3	Siyahlala-la Housing Project	ISU	Ward 25	1 205
4	Madadeni H 39 Housing Project	ISU	Ward 19	923
5	Charlestown Housing Project	IRDP	Ward 1	1 200
6	Emawozeni Housing Project (Greenfield)	IRDP	Ward 30	100
7	Madadeni Storm Damage Houses (Repair of Roofs)	Rectification Project (RP)	Ward 23	500

8	Madadeni Sinking Houses	Rectification Project (RP)	Ward 20	33
9	Osizweni Replacement of Asbestos Roofs	Rectification Project (RP)	Ward 13,	
Total				5 935

SOURCE: THE NATIONAL TREASURY FINAL PRECINCT PLAN EVALUATION: NEWCASTLE JBC HUB, 2016

The proposed Newcastle CBD development mixed-use development will need to consider its potential to capture the population from the east of Newcastle, where the majority resides. In order to do this successfully, the proposed Newcastle CBD development will need to identify market gaps and fill these. While the distance between the two proposed sites are quite significant, new infrastructural developments will create better linkages in the near future. Additionally, economic developments cannot occur in isolation and Newcastle CBD development will need to consider proposed developments to minimise negative externalities on the greater economy.

7.7 HOUSING SECTOR ANALYSIS

7.7.1 NEWCASTLE HOUSING TRENDS

HOUSING PROJECTS UNDER CONSTRUCTION PHASE

The following table provides a breakdown of housing projects to be implemented by the Municipality in the next 5 years. The projects are at various stages in terms of, construction and planning.

TABLE 66: HOUSING PROJECTS UNDER CONSTRUCTION

Land use	Core (ha)	Precinct	Core precinct (%)
Open space	2.38		3.99
Residential single dwelling	1.30		2.18
Residential duplexes	0.00		0.00

Land use	Core (ha)	Precinct	Core precinct (%)
Mixed-use retail	17.88		29.99
Mixed-use residential	26.82		44.99
Public facilities	2.53		4.24
Multi modal facilities	0.68		1.14
Roads	8.03		13.47
Total	59.62		100

SOURCE: NEWCASTLE MUNICIPALITY IDP 2018-2022

PROJECTS UNDER PLANNING PHASE

Future housing projects should go beyond the delivery of housing units and focus on the creation of sustainable communities and settlements. This includes improving access to basic services, social/public facilities and creating opportunities for economic development. An application has been submitted to the Social Housing Regulatory Agency for construction of 555 Social Housing Units, Central along N11. It is hoped that these housing developments will play a significant role in assisting the municipality to alleviate housing shortages.

TABLE 67: PROJECTS UNDER PLANNING PHASE

PROJECT NAME	TYPE OF PROJECT	WARD	NUMBER OF UNITS
JBC Phase 1 Housing Project	ISU	15/16/18	2011
JBC Phase 2 and 3 Housing Project	ISU	15/16/18/12	7500
Soul City / Stafford Hill Housing Project	ISU	31	3500
Vezokuhle / Roypoint Housing Project	IRDP	21	900
Drycut Housing Project	ISU	16	1000
Kwamathukuza Phase 2	IRDP	20	200
Khathide Phase Extension (220)	Rural	6/12	220
TOTAL			15331

SOURCE: NEWCASTLE MUNICIPALITY IDP 2018-2022

PROPOSED PIPELINE PROJECTS

The following table presents all projects in pipeline from the Newcastle Municipality.

TABLE 68: PROPOSED PIPELINE PROJECTS

NO.	PROJECT NAME	WARD	TYPE OF PROJECT	NUMBER OF UNITS
1	Ingogo Housing Project	1	IRDP	1000
2	Normandien	25	Agri-village	300
3	Bosworth Farm	21	IRDP	1500
4	Wykom	1	IUP	100
5	Amajuba Forest	1	IUP	800
6	Kilbachan Settlement	21	IRDP	200
7	Soulcity Madadeni Section 3	20	Slum Clearance	100
8	Khathide Rural Housing Project Phase 3 (Sigodiphola Settlements)	7	Rural	1000
9	Umshenguville	9 / 7	IUP	500
10	Bosch Hoek GAP/ FLIPS, Service Sites, GNB & Military Veterans	21	FLIPS & Military Veterans	2400
11	Sunnyridge (Erf No. 9449) FLIPS	2	FLISP	To be confirmed
12	Pioneer Park (Erf No. 12155) FLIPS	4	FLISP	To be confirmed
13	Fernwood (Erf No. 14144) FLIPS	3	FLISP	To be confirmed
	Total Units			6900

SOURCE: NEWCASTLE MUNICIPALITY IDP 2018-2022

PROPOSED RECTIFICATION HOUSING PROJECTS

The following table presents all rectification projects from the Newcastle Municipality.

TABLE 69: PROPOSED RECTIFICATION HOUSING PROJECTS

NO.	Project Name	Ward	Project Type	No of Units	Project Stage
1.	Surryville and Fairleigh Municipal Flats Refurbishment	3 / 25	Rectification	120	Application for funding submitted to KZN Human Settlements
2.	Madadeni Storm Damage Houses – Repair of Roofs	20/ 22 / 23 / 24 /26/ 28	Rectification	1350	Application for funding submitted to KZN Human Settlements, and the first 500 has been approved (1850-500=1350).
3.	Madadeni Sinking Houses	20	Pre 1994 Housing Stock	327	Application for funding submitted to KZN Human Settlements, 33 housing unit is allocated for the next financial year (350-33=327).
4.	Osizweni Replacement of Asbestos Houses	11/ 13 / 17 / 30	Pre 1994 Housing Stock	1600	Application for funding submitted to KZN Human Settlements
5.	Madadeni and Osizweni Intercon Houses	Various Wards in Madadeni and Osizweni	Post 1994 Housing Stock	4000	Still under sub-judicare
6.	Madadeni Section K Rectification Project	20 /26	Post 1994 Housing Stock	1141	Application for funding has been submitted to KZN Human Settlements
7.	Khathide Phase 1	9/7/33/30	Post 1994 Housing Stock	2000	Application for funding has been submitted to KZN Human Settlements
Total Units				11.61	

RENTAL HOUSING STOCK

The Department of Human Settlements is at the same time embarking on the establishment of CRUs which cater for families earning an income of R3 500 and less. The project seeks to achieve the following objectives:

- Spatial restructuring by bringing lower income people into areas of economic opportunity.
- Social restructuring by promoting mixing of races and class; and
- Economic restructuring by promoting spatial access to economic opportunities and job creation through the building of medium density housing.

TABLE 70: PROPOSED SOCIAL AND RENTAL PROJECTS

No .	Project Name	Ward	Type of Project	Number Of Units	Project Stage	Implementing Agent
1	Newcastle - Hospital Street	Ward 25	Social Housing / CRU	1 056	Planning Stage	Project Manager - Moteko Contractor to be appointed
2.	Newcastle - Arbor Park	Ward 34	Social housing	555	Planning Stage	Project Manager - Moteko Contractor to be appointed
Total Units				1611		

SOURCE: NEWCASTLE MUNICIPALITY IDP 2018-2022

INFORMAL SETTLEMENTS

The eradication of informal settlements is a priority for the national and provincial government. A strategy has been devised at a national level and is implemented with the support of the provincial Department of Human Settlement. Newcastle Municipality has been included among the 17 prioritised municipalities for the implementation of an Upgrading of Informal Settlements Programme (UISP). The following areas have been classified as informal settlements within the municipality:

TABLE 71: INFORMAL SETTLEMENTS WITHIN THE MUNICIPALITY

	INFORMAL SETTLEMENT	WARDS	HOUSEHOLD NO	CATEGORY
1	Amajuba Forest	1	83	C
2	Wykom	1	35	C
3	Soul City	31	1 080	A
4	JBC	16	6 360	A
5	Ingogo	1	85	A
6	Drycut	15	450	A
7	Bosworth	21	350	B2
8	Roy Point / Vezukuhle	21	270	B2
9	Normandien (Agrivillage programme)	21 and 1	30	B2
	TOTAL		8743	

SOURCE: NEWCASTLE MUNICIPALITY IDP 2018-2022

AFFORDABLE HOUSING

Gap Housing is the affordable housing sector comprises of those households that earn between R3 500 and R15 000, which is too little to enable them to participate in the private property market, yet too much to qualify for state assistance.

Newcastle Municipality has approved and allocated vacant pieces of land for the purpose of developing FLISP, namely erf 14144; erf 9449 and 12155. This programme will also assist in accommodating residents in our current housing projects whose status has changed;

and who no longer qualify for BNG Housing Scheme anymore. The FLISP Programme is also expected to address the GAP Housing as well as middle income earners.

URBAN RENEWAL

Madadeni and Osizweni are the two main townships located within Newcastle Municipality area of jurisdiction. The area, generally referred to as the MBO (Madadeni, Blaauwbosch and Osizweni areas) is the main focus of urban renewal initiatives by the municipality. To this extent, a regeneration framework has been developed as a means to provide guidance, coordination and alignment of sectoral activities to facilitate development of MBO complex.

Key performance areas with their identified strategies identified for the MBO complex include:

- **Quality Living Environment:** this key performance area deals with strategies to improve the quality of the environment. It includes, amongst others, strategies for conservation, environmental health, rehabilitation and reclaim of degraded areas, air quality, water resource management, waste management.
- **Access to Public Services and Amenities** includes strategies for road maintenance, ensuring adequate and reliable bulk resources for all services over next 20-year period site and service strategies, etc.
- **Functional Local Economy:** this KPA identifies strategies for recycling programmes, encouragement of home enterprises, mixed activity Economic Opportunity Zones, multi modal transport interchanges at major nodes, secondary residential property market, land tenure upgrading as part of all housing projects, etc.
- **Linkages and Integration:** Strategies of importance are inter-neighbourhood linkages, extension of new road linkages

towards improved integration, Investment Promotion Office dealing with specifically the former township areas (now economic opportunity zones).

UPGRADING AND FORMALISATION OF THE JBC AREA

The JBC Framework identifies six development units or precincts and recommends that these form the basis of a housing development program in the area. Layout plans and development applications have already been packaged for some of these precincts. It further suggests the following initiatives for the area:

- Effective environmental management.
- Provision of bulk engineering services, particularly waterborne sewerage.
- Upgrading of main transport networks and the associated public transport networks. This includes walkways and pavements.
- Promoting local economic development through the development of a new town centre in the area.
- Introducing an effective land use management system.

It further acknowledges the importance of P483 as the primary development corridor running through the area, and a number of mixed-use strips (activity streets). It also suggests at least three development nodes with the major node being the proposed JBC Town Centre.

JBC MEGA CATALYTIC HOUSING PROJECT

JBC has received a National approval as one of the 8 Catalytic/Mega project in KwaZulu-Natal. The JBC with a total 14 011 housing opportunities was approved. The intention of Government with the concept of Mega projects is to unlock the investment opportunities for big projects that will yield between 10 000 and 20 000 different typologies of housing units.

7.7.2 SOCIAL HOUSING CHALLENGES

While government housing grants and subsidies serve as an opportunity for the development

of sustainable human settlements and meeting the housing needs of local communities, several factors have potential to impede realisation of this ideal. Firstly, some of the land the

that could potentially be accessed for housing is still subject to the Subdivision of Agricultural.

Land Act, Act No. 70 of 1970. These properties may not be used for settlement purposes unless the Department of Agriculture has released them from agricultural use. In this regard, the key challenges facing the housing sector in Newcastle include the following:

- Limited land for housing projects (limited land availability and release).
- Land legal challenges affecting the transfer of land and housing.
- Illegal occupation of land already identified for housing projects.
- Limited availability of bulk infrastructure (water, electricity, refuse removal, sanitation, etc.).
- Housing development structure and staffing in the Municipality have to be improved. This will contribute to more effective housing delivery.
- Limited coordination among spheres of government.

The challenge that the LM faces is the absence of the research specifically addressing social housing. Newcastle also faces land challenges as outlined in the table below.

TABLE 72: LAND STATUS AND CHALLENGES IN NEWCASTLE

Restructuring Zone	Land Status and Challenges
FERNWOOD	<ul style="list-style-type: none"> There are currently no projects under construction within the RZ. The social housing project pipeline within the RZ consists of the following: <ul style="list-style-type: none"> Erf 14144 (Government owned, requires transfer) There is an adequate supply and capacity of bulk services infrastructure within the RZ. The LM found the existing zone boundaries very confining and restrictive to promoting social housing implementation thus, it is proposed that the boundaries be extended. The LM has identified the following suitable properties outside the RZ boundaries: <ul style="list-style-type: none"> ERF 1467 (Government owned, requires transfer) ErRF1466 (Privately owned, owner willing to sell)
NEWCASTLE CENTRAL	<ul style="list-style-type: none"> There are currently no projects under construction within the RZ. The social housing project pipeline within the RZ consists of the following: <ul style="list-style-type: none"> Hospital Street 1056 units (planned to go into construction in December 2020) Hardwick Street 83 units (project requires pre planning assessments)
ARBOR PARK	<ul style="list-style-type: none"> There are currently no projects under construction within the RZ. There are no projects within the RZ that form part of the social housing project pipeline. The LM provides that upon the rental housing policy proclamation stating that new CRU projects that are located within newly gazetted restructuring zones are to be implemented as social housing the Municipality submitted that the N11 housing project be implemented as social housing. However, the Department of

Restructuring Zone	Land Status and Challenges
	<p>Human Settlements provided that the project be implemented as CRU since planning processes had progressed significantly. The project is currently under construction.</p> <ul style="list-style-type: none"> The Municipality has identified the following properties within the RZ to be suitable for social housing: <ul style="list-style-type: none"> Erf 3468 There is an adequate supply and capacity of bulk services infrastructure within the Arbor Park RZ The Municipality has identified the following properties within the RZ, the following properties require Council approval to request transfer for purposes of social housing: <ul style="list-style-type: none"> Erf 13747 has a prime location at the entrance to Newcastle CBD off the N11. (Government owned, requires transfer) and a Portion of the Rem of erf 1

SOURCE: ADAPTED FROM THE PERFORMANCE OF GAZETTED RZS WITHIN THE KZN PROVINCE, 2020

7.8 KEY FINDINGS FROM HOUSEHOLD SURVEY

7.8.1 KEY FINDINGS FROM HOUSEHOLD SURVEYS

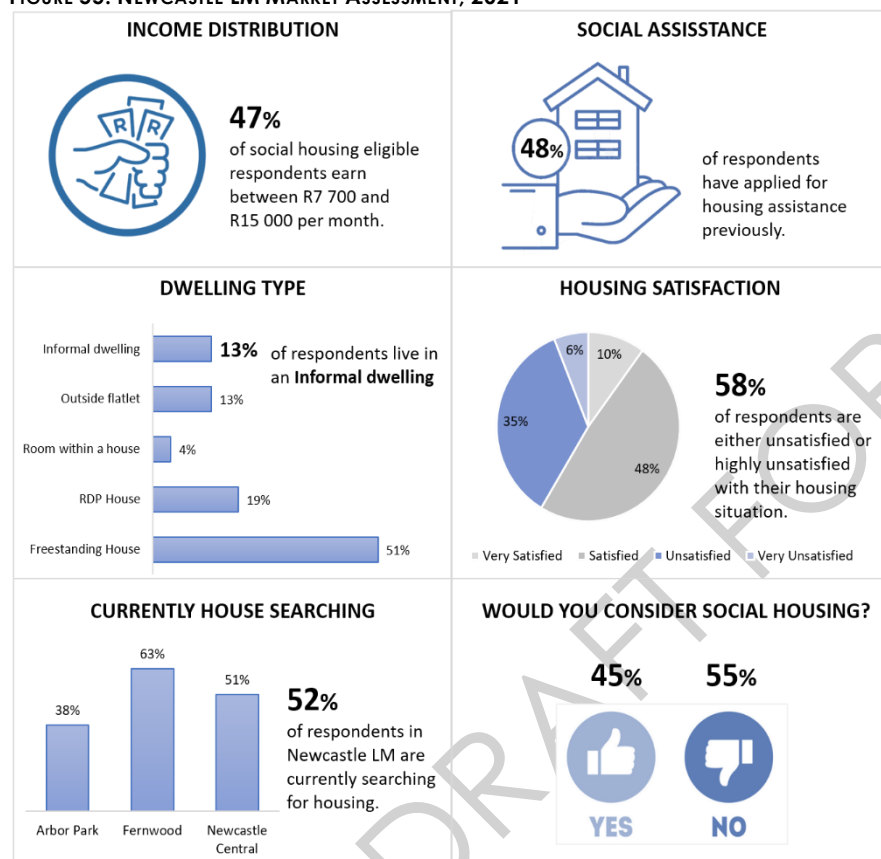
This section assesses the results of the market survey to inform current household profiles and housing preferences.

The questionnaire targeted employed individuals between the ages of 25 and 65 who could be eligible for social housing. The specific purpose of the survey process was to address information gaps relating to the following themes:

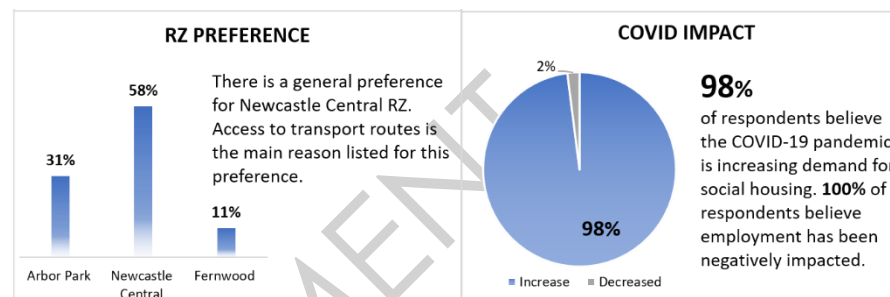
- Preference for social housing and specifically preference for social housing between the Arbor Park, Newcastle Central and Fernwood RZ's.
- Influencing factors regarding the willingness of people within Newcastle LM to relocate to a potential social housing development.

The results of the market trends assessment are presented below.

FIGURE 55: NEWCASTLE LM MARKET ASSESSMENT, 2021



SOURCE: URBAN-ECON (2021)



The key survey findings point to a need for social housing within Newcastle LM. The market trend assessment reveals that there is a substantial percentage of households (47%) that earn between R7 700 and R15 000 per month, the upper income bands of the social housing market segment.

In line with the housing shortage reported in the planning documents, the market assessment a significant percentage of respondents (48%) have applied for housing assistance previously with 13% of respondents currently living in an informal dwelling. In addition, a combined 58% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation and 52% of respondents reported that they are currently seeking housing. These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation and poverty levels of many households in the municipality.

Whilst there may be a need for social housing provision in the municipality, this does not always translate to demand for such a project. This, however, does not seem to be the case in Newcastle LM as 45% of respondents reported that they would move into a social housing development. Specifically, there seems to be a greater preference for social housing in Newcastle Central compared to Arbor Park and Fernwood with 58% of respondents choosing Newcastle Central as their preferred RZ. The main reasons reported for this preference include:

- “It is close to transport routes”.
- “I need housing so any location would be good”.
- “It is close to employment opportunities”.

Those that reported a preference for Newcastle Central cited proximity to transport routes as their main reasons.

Lastly, it is important to note that 100% of respondents believe that the COVID-19 pandemic is having a negative effect on employment opportunities within the Newcastle LM. Overall, the survey results reveal that there is a current need and market appetite for social housing provision in Newcastle LM.

7.9 MARKET SUPPLY ASSESSMENT

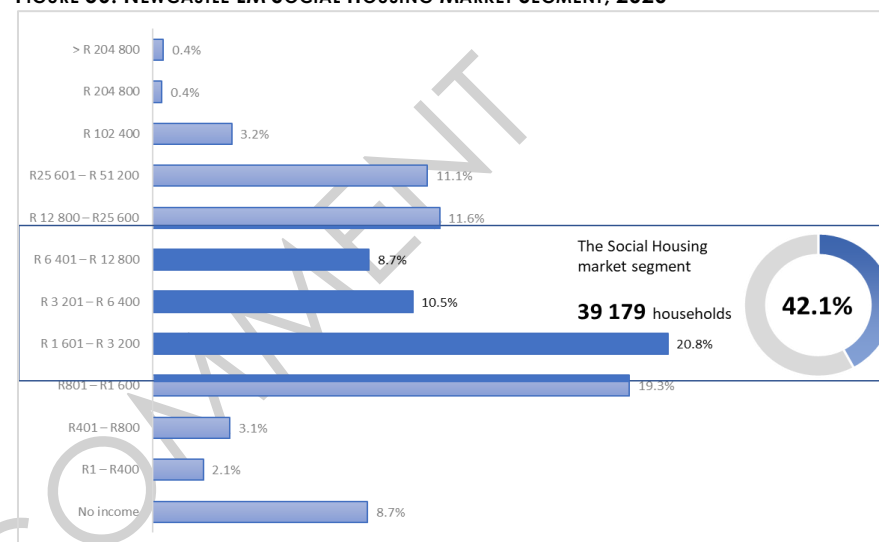
As there are currently no social housing developments within Newcastle LM, there is no current supply considered in this analysis.

7.10 MARKET DEMAND ASSESSMENT

7.10.1 MARKET AFFORDABILITY

Income levels are a key determinant of demand for social housing. The income bands highlighted reflect the target market for social housing within Newcastle LM, those earning between R1 500 and R15 000 per month. The total target market for social housing is 39 179 households as of 2020, accounting for 42.1% of households within the local municipality.

FIGURE 56: NEWCASTLE LM SOCIAL HOUSING MARKET SEGMENT, 2020



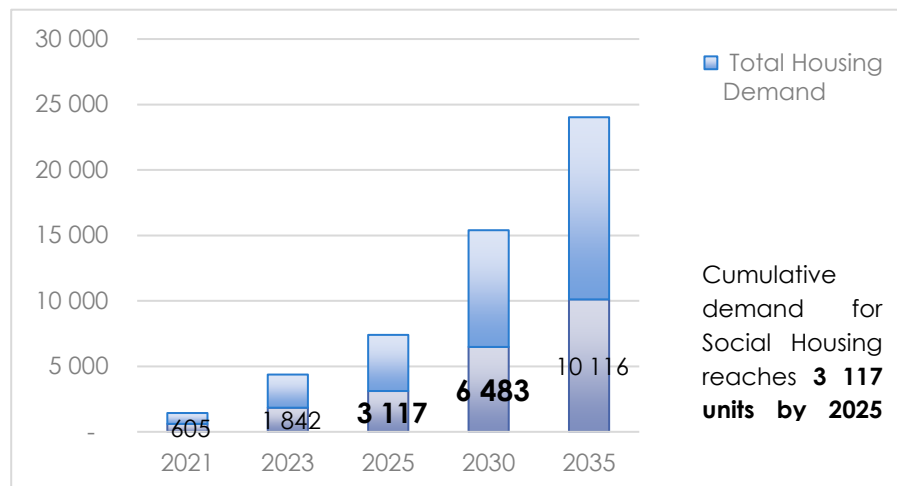
SOURCE: URBAN-ECON (2021)

7.10.2 MARKET DEMAND AND AFFORDABILITY ANALYSIS

Applying the affordability analysis to the cumulative demand projections reveals the total demand for social housing from the target market in Newcastle LM.

The following table reflects the total number of housing units demanded within Newcastle LM as well as the total number of social housing units demanded by the target market.

FIGURE 57: CUMULATIVE DEMAND FOR HOUSING IN NEWCASTLE LM, 2021 - 2035



SOURCE: URBAN-ECON (2021)

Given historical household growth and migration rates, the cumulative demand for social housing is 3 117 units by 2025 with longer term demand expected to increase to 6 483 units by 2030.

7.10.3 BACKLOG OF SOCIAL HOUSING

According to the Housing Sector Plan the estimated housing backlog, based on the income profile of the population residing within the Newcastle LM, is sitting at approximately 74 981 households. These are basically the households that are eligible for a housing subsidy based on the 2011 Census Data. The housing sector plan further estimates housing backlog at between 19 000 and 30 000 units and a Housing Waiting list of 35 000 people. However, the waiting list has not been updated to cater for the changing circumstances of those who are in the waiting list.

As such, and in line with the widely adopted IDP methodology of backlog calculations, the social housing backlog for this demand analysis is calculated as the sum of all eligible households (earning

between R1 500 and R15 000 per month) living in substandard dwelling units.

For the purposes of this analysis, substandard dwelling units are classified in the data as:

- Traditional dwelling/hut/structure made of traditional materials.
- Informal dwelling/shack, in backyard.
- Informal dwelling/shack, not in backyard, e.g., in an informal/squatter settlement; and
- Other/unspecified.

Using this methodology, the social housing backlog in Newcastle LM as of 2020, is **3 423** units.

7.10.4 EFFECTIVE DEMAND FOR SOCIAL HOUSING

Effective demand applies the market perception of social housing, particularly within the two identified RZ's, to the market affordability analysis to reflect the real demand to be expected from the market.

The following table takes into account the findings from the above-mentioned market trends assessment to calculate the Effective Demand:

- 45% of households in Newcastle LM would consider moving into a social housing development.
- 58% of households would prefer to move into the Newcastle Central RZ compared to 31% that would prefer to move to Arbor Park RZ and 11% into Fernwood RZ.

TABLE 73: EFFECTIVE DEMAND FOR SOCIAL HOUSING PER RZ IN NEWCASTLE LM, 2021 - 2035

	2021	2022	2023	2024	2025	2030	2035
	1	2	3	4	5	6	7
Cumulative Social Housing Demand	605	1,218	1,842	2,475	3,117	6,483	10,116
Housing Backlog*	3,423	3,423	3,423	3,423	3,423	3,423	3,423

	2021	2022	2023	2024	2025	2030	2035
Total Social Housing Demand	4,027	4,641	5,264	5,897	6,540	9,905	13,538
Effective Social Housing Market Demand	1,812	2,088	2,369	2,654	2,943	4,457	6,092
Effective Demand per RZ							
Arbor Park RZ	562	647	734	823	912	1,382	1,889
Newcastle Central RZ	1,051	1,211	1,374	1,539	1,707	2,585	3,533
Fernwood RZ	199	230	261	292	324	490	670

*Note: The calculation of the housing backlog figures is based on the application of acceptable planning parameters that are utilised in official municipal documents.

SOURCE: URBAN-ECON (2021)

The market demand assessment reflects sufficient demand to consider the provision of social housing in Newcastle LM. Within the next five years the market will demand 2 943 social housing units which will grow to 4 457 units by 2030.

Given market preferences, Newcastle Central RZ seems to be a more favourable location for social housing with 1 707 units demanded by 2025 and 2 585 units demanded by 2030. The social housing demand although positive in Arbor Park and Fernwood, does not exceed 1 000 units by 2025. Arbor Park, however, does reach over 1 000 social housing units demanded by 2030. This model suggests that the Arbor Park and Fernwood social housing developments be postponed and/or are proportionately smaller than the Newcastle Central development.

7.10.5 DEMAND PER INCOME CATEGORY: RENT QUOTE

An estimated rent quote per RZ was calculated given household affordability and SHRA's rental structure to establish the rental values the households could be expected to pay for social housing in Newcastle LM.

The rental structure as stipulated by SHRA is displayed in the table below.

TABLE 74: SHRA RENTAL STRUCTURE FOR SOCIAL HOUSING, 2020

Income Category Annual	Income Category Monthly	Rental as % of Income (SHRA)	Estimated Rental Range
R18 000 – R42 000	R1 500 - R3 500	25	R 375 - R 875
R42 001 – R66 000	R3 501 - R5 500	27	R 876 - R 1 485
R66 001 – R92 400	R5 501 - R7 700	32	R 1 486 - R 2 464
R92 401 – R135 600	R7 701 - R11 300	35	R 2 465 - R 3 955
R135 601 – R180 000	R11 301 - R15 000	37	R 4 181 - R 5 550

SOURCE: URBAN-ECON (2021)

The following tables reflect the rent quote per RZ; effective social housing demand for each RZ per rental category.

TABLE 75: RENT QUOTE FOR ARBOUR PARK RZ IN NEWCASTLE LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	20.8 %	278	363	452	684	935
R 876 - R 1 485	7.6%	101	132	164	248	339
R 1 486 - R 2 464	4.7%	63	83	103	155	212
R 2 465 - R 3 955	4.9%	66	86	107	161	221
R 4 181 - R 5 550	4.0%	54	71	88	133	181

Rental Range	%	2021	2023	2025	2030	2035
Effective Social Housing Demand	42.1 %	562	734	912	1,382	1,889

SOURCE: URBAN-ECON (2021)

TABLE 76: RENT QUOTE FOR NEWCASTLE CENTRAL RZ IN NEWCASTLE LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	20.8 %	520	680	845	1,280	1,749
R 876 - R 1 485	7.6%	189	247	307	464	635
R 1 486 - R 2 464	4.7%	118	155	192	291	397
R 2 465 - R 3 955	4.9%	123	161	199	302	413
R 4 181 - R 5 550	4.0%	101	132	164	248	340
Effective Social Housing Demand	42.1 %	1,051	1,374	1,707	2,585	3,533

SOURCE: URBAN-ECON (2021)

TABLE 77: RENT QUOTE FOR FERNWOOD RZ IN NEWCASTLE LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	20.8 %	99	129	160	243	332
R 876 - R 1 485	7.6%	36	47	58	88	120
R 1 486 - R 2 464	4.7%	22	29	36	55	75
R 2 465 - R 3 955	4.9%	23	30	38	57	78
R 4 181 - R 5 550	4.0%	19	25	31	47	64
Effective Social Housing Demand	42.1 %	199	261	324	490	670

SOURCE: URBAN-ECON (2021)

7.10.6 FEASIBLE SOCIAL HOUSING PLANNING

Taking into account market demand and SHRA's standard social housing unit mix based on income, this section outlines the feasible upper limits of potential social housing provision within Newcastle LM.

The SHRA model requires higher rentals from the upper income earners to subsidise lower rentals from the lower income earners in order to achieve financial feasibility. As such, there needs to be a greater proportion of upper income households in a social housing development. SHRA's standard social housing unit mix suggests that a minimum of 30% of the units need to be rented to the highest income bracket households – those earning between R11 300 and R15 000 monthly. This sets the limits for the size of potential social housing developments in the RZ's.

The following table reflects the proposed social housing developments per RZ.

TABLE 78: POTENTIAL SOCIAL HOUSING DEVELOPMENTS IN NEWCASTLE LM RZ's

		Feasible Social Housing Units					
		Arbour Park		Newcastle Central		Fernwood	
Rental Range	%	2025	2030	2025	2030	2025	2030
R 375 - R 875	10%	29	44	55	83	10	16
R 876 - R 1 485	20%	58	89	109	166	21	31
R 1 486 - R 2 464	20%	58	89	109	166	21	31
R 2 465 - R 3 955	20%	58	89	109	166	21	31
R 4 181 - R 5 550	30%	88	133	164	248	31	47
		292	443	547	828	104	157

SOURCE: URBAN-ECON (2021)

In total Newcastle LM could feasibly accommodate 943 social housing units by 2025 with this figure growing to 1 428 units by 2030. Given the feasible social housing projections, it is suggested that social housing be prioritised for Arbour Park and Newcastle RZ's. These

RZ's reflect growing demand and developments of these potential sizes would ensure feasibility.

7.10.7 LAND REQUIREMENTS FOR DEMAND

This section investigates the land requirements for the provision of potential social housing developments in Newcastle LM.

Social Housing falls within the Medium-Density Mixed Housing (MDMH) density brackets. MDMH is defined as housing that has a minimum of 50 dwelling units per hectare (du/ha) and a maximum of 125 du/ha. Social housing (SH) is defined as medium- to high-density housing with different tenure options but excluding immediate ownership. Given the typical densities of current social housing development, the following density scenario's will be utilised to approximate the land requirements of the potential social housing development per RZ:

- Density Scenario 1: 80 u/ha
- Density Scenario 2: 100 u/ha
- Density Scenario 3: 120 u/ha

TABLE 79: LAND REQUIREMENTS FOR POTENTIAL SOCIAL HOUSING PROVISION IN NEWCASTLE LM, 2025 - 2030

Density Scenario	Arbour Park		Newcastle Central	
	2025	2030	2025	2030
80 u/ha	4	6	7	10
100 u/ha	3	4	5	8
120 u/ha	2	4	5	7

SOURCE: URBAN-ECON (2021)

7.10.8 LAND PIPELINE AND LAND OPPORTUNITIES

There are three gazetted RZs within the municipality namely, Newcastle Central, Arbor Park and Fernwood. Initially the LM submitted six RZs for gazetting, however, only the aforementioned three were gazetted. This has resulted in a limited social housing project pipeline within the municipality and loss of opportunity to

enhance the social housing programme within other major areas where rental housing opportunities are needed. In 2018, a project pipeline that was approved by Council and submitted to the provincial Department to be included into the Social Housing Roll-Out Plan, this is outlined below.

TABLE 80: SOCIAL HOUSING LAND PIPELINE NEWCASTLE

Restructuring Zone	Number of Social Housing Units
1. Nelson Mandela Road	370 units
2. Hardwick Street	83 units
3. ERF 14144	168 units

SOURCE: KZN SOCIAL HOUSING ROLL OUT PLAN, 2020

There is no social housing in Newcastle presently, however there is 1 059 units under construction. There are also two projects in the pipeline. Proximity to employment opportunities and the integration of communities were the fundamental rational for choosing the three RZs. Plans are underway regarding application for additional RZs.

7.11 CONCLUSION

In Newcastle there are three identified RZs namely, Arbor Park, Fernwood and Newcastle Central. Arbor Park and Newcastle Central are located in the hub of Newcastle. All RZ are well connected by transport routes.

The majority of the households in Newcastle also falls within the lower income segment with 19,3% of the households earning between R9,601 – R19,200 per annum followed by 18,6% earning between R19,201 – R38,400 per annum. It is estimated that the average household income in this region is R7,832 per month or R93,986 per annum based on historical data trends.

The largest portion of the population (21%), in Newcastle falls into those that have achieved a grade 12 certificate only. In terms of employment profiles, 77 624 people are employed, and 47 624

people are unemployed in Newcastle. This shows a high unemployment rate of 38%.

In Newcastle 84% of dwellings are house or brick structures on a separate stand or yard. This is followed by 3% that are traditional dwellings, 3% House/flat/room, in backyard and 3% informal dwelling in an informal settlement.

The housing tenure status of Newcastle shows that 41% of households are occupying owned and fully paid off dwellings followed by 22% of households that are renting.

In terms of access to services, 87% of households in the region has access to electricity, only 49% of households in Newcastle has access to piped water inside their dwellings, 71% of households has their waste removed by the local authority at least once a week while 62% of households has access to flush or chemical toilets.

An average annual population growth rate of 1,2% and a household growth rate of 1,5% was experienced in Newcastle between 2009 and 2019. In 2020, the population stood at an estimated 442 002 and the number of households at 103 630.

In terms of age profiles, Newcastle has a relatively young population with 31% of the population falling between the ages of 00 and 14 years old. The racial profile of Alfred Duma indicates that 93% of the population fall into the Black/African category.

There is no social housing in Newcastle presently, however there is 1 059 under construction. There are also two in the projects in pipeline.

Both the market assessment as well as demand assessment suggest that there is a need and demand for social housing within the municipality.

The market assessment reflects significant percentage of respondents (48%) have applied for housing assistance previously with 13% of respondents currently living in an informal dwelling. In

addition, a combined 58% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation and 52% of respondents reported that they are currently seeking housing.

Additionally, 58% of respondents reported that they would move into a social housing development with a greater preference for social housing in the Newcastle Central RZ. These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation in the municipality.

The Newcastle LM could feasibly accommodate 2 943 social housing units which will grow to 4 457 units by 2030.

The social housing demand although positive in Arbor Park and Fernwood, does not exceed 1 000 units by 2025. Arbor Park however does reach over 1 000 social housing units demanded by 2030. This model suggests that the Arbor Park and Fernwood social housing developments be postponed and/or are proportionately smaller than the Newcastle Central RZ social housing development.

8 REGION 5: RAY NKONYENI

8.1 INTRODUCTION

This section provides the local delineation, location analysis, economic profiling, demographic profiling, residential analysis, housing sector analysis, key findings of the household surveys as well as the market and demand assessments for the Ray Nkonyeni region.

8.2 LOCATION DELINEATION

This section reviews the demand for social housing in Ray Nkonyeni LM specifically regarding three potential restructuring zones, Marburg, Protea Park and Uvongo. All three RZ's are centrally located within the municipality with Protea Park and Marburg located in Marburg just inland of Port Shepstone, and Uvongo located further south in Margate. This is illustrated in MAP 9 on the following page.

8.3 LOCATION ANALYSIS

Ray Nkonyeni is a newly established LM which emerged as a result of the merger between the former Hibiscus Coast and Ezinqoleni Local Municipalities. It is a category B municipality and falls within Ugu District Municipality. It is commonly referred to as South Coast given its geographical location in relation to the southern coastal part of KZN. The municipality has its administrative seat in Port Shepstone and Ezingolweni Town. It stretches along the coastal strip from Hibberdene to Port Edward covering 67km and about 60km into the interior primarily via N2 to Eastern Cape. The Indian Ocean borders the Eastern part of the municipality, while on the Southern part runs Umtamvuna River which is the boundary between KZN and the Eastern Cape.

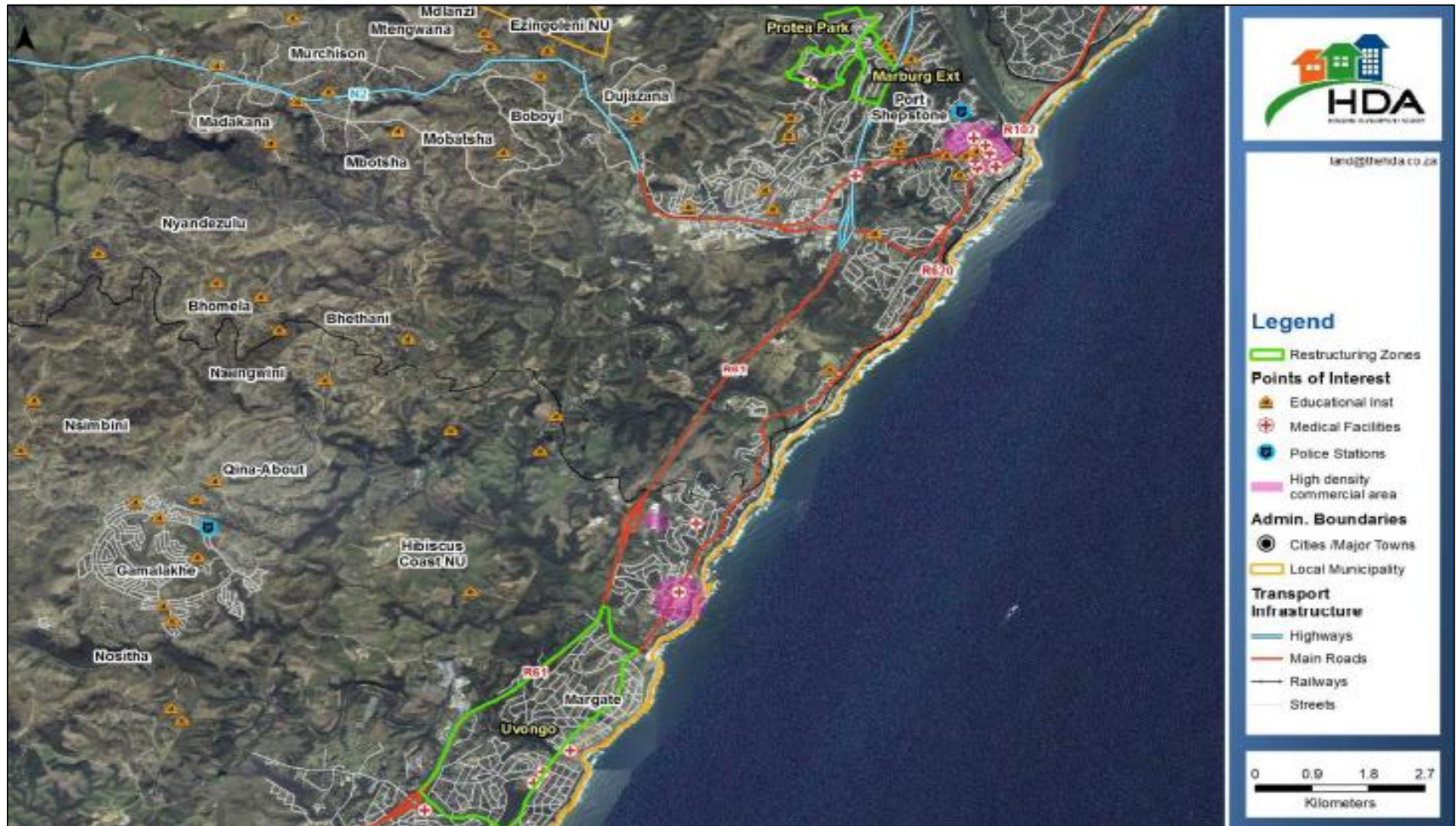
Umzumbe Municipality borders the northern part, uMuziwabantu Municipality is on its north-eastern boundary and Mbizana Municipality is on the southern part. The municipality covers

approximately 1594 km² in geographic area. The spatial location of the Municipality is an advantage as the N2 runs through it ensuring accessibility and linkage with both Ethekweni and the Eastern Cape. The main features of the local economy are tourism, commercial, agriculture and some limited manufacturing. Other economic activities include services, fishing, and craft.

Though limited and more still needs to be done, however, there is some concerted effort to support SMME's and have recently supported establishment of their association. Through its Extended Public Works Programme (EPWP), the municipality provides gap job opportunities to many unskilled especially young people and this is implemented mainly through its infrastructure development and services programme. Ray Nkonyeni Municipality consist of 36 wards and eleven town centres which are: Hibberdene, Port Shepstone, Shelly Beach, Uvongo, Sea Park, Margate, Ramsgate, Munster, South Broom, Port Edward and Ezingolweni.

MAP 9: RAY NKONYENI LM RESTRUCTURING ZONES, 2017

Source: Department of Human Settlements (2017)



The inland of the municipality are mainly rural with farmlands and tribal areas. The farms are under private ownership while the tribal council areas are largely under the ownership of Ingonyama Trust Board. These traditional council areas are KwaXolo, KwaNzimakwe, KwaNdwalane, KwaMadlala, KwaMavundla, Lushaba, Vukuzithathe, Nkumbini and Qiniselani-Manyuswa. These areas are managed by the traditional chiefs (Amakhosi) who are assisted by Izinduna (Headman). Traditional land allocation practices prevalent within these areas create new dynamics in terms of the administration of this land.

8.3.1 NODES

TABLE 81: MUNICIPAL NODES

Types	Node Description
District Development Node	Port Shepstone town has been identified as a District Node as it is the main urban centre within the Ray Nkonyeni and Ugu District Municipality area of jurisdiction. The town is strategically located at the central parts of the District and it plays an important role as a regional centre for the District.
Municipal Development Node	There are six (6) Municipal Development Nodes identified which provide medium order goods and services to surrounding settlements. They include Shelly Beach; Margate; Hibberdene; Port Edward; Marburg; and Ezingolweni.
Community Development Node	While the District and Municipal Development Nodes serves as a regional and sub-regional centre, at least fourteen (14) other areas present an opportunity for the development of the Community Development Nodes with much less threshold/ sphere of influence. These are Umzumbe; Glenmore Beach; Leisure Bay; Oslo Beach; Umtentweni; Ramsgate. Uvongo; Southport; Sea Park; Palm Beach; Munster; Gamalakhe; Southbroom; and Munster.

Types	Node Description
Settlement Development Node	Settlement Development Node serves specific geographical area and social network. Its service area would be limited to the surrounding cluster of settlements within a specific neighbourhood and would include low order public, shopping and small business enterprise facilities. They include KwaNzimakwe; Gcilima; Murchison; Ndimeni (Vukuzithathe); Moguntia; Nkumbini; and Mahlabathini.
Rural Investment Nodes	Rural Investment node is focussed on improving the local economic growth of the rural centre with basic socio-economic elements. KwaMadlala has been identified as the Rural Investment Node
Rural Service Nodes	In addition to the Rural Investment Nodes, the vision for the future spatial development of Ray Nkonyeni makes provision for the development of community centres within a cluster of settlements. These small centres will serve as location points for community facilities serving the local community such as Primary and secondary schools, Clinics including mobile clinics, Pension pay points and Community halls and other community facilities. They include Mtateni (Vukuzithathe); Nqabeni; Thonjeni; Paddock; KwaMavundla (Gamalakhe); KwaNdwalane; and Lushaba.
Recreational Node	Gamalakhe is a recreational node, and it provides multifunctional recreational and network of public open spaces that could provide in all the needs of the local community.
Tourism Node	Oribi Flats are situated to the north of the Oribi Gorge and represents the centre point of an agri-tourism, eco-tourism and adventure areas. Oribi Flats are situated to the north of the Oribi Gorge
Other: Tourism Intensity Nodes	There are five nodes which have a tourism character over and above the role and function that has been listed above. Although, the coastal strip is generally a

Types	Node Description
	tourism hive for the municipality, but the main concentration of tourism activities is centred around these nodes. They include Port Shepstone; Margate; Ramsgate; Port Edward; and Shelly Beach.

8.3.2 TRANSPORT NETWORK - CORRIDOR

An extensive road network exists in Ray Nkonyeni, providing a large number of households with access to road transport. While the national and provincial roads are in a generally good condition, the quality of district and local roads is poor. This is mainly because these roads are gravel, they require regular maintenance and upgrading. During the rainy season, these roads are particularly bad and hamper access to settlements.

8.3.3 REGIONAL ROAD NETWORK

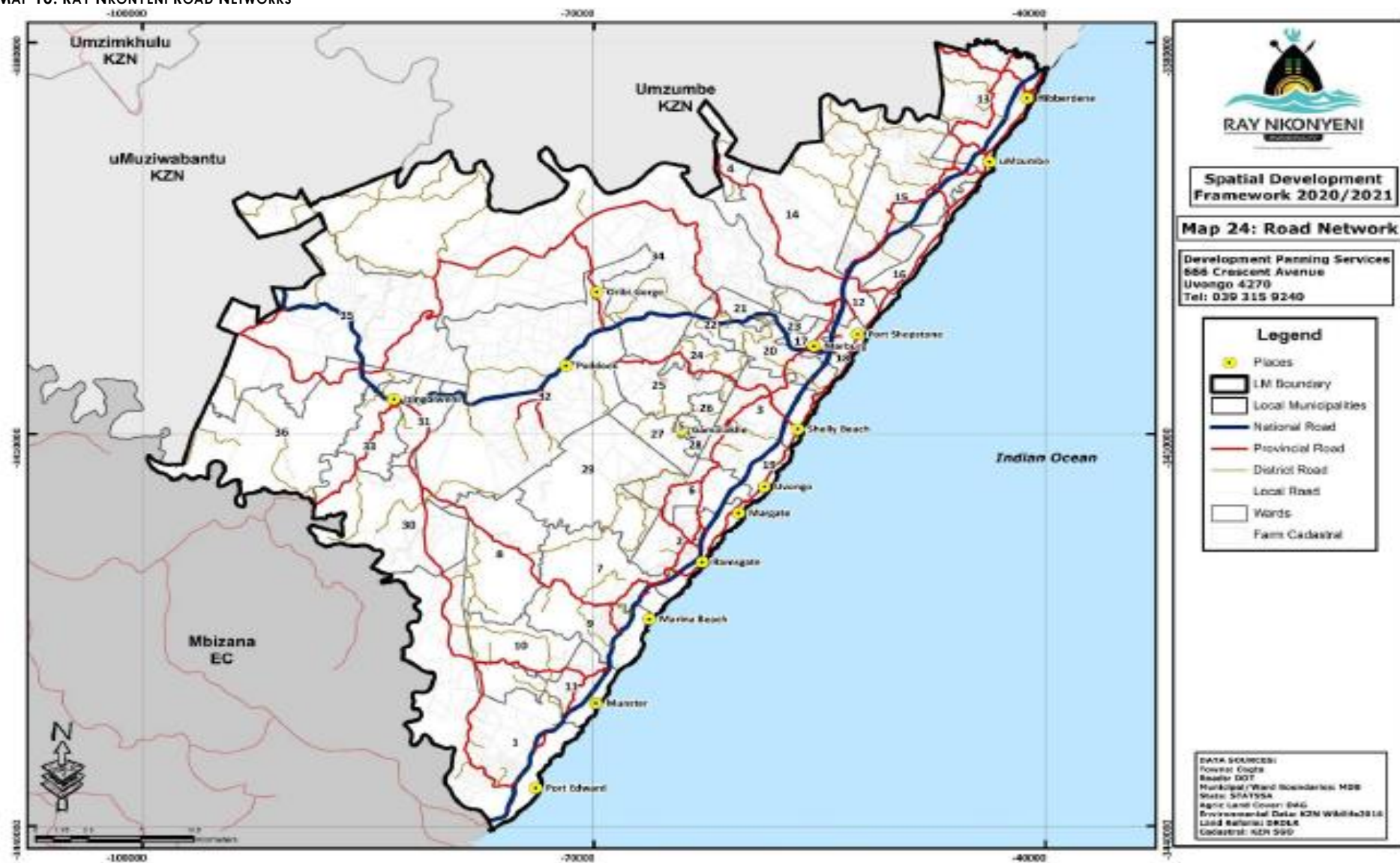
The N2 is the primary north-south regional linkage route. It links Port Shepstone in the South with Durban in the North. The N2 also links Port Shepstone with Kokstad as an east-west linkage. The section of the N2 which runs in the north-south direction up to Port Shepstone is of freeway standard, and comprises of 4 lanes, 2 lanes in each direction for most parts. The N2 is regarded as a generator for growth, particularly between Port Shepstone and Harding. This is the main high level limited access mobility road and is component part of the Provincial "Corridor" system. Interchanges link this road to the Regional major arterials that give access to both formal urban settlements and most of the rural settlement clusters that occur mostly within Traditional Authority areas.

8.3.4 PRIMARY ROAD NETWORK IN RAY NKONYENI

Some of the main provincial roads within the study area include the R102, R61, R612 and the R56. R102/R61: The R102/R61 is termed the 'beach road' and it runs in the north-south direction along the coast,

linking the various coastal towns. The provincial roads are predominantly in the east-west direction and provide high levels of accessibility linking into the minor arterials. This network of provincial roads functions as primary transport corridors. The regional road network can be classed into either surfaced (blacktop) or unsurfaced (gravel), which can be further classified into a north-south link or an east-west link. There are also District Roads. The district roads provide major internal linkage, linking schools, clinics etc. A problem that faces the municipality is the alignment of KZNDOT implementation projects with that of the municipality's implementation projects.

MAP 10: RAY NKONYENI ROAD NETWORKS



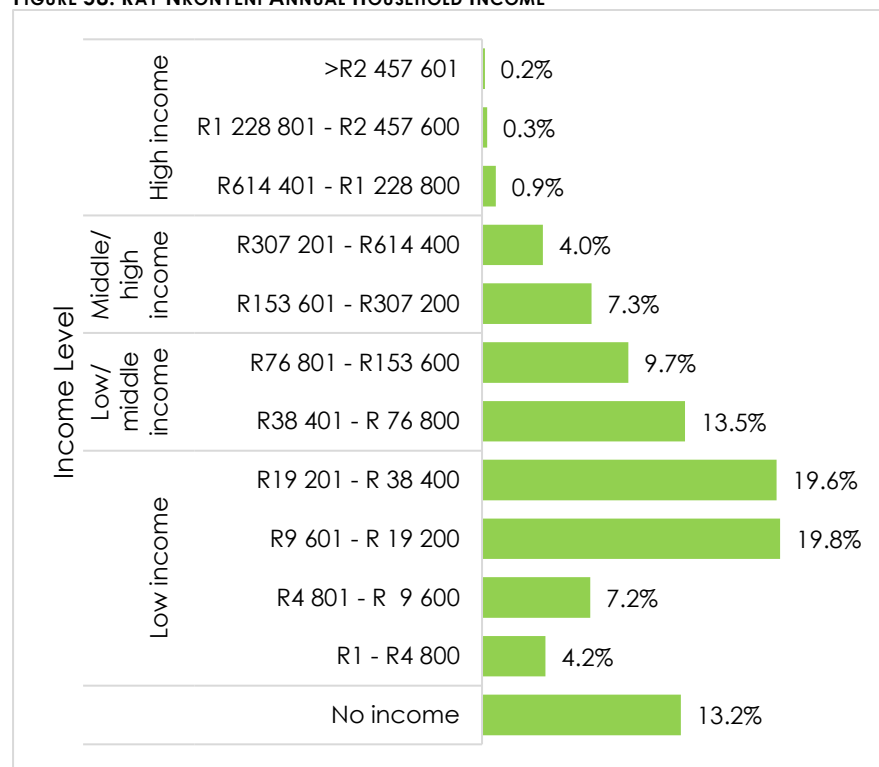
SOURCE: RAY NKONYENI FINAL SDF REVIEW 2020

8.4 ECONOMIC PROFILING

This section outlines the economic profile for Ray Nkonyeni. It includes indicators such as annual household income, development indicators, dwelling type, tenure status and household facilities within the region.

The figure below provides a profile of the annual household income of the region.

FIGURE 58: RAY NKONYENI ANNUAL HOUSEHOLD INCOME



SOURCE: CALCULATIONS BASED ON DATA FROM THE 2011 CENSUS

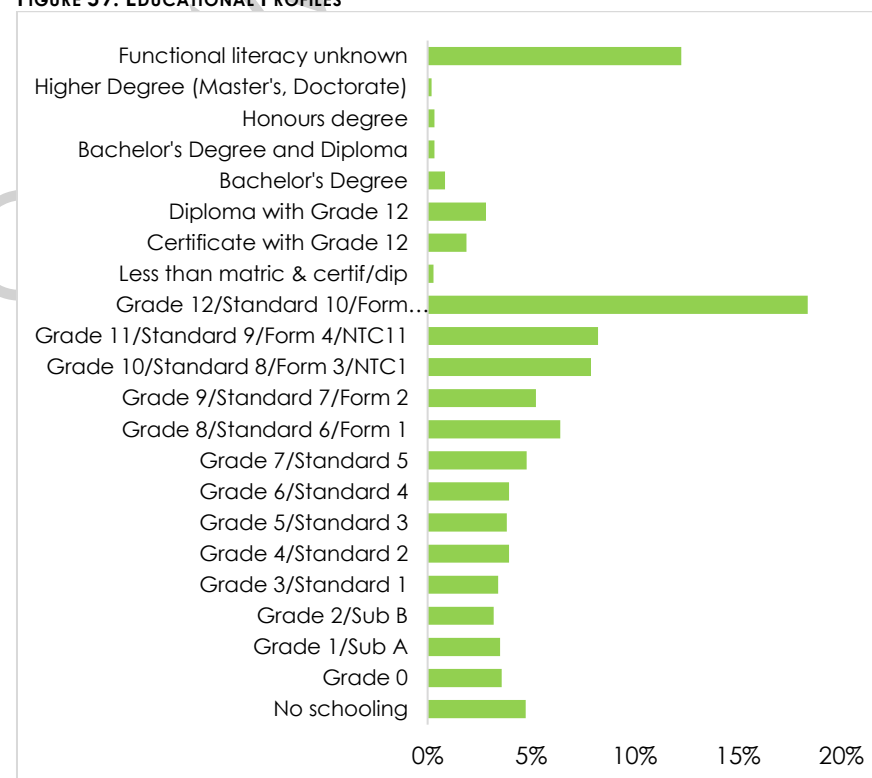
The majority of the households in Ray Nkonyeni falls within the lower income segment with 19,8% of the households earning between R9,601 – R19,200 per annum followed by 19,6% earning between

R19,201 – R38,400 per annum. The high-income category (>R 2,457,601 per annum) makes up only 0,2% of all households. The estimated average household income in this region is R9,002 per month or R108,019 per annum in 2020.

8.4.1 DEVELOPMENT INDICATORS

Regarding educational profiles, the graph below outlines these for Ray Nkonyeni.

FIGURE 59: EDUCATIONAL PROFILES



SOURCE: STANDARDISED REGIONAL, QUANTEC 2019

From the figure above, the largest portion of the population (18%), in Ray Nkonyeni falls into those that have achieved a grade 12 certificate only. The second largest portion of the population (12%) comprises those whose functional literacy is unknown.

In terms of employment profiles, the table below outlines that 74 431 people are employed and 31 314 people are unemployed in Ray Nkonyeni. This shows an unemployment rate of 30% and labour force participation rate of 58%.

TABLE 82: EMPLOYMENT PROFILE

Working age population	181,432
Employed	74,431
Unemployed	31,314
Not economically active	75,687
Unemployment rate	30%
Labour force participation rate	58%
Absorption rate	41%

SOURCE: STANDARDISED REGIONAL, QUANTEC 2019

8.4.2 DWELLING TYPE

In Ray Nkonyeni 71% of dwellings are house or brick structures on a separate stand or yard. This is followed by 10% that are traditional dwellings and 5% that are flats.

TABLE 83: RAY NKONYENI TYPE OF DWELLING

Ray Nkonyeni Type of Dwelling	Number of Households	Percentage of Households
House or brick structure on a separate stand or yard	54 526	71%
Traditional dwelling/hut/structure made of traditional materials	7 994	10%

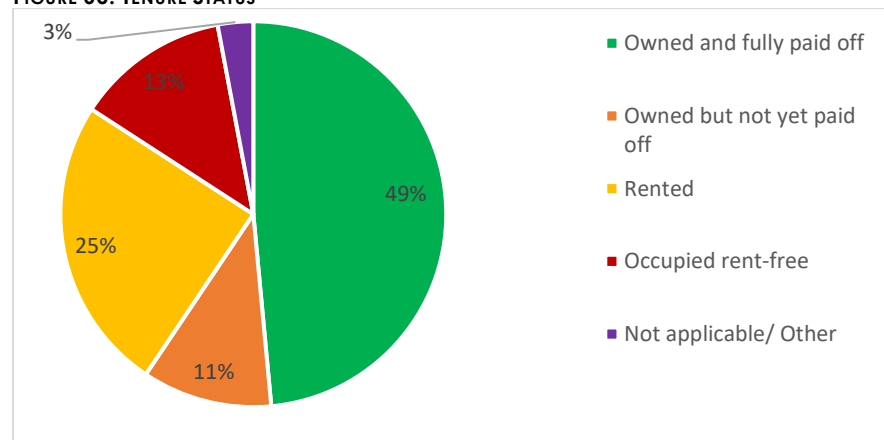
Ray Nkonyeni Type of Dwelling	Number of Households	Percentage of Households
Flat in a block of flats	3 678	5%
Town/cluster/semi-detached house (simplex, duplex or triplex)	2 247	3%
House/flat/room, in backyard	1 652	2%
Informal dwelling/shack, in backyard	1 462	2%
Informal dwelling/shack, NOT in backyard, e.g., in an informal/squatter settlement	3 041	4%
Room/flatlet not in backyard but on a shared property	716	1%
Other/unspecified/NA	1 014	1%
Total - Type of dwelling	76 331	100%

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC, 2019

8.4.3 TENURE STATUS

This subsection outlines the housing tenure status of Ray Nkonyeni. In Ray Nkonyeni 49% of households are occupying owned and fully paid off dwellings followed by 25% of households that are renting. The tenure status of these regions is represented graphically below.

FIGURE 60: TENURE STATUS



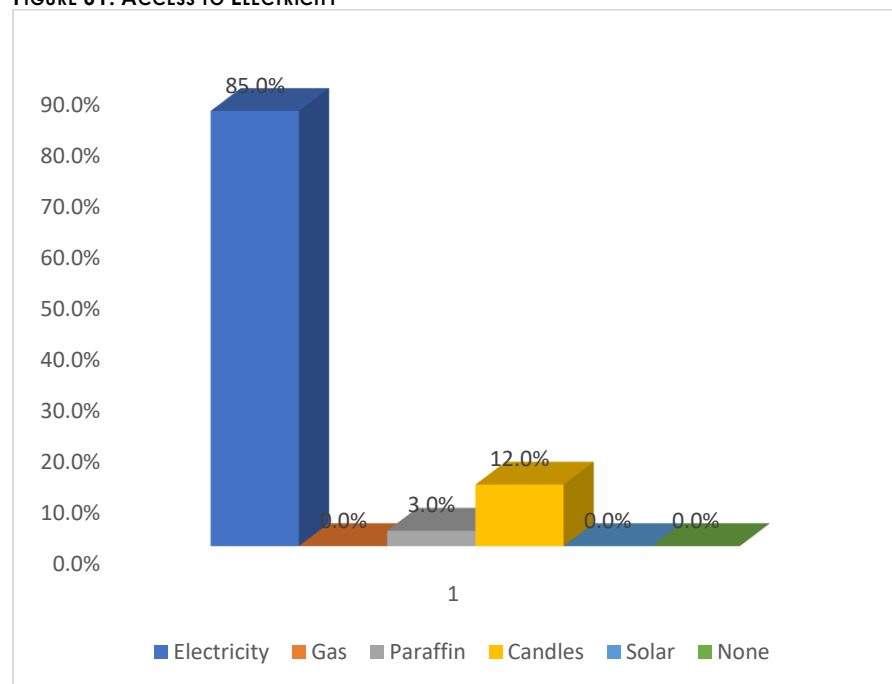
SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

8.4.4 HOUSEHOLD FACILITIES

This subsection provides an overview of the household facilities in Ray Nkonyeni.

The figure below shows that 85% of households in the region has access to electricity while 12% of households make use of candles as an energy source.

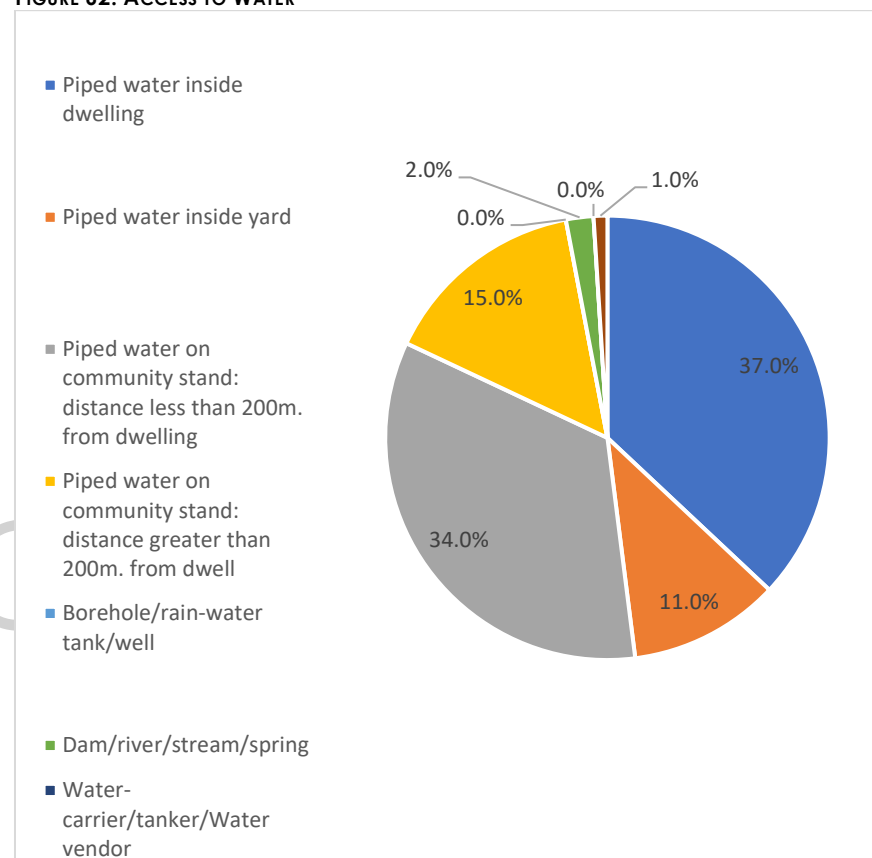
FIGURE 61: ACCESS TO ELECTRICITY



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

In terms of access to water, 37% of households in Ray Nkonyeni has access to piped water inside their dwellings while 34% of households has access to piped water on a community stand.

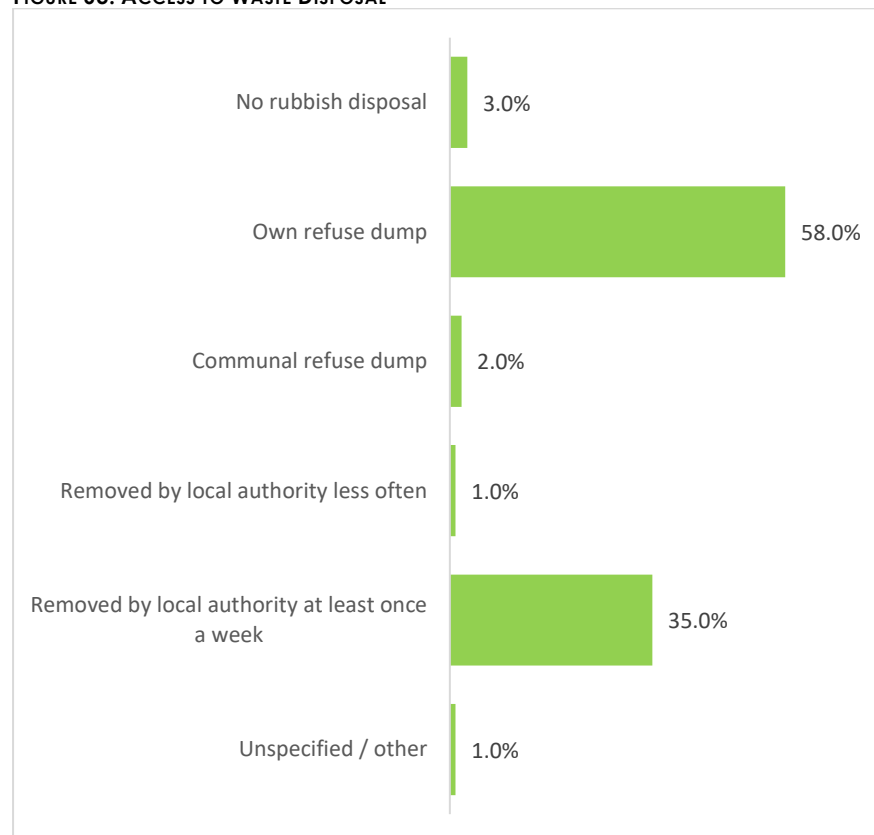
FIGURE 62: ACCESS TO WATER



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

In terms of waste disposal, only 35% of households in Ray Nkonyeni has their waste removed by the local authority at least once a week while 58% of households have their own refuse dump as illustrated in the following figure.

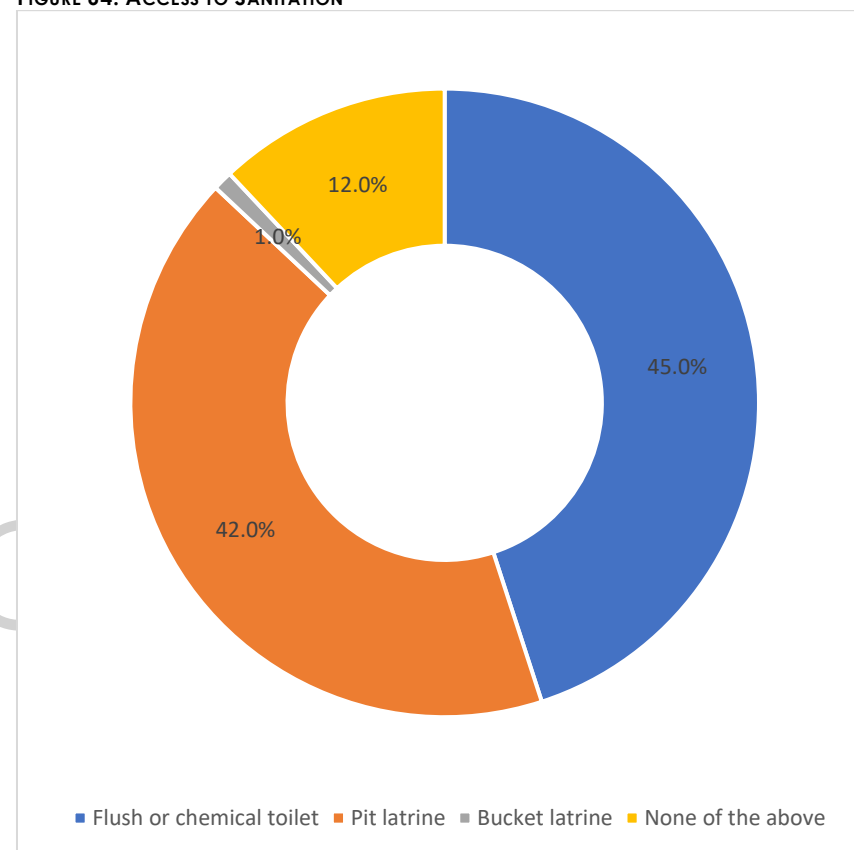
FIGURE 63: ACCESS TO WASTE DISPOSAL



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

Regarding sanitation, 45% of households in Ray Nkonyeni has access to flush or chemical toilets while 42% of households have access to pit latrines.

FIGURE 64: ACCESS TO SANITATION

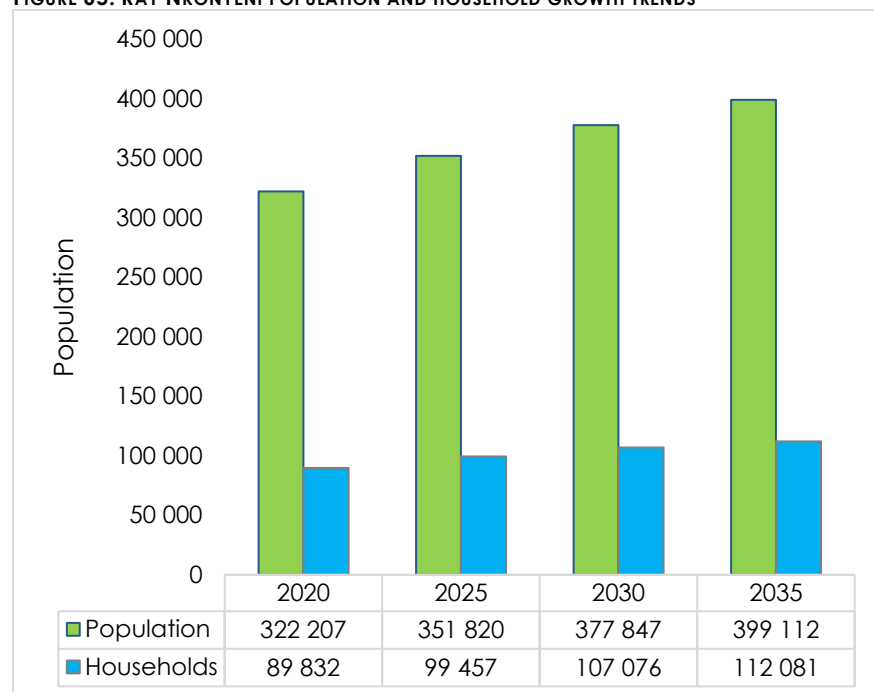


SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

8.5 DEMOGRAPHIC MARKET OVERVIEW

The population and household growth trends for Ray Nkonyeni is illustrated in the following graph in order to provide an indication of the future expansion of the region.

FIGURE 65: RAY NKONYENI POPULATION AND HOUSEHOLD GROWTH TRENDS

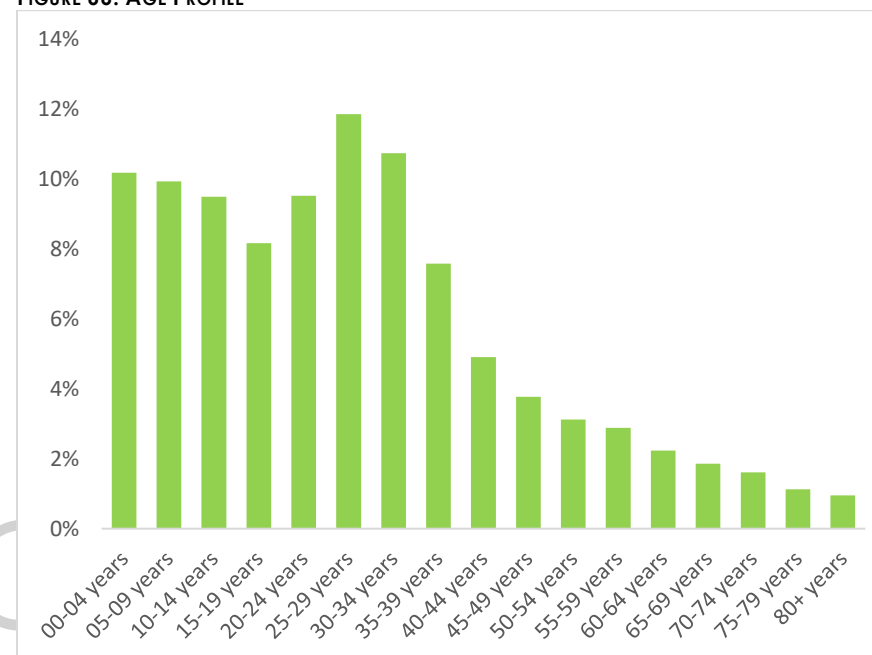


SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

An average annual population growth rate of 1,8% and a household growth rate of 2,1% was experienced in Ray Nkonyeni between 2009 and 2019. In 2020, the population stood at an estimated 322 207 and the number of households at 89 832.

In terms of age profiles, Ray Nkonyeni has 30% of the population falling between the ages of 00 and 14 years old. The population that are 60 years and above equates to 8%

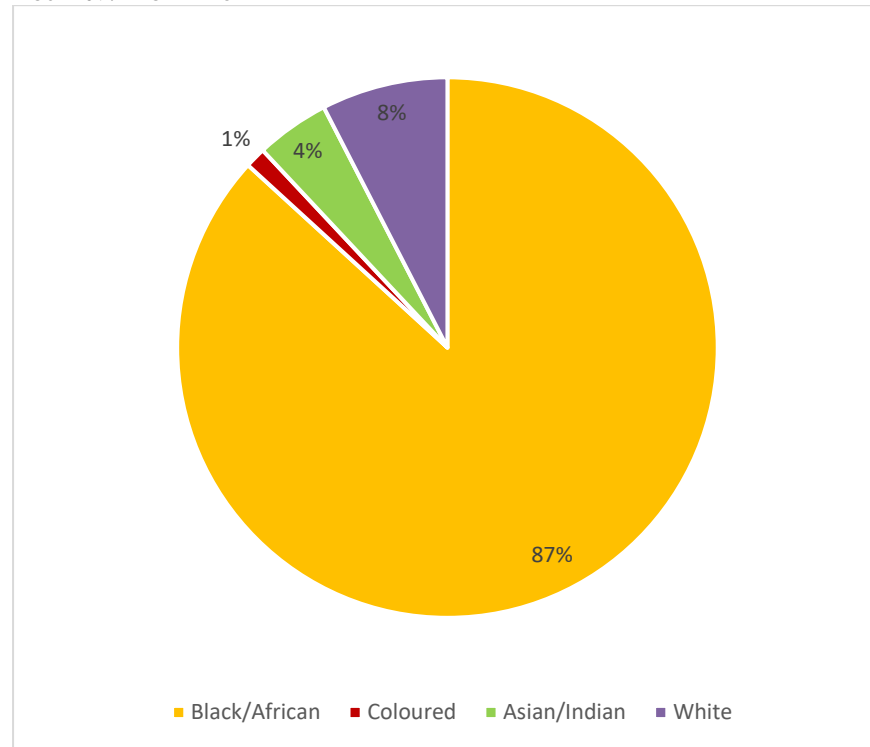
FIGURE 66: AGE PROFILE



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

The racial profile of Ray Nkonyeni indicates that 87% of the population fall into the Black/African category, while 8% are White, 4% Asian/Indian and 1% Coloured as illustrated in the following pie chart.

FIGURE 67: RACIAL PROFILE



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

8.6 RESIDENTIAL MARKET ANALYSIS

8.6.1 RAY NKONYENI HOUSING PLAN

The core objectives of the Ray Nkonyeni Human Settlement Plan include the following:

- To accelerate housing delivery in line with the National and Provincial norms and Standards.
- To develop effective systems and procedures for an effective implementation of the Human Settlements programme.

- To use Human Settlements projects as a catalyst for local economic development.
- To contribute towards spatial transformation and creation of an efficient settlement and spatial pattern and also being guided by environmental constraints created by climate change.
- To facilitate rapid and cost-effective release of land for Human Settlements development purposes.
- To build capacity for effective Human Settlements development.

To achieve the above objectives, Ray Nkonyeni Plan has suggested the following human settlement strategies:

- Deliver housing units across the product spectrum provided in the National /Provincial Policies on Human Settlements.
- Identify and assess all informal settlements within the Municipal area and formulate a strategic response.
- Develop a housing needs register and the associated systems to monitor housing backlog /need.
- Review the Human Settlements Sector Plan annually.
- Establish a Project Management System for Human Settlements projects
- Facilitate programmatic service level agreements with Eskom and Ugu DM in respect of bulk services.
- Establish and implement a contractor-training programme.
- Enrol Human Settlements projects with EPWP.
- Promote densification and different housing typology in Human Settlements projects.
- Prioritise projects located within development nodes and along development corridors.
- Work with induna to map all settlements and delineate settlement edges for each rural housing project.

- Identify land suitable for future housing development and within the Priority Development Areas as approved by the Municipal Council.
- Undertake pro-active zoning of land for future housing development.
- Facilitate private public partnerships (PPPs) for strategic Human Settlements projects.
- Enlist the services of the Housing Development Agency for assistance with land acquisition.
- Purchase land and development schemes in public auctions.
- Make submission to the National Department of Human Settlements for a level 2 accreditation.
- Review organogram and provide for the appointment of professional project managers.
- Facilitate continuous staff training and capacity building.

8.7 HOUSING SECTOR ANALYSIS

8.7.1 RAY NKONYENI HOUSING TRENDS

The Municipality has been implementing housing projects to address the housing need within their area of jurisdiction to improve the standard of living of the local communities. The programmes & projects being implemented fall within different categories and include Breaking New Ground (BNG) housing, rural housing, rectification and others. The following reflects the current and future provision of housing opportunities for the citizens of Ray Nkonyeni Municipality.

NUMBER OF HOUSING OPPORTUNITES BEING PROVIDED

The following table presents the provision of housing opportunities.

TABLE 84: PROVISION OF HOUSING OPPORTUNITIES

HOUSING OPPORTUNITIES BEING PROVIDED	NUMBER (APPROXIMATELY)
Number of housing units already provided across all housing programmes (completed in old and current projects)	12 124
Number of housing units in the process of being provided across all housing programmes which are at various stages of construction	2 170
Number of housing opportunities (sites / units) being planned for the future across all housing programmes	9 173
Number of rectifications completed	177
Title Deed Restoration Programme (title deeds to beneficiaries)	2 071

SOURCE: RAY NKONYENI HUMAN SETTLEMENT PLAN 2020

NUMBER OF PROJECTS IN TERMS OF THE DIFFERENT HOUSING PROGRAMMES

The following table presents a variety of the housing programmes as well as their implementation status.

TABLE 85: PROGRAMMES AND PROJECTS

PROGRAMMES	TOTAL NUMBER OF PROJECTS	STAGES
Rural Housing Programme	16 projects	6 at planning stage 10 at implementation stage (tranche 1 & 2)
Informal Settlement Upgrading	3 projects	1 at planning stage 2 at implementation
Greenfield Housing Programme	3 projects	1 at planning stage 3 at implementation
Financed linked individual Subsidy Programme (FLIPS/Gap market)	2 projects	2 at concept/ feasibility stage
Rectification Programme	1 project	1 at implementation stage

PROGRAMMES	TOTAL NUMBER OF PROJECTS	STAGES
Social/Rental Housing	1 project	1 planning stage
Title Deed Restoration Programme	5 projects	comprising of 2546 sites
Integrated Residential Development Programme	8 land parcels	Identified land parcels for further development

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

STATUS OF THE VARIOUS PROGRAMMES AND PROJECTS (COMPLETED/ CURRENT / PLANNED)

INFORMAL SETTLEMENT UPGRADING PROGRAMME

The Municipality has been very progressive in the eradication of informal settlement. The Municipal strategy predominantly aims at providing new Greenfield Housing Developments in close proximity to the current informal settlements.

TABLE 86 SLUMS CLEARANCE (ERADICATION OF INFORMAL SETTLEMENTS) PROJECTS

PROJECT	WARD	NO OF UNITS	CURRENT STATUS
Louisiana	15	564	Completed- 697 sites were serviced, however due to slope only 564 units were built. Last land parcel (portion 30 (of 6) of the farm Louisiana No 3239) which is privately owned is in the process of being transferred into the name of the Municipality. Need to undertake consolidation of land parcels, receiving of completion certificates (various services) to enable a process of opening of township register leading to the issuing of title deeds to approved beneficiaries. The completion date of the project is still to be determined
Masinenge	3	882	High Density Development. The services of the contractor were terminated. The development of the project has now been taken over by PDoHS with the appointment of an

PROJECT	WARD	NO OF UNITS	CURRENT STATUS
			Implementing Agent. 129 top structures have been completed
Mkholombe	20	1 000	Planning stage – Detailed studies are being carried out with the option of providing mixed income housing. PDoHS has committed funding in the 2019/2020 financial year for planning processes.
TOTAL		2 446	

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

RURAL HOUSING PROGRAMME

The Municipality has initiated various rural housing projects in terms of the rural housing programme which will yield approx. 18822 housing opportunities. The table reflects projects that have already been completed, those which are at implementation stage (different levels of construction/ upgrading) and lastly those that are at the planning phase.

TABLE 87: RURAL HOUSING PROGRAMME

PROJECT	WARD	NO OF UNITS	CURRENT STATUS
Vukuzithathe Phase 1 (Nkulu & Mbeni)	33 and 36	1 116	Completed
Vukuzithathe Phase 2 (Dlovinga)	31,33 and 36	1 000	Completed
KwaNyuswa Phase 1 (Mahlabathini & Thonjeni)	34	1 000	Completed
Mthimude Phase 1	36	1 000	Project closed off at 989 units. 11 sites have challenges. The project is deemed as completed and will be closed off.

PROJECT	WARD	NO OF UNITS	CURRENT STATUS
KwaMadlala	14	1 000	Construction – 871 units have been completed with a balance of 129 units remaining. Anticipated completion of project will be March 2021.
Oshabeni (phase 1)	4 and 12	502	Construction – 502 units completed. Closing off of the project is currently taking place.
KwaNdwalane (deep rural)	24 and portions of wards 3,20,21,22, and 23	1 000	Construction – 979 units completed. Balance of 21 units. Anticipation completion will year ending 2020.
KwaNdwalane (Phase 2)	Portions of wards ,20,21,22, and 23	500	Construction –128 units completed. Balance of 372 units. Anticipation completion of project being year ending 2023. Anticipated completion of Phase 1 project being year ending 2023.
Gamalakhe (insitu-upgrade)	Portions of wards 25,26,27, and 28	2 000	Construction – phase 1 approved for 500 units. 127 upgrading of units have been completed. Balance of 373 units
KwaMavundla	17, 20,25,26 &27	1 104	Construction –1 100 unit have been completed. Balance of 4 units Anticipated completion will be year ending 2020.
KwaXolo (Phase 1)	7 and 9	1 000	Construction – 977 units have been completed. 23 sites with challenges to be addressed. Anticipated completion/ closing off the

PROJECT	WARD	NO OF UNITS	CURRENT STATUS
			project is still to be determined.
KwaXolo Phase 2	8, 29 & 32	1 100	Construction: 1 100 units. 1 050 units have been completed. Balance of 50 units. Anticipated
KwaNzimakwe (Phase 1)	8,10 and 11	500	Construction – 500 units completed. Closing off project is underway.
KwaNyuswa Phase 2 (WoSiyane/Nkulu	34	1 000	Planning – Implementing Agent appointed. Tranche 1 Application submitted to the PDoHS. Project will be phased with 500 units. Land ownership issues resolved, to conclude land availability agreement and submission of application to the PDoHS
KwaNyuswa Phase 2- Blose	35	1 000	Planning-Implementing Agent appointed. Tranche 1 application submitted. Project will be phase with 500 units. In the 2019/2020 financial year the PDoHS has committed funding for the project (tranche 1)
Mthimude Phase 2 Hlomendini /Bhosiki	35	1 000	Planning -Implementing Agent appointed. Tranche 1 application submitted. Project will be phased with 500 units. In the 2019/2020 financial year the PDoHS has committed funding for this project (tranche 1). Detailed studies are being carried out by the Implementing Agent

PROJECT	WARD	NO OF UNITS	CURRENT STATUS
Mthimude Phase 2 Shibe	35	1 000	Planning: Implementing Agent appointed. Tranche 1 application approved by the PDoHS. Project will be phased with 500 units. In the 2019/2020 financial year the PDoHS has committed funding for this project (tranche 1). Detailed studies are being carried out by the Implementing Agent
Vukuzithathe phase 3- Ngawusheni Bdlazi	30	1 000	Planning: Implementing Agent appointed. Tranche 1 application submitted. Project will be phased with 500 units in the 2019/2020 financial year the PDoHS has committed funding for this project (tranche 1). Detailed studies are being carried out by the Implementing Agent
Vukuzithathe Phase 3- Bandlana/ Shobashobane	30 /31/33	1 000	Planning – Tranche 1 application is currently being finalised for submission to the PDoHS. Project will be phased with 500 units
TOTAL		18 822	

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

GREENFIELD HOUSING PROGRAMME

In addition to the upgrading of informal settlements and rural housing projects, the Municipality is also implementing a number of greenfield housing projects. The majority of these are urban and will contribute

significantly towards addressing the housing backlog as it affects both the low income and middle-income communities. These projects will yield a total of approx. 1 366 units. They are at different stages of the development programme. In Merlewood, it has been established that some of the housing units were build outside of the cadastral boundaries and require bulk water supply. However, these matters are being addressed.

TABLE 88: HCM GREENFIELD HUMAN SETTLEMENTS PROJECTS

PROJECT	WARD	NO OF UNITS	CURRENT STATUS
Bhobhoyi Phase 1	20	711	711 sites were serviced. 699 units were built. 427 sites transferred; transfer process was suspended due to houses built outside cadastral boundaries. Need to replace the existing GP with an as built General Plan. Need to redo the entire transfer process. Funds were approved by the PDoHS to undertake social facilitation and conveyancing activities. budget shortfall being address with the PDOHS to address the historical challenges
KwaNzimakwe (PHP) KwaLatshoda	1	1 813	1 813 sites were serviced. 600 top structures were built. General Plan needs to be redone due to houses affected by road expansion (SANRAL). Budget shortfall being address with the PDoHS to address the historical challenges Funding approved by the PDoHS to address social facilitation and conveyancing tasks. Challenges. Engagements with PDoHS to address funding challenges to address historical challenges

Bhobhoyi Phase 11	20	1 098	Bulk Infrastructure challenges being addressed between RNM Municipality and by Ugu District Municipality.
Merlewood housing	17	228	37 sites unbuildable. 137 units completed, 45 with bulk challenges, waiting for additional bulk infrastructure funding (water).
Lot 7 Albersville	12	40	Challenges with local community on land ownership. Project is on hold due to landowner challenges within the beneficiary community.
TOTAL		3890	

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

RECTIFICATION HOUSING PROGRAMME

The project is about the refurbishment of pre-1994 units that were built and had various construction challenges. Government has provided funding to undertake remedial work on these units so that they become more liveable.

TABLE 89: RECTIFICATION PROJECTS

PROJECT NAME	PROGRAMME TYPE	WARD	NO. UNITS	CURRENT STATUS
Gamalakhe	Rectification	26 and 28	273	187 rectification of units completed. Anticipated project completion September 2020.
Total			273	

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

SOCIAL HOUSING PROGRAMME

The following sites were identified as Restructuring Zones, but only 3 of them were approved by the Provincial Department of Human Settlements.

- Erf 1675Uvongo.
- Rem 26 of erf 4939 & 4941 Marburg
- Erf 2319 Marburg
- Rem 1627 and erf 2309 Oslo Beach
- Erf 1735 Rathbonville
- Erf 137 Port Shepstone

ERF 4939 & 4941 (Marburg) and Erf 1675 (Uvongo) has been gazetted for Social Rental Housing Provision. The Municipality will enlist the services of established Social Housing Institution with good management and track record on social housing provision to assist the Municipality in this regard approximately 2 000 housing opportunities can be provided with different housing typologies and densities, mainly rental accommodation for Government employees.

INTEGRATED RESIDENTIAL HOUSING PROGRAMME (FLIP AND GAP HOUSING)

In terms of ensuring integrated sustainable human settlement development the Municipality has identified developable land to implement the integrated residential housing programme by providing mixed income housing in terms of the relevant income bands with a variety of housing typology and density. The programme will also address overflow of beneficiaries from informal settlements, settlements that cannot be developed,

TABLE 90: LAND FOR MIXED INCOME HOUSING

AREA	WARD	No of Housing Opportunities	STATUS
Marburg (6439) – Social (Rental) Housing	20	144	Technical Feasibility study was carried out by SHRA. Have established bulk water infrastructure challenges that need to be addressed. with funding.

AREA	WARD	No of Housing Opportunities	STATUS
Marburg (4941)- Social (Rental) Housing	20	Still to be determined	To undertake pre- feasibility study
Uvongo (1675)- Social (Rental) Housing		Still to be determined	To undertake pre- feasibility study
Portion 15 (of 17) Portion 16 (of 17) and the remainder of 7 of the farm success no 7108 (Mr Dammont)	22	281	PDoHS has assisted by purchasing the land for the Municipality. The property was registered in the name of the Municipality in the 2018/2019 financial year. Project still needs to be planned for mixed income housing.
Disposal of Council Owned land parcels for Social Housing and FLIPS (Marburg and White City)	Various	350	Land parcels are in the Marburg area / White City. The Municipality has appointed an Implementing Agent to plan and implement the development of the sites for Social (Rental) Housing and Finance Linked Subsidy Programme. The project development is ongoing.
Portion 8 (of 4) of the farm Louisiana No 3239, Portion 46 (of 7) of the farm Louisiana no 3239 and portion 34 of	Various	Still to be determined	The land was acquired by the PDoHS and is registered in the name of the State. Still to be planned for housing development. Possible challenge with bulk infrastructure services

AREA	WARD	No of Housing Opportunities	STATUS
the farm Sanderstead No 15566 (Mixed Income Housing) (Mr Chetty)			
Portion 1 of Lot 7 Marburg Settlement 5344 (Mr Frik Pieterse)	Various	Still to be determined	The land was acquired by the PDoHS and is registered in the name of the State. Still to be planned for housing development.

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

8.7.2 SOCIAL HOUSING CHALLENGES

Ray Nkonyeni Municipality area is facing a number of housing development related issues that should be addressed in order to realize the ideal of sustainable Human Settlements. These range from land related issues (Land Tenure), Municipal Capacity, the housing need to institutional and governance issues.

- Housing backlog: Housing backlog in Ray Nkonyeni Municipality manifests itself in the form of substandard dwelling units, particularly in the traditional authority and informal settlement areas.
- Sustainability of settlements: rural settlements in Ray Nkonyeni Municipality are not sustainable in the short to long term. Most people in the area do not derive a sustainable living from rural agriculture. There is a heavy dependence on welfare grants ("survival capital") and external in-flows of remittances from urban centres or commercial farms. The key challenge is therefore to transform these rural villages into sustainable Human Settlements with basic services, social infrastructure and economic development opportunities.

- Land release for housing: The Human Settlements Development Projects that are located in peri-urban areas are moving very slowly because they are urban in character but are located on land that requires a rural housing subsidy instrument. As such, there is conflict between the policy requirements and the community development aspirations.
- Illegal occupation of low-income houses: It has been established that some completed houses are being rented or sold illegally and are being illegally extended. This is problematic because the housing delivery process is to curb the housing backlog challenge and if more houses are being illegally used the housing need will not be addressed timeously.

There are three gazetted RZ's in 2017 within the LM namely Marburg, Protea Park and Uvongo. The initial application for RZs that were Marburg, Uvongo and Port Shepstone. The Port Shepstone RZ is a key area of growth within the LM yet in the gazette it is replaced by Protea Park which is a sub-area of Marburg that is also gazette as a separate zone. The Port Shepstone CBD was excluded in the gazette and this prevents the LM from implementing the social housing programme within the major node of economic activity where rental housing opportunities are needed the most.

In addition, the boundaries and mapping of RZ's are not aligned to town planning/land use scheme areas. There is also no official mapping of the Uvongo RZ's.

In addition, there is a limited Social Housing project pipeline (the social housing project pipeline currently consists of just two projects within one restructuring zone.

The availability of bulk infrastructure has impacted on the delay for LM to partner with SHIs to implement projects. Significant progress has been made in efforts to addressing the challenges however, the funding to implement the required bulk infrastructure still needs to be sourced.

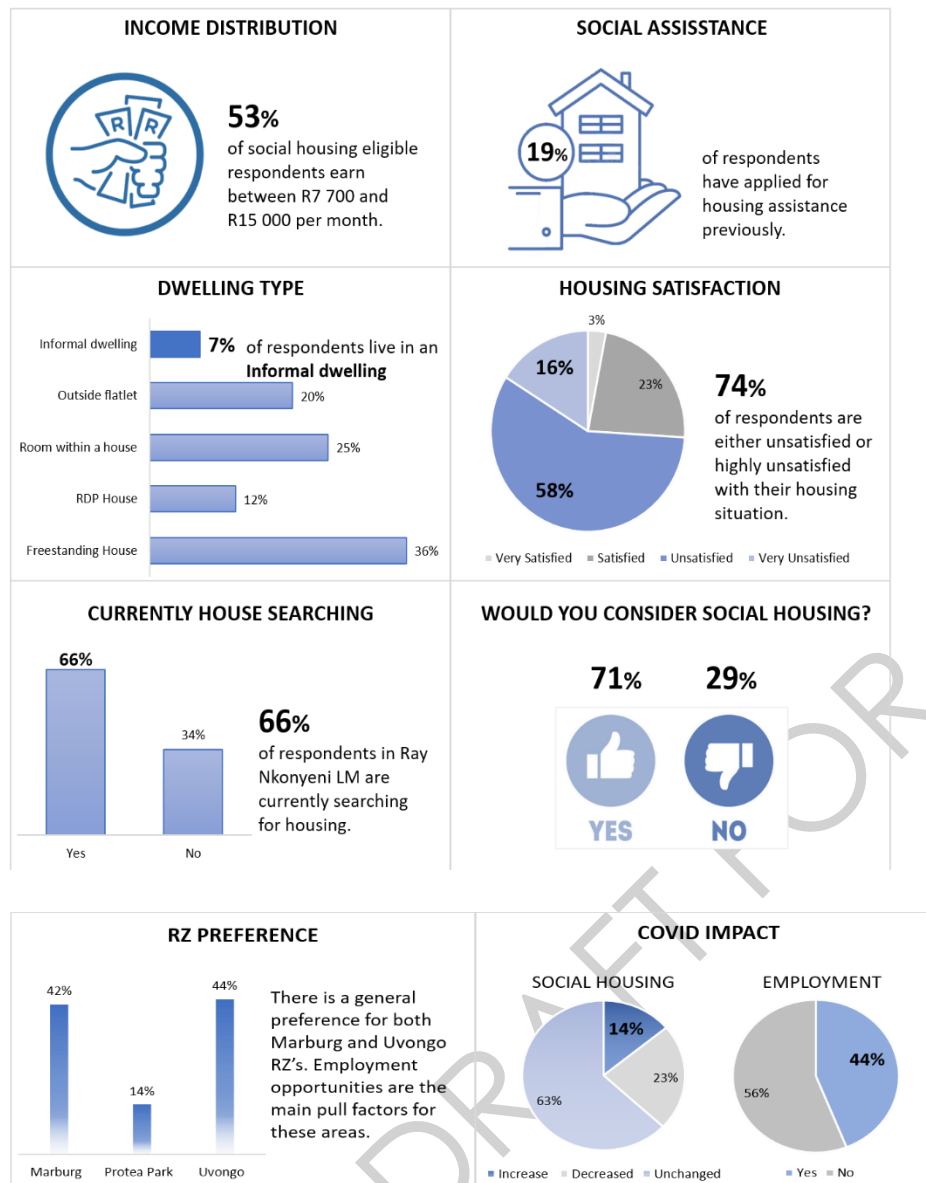
8.8 KEY FINDINGS FROM HOUSEHOLD SURVEY

This section assesses the results of the market survey to inform current household profiles and housing preferences.

The questionnaire targeted employed individuals between the ages of 25 and 65 who could be eligible for social housing. The specific purpose of the survey process was to address information gaps relating to the following themes:

- Preference for social housing and specifically preference for social housing between the Marburg, Protea Park and Uvongo RZ's.
- Influencing factors regarding the willingness of people within Ray Nkonyeni LM to relocate to a potential social housing development.

The results of the market trends assessment are presented on the following page.



The market assessment suggests that there is a general need and appetite for social housing within Ray Nkonyeni LM. The market trend assessment reveals that there is a large market of households that earn between R7 700 and R15 000 per month, the upper income bands of the social housing market segment. This is important as it affects the financial feasibility of a potential social housing project as the upper income earners subsidise the lower income earners.

In line with the housing shortage reported in the planning documents, the market assessment reflects that 19% of respondents have applied for housing assistance previously with 7% of respondents currently living in an informal dwelling. Dissatisfaction with current housing conditions is a concern as a combined 74% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation. Furthermore two-thirds of the respondent reported that they are currently seeking housing. These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation and poverty levels of many households in the municipality.

Whilst social housing need does not always translate to demand, this does not seem to be the case in Ray Nkonyeni LM as 71% of respondents reported that they would move into a social housing development. Specifically, Marburg (42%) and Uvongo (44%) seem to be the preferred locations for social housing in Ray Nkonyeni. The main reasons reported for this preference are proximity to employment opportunities and good services available in the area.

Lastly it is important to note that respondents do believe that the Covid-19 pandemic is affecting employment opportunities and social housing demand in the area. 63% of respondents believe that the COVID-19 pandemic is increasing the need/ demand for social housing whilst 44% of respondents believe that jobs in the municipality are being negatively affected. This is an evolving situation and needs to be monitored as household income, and therefore employment, is a key determinant of social housing eligibility and demand. Overall,

the survey results reveal that there is a current need and market appetite for social housing provision in Ray Nkonyeni LM.

8.9 MARKET SUPPLY ASSESSMENT

8.9.1 MARKET SUPPLY

Since early 2000, the Municipalities (former HCM and ELM) have been implementing housing projects to address the housing need within their area of jurisdiction to improve the standard of living of the local communities. The programmes & projects being implemented fall within different categories and include Breaking New Ground (BNG) housing, rural housing, rectification and others. Whilst the implementation of other housing schemes has been successful in the municipality only one social housing project is currently in the planning phase.

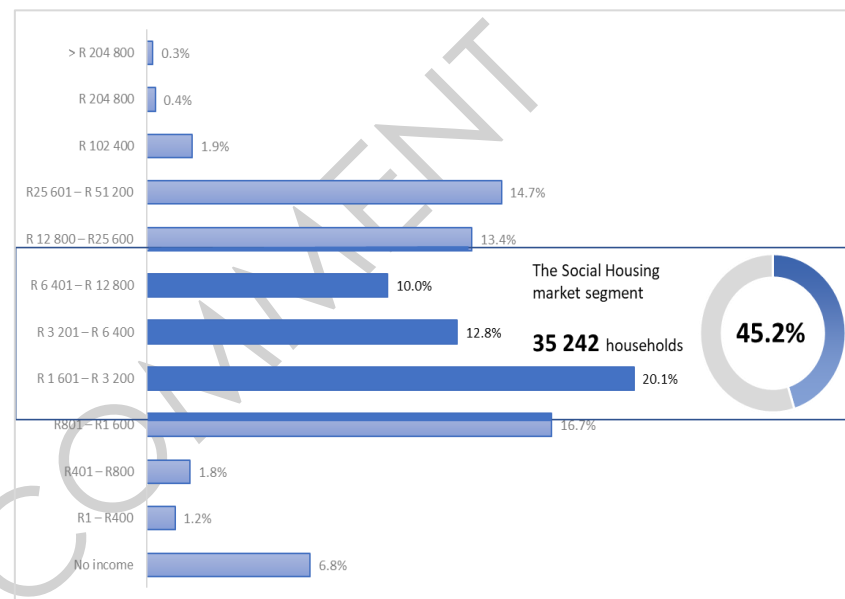
As such, there is currently no social housing developments within Ray Nkonyeni LM, and therefore no current supply is considered in this analysis.

8.10 MARKET DEMAND ASSESSMENT

8.10.1 MARKET AFFORDABILITY

Income levels are a key determinant of demand for social housing. The income bands highlighted reflect the target market for social housing within Ray Nkonyeni LM, those earning between R1 500 and R15 000 per month. The total target market for social housing is 35 242 households as of 2020, accounting for 45.2% of households within the local municipality.

FIGURE 68: RAY NKONYENI LM SOCIAL HOUSING MARKET SEGMENT, 2020



SOURCE: URBAN-ECON (2021)

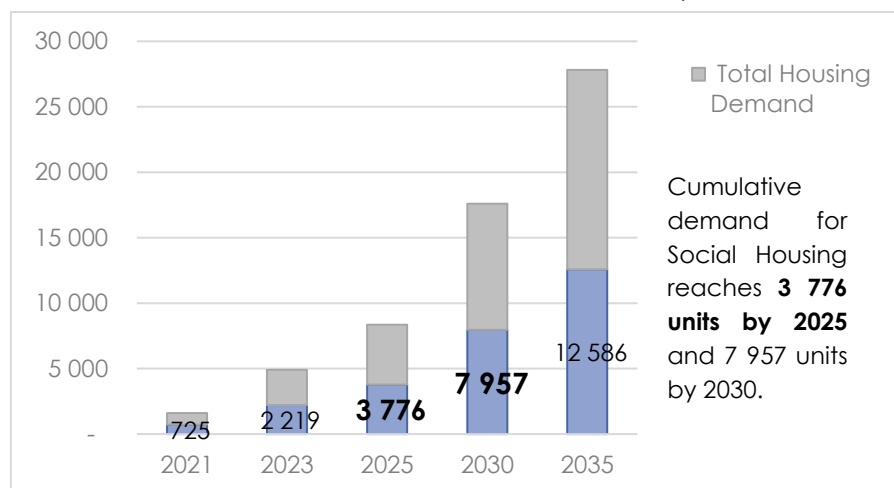
8.10.2 MARKET DEMAND AND AFFORDABILITY ANALYSIS

Applying the affordability analysis to the cumulative demand and projections reveals the total demand for social housing from the target market in Ray Nkonyeni LM.

The following table reflects the total number of housing units demanded within Ray Nkonyeni LM as well as the total number of social housing units demanded by the target market.

Given historical household growth and migration rates, the cumulative demand for social housing is 3 776 units by 2025 with longer term demand expected to increase to 7 957 units by 2030.

FIGURE 69: CUMULATIVE DEMAND FOR HOUSING IN RAY NKONYENI, 2021 – 2035



SOURCE: URBAN-ECON (2021)

8.10.3 BACKLOG OF SOCIAL HOUSING

Housing backlog in Ray Nkonyeni Municipality manifests itself in the form of substandard dwelling units, particularly in the traditional authority and informal settlement areas. These dwelling units are constructed in traditional material and are self-built units, which do not meet any building standards. In fact, they are built without any building plans or involvement of authorities. Settlements located on state land have become very dense and poses a danger of degenerating into expansive rural slums.

As such, and in line with the widely adopted IDP methodology of backlog calculations, the housing backlog for this demand analysis is calculated as the sum of all households living in substandard dwelling units less those that earn too little to be eligible for social housing.

For the purposes of this analysis, substandard dwelling units are classified in the data as:

- Traditional dwelling/hut/structure made of traditional materials.

- Informal dwelling/shack, in backyard.
- Informal dwelling/shack, not in backyard, e.g., in an informal/squatter settlement; and
- Other/unspecified.

Using this methodology, the housing backlog in Ray Nkonyeni LM as of 2020, is **6 171** units.

8.10.4 EFFECTIVE DEMAND FOR SOCIAL HOUSING

Effective demand applies the market perception of social housing, particularly within the three identified RZ's, to the market affordability analysis to reflect the real demand to be expected from the market.

The following table takes into account the findings from the above-mentioned market trends assessment to calculate the Effective Demand:

- 71% of households in Ray Nkonyeni LM would consider moving into a social housing development.
- 44% of households would prefer to move into Uvongo RZ compared to 42% that would prefer Marburg RZ and 14% that would prefer Protea Park RZ.

TABLE 91: EFFECTIVE DEMAND FOR SOCIAL HOUSING IN RAY NKONYENI LM PER RZ, 2021 - 2035

	2021	2022	2023	2024	2025	2030	2035
	1	2	3	4	5		
Cumulative Social Housing Demand	725	1,464	2,219	2,990	3,776	7,957	12,586
Housing Backlog*	6,171	6,171	6,171	6,171	6,171	6,171	6,171
Total Social Housing Demand	6,896	7,636	8,391	9,161	9,947	14,128	18,757
Effective Social Housing Market Demand	4,896	5,421	5,957	6,504	7,063	10,031	13,317
Effective Demand per RZ							

	2021	2022	2023	2024	2025	2030	2035
Marburg RZ	2,056	2,277	2,502	2,732	2,966	4,213	5,593
Protea Park RZ	685	759	834	911	989	1,404	1,864
Uvongo RZ	2,154	2,385	2,621	2,862	3,108	4,414	5,860

*Note: The calculation of the housing backlog figures is based on the application of acceptable planning parameters that are utilised in official municipal documents.

SOURCE: URBAN-ECON (2021)

The market demand assessment shows strong demand for social housing in Ray Nkonyeni LM. Within the next five years the market will demand 7 063 social housing units which is expected to grow to 10 031 units by 2030.

Given market preferences, the strongest demand is reflected for Uvongo and Marburg RZ's. Both locations show social housing demand exceeding 4 000 units by 2030. Whilst Protea Park could sustain a social housing development, given the proximity to Marburg RZ it is suggested that preference is given to Marburg RZ as market demand is significantly greater.

8.10.5 DEMAND PER INCOME CATEGORY: RENT QUOTE

An estimated rent quote per RZ was calculated given household affordability and SHRA's rental structure to establish the rental values the households could be expected to pay for social housing in Ray Nkonyeni LM.

The rental structure as stipulated by SHRA is displayed in the table below.

TABLE 92: SHRA RENTAL STRUCTURE FOR SOCIAL HOUSING, 2020

Income Category Annual	Income Category Monthly	Rental as % of Income (SHRA)	Estimated Rental Range	SHRA Standard Social Housing Unit Mix
R18 000 – R42 000	R1 500 - R3 500	25	R 375 - R 875	10%
R42 001 – R66 000	R3 501 - R5 500	27	R 876 - R 1 485	20%
R66 001 – R92 400	R5 501 - R7 700	32	R 1 486 - R 2 464	20%
R92 401 – R135 600	R7 701 - R11 300	35	R 2 465 - R 3 955	20%
R135 601 – R180 000	R11 301 - R15 000	37	R 4 181 - R 5 550	30%

SOURCE: URBAN-ECON (2021)

The following tables reflect the rent quote per RZ; effective social housing demand for each RZ per rental category.

TABLE 93: RENT QUOTE FOR MARBURG RZ IN RAY NKONYENI LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	44.5%	915	1,113	1,320	1,875	2,489
R 876 - R 1 485	20.4%	419	510	605	859	1,140
R 1 486 - R 2 464	12.5%	256	312	369	525	697
R 2 465 - R 3 955	12.4%	255	310	368	522	693
R 4 181 - R 5 550	10.3%	211	257	305	433	574
Effective Social Housing Demand	100.0%	2,056	2,502	2,966	4,213	5,593

SOURCE: URBAN-ECON (2021)

TABLE 94: RENT QUOTE FOR PROTEA PARK RZ IN RAY NKONYENI LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	44.5%	305	371	440	625	830
R 876 - R 1 485	20.4%	140	170	202	286	380
R 1 486 - R 2 464	12.5%	85	104	123	175	232
R 2 465 - R 3 955	12.4%	85	103	123	174	231
R 4 181 - R 5 550	10.3%	70	86	102	144	191
Effective Social Housing Demand	100.0 %	685	834	989	1,404	1,864

SOURCE: URBAN-ECON (2021)

TABLE 95: RENT QUOTE FOR UVONGO RZ IN RAY NKONYENI LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	44.5%	959	1,166	1,383	1,964	2,608
R 876 - R 1 485	20.4%	439	534	634	900	1,195
R 1 486 - R 2 464	12.5%	268	326	387	550	730
R 2 465 - R 3 955	12.4%	267	325	385	547	726
R 4 181 - R 5 550	10.3%	221	269	319	453	602
Effective Social Housing Demand	100.0 %	2,154	2,621	3,108	4,414	5,860

SOURCE: URBAN-ECON (2021)

8.10.6 FEASIBLE SOCIAL HOUSING PLANNING

Taking into account market demand and SHRA's standard social housing unit mix based on income, this section outlines the feasible upper limits of potential social housing provision within Ray Nkonyeni LM.

The SHRA model requires higher rentals from the upper income earners to subsidise lower rentals from the lower income earners in

order to achieve financial feasibility. As such, there needs to be a greater proportion of upper income households in a social housing development. SHRA's standard social housing unit mix suggests that a minimum of 30% of the units need to be rented to the highest income bracket households – those earning between R11 300 and R15 000 monthly. This sets the limits for the size of potential social housing developments in the RZ's.

The following table reflects the proposed social housing developments per RZ.

TABLE 96: POTENTIAL SOCIAL HOUSING DEVELOPMENTS IN RAY NKONYENI LM RZ's, 2025 - 2030

		Feasible Social Housing Units			
		Marburg		Uvongo	
Rental Range	%	2025	2030	2025	2030
R 375 - R 875	10%	102	144	106	151
R 876 - R 1 485	20%	203	288	213	302
R 1 486 - R 2 464	20%	203	288	213	302
R 2 465 - R 3 955	20%	203	288	213	302
R 4 181 - R 5 550	30%	305	433	319	453
		1,015	1,442	1,064	1,511

SOURCE: URBAN-ECON (2021)

In total Ray Nkonyeni LM could feasibly accommodate 2 079 social housing units by 2025 with this figure growing to 2 953 units by 2030. Both of the abovementioned RZ's reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

8.10.7 LAND REQUIREMENTS FOR DEMAND

This section investigates the land requirements for the provision of potential social housing developments in Ray Nkonyeni LM.

Social Housing falls within the Medium-Density Mixed Housing (MDMH) density brackets. MDMH is defined as housing that has a minimum of 50 dwelling units per hectare (du/ha) and a maximum of 125 du/ha. Social housing (SH) is defined as medium- to high-density housing with different tenure options but excluding immediate ownership. Given the typical densities of current social housing development, the following density scenario's will be utilised to approximate the land requirements of the potential social housing development per RZ:

- Density Scenario 1: 80 u/ha
- Density Scenario 2: 100 u/ha
- Density Scenario 3: 120 u/ha

TABLE 97: LAND REQUIREMENTS FOR POTENTIAL SOCIAL HOUSING PROVISION IN RAY NKONYENI LM, 2025 - 2030

Density Scenario	Marburg		Uvongo	
	2025	2030	2025	2030
80 u/ha	13	18	13	19
100 u/ha	10	14	11	15
120 u/ha	8	12	9	13

SOURCE: URBAN-ECON (2021)

8.10.8 LAND PIPELINE AND LAND OPPORTUNITIES

The land pipeline for the LM is outlined below.

TABLE 98: SOCIAL HOUSING LAND PIPELINE RAY NKONYENI

Restructuring Zone	Number of Potential Social Housing Units
1. Marburg:	
a) Lot 28 of 4939	1 213 units
b) Lot 29 of 4941	936 units
2. Uvongo	124 units

SOURCE: QUESTIONNAIRE FEEDBACK FROM MUNICIPALITIES, 2020

The social housing project pipeline within the Municipality consists of the following projects within the gazetted restructuring zones:

- Marburg Erf 4 939 (300 units): project is located within the Marburg Restructuring Zone. Pre-feasibility assessments have been conducted. Project is feasible subject to the availability of bulk services infrastructure. Municipality will appoint SHI once issue of bulk services infrastructure has been solved.
- Marburg Erf 4 941 (300 units): Marburg Restructuring Zone. Pre-feasibility assessments have been conducted. Project is feasible subject to the availability of bulk services infrastructure. Municipality will appoint SHI once issue of bulk services infrastructure has been solved.

8.11 CONCLUSION

In Ray Nkonyeni there are three RZs, Marburg, Protea Park and Uvongo...

The majority of the households in Ray Nkonyeni falls within the lower income segment with 19,8% of the households earning between R9,601 – R19,200 per annum followed by 19,6% earning between R19,201 – R38,400 per annum. The estimated average household income in this region is R9,002 per month or R108,019 per annum in 2020.

The largest portion of the population (18%), in Ray Nkonyeni falls into those that have achieved a grade 12 certificate only.

In terms of employment profiles, 74 431 people are employed, and 31 314 people are unemployed in Ray Nkonyeni. This shows an unemployment rate of 30%.

In Ray Nkonyeni 71% of dwellings are house or brick structures on a separate stand or yard. This is followed by 10% that are traditional dwellings and 5% that are flats.

The housing tenure status of Ray Nkonyeni. In Ray Nkonyeni 49% of households are occupying owned and fully paid off dwellings followed by 25% of households that are renting.

In terms of services in Ray Nkonyeni, 85% of households has access to electricity, only 37% of households in Ray Nkonyeni has access to piped water inside their dwellings, only 35% of households in Ray Nkonyeni has their waste removed by the local authority at least once a week while 45% of households has access to flush or chemical toilets.

An average annual population growth rate of 1,8% and a household growth rate of 2,1% was experienced in Ray Nkonyeni between 2009 and 2019. In 2020, the population stood at an estimated 322 207 and the number of households at 89 832.

In terms of age profiles, Ray Nkonyeni has 30% of the population falling between the ages of 00 and 14 years old. The racial profile of Ray Nkonyeni indicates that 87% of the population fall into the Black/African category.

The market assessment as well as demand assessment reflect that there is a significant need and demand for social housing within the municipality.

In line with the housing shortage reported in the planning documents, the market assessment reflects that 19% of respondents have applied for housing assistance previously with 7% of respondents currently living in an informal dwelling. Dissatisfaction with current housing conditions is a concern as a combined 74% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation.

Furthermore two-thirds of the respondent reported that they are currently seeking housing with 71% of respondents willing to move into a social housing development. Specifically, Marburg (42%) and Uvongo (44%) seem to be the preferred locations for social housing

in Ray Nkonyeni. These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation and poverty levels of many households in the municipality.

In total Ray Nkonyeni LM could feasibly accommodate 2 079 social housing units by 2025 with this figure growing to 2 953 units by 2030. Both of the abovementioned RZ's reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

9 REGION 6: UMLATHUZE

9.1 INTRODUCTION

This section provides the local delineation, location analysis, economic profiling, demographic profiling, residential analysis, housing sector analysis, key findings of the household surveys as well as the market and demand assessments for the uMhlathuze region.

9.2 LOCATION DELINEATION

This section reviews the demand for social housing in uMhlathuze LM specifically regarding two potential restructuring zones, Aquadene and Empangeni (uMhlathuze Village). Aquadene is located on the outskirts of Richards Bay along the R619 towards Enseleni and 6 km north of the Richards Bay CBD. uMhlathuze Village is located inland of the N2 in Empangeni. The RZ's are outlined in the map on the following page.

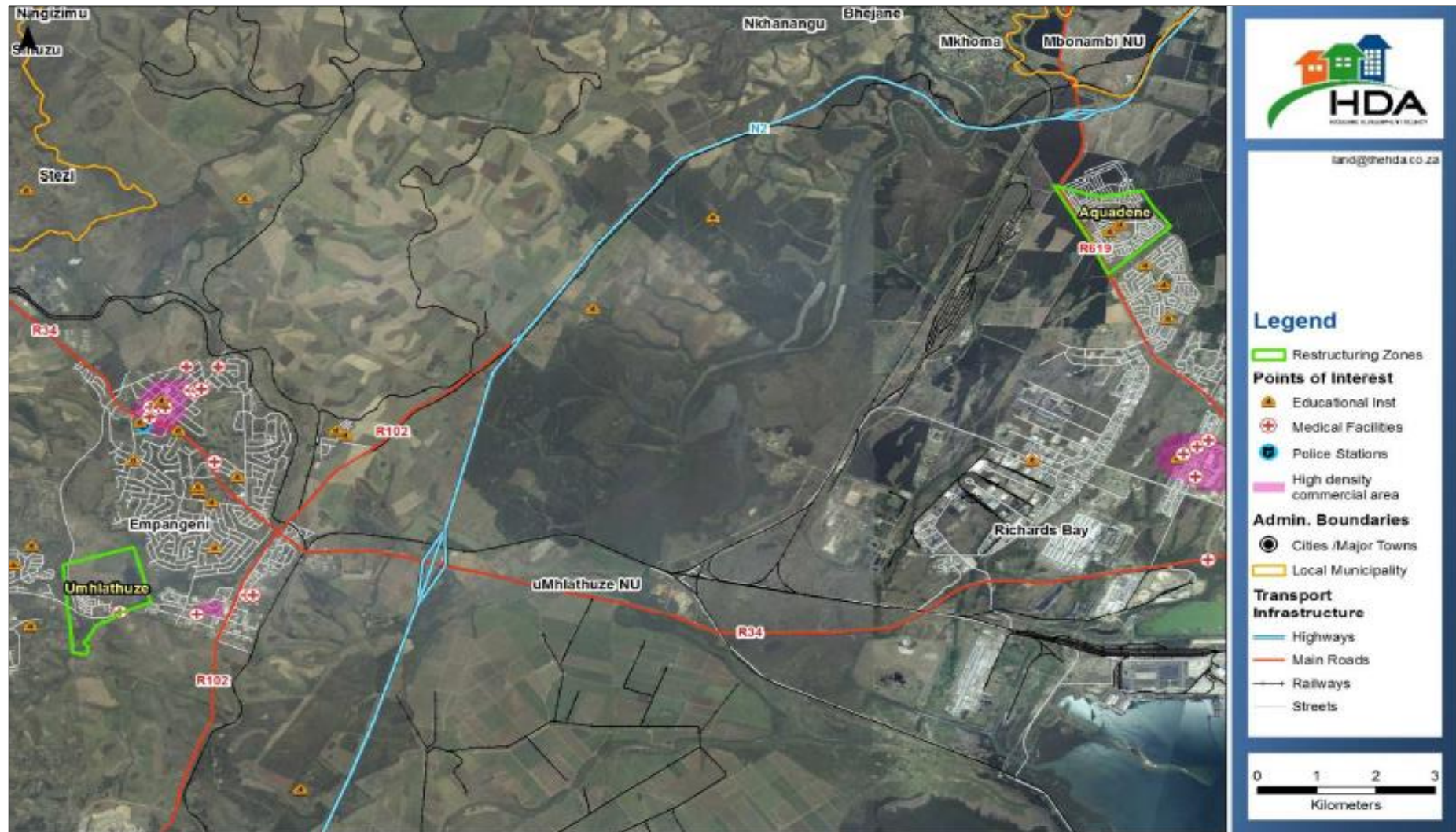
9.3 LOCATION ANALYSIS

The City of uMhlathuze (KZ 282) is situated on the north-east coast of the province of KZN, about 180 kilometres north-east of Durban. The uMhlathuze land area currently covers 123 359 ha and incorporates Richards Bay, Empangeni, eSikhaleni, Ngwelezane, eNseleni, Felixton, Vulindlela, Bhucanana, Heatonville as well as the rural areas under Traditional Councils namely, Dube, Mkhwanazi, Khoza, Zungu (Madlebe), Somopho, Obizo and small portion of Obuka.

The municipality borders a coastline that spans approximately 45 kilometers. The N2 highway traverses the uMhlathuze Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. The R34 Provincial Main Road passes through Empangeni towards Melmoth.

uMhlathuze's climate is characterized by a warm to hot and humid subtropical climate, with warm moist summers. Average daily maximum temperatures range from 29 °C in January to 23 °C in July, and extremes can reach more than 40 °C in summer. The average annual rainfall is 1 228 mm and most (~80%) of the rainfall occurs in the summer, from October to March, although rainfall also occurs in winter ~20%). The Richards Bay area is generally very flat and is situated on a coastal plain and whilst going west towards Empangeni the terrain rises and becomes undulating.

MAP 11: uMlathuze LM RESTRUCTURING ZONES, 2017



Source: Department of Human Settlements (2017)

9.3.1 ADMINISTRATIVE ENTITIES

The uMhlathuze Municipality was established on 5 December 2000 after the demarcation process and the local government elections of that date. As such it encompasses the towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas under Amakhosi Dube, Mkhwanazi, Khoza, Mbuyazi, Zungu, Mthembu, Cebekhulu and small portions of Biyela (Obuka). The uMhlathuze Local Municipality has been divided into 34 municipal wards.

9.3.2 STRUCTURING ELEMENTS

There are a number of natural and man-made phenomenon's that have shaped and continue to shape the uMhlathuze Municipality. The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze and Nsezi. The main access into the municipal area is via the N2 in a north south direction and in an east west direction the R34 from Ntambanana. Other significant roads in the area include the MR431 (that provides a northerly entry into Richards Bay from the N2) as well as the Old Main Road that straddle the N2. Railway lines are prevalent in the municipal area but do not provide a passenger service, only a commercial/industrial service is provided.

The municipality has the benefit of about 45km of coastline of which about 80% is in its natural state. Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. There is one airport and a couple of land strips in the municipal area. The municipal areas include the formal towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas under Amakhosi Dube, Mkhwanazi, Khoza, Mbuyazi, Mthembu, Biyela, Cebekhulu and Zungu. Apart from the

areas of natural significance, large tracts of land are under commercial agricultural production.

9.3.3 NODES AND CORRIDORS

The following table provides a summary the uMhlathuze Nodal Hierarchy:

TABLE 99: NODAL HIERARCHY

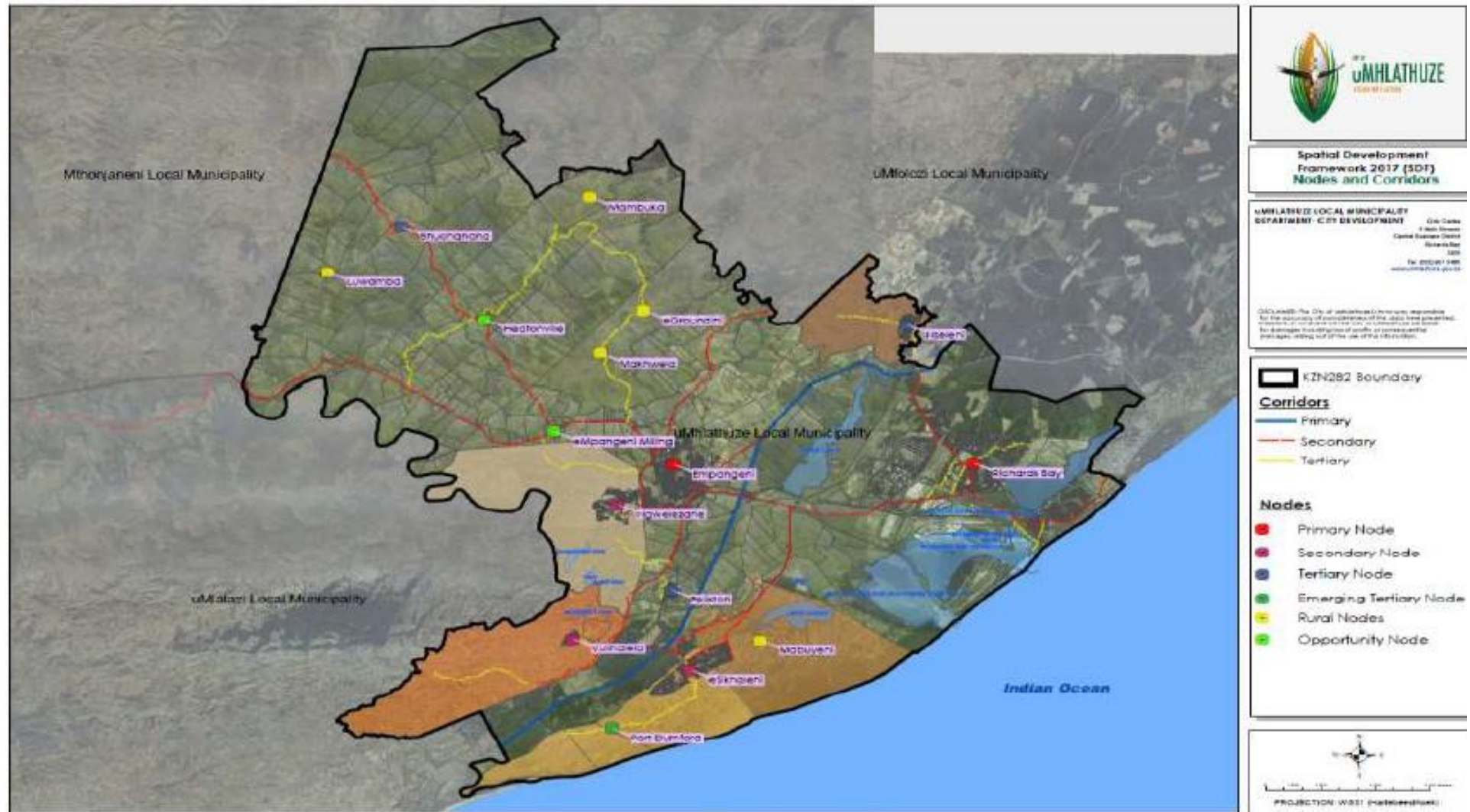
Types and Description	Nodes
Primary Nodes Urban centre for development initiatives that are innovative based on a new ethos which aims at creating a unique high performance unique sense of place and belonging live, i.e., work-play-trade environment.	<ul style="list-style-type: none"> o Empangeni o Richards Bay
Secondary A socio-economic and/or institutional node that offers sustainable economic and social opportunities to the benefit of its inhabitants and visitors based on a human scale principle. In time, secondary nodes should evolve into primary nodes.	<ul style="list-style-type: none"> o Esikhaleni o Ngwelezane o Vulindlela o Felixton
Tertiary A socio-economic node that offers sustainable mixed-use development opportunities based on a human scale principle.	<ul style="list-style-type: none"> o Felixton o Nseleni o Buchanana
Emerging Tertiary A node that is already fulfilling a local need and has the potential to further develop, or is moving toward, being a tertiary node.	<ul style="list-style-type: none"> o Port Durnford
Rural Nodes Socio-economic nodes that offer tailor-made mixed-use development opportunities closer to their surrounding communities.	<ul style="list-style-type: none"> o Hluma o Matshana o Mabuyela o Luwamba o Makwela o eGroundini o Mambuka

Types and Description	Nodes
Opportunity Nodes By virtue of their location at a major intersection or significant passing trade, these areas offer opportunities that not necessarily of a residential nature.	<ul style="list-style-type: none"> o Empangeni Milling o Heatonville

uMhlathuze IDP 2020

The above nodes were identified by their spatial characteristics, primary land use characteristics, roles and functions to city and the region. The identified nodes are classified as Primary, Secondary, Tertiary, Emerging Tertiary, Rural Nodes and Opportunity Nodes.

MAP 12: UMHATHUZE CORRIDORS



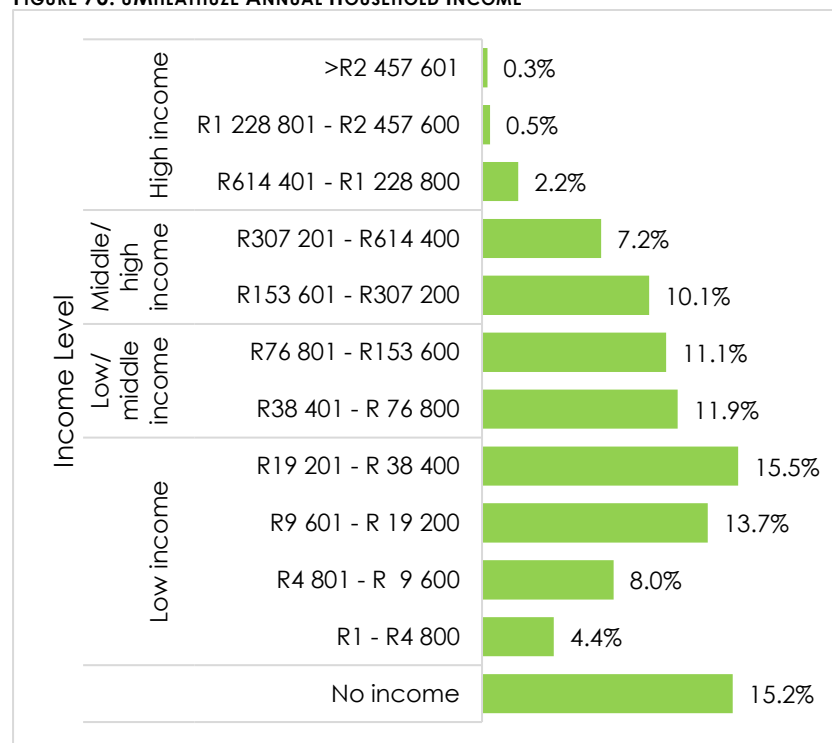
SOURCE: UMHATHUZE DRAFT IDP, 2020

9.4 ECONOMIC PROFILING

This section outlines the economic profile for uMhlathuze. It includes indicators such as annual household income, development indicators, dwelling type, tenure status and household facilities within the region.

The figure below provides a profile of the annual household income of the region.

FIGURE 70: UMLATHUZE ANNUAL HOUSEHOLD INCOME



SOURCE: CALCULATIONS BASED ON DATA FROM THE 2011 CENSUS

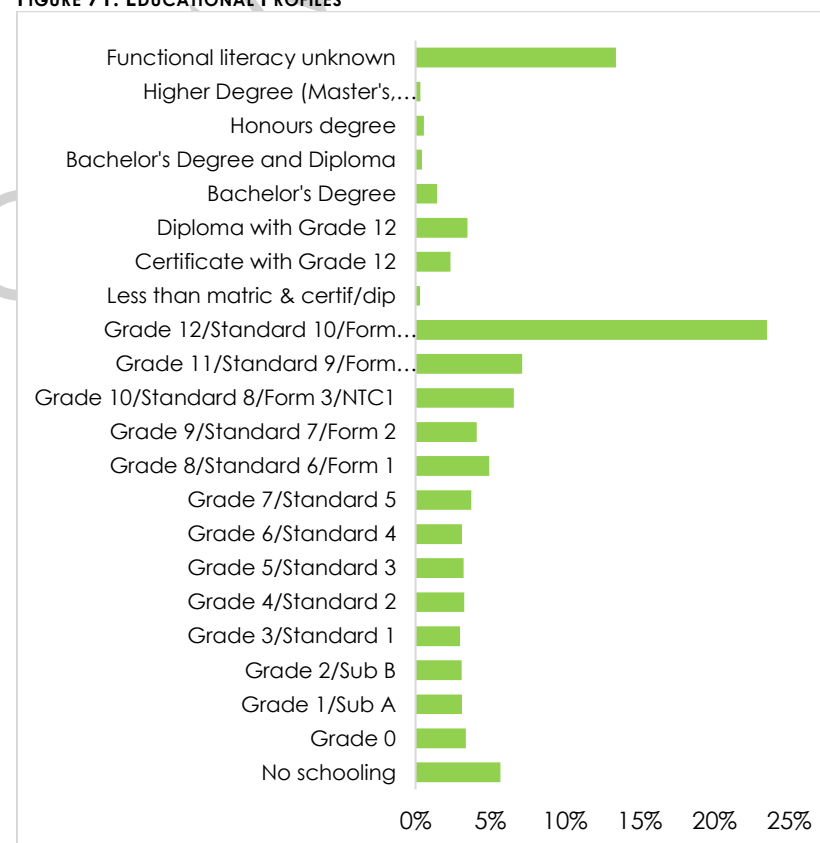
Most of the households in uMhlathuze fall within the lower income segment with 15,5% of the households earning between R19,201 – R38,400 per annum followed by 13,7% of households earning

between R9,601 – R19,200 per annum. The high-income category (>R 2,457,601 per annum) makes up only 0,3% of all households. It is estimated that in 2020, the average household income in this region is R13,078 per month or R156,941 per annum.

9.4.1 DEVELOPMENT INDICATORS

Regarding educational profiles, the graph below outlines these for uMhlathuze.

FIGURE 71: EDUCATIONAL PROFILES



SOURCE: STANDARDISED REGIONAL, QUANTEC 2019

The figure above shows that the largest portion of the population (24%), in uMhlathuze falls into those that have achieved a grade 12 certificate only. The second largest portion of the population (13%) comprises those whose functional literacy is unknown.

In terms of employment profiles, the table below outlines that 103 241 people are employed and 38 858 people are unemployed in uMhlathuze. This shows an unemployment rate of 27% and labour force participation rate of 62%

TABLE 100: EMPLOYMENT PROFILE

Working age population	230,893
Employed	103,241
Unemployed	38,858
Not economically active	88,794
Unemployment rate	27%
Labour force participation rate	62%
Absorption rate	45%

SOURCE: STANDARDISED REGIONAL, QUANTEC 2019

9.4.2 DWELLING TYPE

In uMhlathuze, 76% of dwellings are house or brick structures on a separate stand or yard followed by 8% that are traditional dwellings and 8% that are flats.

TABLE 101: uMHLATHUZE TYPE OF DWELLING

uMhlathuze Type of Dwelling	Number of Households	Percentage of Households
House or brick structure on a separate stand or yard	67 458	76%
Traditional dwelling/hut/structure made of traditional materials	7 267	8%
Flat in a block of flats	7 229	8%

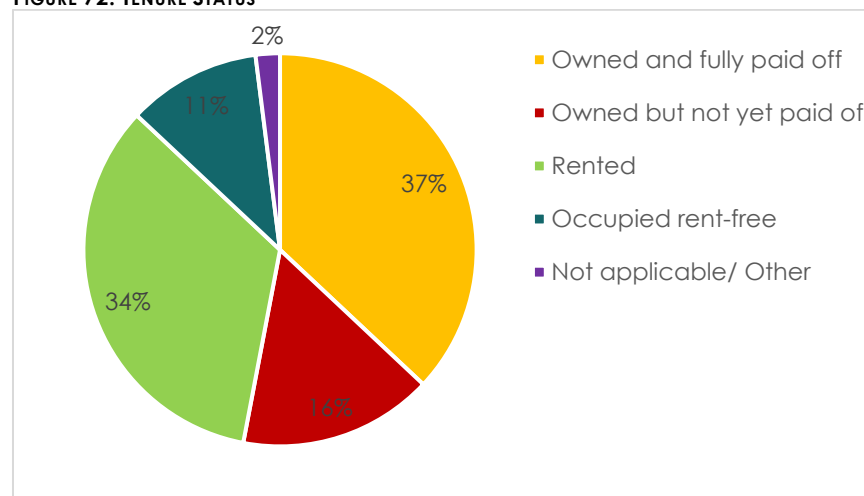
uMhlathuze Type of Dwelling	Number of Households	Percentage of Households
Town/cluster/semi-detached house (simplex, duplex or triplex)	1 794	2%
House/flat/room, in backyard	1 442	2%
Informal dwelling/shack, in backyard	1 611	2%
Informal dwelling/shack, NOT in backyard, e.g., in an informal/squatter settlement	1 074	1%
Room/flatlet not in backyard but on a shared property	667	1%
Other/unspecified/NA	735	1%
Total - Type of dwelling	89 276	100%

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC

9.4.3 TENURE STATUS

This subsection outlines the housing tenure status of uMhlathuze. In uMhlathuze, 37% of households are occupying owned and fully paid off dwellings followed by 34% of households that are renting. The tenure status of these regions is represented graphically below.

FIGURE 72: TENURE STATUS



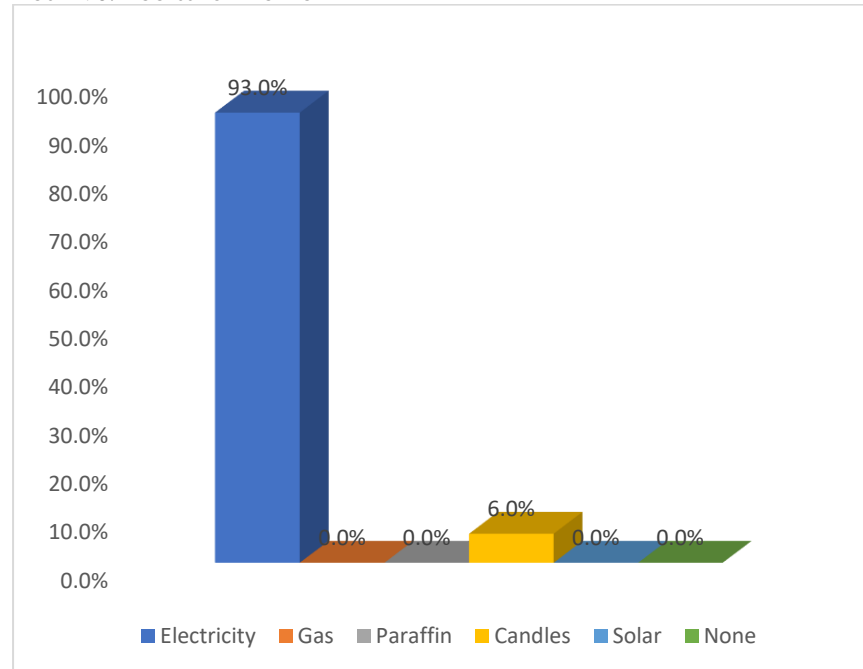
SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC

9.4.4 HOUSEHOLD FACILITIES

This subsection provides an overview of the household facilities in uMhlathuze.

The figure below shows that 93% of households in the region has access to electricity while 6% of households make use of candles as an energy source.

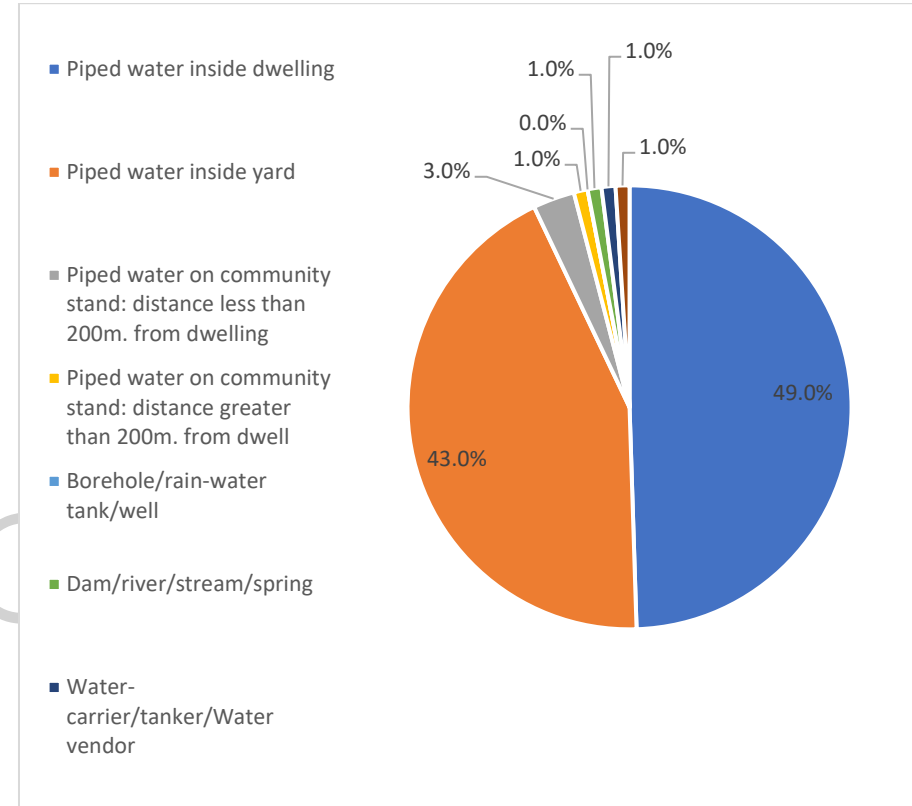
FIGURE 73: ACCESS TO ELECTRICITY



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

In terms of access to water, 49% of households in uMhlathuze has access to piped water inside their dwellings while 43% of households has access to piped water in their yard.

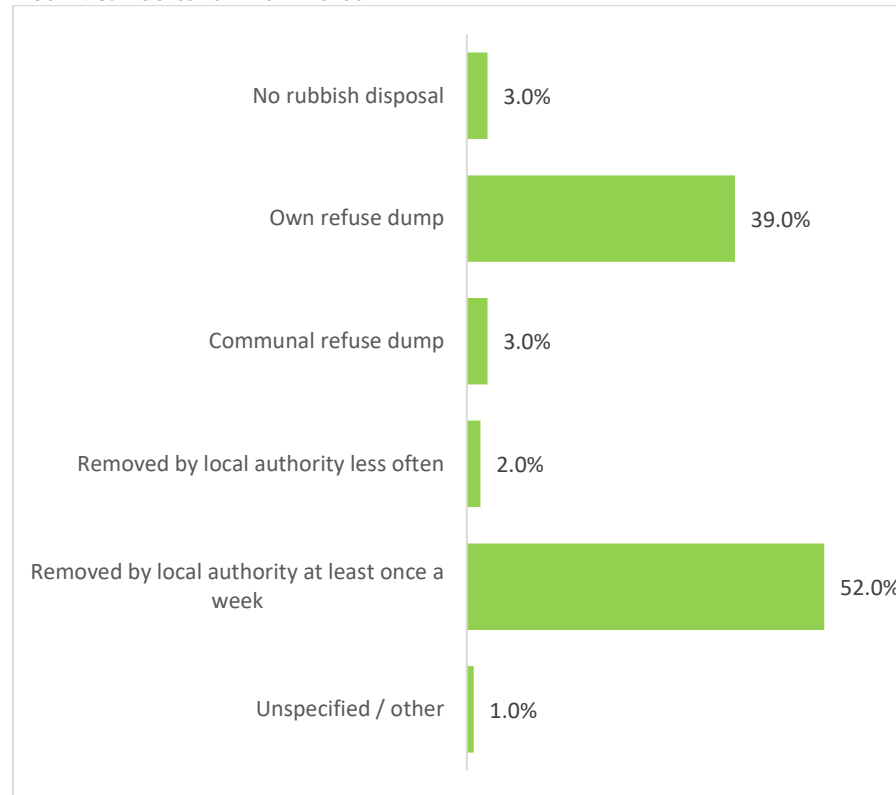
FIGURE 74: ACCESS TO WATER



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

In terms of waste disposal, 52% of households in uMhlathuze has their waste removed by the local authority at least once a week while 39% of households have their own refuse dump as illustrated in the following figure.

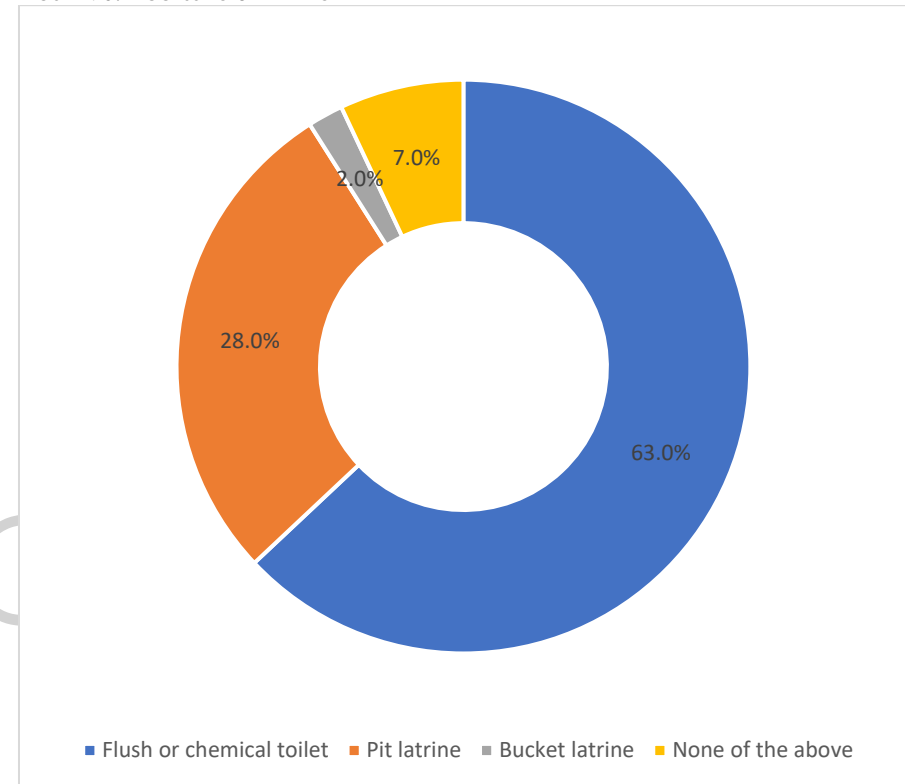
FIGURE 75: ACCESS TO WASTE DISPOSAL



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

Regarding sanitation, 63% of households in uMhlathuze has access to flush or chemical toilets while 28% of households have access to pit latrines.

FIGURE 76: ACCESS TO SANITATION

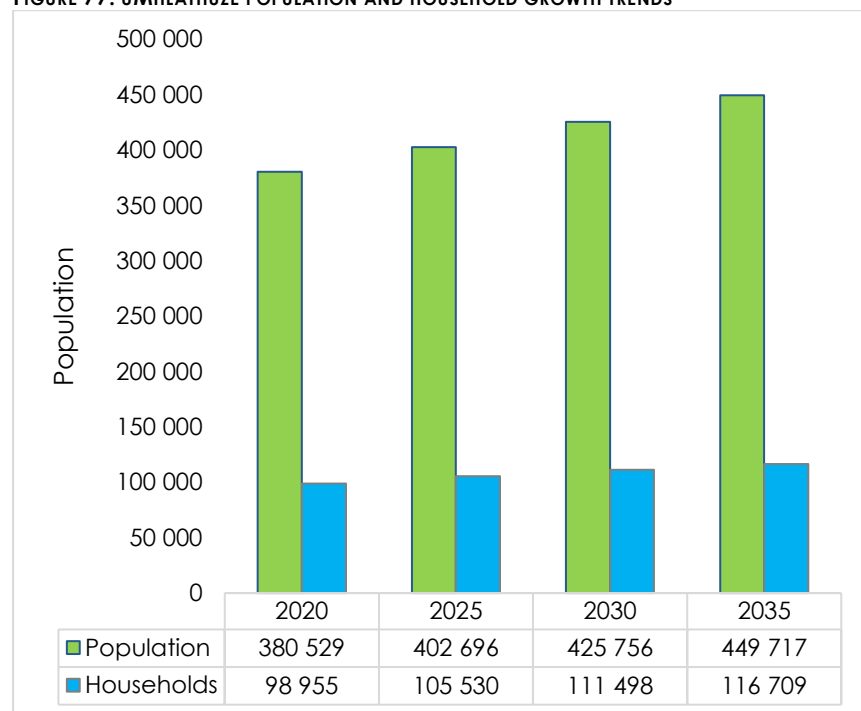


SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

9.5 DEMOGRAPHIC MARKET OVERVIEW

The population and household growth trends for uMhlathuze is illustrated in the following graph in order to provide an indication of the future expansion of the region.

FIGURE 77: uMHLATHUZE POPULATION AND HOUSEHOLD GROWTH TRENDS

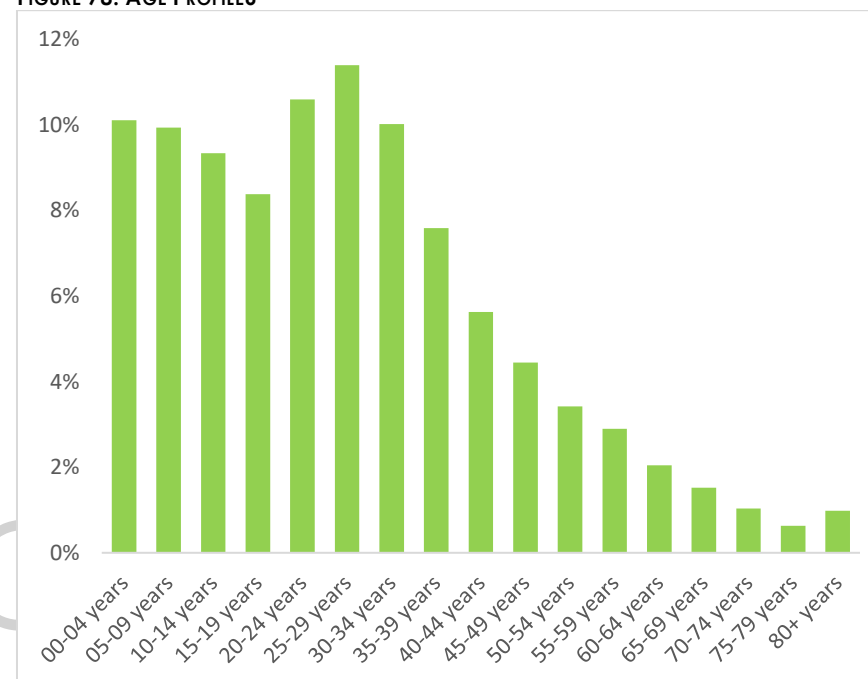


SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

An average annual population growth rate of 1,1% and a household growth rate of 1,3% was experienced in uMhlathuze between 2009 and 2019. In 2020, the population stood at an estimated 380 529 and the number of households at 98 955.

In terms of age profiles, uMhlathuze 29% of the population falling between the ages of 00 and 14 years old. The population that are 60 years and above equates to 7%.

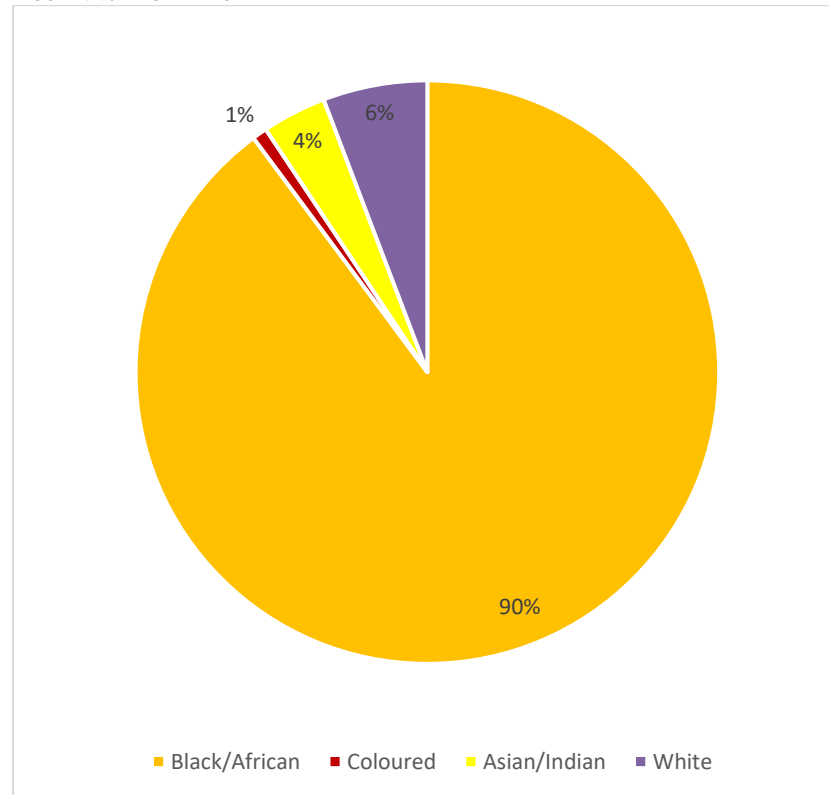
FIGURE 78: AGE PROFILE⁶



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

The racial profile of uMhlathuze indicates that 90% of the population fall into the Black/African category, while 6% are White, 4% Asian/Indian and 1% Coloured as illustrated in the following pie chart.

FIGURE 79: RACIAL PROFILE



SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC, 2019

9.6 RESIDENTIAL MARKET ANALYSIS

9.6.1 UMHLATHUZE HOUSING PLAN

The uMhlathuze Human Settlements Sector Plan is a strategic management tool developed to assist the Municipality to ensure that all activities in the human settlements sector plan are working towards the goal of housing delivery. The human settlements sector plan is aimed at achieving the following objectives:

- To integrate housing development plans into the municipality plans.
- To develop a comprehensive human settlements plan for City of uMhlathuze providing strategic direction and guidance.
- To develop a single shared vision and housing development plan between City of uMhlathuze and KZN department of Human Settlements.

The Human Settlements Sector plan for the City of uMhlathuze is founded or guided in the context of National, Provincial and Municipal directives. All the three spheres of government have their own vision, mission and strategies. In this regard, the key priority programmes recommended in the Housing Sector Plan include the following.

1. Priority programme one: Upgrading of Informal Settlements.
2. Priority programme two: Integrated Residential Development Programme (Greenfield Development).
3. Priority programme three: Community Residential Units and Social Housing.
4. Priority programme four: Finance Linked Individual Subsidy Programme (FLISP).
5. Priority programme five: Eradication of Title Deeds Back Log (pre- and post-1994).
6. Priority programme six: Operation Sukuma Sakhe (OSS).
7. Priority programme seven: Rural Housing Projects.
8. Priority programme eight: Private Housing Developments.
9. Priority programme nine: Emergency Housing Programme.

9.7 HOUSING SECTOR ANALYSIS

9.7.1 UMHLATHUZE HOUSING TRENDS

The Human Settlements Sector plan for the City of uMhlathuze is has nine priority programmes; and under each programme there are a number of projects as presented below.

PRIORITY PROGRAMME ONE: UPGRADING OF INFORMAL SETTLEMENTS

The following seven informal settlements were targeted for assessment and planning under this programme:

1. uMzingwenya River settlement
2. Bhejane/Khoza (Nseleni) Traditional Authority areas
3. Mzingazi Agri-Village and Buffer Strip settlement
4. Mandlazini Agri-Village and Buffer Strip settlement
5. Mkhwanazi (Vulindlela) Traditional Authority areas
6. Ngwelezana Hospital
7. Vulindlela

PRIORITY PROGRAMME TWO: INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME (GREENFIELD DEVELOPMENT)

The following current IRDP projects fall within this Priority Programme:

- o Dumisani Makhaye Village
- o Aquadene Housing Project
- o Empangeni Mega Housing Project
- o Idt Project: People's Housing Process

PRIORITY PROGRAMME THREE: COMMUNITY RESIDENTIAL UNITS AND SOCIAL HOUSING

The following projects fall within this Priority Programme:

- Esikhaleni Hostel Upgrade
- Nseleni Hostel upgrade: Old Transnet Housing Stocks
- New Social Housing projects

PRIORITY PROGRAMME FOUR: FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME (FLISP)

The municipality continues to assist people who fall in the gap market segment. Phase 6 of Dumisani Makhaye Village, 82 sites are ready for the construction of FLISP units and other sites will also be ready at Empangeni Mega Housing before end of March 2020. More houses will be constructed in Aquadene IRDP project as reflected in the priority programme one above on the layout plan. Free standing houses and flats will be made available within this programme for Aquadene and Empangeni Mega Housing projects.

PRIORITY PROGRAMME FIVE: ERADICATION OF TITLE DEEDS BACK LOG (PRE AND POST 1994)

Pre-1994: The intention of this programme is to rectify, regularize and normalize occupancy to ensure that the Old housing stocks are occupied legally by rightful beneficiaries. The housing stocks are spread in all former R293 townships (Ngwelezane, Esikhaleni, Vulindlela and Nseleni)

Post-1994: To eradicate title deeds of houses constructed after 1994 in this case will be the Dumisani Makhaye Village Housing project.

PRIORITY PROGRAMME SIX: OPERATION SUKUMA SAKHE (OSS)

The OSS initiative prioritises households that need urgent interventions.

- Forty-one (41) cases have been approved and the contractor (Stedone) has been appointed to construct the houses.
- Two hundred and forty-one (241) cases have been submitted to department and they have been approved by the Department of Human Settlements.
- Three (3) houses were constructed in ward 31 and 33.
- Two (2) houses have been completed in ward 26.

PRIORITY PROGRAMME SEVEN: RURAL HOUSING PROJECTS

The following table presents the planned rural housing units.

TABLE 102: PLANNED RURAL HOUSING PROJECTS

PROJECT NAME	REFERENCE NO.	WARD	NO. OF SITES	STATUS
Buchanana Rural Housing		33	1 500	Planning
Luwamba Rural Housing	K14050027	31	1 000	Planning
Mkhwanazi Rural Housing		10,11,18,19,22 and 30	1 000	Pre-planning
Madlebe Rural Housing		24,25,27,28 & 29	1 000	Pre-planning
Dube Rural Housing		12,13,14,15,16 & 17	1 000	Pre-planning
Bhejane Rural Housing		5,6,7 and 8	1 000	Pre-planning

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

PRIORITY PROGRAMME EIGHT: PRIVATE HOUSING DEVELOPMENTS

The following table presents the planned private housing units. It is estimated that the number of potential developments in the high-income housing range is sufficient to meet the demand for housing

in this range. It is also envisaged that most of these developments will be completed through the private sector developers.

TABLE 103: PROPOSED MIDDLE-HIGH INCOME HOUSING PROJECTS

Project	Est. Sites	Potential issues/Comments
Aquadene medium income housing (Transnet and Mondl)	230	EIA and bulk sanitation to be upgraded
Sinkinifi	400	Potential for development to be investigated
Hillview Phase 2	230	EIA and DFA approval required, poss clayey soils
Wild-en-Weide ext.	1 719	Access to private land may be difficult
Birdswood ext./ Sappi Development	407	EIA required
Wild-en Vilde –Brackenhams buffer	50	Potential for development to be investigated
TOTAL SITES	3 036	

SOURCE: UMLATHUZE HOUSING SECTOR PLAN 2020

PRIORITY PROGRAMME NINE: EMERGENCY HOUSING PROGRAMME

The Emergency Housing Programme is a programme provided for in Part 3 Volume 4 of the National Housing Code. According to the Housing Code "The main objective of this Programme is to provide temporary assistance in the form of secure access to land and/or basic municipal engineering services and/or shelter in a wide range of emergency situations of exceptional housing need through the allocation of grants to municipalities".

Currently a total of 39 temporal houses are being constructed in ward 1, 5, 6, 11, 18,19, 20, 31 & 33 to assist some of the beneficiaries that were identified through this programme.

LAND SUITABLE FOR FUTURE HOUSING DEVELOPMENT

The uMhlathuze Municipality's Spatial Development Framework identifies a number of expansion areas as future development nodes. All these properties are privately owned. However, the Municipality is heavily reliant on stakeholders such as Department of Human Settlements, Housing Development Agency (for social housing development) and the Department of Rural Development and Land Reform to assist with acquiring of suitable land for housing development, which is currently privately owned, or state owned.

These expansion areas were identified given due consideration to, amongst others, geotechnical, air quality and environmental constraints. Apart from these listed constraints, planning principles were also applied. Some of the main principles relate to developing a more integrated urban structure, infill development and also creating economic opportunities in proximity to areas of dense settlement. Out of eight proposed expansion areas, seven of them will accommodate housing development in different categories (i.e., medium, high, mixed etc). These include the following:

The following information is provided in respect of each of the identified expansion areas.

- Location.
- Ownership.
- Availability of bulk and/or connector services.
- Accessibility in terms of transport and economic opportunities.
- Linkage to spatial development framework.

TABLE 104: LAND SUITABLE FOR HOUSING DEVELOPMENT: SDF PROPOSED EXPANSION AREAS

PROJECT NAME	LOCATION	LAND OWNERSHIP	PROJECT TYPE
Expansion Area A	Esikhaleni-Vulindlela Corridor	Mkhwanazi Traditional Authority (Mkhwanazi Community)	Mixed Residential

PROJECT NAME	LOCATION	LAND OWNERSHIP	PROJECT TYPE
Expansion Area B	Felixton	Private	Mixed Residential
Expansion Area D	Empangeni	Private	High Residential
Expansion Area E	Empangeni	Private	Mixed Residential
Expansion Area F	Richards Bay-Birdswood-Mandlazini Veldenvlei &	State	Mixed Residential
Expansion Area G	Nseleni Interchange	Private	Mixed Residential
Expansion Area H	Empangeni (Empangeni Mega Housing)	Council	Mixed Residential

SOURCE: STANDARDISED REGIONAL SERVICES QUANTEC 2019

LAND REFORM PROGRAMMES

Land claims are made against the State in terms of the Restitution of Land Rights Act (No. 22 of 1994) and are resolved by way of physical land redistribution or other appropriate/practical means, e.g., financial compensation. Following the commencement of the Restitution of Land Rights Amendment Act (Act No. 15 of 2014), people who missed the 31 December 1998 deadline to lodge land claims now have an opportunity to lodge claims until 30 June 2019. It is important to note that the intention of land claims is not to stop development.

The Municipality is constantly engaging with the Land Claims Commission to attend to matters relating to land claims in the municipal area. It has been determined that the following land claims in the municipality are being attended to:

1. Mandlazini/Mambuka Land Claim (Ref No Krn6/2/2/E/21/0/0/3)
2. Mambuka Amendment Claim (Amendment Notice 255 Of 2017)
3. Mbonambi Land Claim (Ref No Krn6/2/2/E/21/0/0/67)

4. Mndaba Group Land Claim (Ref No Krn6/2/2/E/21/0/0/53)

9.7.2 SOCIAL HOUSING CHALLENGES

While uMhlathuze Municipality has a number of programmes for housing delivery, many challenges still need to be faced in this regard including the following:

- Land ownership and unsettled land claims
- Demand is higher than supply of housing due to lead time to deliver housing.
- The availability of capacity in bulk infrastructure (Wastewater Treatment Works, Electricity, Roads, Water, Stormwater)
- To obtain environmental authorisation and water use licenses in time.
- Availability of suitable land for housing development
- Insufficient integrated engineering bulk infrastructure to connect new housing development with existing corridor, settlement patterns and economic nodes.
- Funding constraints due to performance linked payments
- Land Invasions and Vandalism of completed housing structure
- Illegal occupation of completed housing structure
- Lack of Education of new housing owners could result in:
 - Lack of payment of rates
 - Difficult renting of houses
 - Difficult maintenance issues
 - Loss of revenue

Social Housing challenges in uMhlathuze are outlined in the following table.

TABLE 105: LAND STATUS AND CHALLENGES IN UMLATHUZE

Restructuring Zone	Land Status and Challenges
uMhlathuze Village (Dumisani Makhaye)	<ul style="list-style-type: none"> There are issues with the current mapping of the RZs that needs to be realigned.

Restructuring Zone	Land Status and Challenges
	<ul style="list-style-type: none"> No social housing projects have been constructed nor under construction within the RZ. LM is finalising processes to appoint for one project within the RZ, Dumisani Makhaye Village and currently assessing land value for the Empangeni Mega Project Phase 1 before appointing a SHI. The above projects are both components of IRDP projects and will yield 2 220 social housing units. Installation of bulk and internal services on the identified project areas are complete and ready for implementation. The LM has also identified other projects within the RZ: Empangeni Phase 2 that will consist of approximately 1 400 units. The Municipality has appointed an implementing agent to undertake detailed planning activities on the project area due to be concluded in 2021. The LM has secured funding to install bulk services infrastructure within project area.
Aquadene	<ul style="list-style-type: none"> In the Aquadene RZ there are no social housing projects have been implemented nor under construction. The LM is finalising processes to appoint for one project within the RZ, Aquadene Future Phases Project. The performance of RZ is directly linked to the Municipalities state of readiness and ability to expedite putting in place the required internal processes. There is an overall disjuncture between the number of zones which are reflected in Municipalities council resolutions and what was gazetted.

Restructuring Zone	Land Status and Challenges
	<ul style="list-style-type: none"> The is an overall general misalignment of mapping of the zones between the three spheres of government. The initial lack of understanding of the programme has resulted in a sluggish execution of all the underlying activities required for Municipalities to reach a state of full readiness.

Source: Adapted from the Performance of Gazetted RZs within the KZN Province, 2020

9.8 KEY FINDINGS FROM HOUSEHOLD SURVEY

9.8.1 KEY FINDINGS FROM HOUSEHOLD SURVEYS

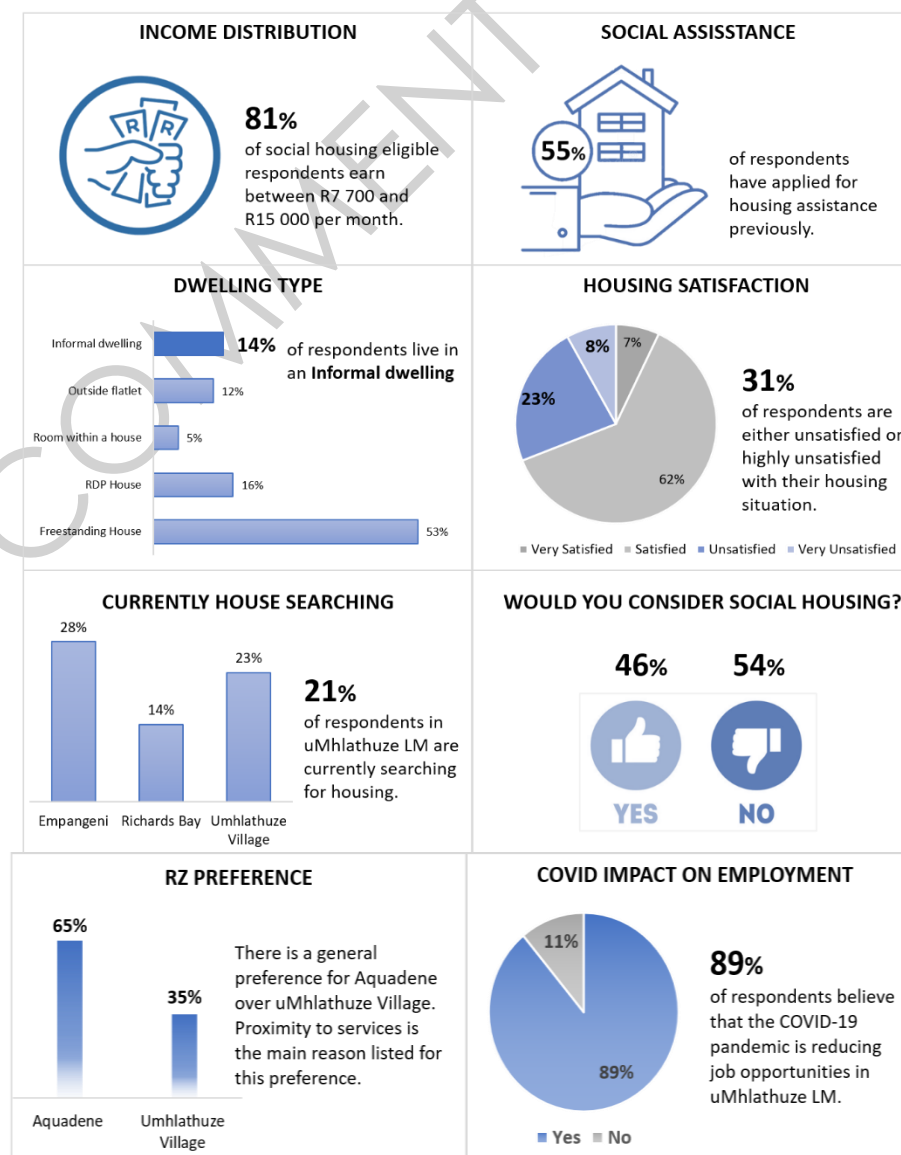
This section assesses the results of the market survey to inform current household profiles and housing preferences.

The questionnaire targeted employed individuals between the ages of 25 and 65 who could be eligible for social housing. The specific purpose of the survey process was to address information gaps relating to the following themes:

- Preference for social housing and specifically preference for social housing between Aquadene and uMhlathuze Village.
- Influencing factors regarding the willingness of people within uMhlathuze LM to relocate to a potential social housing development.

The results of the market trends assessment are presented below.

FIGURE 80: uMHLATHUZE LM MARKET TRENDS ASSESSMENT, 2021



The key findings indicate that there is a general need and appetite for social housing within uMhlathuze LM. The market trend assessment reveals that there is a large market of households that earn between R7 700 and R15 000 per month, the upper income bands of the social housing market segment. This is important as it affects the financial feasibility of a potential social housing project as the upper income earners subsidise the lower income earners.

In line with the housing shortage reported in the planning documents, the market assessment reflects that the majority of respondents have applied for housing assistance previously with 14% of respondents currently living in an informal dwelling. In addition, a combined 31% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation and 21% of respondents reported that they are currently seeking housing. These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation and poverty levels of many households in the municipality.

Whilst there may be a need for social housing provision in the municipality, this does not always translate to demand for such a project. This, however, does not seem to be the case in uMhlathuze LM as 46% of respondents reported that they would move into a social housing development. Specifically, there seems to be a greater preference for social housing in Richards Bay compared to Empangeni with 65% of respondents choosing Aquadene and their preferred RZ. The main reasons reported for this preference include:

- "I need housing so any location would be good,"
- "There are good services in that area,"
- "It is close to employment opportunities."

Those that reported a preference for uMhlathuze Village cited proximity to employment opportunities and access to transport routes as their main reasons.

Lastly it is important to note that 89% of respondents believe that the COVID-19 pandemic is having a negative effect on employment opportunities within the uMhlathuze LM. This is an evolving situation and needs to be monitored as household income, and therefore employment, is a key determinant of social housing eligibility and demand. Overall, the survey results reveal that there is a current need and market appetite for social housing provision in uMhlathuze LM.

9.9 MARKET SUPPLY ASSESSMENT

9.9.1 MARKET SUPPLY

According to municipal planning documents, there is currently a shortage of available residential stock and limited competing developments to address the gap in the social housing market resulting in a backlog. In addition, the uMhlathuze municipal area is characterized by a shortage of suitably well-located land for housing development. Despite this, the municipality has identified a number of potential land parcels that have potential for housing development within two major restructuring zones, however, these potential developments are still in the planning phase.

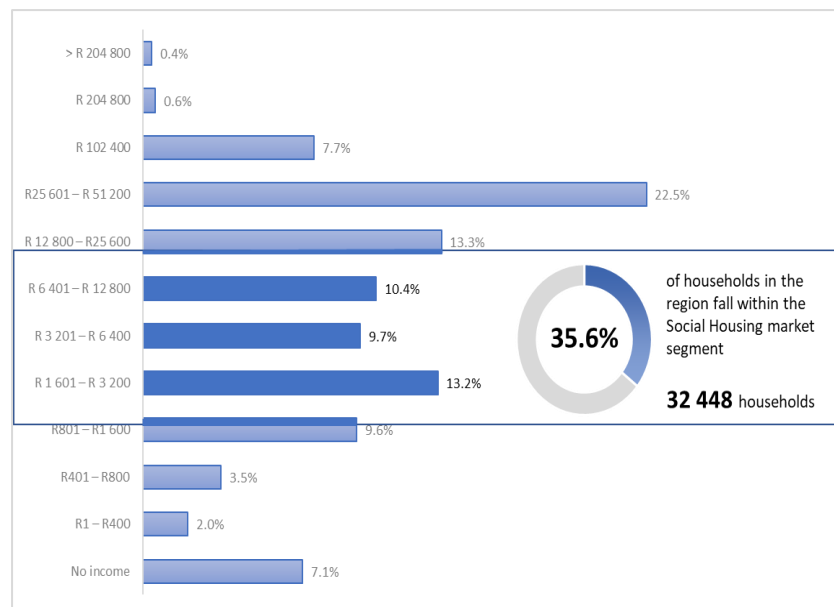
As there are currently no social housing developments within uMhlathuze LM, there is no supply considered in this analysis.

9.10 MARKET DEMAND ASSESSMENT

9.10.1 MARKET AFFORDABILITY

Income levels are a key determinant of demand for social housing. The income bands highlighted reflect the target market for social housing within uMhlathuze LM, those earning between R1 500 and R15 000 per month. The total target market for social housing is 32 448 households as of 2020, accounting for 35.6% of households within the local municipality.

FIGURE 81: UMLATHUZE LM SOCIAL HOUSING MARKET SEGMENT, 2020



SOURCE: URBAN-ECON (2021)

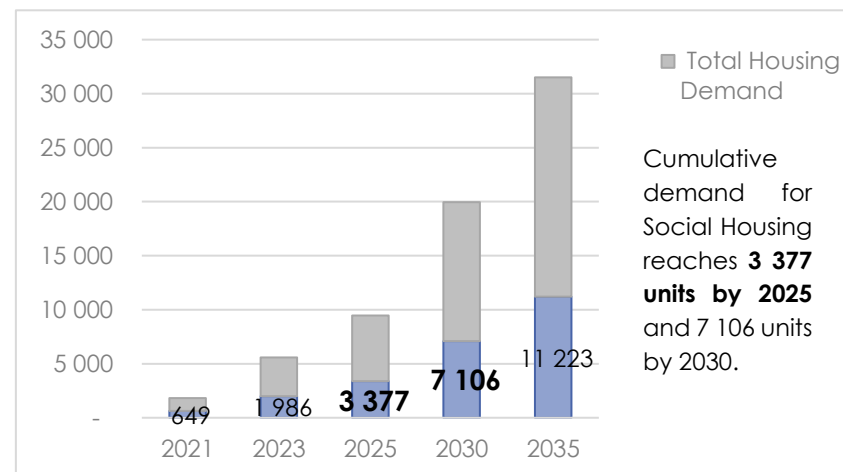
9.10.2 MARKET DEMAND AND AFFORDABILITY ANALYSIS

Applying the affordability analysis to the cumulative demand projections reveals the total demand for social housing from the target market in uMhlathuze LM.

The following table reflects the total number of housing units demanded within uMhlathuze LM as well as the total number of social housing units demanded by the target market.

Given historical household growth and migration rates, the cumulative demand for social housing is 3 377 units by 2025 with longer term demand expected to increase to 7 106 units by 2030.

FIGURE 82: CUMULATIVE DEMAND FOR HOUSING IN UMLATHUZE LM, 2021 – 2035



SOURCE: URBAN-ECON (2021)

9.10.3 BACKLOG OF SOCIAL HOUSING

The Umlathuze Municipality Draft Human Settlements Plan Review, 2019/2020 estimated the Social Housing/Community Residential Unit backlog at 5 000 units, which led to the Esikhaleni Hostels and the establishment of rental housing units in Richards Bay and Empangeni. It is evident that the majority of people living in the peri-urban areas are workers who cannot afford formal private rental and students with limited choice in respect of available student accommodation.

A summary of the Municipal housing backlog or potential beneficiaries per subsidy instrument is:

- Urban Greenfield low-income housing: 10 000 including Mandlazini and Mzingazi housing backlog
- Social/Rental and Community Residential Units: 5 000
- Rural Housing: 6622 including slums clearance estimated at 2 800

However, due to the large number of living quarters catering for students it is estimated that only 30% of the total figure should be included in the social housing backlog estimations.

As the current method noted in the municipal planning documents is based in Census 2001-2011 data, a more recent dataset (2019) will be utilised to inform current demand. As such, and in line with the widely adopted IDP methodology of backlog calculations, the housing backlog for this demand analysis is calculated as the sum of all eligible households (earning between R1 500 and R15 000 per month) living in substandard dwelling units.

For the purposes of this analysis, substandard dwelling units are classified in the data as:

- Traditional dwelling/hut/structure made of traditional materials.
- Informal dwelling/shack, in backyard.
- Informal dwelling/shack, not in backyard, e.g., in an informal/squatter settlement; and
- Other/unspecified.

Using this methodology, the social housing backlog in uMhlathuze LM as of 2020, is **3 724** units.

9.10.4 EFFECTIVE DEMAND FOR SOCIAL HOUSING

Effective demand applies the market perception of social housing, particularly within the two identified RZ's, to the market affordability analysis to reflect the real demand to be expected from the market.

The following table takes into account the findings from the above-mentioned market trends assessment to calculate the Effective Demand:

- 46% of households in uMhlathuze LM would consider moving into a social housing development.

- 65% of households would prefer to move into Aquadene RZ compared to 35% that would prefer to move to uMhlathuze Village.

TABLE 106: EFFECTIVE DEMAND PER RZ, 2021 - 2035

	2021	2022	2023	2024	2025	2030	2035
Cumulative Social Housing Demand	649	1,311	1,986	2,675	3,377	7,106	11,223
Housing Backlog*	3,724	3,724	3,724	3,724	3,724	3,724	3,724
Total Social Housing Demand	4,373	5,035	5,710	6,399	7,101	10,830	14,947
Effective Social Housing Market Demand	2,012	2,316	2,627	2,943	3,267	4,982	6,875
Effective Demand per RZ							
Aquadene RZ	1,308	1,505	1,707	1,913	2,123	3,238	4,469
uMhlathuze Village RZ	704	811	919	1,030	1,143	1,744	2,406

*Note: The calculation of the housing backlogs figures is based on the application of acceptable planning parameters that are utilised in official municipal documents.

SOURCE: URBAN-ECON (2021)

The market demand assessment reflects sufficient demand to consider the provision of social housing in uMhlathuze LM. Within the next five years the market will demand 3 267 social housing units which is expected to grow to 4 982 units by 2030.

Given market preferences, Aquadene seems to be a more favourable location for social housing with 2 123 units demanded by 2025 and 3 238 units demanded by 2030. uMhlathuze Village could also support a social housing development as demand is positive and

exceeds 1 000 units by 2025, however, a development in this location should be proportionately smaller.

9.10.5 DEMAND PER INCOME CATEGORY: RENT QUOTE

An estimated rent quote per RZ was calculated given household affordability and SHRA's rental structure to establish the rental values the households could be expected to pay for social housing in uMhlathuze LM.

The rental structure as stipulated by SHRA is displayed in the table below.

TABLE 107: SHRA RENTAL STRUCTURE FOR SOCIAL HOUSING, 2020

Income Category Annual	Income Category Monthly	Rental as % of Income (SHRA)	Estimated Rental Range	SHRA Standard Social Housing Unit Mix
R18 000 – R42 000	R1 500 - R3 500	25	R 375 - R 875	10%
R42 001 – R66 000	R3 501 - R5 500	27	R 876 - R 1 485	20%
R66 001 – R92 400	R5 501 - R7 700	32	R 1 486 - R 2 464	20%
R92 401 – R135 600	R7 701 - R11 300	35	R 2 465 - R 3 955	20%
R135 601 – R180 000	R11 301 - R15 000	37	R 4 181 - R 5 550	30%

SOURCE: URBAN-ECON (2021)

The following tables reflect the rent quote per RZ; effective social housing demand for each RZ per rental category.

TABLE 108: RENT QUOTE FOR AQUADENE RZ IN UMLATHUZE LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	37.0%	484	632	786	1,199	1,654
R 876 - R 1 485	19.6%	256	334	416	634	875
R 1 486 - R 2 464	13.6%	178	232	289	441	608
R 2 465 - R 3 955	16.5%	215	281	350	534	736
R 4 181 - R 5 550	13.3%	174	227	282	431	595
Effective Social Housing Demand	100.0 %	1,308	1,707	2,123	3,238	4,469

SOURCE: URBAN-ECON (2021)

TABLE 109: RENT QUOTE FOR UMLATHUZE VILLAGE RZ IN UMLATHUZE LM, 2021 - 2035

Rental Range	%	2021	2023	2025	2030	2035
R 375 - R 875	37.0%	261	340	423	645	891
R 876 - R 1 485	19.6%	138	180	224	341	471
R 1 486 - R 2 464	13.6%	96	125	156	237	328
R 2 465 - R 3 955	16.5%	116	152	188	287	397
R 4 181 - R 5 550	13.3%	94	122	152	232	320
Effective Social Housing Demand	100.0 %	704	919	1,143	1,744	2,406

SOURCE: URBAN-ECON (2021)

9.10.6 FEASIBLE SOCIAL HOUSING PLANNING

Taking into account market demand and SHRA's standard social housing unit mix based on income, this section outlines the feasible upper limits of potential social housing provision within uMhlathuze LM.

The SHRA model requires higher rentals from the upper income earners to subsidise lower rentals from the lower income earners in order to achieve financial feasibility. As such, there needs to be a

greater proportion of upper income households in a social housing development. SHRA's standard social housing unit mix suggests that a minimum of 30% of the units need to be rented to the highest income bracket households – those earning between R11 300 and R15 000 monthly. This sets the limits for the size of potential social housing developments in the RZ's.

The following table reflects the proposed social housing developments per RZ.

TABLE 110: POTENTIAL SOCIAL HOUSING DEVELOPMENTS IN uMHLATHUZE LM RZ's, 2025 - 2030

		Feasible Social Housing Units			
		Aquadene		uMhlathuze Village	
Rental Range	%	2025	2030	2025	2030
R 375 - R 875	10%	94	144	51	77
R 876 - R 1 485	20%	188	287	101	155
R 1 486 - R 2 464	20%	188	287	101	155
R 2 465 - R 3 955	20%	188	287	101	155
R 4 181 - R 5 550	30%	282	431	152	232
		942	1,436	507	773

SOURCE: URBAN-ECON (2021)

In total, uMhlathuze LM could feasibly accommodate 1 449 social housing units by 2025 with this figure growing to 2 209 units by 2030. Both RZ's reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

9.10.7 LAND REQUIREMENTS FOR DEMAND

This section investigates the land requirements for the provision of potential social housing developments in uMhlathuze LM.

Social Housing falls within the Medium-Density Mixed Housing (MDMH) density brackets. MDMH is defined as housing that has a minimum of 50 dwelling units per hectare (du/ha) and a maximum of 125 du/ha. Social housing (SH) is defined as medium- to high-density housing with

different tenure options but excluding immediate ownership. Given the typical densities of current social housing development, the following density scenario's will be utilised to approximate the land requirements of the potential social housing development per RZ:

- Density Scenario 1: 80 u/ha
- Density Scenario 2: 100 u/ha
- Density Scenario 3: 120 u/ha

TABLE 111: LAND REQUIREMENTS FOR POTENTIAL SOCIAL HOUSING PROVISION IN uMHLATHUZE LM, 2025 - 2030

	Aquadene		uMhlathuze Village	
Density Scenario	2025	2030	2025	2030
80 u/ha	12	18	6	10
100 u/ha	9	14	5	8
120 u/ha	8	12	4	6

SOURCE: URBAN-ECON (2021)

9.10.8 LAND PIPELINE AND LAND OPPORTUNITIES

The table below outlines the land pipeline for uMhlathuze.

TABLE 112: SOCIAL HOUSING LAND PIPELINE uMHLATHUZE

Restructuring Zone	Number of Social Housing Units
1. Aquadene	1 000
2. uMhlathuze Village	1 020

SOURCE: QUESTIONNAIRE FEEDBACK FROM MUNICIPALITIES, 2020

In uMhlathuze the following land opportunities for social housing exists:

- Empangeni
- Meersee 5 in Richards Bay.

The LM is also looking at identifying the whole Richards Bay CBD as a RZ as there are parcels of land within the CBD that can be used for Social Housing.

9.11 CONCLUSION

In uMhlathuze there are two potential RZs namely, Aquadene and Empangeni (uMhlathuze Village).

Most of the households in uMhlathuze fall within the lower income segment with 15,5% of the households earning between R19,201 – R38,400 per annum followed by 13,7% of households earning between R9,601 – R19,200 per annum. It is estimated that the average household income in this region is R13,078 per month or R156,941 per annum.

The largest portion of the population (24%), in uMhlathuze falls into those that have achieved a grade 12 certificate only. In terms of employment profiles, 103 241 people are employed, and 38 858 people are unemployed in uMhlathuze. This shows an unemployment rate of 27%.

In uMhlathuze, 76% of dwellings are house or brick structures on a separate stand or yard followed by 8% that are traditional dwellings and 8% that are flats.

The housing tenure status of uMhlathuze. In uMhlathuze, 37% of households are occupying owned and fully paid off dwellings followed by 34% of households that are renting.

In terms of access to services in uMhlathuze, 93% of households has access to electricity, only 49% of households has access to piped water inside their dwellings, 52% of households has their waste removed by the local authority at least once a week while

63% of households in uMhlathuze has access to flush or chemical toilets.

An average annual population growth rate of 1,1% and a household growth rate of 1,3% was experienced in uMhlathuze between 2009

and 2019. In 2020, the population stood at an estimated 380 529 and the number of households at 98 955.

In terms of age profiles, uMhlathuze 29% of the population falling between the ages of 00 and 14 years old. The racial profile of uMhlathuze indicates that 90% of the population fall into the Black/African category.

The market assessment as well as demand assessment reflect that there is a significant need and demand for social housing within the municipality.

The market assessment reflects that the majority of respondents have applied for housing assistance previously with 14% of respondents currently living in an informal dwelling. In addition, a combined 31% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation and 21% of respondents reported that they are currently seeking housing.

Furthermore 46% of respondents reported that they would move into a social housing development with a greater preference for social housing in Richards Bay (Aquadene RZ). These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation and poverty levels of many households in the municipality.

In total uMhlathuze LM could feasibly accommodate 1 449 social housing units by 2025 with this figure growing to 2 209 units by 2030. Both RZ's reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

10 OTHER FACTORS INFLUENCING SOCIAL HOUSING

10.1 POLITICAL RISKS AND MITIGATION

Feedback from consultation with municipal personnel suggested that in most cases no political risk is foreseeable with regard to social housing projects. In other cases, such as Ray Nkonyeni and KwaDukuza, full political support and no foreseeable political risks was noted respectively.

However, in the case of Msunduzi, land invasions in Aloe Ridge were highlighted. The existing social housing development in Aloe Ridge has been invaded by allied military veterans' forces that are all the veteran wings of mainstream political parties.

In Newcastle, since no social housing units are operational, there are no current political challenges currently. However, in future there is a possibility that politicians may demand that their initiatives be accommodated despite affordability.

To mitigate these risks, it is important that adequate security is provided in future social housing developments. This will also assist in risks related to general land invasions and illegal occupation. It is also essential that social housing initiatives be based on comprehensive feasibility testing to reduce political interference.

10.2 PRIVATE SECTOR ROLE IN AFFORDABLE HOUSING

Since there are no social housing projects in five out of six of the LMs of this study, it is assumed that demand in the upper affordability brackets is effectively being absorbed by the private sector. Effectively, the private sector is therefore competing in the affordable rental market.

The private sector offering in the affordable housing market is typically in the form of garden cottages/ granny flats, apartments,

and possibly even house or flat sharing arrangements. Student and young professionals are the primary target market.

The product offering is characterised by having greater amenity than social housing, such as small gardens, carports, internet and/or satellite connectivity etc. that the social housing sector is unable to provide.

Stakeholder engagement in Msunduzi suggested that rentals of R4 500 and above could not be charged for social housing units in this region due to competition from the private which offer improved amenities.

With regard to the tenant mix for social housing, the private sector competes with top end units in band R11 301-R15 000. Thus, the private sector serves as a competitor to the upper income band social housing units only.

In most of the regions, the middle-income bands exhibit greater demand for social housing, while competition from the private sector is typically placed on the upper income band of the target market. This is likely to place pressure on the upper income target market for SHIs, which in turn negatively impacts opportunities for cross-subsidisation.

Alternatively, for the upper income band social housing units to effectively compete with the private sector it would have to offer superior amenities or charge rates that are lower than the private sector. Offering superior amenities in a social housing development is challenging and is a contradiction of the cross-subsidisation model. A better approach may be to consider deviation from SHRA's ideal tenant mix, where necessary

10.3 THE FUNDING MODEL

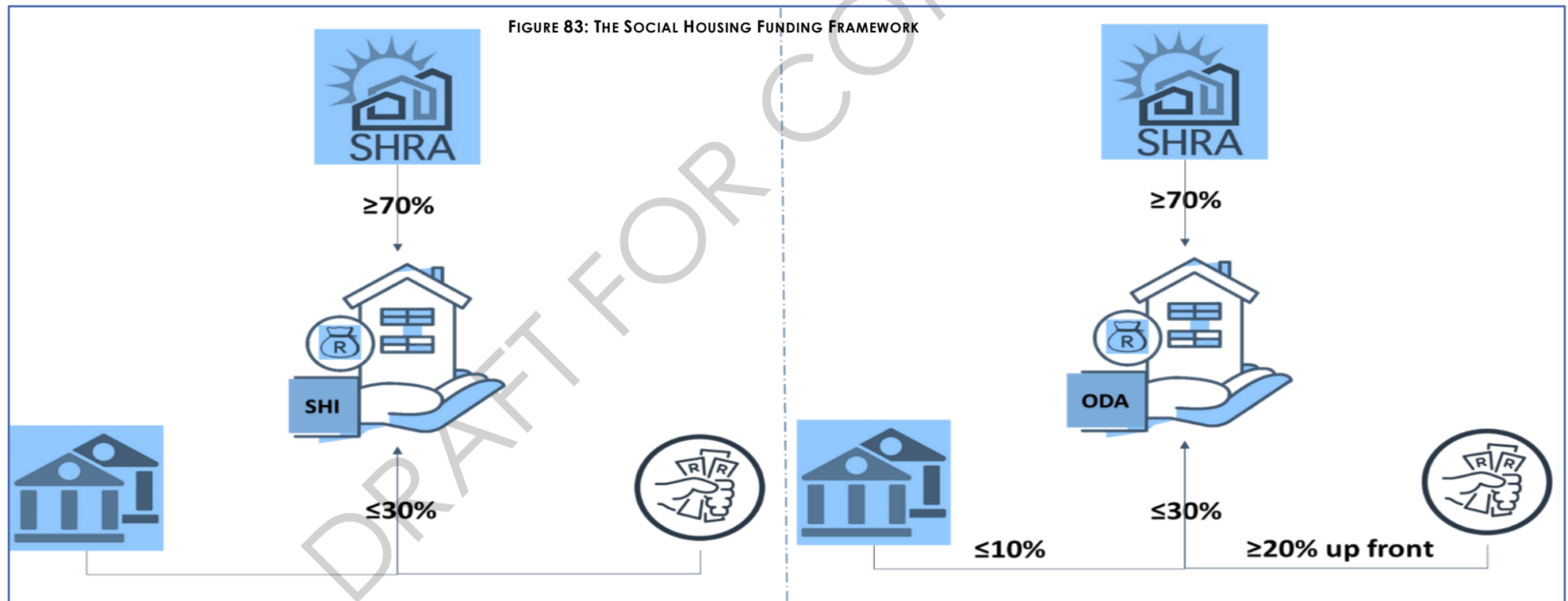
Social housing initiatives funding mechanisms differ for Social Housing Institutes (SHIs) and Other Delivery Agents (ODAs). The social housing funding framework for both the SHIs and ODAs illustrated in Figure 83.

Social Housing Institutes are eligible for at least 70% of CAPEX financing costs through SHRA, with the balance of a maximum of 30% to be sourced through financial institutions and/or equity.

- ODAs are eligible for at least 70% CAPEX financing through SHRA, but must provide 20% of the equity up front, with the balance of a maximum of 10% to be sourced through financial institutions.

- The main purpose of SHRA's Consolidated Capital Grant is to make rentals affordable for the social housing target market.

All direct costs + indirect costs + loan repayments (capital + interest) + the build-up of equity + the build-up of a maintenance reserve is assumed to be covered through rental collections.



SOURCE: URBAN-ECON (2021)

11 CONCLUSION

This section provides a summary of the main findings of this study as well as recommendations for future social housing development in each of the six regions.

11.1 SUMMARY OF MAIN FINDINGS AND RECOMMENDATIONS

11.1.1 ALFRED DUMA

- ✓ In Alfred Duma there are three RZs namely, Hospital Street, Ladysmith Central and Dunlop. In the Dunlop RZ, there are two sites which are located further away from the central business district.
- ✓ The smaller Dunlop site is situated close to Ezakheni and while the larger Dunlop site is closer to the R163. Hospital Park and Ladysmith Central are centrally located with the main transport route (R163) passing through these RZs.
- ✓ In terms of income category, the majority of the households in Alfred Duma falls within the lower income segment with 23,2% of the households earning between R19,201 – R38,400 per annum followed by 20,9% earning between R9,601 – R19,200 per annum. The smallest number of households in this region fall within high income category (>R 2,457,601 per annum) which make up only 0,3% of all households. It is estimated that in 2020, the average household income in this region is R7,551 per month or R90,606 per annum based on historical data trends.
- ✓ The largest portion of the population (19%), in Alfred Duma falls into those that have achieved a grade 12 certificate only. The second largest portion of the population (12%) comprises those whose functional literacy is unknown.
- ✓ In terms of employment profiles, 52 510 people are employed, and 28 678 people are unemployed in Alfred Duma. This

shows a high unemployment rate of 35% and labour force participation rate of 53%

- ✓ In terms of type of dwellings, in Alfred Duma 72% of dwellings are house or brick structures on a separate stand or yard followed by 17% that are traditional dwellings. The third most common dwelling type in Alfred Duma are flats at 4% of all households in the region.
- ✓ This subsection outlines the housing tenure status of Alfred Duma. Alfred Duma has the highest percentage of households that are occupying owned and fully paid off dwellings at 39%. The tenure status of these regions is represented graphically below.
- ✓ In Alfred Duma, 83% of households in the region has access to electricity while 16% of households make use of candles as an energy source.
- ✓ In terms of access to water, 45% of households in Alfred Duma has access to piped water inside their dwellings while 23% of households has access to piped water in their yard.
- ✓ In terms of waste disposal 58% of households in Alfred Duma has their waste removed by the local authority at least once a week while 33% of households have their own refuse dump.
- ✓ Regarding sanitation, 59% of households in Alfred Duma has access to flush or chemical toilets while 35% of households have access to pit latrines.
- ✓ An average annual population growth rate of 0,6% and a household growth rate of 0,9% was experienced in Alfred Duma between 2009 and 2019. In 2020, the population stood at an estimated 262 213 and the number of households at 64 956.
- ✓ In terms of age profiles, Alfred Duma has a relatively young population with 33% of the population falling between the ages of 00 and 14 years old. The population that are 60 years and above equates to 7%

- ✓ The racial profile of Alfred Duma indicates that 93% of the population fall into the Black/African category, while 4% are Asian/Indian, 2% White and 1% Coloured.
- ✓ There are currently no social units in place within the municipalities.
- ✓ The market assessment reflects that a significant percentage, (29%) of respondents having applied for housing assistance previously with 2% of respondents currently living in an informal dwelling. In addition, a vast majority of respondents (99%) reported that they were either unsatisfied or highly unsatisfied with their current housing situation and 100% of respondents reported that they are currently seeking housing. These factors suggest that there is a need for housing in the region and that a social housing development could vastly improve the housing situation in the municipality. In addition, 60% of respondents reported that they would move into a social housing development with a greater preference for social housing in the Dunlop RZ. These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation in the municipality.
- ✓ **Recommendation:** The Alfred Duma LM could feasibly accommodate **2 762** social housing units by 2025 with this figure growing to **3 145** units by 2030. All three designated RZ's reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

✓ **Land Requirements**

Density Scenario	Hospital Street		Ladysmith Central		Dunlop	
	2025	2030	2025	2030	2025	2030
80 u/ha	8	9	6	6	21	24
100 u/ha	7	8	4	5	17	19
120 u/ha	6	6	4	4	14	16

11.1.2 KWADUKUZA

- ✓ In KwaDukuza LM there are three identified RZs. While the KwaDukuza CBD RZ is centrally located, the Blythedale Beach RZ and Hyde Park RZ are located at the outskirts of KwaDukuza. The main transport route (R102) passes through the KwaDukuza CBD RZ and Hyde Park RZ with the highway running parallel to the R102.
- ✓ The Blythedale Beach RZ is located on the coast away from the business hub of KwaDukuza and is accessible via internal route networks.
- ✓ The majority of the households in KwaDukuza falls within the lower income segment with 23,2% of the households earning between R19,201 – R38,400 per annum followed by 20,9% of households earning between R9,601 – R19,200 per annum. The smallest number of households in this region fall within high income category (>R 2,457,601 per annum) which make up only 0,3% of all households. It is estimated that in 2020, the average household income in this region is R9,295 per month or R111,537 per annum.
- ✓ The largest portion of the population (19%), in KwaDukuza falls into those that have achieved a grade 12 certificate only. The second largest portion of the population (10%) comprises those whose functional literacy is unknown.
- ✓ In terms of employment profiles, 82 003 people are employed, and 25 321 people are unemployed in KwaDukuza. This shows an unemployment rate of 24% and labour force participation rate of 64%.
- ✓ In KwaDukuza, 71% of dwellings are house or brick structures on a separate stand or yard followed by 8% to households that are in informal dwellings in an informal settlement and 5% that are traditional dwellings.
- ✓ This subsection outlines the housing tenure status of KwaDukuza. In KwaDukuza, 33% of households are occupying

owned and fully paid off dwellings followed closely by 32% of households that are renting.

- ✓ This subsection provides an overview of the household facilities in KwaDukuza.
- ✓ The figure below shows that 90% of households in the region has access to electricity while 9% of households make use of candles as an energy source.
- ✓ In terms of access to water, 33% of households in KwaDukuza has access to piped water inside their dwellings while 16% of households has access to piped water in their yard.
- ✓ In terms of waste disposal 61% of households in KwaDukuza has their waste removed by the local authority at least once a week while 27% of households have their own refuse dump.
- ✓ Regarding sanitation, 47% of households in KwaDukuza has access to flush or chemical toilets while 46% of households have access to pit latrines.
- ✓ An average annual population growth rate of 2,1% and a household growth rate of 2,3% was experienced in KwaDukuza between 2009 and 2019. In 2020, the population stood at an estimated 300 280 and the number of households at 91 982.
- ✓ In terms of age profiles, KwaDukuza has 24% of the population falling between the ages of 00 and 14 years old. The population that are 60 years and above equates to 9%
- ✓ The racial profile of KwaDukuza indicates that 79% of the population fall into the Black/African category, while 15% are Asian/Indian, 5% White and 1% Coloured.
- ✓ There is currently no social housing project in KwaDukuza.
- ✓ The market assessment reflects that a significant portion of respondents have applied for housing assistance previously with 18% of respondents have applied for housing assistance previously with 2% of respondents currently living in an informal dwelling. In addition, a combined 35% of respondents reported that they were either unsatisfied or

highly unsatisfied with their current housing situation and 55% of respondents reported that they are currently seeking housing. Additionally, 46% of respondents reported that they would move into a social housing development with a greater preference for social housing in KwaDukuza CBD RZ. These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation KwaDukuza.

- ✓ **Recommendation:** The KwaDukuza LM could feasibly accommodate **8 783** social housing units which will grow to **12 674** units by 2030. A social housing development in Blythedale Beach should be proportionately smaller than KwaDukuza CBD. In addition, the demand in Hyde Park will only exceed 1 000 units by 2025, therefore, this development should possibly be postponed to a future date and be smaller than the developments in KwaDukuza CBD and Blythedale Beach.

✓ **Land Requirements**

Density Scenario	KwaDukuza CBD		Blythedale Beach	
	2025	2030	2025	2030
80 u/ha	11	16	7	10
100 u/ha	9	13	6	8
120 u/ha	8	11	5	7

11.1.3 MSUNDUZI

- ✓ In Msunduzi there are eight RZs namely, Edendale Corridor, Hayfields/Linconmeade, Otto's Bluff, Raisethorp Central, Copesville, Westgate/ Grange, Oribi and Pietermaritzburg Central. The Msunduzi LM is situated within the uMgungundlovu District in KwaZulu-Natal. It encompasses the city of Pietermaritzburg, the capital of the province and the main economic hub of the district. The majority of the

households in Msunduzi falls within the lower income segment with 16,6 % of the households earning between R19,201 – R38,400 per annum followed closely by 15,6% earning between R9,601 – R19,200 per annum. The high-income category (>R 2,457,601 per annum) makes up 0.4% of all households. The estimated average household income in this region is R11,590 per month or R139,083 per annum in 2020.

- ✓ The largest portion of the population (22%), in Msunduzi falls into those that have achieved a grade 12 certificate only. The second largest portion of the population (12%) comprises those whose functional literacy is unknown.
- ✓ In terms of employment profiles, 192 894 people are employed, and 84 949 people are unemployed in Msunduzi. This shows a high unemployment rate of 31% and labour force participation rate of 61%
- ✓ In Msunduzi, 60% of dwellings are house or brick structures on a separate stand or yard followed by 17% that are traditional dwellings. The third most common dwelling type in Msunduzi are flats at 6% of all households in the region.
- ✓ This subsection outlines the housing tenure status of Msunduzi. In Msunduzi, 43% of households are occupying owned and fully paid off dwellings followed by 26% of households that are renting.
- ✓ In Msunduzi, 92% of households in the region has access to electricity while 7% of households make use of candles as an energy source.
- ✓ In terms of access to water, 47% of households in Msunduzi has access to piped water inside their dwellings while 40% of households has access to piped water in their yard.
- ✓ In terms of waste disposal 52% of households in Msunduzi has their waste removed by the local authority at least once a week while 39% of households have their own refuse dump.

- ✓ Regarding sanitation, 59% of households in Msunduzi has access to flush or chemical toilets while 35% of households have access to pit latrines.
- ✓ An average annual population growth rate of 1,3% and a household growth rate of 1,6% was experienced in Msunduzi between 2009 and 2019. In 2020, the population stood at an estimated 751 681 and the number of households at 200 063.
- ✓ In terms of age profiles, Msunduzi has 26% of the population falling between the ages of 00 and 14 years old. The population that are 60 years and above equates to 7%.
- ✓ The racial profile of Msunduzi indicates that 83% of the population fall into the Black/African category, while 10% are Asian/Indian, 5% White and 3% Coloured.
- ✓ There are currently social housing developments in place in Msunduzi. These are in Acacia Park, Signal Hill and Aloe Ridge.
- ✓ In line with the housing shortage reported in the planning documents, the market assessment reflects that 22% of respondents have applied for housing assistance previously with a concerning 19% of respondents currently living in an informal dwelling. In addition, a combined 44% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation and more than half of respondents (55%) reported that they are currently seeking housing with 62% willing to move into social housing. The most preferred locations for social housing seem to be Pietermaritzburg central RZ (41%), Hayfields/Linconmeade RZ (22%) and Westgate/Grange (21%). These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation and poverty levels of many households in the municipality.
- ✓ **Recommendation:** In total Msunduzi LM could feasibly accommodate **4 460** social housing units by 2025 with this figure growing to **5 684** units by 2030. All three

abovementioned RZ's reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

✓ **Land Requirements:**

Density Scenario	PMB Central		Hayfields/Linconmeade		Westgate/Grange	
	2025	2030	2025	2030	2025	2030
80 u/ha	27	35	15	19	14	18
100 u/ha	22	28	12	15	11	14
120 u/ha	18	23	10	12	9	12

11.1.4 NEWCASTLE

- ✓ In Newcastle there are three identified RZs namely, Arbor Park, Fernwood and Newcastle Central. Arbor Park and Newcastle Central are located in the hub of Newcastle with the main transport route (R34) passing through the Newcastle Central RZ.
- ✓ Arbor Park is also accessible via the R22 highway. Fernwood is located at the outskirts of Newcastle and are connected via internal transport routes.
- ✓ The majority of the households in Newcastle also falls within the lower income segment with 19,3% of the households earning between R9,601 – R19,200 per annum followed by 18,6% earning between R19,201 – R38,400 per annum. The smallest number of households in this region fall within high income category (>R 2,457,601 per annum) which make up 0,2% of all households. It is estimated that in 2020, the average household income in this region is R7,832 per month or R93,986 per annum based on historical data trends.
- ✓ The largest portion of the population (21%), in Newcastle falls into those that have achieved a grade 12 certificate only. The

second largest portion of the population (12%) comprises those whose functional literacy is unknown.

- ✓ In terms of employment profiles, 77 624 people are employed, and 47 624 people are unemployed in Newcastle. This shows a high unemployment rate of 38% and labour force participation rate of 49%.
- ✓ In Newcastle 84% of dwellings are house or brick structures on a separate stand or yard. This is followed by 3% that are traditional dwellings, 3% House/flat/room, in backyard and 3% informal dwelling in an informal settlement.
- ✓ This subsection outlines the housing tenure status of Newcastle. In Newcastle 41% of households are occupying owned and fully paid off dwellings followed by 22% of households that are renting.
- ✓ In Newcastle, 87% of households in the region has access to electricity while 11% of households make use of candles as an energy source.
- ✓ In terms of access to water, 49% of households in Newcastle has access to piped water inside their dwellings while 35% of households has access to piped water in their yard.
- ✓ In terms of waste disposal 71% of households in Newcastle has their waste removed by the local authority at least once a week while 23% of households have their own refuse dump.
- ✓ Regarding sanitation, 62% of households in Newcastle has access to flush or chemical toilets while 32% of households have access to pit latrines.
- ✓ An average annual population growth rate of 1,2% and a household growth rate of 1,5% was experienced in Newcastle between 2009 and 2019. In 2020, the population stood at an estimated 442 002 and the number of households at 103 630.
- ✓ In terms of age profiles, Newcastle has a relatively young population with 31% of the population falling between the ages of 00 and 14 years old. The population that are 60 years and above equates to 8%

- ✓ The racial profile of Alfred Duma indicates that 93% of the population fall into the Black/African category, while 3% are Asian/Indian, 3% White and 1% Coloured.
- ✓ There is no social housing in Newcastle presently, however there is 1 059 under construction. There are also two in the projects in pipeline.
- ✓ The market assessment reflects significant percentage of respondents (48%) have applied for housing assistance previously with 13% of respondents currently living in an informal dwelling. In addition, a combined 58% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation and 52% of respondents reported that they are currently seeking housing. Additionally, 58% of respondents reported that they would move into a social housing development with a greater preference for social housing in the Newcastle Central RZ. These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation in the municipality.
- ✓ **Recommendation:** The Newcastle LM could feasibly accommodate **2 943** social housing units which will grow to **4 457** units by 2030. The Arbor Park and Fernwood social housing developments should be postponed and should be proportionately smaller than the Newcastle Central RZ social housing development.

✓ **Land Requirements**

Density Scenario	Arbour Park		Newcastle Central	
	2025	2030	2025	2030
80 u/ha	4	6	7	10
100 u/ha	3	4	5	8
120 u/ha	2	4	5	7

11.1.5 RAY NKONYENI

- ✓ In Ray Nkonyeni there are three RZs, Marburg, Protea Park and Uvongo. All three RZs are centrally located within the municipality with Protea Park and Marburg located in Marburg just inland of Port Shepstone, and Uvongo located further south in Margate.
- ✓ The majority of the households in Ray Nkonyeni falls within the lower income segment with 19,8% of the households earning between R9,601 – R19,200 per annum followed by 19,6% earning between R19,201 – R38,400 per annum. The high-income category (>R 2,457,601 per annum) makes up only 0,2% of all households. The estimated average household income in this region is R9,002 per month or R108,019 per annum in 2020.
- ✓ The largest portion of the population (18%), in Ray Nkonyeni falls into those that have achieved a grade 12 certificate only. The second largest portion of the population (12%) comprises those whose functional literacy is unknown.
- ✓ In terms of employment profiles, 74 431 people are employed, and 31 314 people are unemployed in Ray Nkonyeni. This shows an unemployment rate of 30% and labour force participation rate of 58%.
- ✓ In Ray Nkonyeni 71% of dwellings are house or brick structures on a separate stand or yard. This is followed by 10% that are traditional dwellings and 5% that are flats.
- ✓ This subsection outlines the housing tenure status of Ray Nkonyeni. In Ray Nkonyeni 49% of households are occupying owned and fully paid off dwellings followed by 25% of households that are renting.
- ✓ In Ray Nkonyeni, 85% of households in the region has access to electricity while 12% of households make use of candles as an energy source.
- ✓ In terms of access to water, 37% of households in Ray Nkonyeni has access to piped water inside their dwellings

while 34% of households has access to piped water on a community stand.

- ✓ In terms of waste disposal, only 35% of households in Ray Nkonyeni has their waste removed by the local authority at least once a week while 58% of households have their own refuse dump.
- ✓ Regarding sanitation, 45% of households in Ray Nkonyeni has access to flush or chemical toilets while 42% of households have access to pit latrines.
- ✓ An average annual population growth rate of 1,8% and a household growth rate of 2,1% was experienced in Ray Nkonyeni between 2009 and 2019. In 2020, the population stood at an estimated 322 207 and the number of households at 89 832.
- ✓ In terms of age profiles, Ray Nkonyeni has 30% of the population falling between the ages of 00 and 14 years old. The population that are 60 years and above equates to 8%
- ✓ The racial profile of Ray Nkonyeni indicates that 87% of the population fall into the Black/African category, while 8% are White, 4% Asian/Indian and 1% Coloured.
- ✓ Ray Nkonyeni currently does not have any social housing units within the municipality.
- ✓ The market assessment reflects that 19% of respondents have applied for housing assistance previously with 7% of respondents currently living in an informal dwelling. Dissatisfaction with current housing conditions is a concern as a combined 74% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation. Furthermore two-thirds of the respondent reported that they are currently seeking housing with 71% of respondents willing to move into a social housing development. Specifically, Marburg (42%) and Uvongo (44%) seem to be the preferred locations for social housing in Ray Nkonyeni. These factors suggest that there is a need for

housing relief in the region and that a social housing development could improve the housing situation and poverty levels of many households in the municipality.

- ✓ **Recommendation:** In total Ray Nkonyeni LM could feasibly accommodate **2 079** social housing units by 2025 with this figure growing to **2 953** units by 2030. Both abovementioned RZ's reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

✓ **Land Requirements**

	Marburg		Uvongo	
Density Scenario	2025	2030	2025	2030
80 u/ha	13	18	13	19
100 u/ha	10	14	11	15
120 u/ha	8	12	9	13

11.1.6 UMHLATHUZE

- ✓ In uMhlathuze there are two potential RZs namely, Aquadene and Empangeni (uMhlathuze Village). Aquadene is located on the outskirts of Richards Bay along the R619 towards Enseleni and 6 km north of the Richards Bay CBD. uMhlathuze Village is located inland of the N2 in Empangeni.
- ✓ Most of the households in uMhlathuze fall within the lower income segment with 15,5% of the households earning between R19,201 – R38,400 per annum followed by 13,7% of households earning between R9,601 – R19,200 per annum. The high-income category (>R 2,457,601 per annum) makes up only 0,3% of all households. It is estimated that in 2020, the average household income in this region is R13,078 per month or R156,941 per annum.
- ✓ The largest portion of the population (24%), in uMhlathuze falls into those that have achieved a grade 12 certificate only. The

second largest portion of the population (13%) comprises those whose functional literacy is unknown.

- ✓ In terms of employment profiles, 103 241 people are employed, and 38 858 people are unemployed in uMhlathuze. This shows an unemployment rate of 27% and labour force participation rate of 62%
- ✓ In uMhlathuze, 76% of dwellings are house or brick structures on a separate stand or yard followed by 8% that are traditional dwellings and 8% that are flats.
- ✓ This subsection outlines the housing tenure status of uMhlathuze. In uMhlathuze, 37% of households are occupying owned and fully paid off dwellings followed by 34% of households that are renting.
- ✓ In uMhlathuze, 93% of households in the region has access to electricity while 6% of households make use of candles as an energy source.
- ✓ In terms of access to water, 49% of households in uMhlathuze has access to piped water inside their dwellings while 43% of households has access to piped water in their yard.
- ✓ In terms of waste disposal, 52% of households in uMhlathuze has their waste removed by the local authority at least once a week while 39% of households have their own refuse dump.
- ✓ Regarding sanitation, 63% of households in uMhlathuze has access to flush or chemical toilets while 28% of households have access to pit latrines.
- ✓ An average annual population growth rate of 1,1% and a household growth rate of 1,3% was experienced in uMhlathuze between 2009 and 2019. In 2020, the population stood at an estimated 380 529 and the number of households at 98 955.
- ✓ In terms of age profiles, uMhlathuze 29% of the population falling between the ages of 00 and 14 years old. The population that are 60 years and above equates to 7%

- ✓ The racial profile of uMhlathuze indicates that 90% of the population fall into the Black/African category, while 6% are White, 4% Asian/Indian and 1% Coloured.
- ✓ There are currently no social housing units in uMhlathuze.
- ✓ In line with the housing shortage reported in the planning documents, the market assessment reflects that the majority of respondents have applied for housing assistance previously with 14% of respondents currently living in an informal dwelling. In addition, a combined 31% of respondents reported that they were either unsatisfied or highly unsatisfied with their current housing situation and 21% of respondents reported that they are currently seeking housing. Furthermore 46% of respondents reported that they would move into a social housing development with a greater preference for social housing in Richards Bay (Aquadene RZ). These factors suggest that there is a need for housing relief in the region and that a social housing development could improve the housing situation and poverty levels of many households in the municipality.
- ✓ **Recommendation:** In total uMhlathuze LM could feasibly accommodate **1 449** social housing units by 2025 with this figure growing to **2 209** units by 2030. Both RZ's reflect significant and growing demand and developments of these potential sizes would ensure feasibility.

✓ Land Requirements

Density Scenario	Aquadene		uMhlathuze Village	
	2025	2030	2025	2030
80 u/ha	12	18	6	10
100 u/ha	9	14	5	8
120 u/ha	8	12	4	6

11.2 CONCLUDING REMARKS

The market and demand assessment of each of the six regions suggest that there is a demand for social housing within each region. However, this was not the case in terms of the demand for social housing with each of the 22 identified RZs. In some cases, such as the Arbor Park and Fernwood RZs in Newcastle and the Hyde Park RZ in KwaDukuza sufficient demand for social housing is only reached in 2025 or 2030. In these cases, it is recommended that these social housing developments be postponed to further in the future.

In terms of overall challenges in the six regions, there is a shortage suitable land for social housing within some of the RZs. This is owing to some of the following factors:

- The boundaries of some RZ are limited to one project or property.
- Available land parcels are less than acceptable average site size for Social Housing.
- Limited vacant land parcels within some of the RZs. There are limited existing buildings that are suitable to convert to Social Housing.

In addition, there is a general challenge with bulk infrastructure in some RZs particularly those in Alfred Duma and Ray Nkonyeni. The challenges with this are that infrastructure issues are on a district level which hinders the municipality's ability to respond to these issues.

There are also potential risks involved in social housing developments such as the land invasions and illegal occupation of Social Housing structures. To mitigate against this risk, it is essential that sufficient security measures are in place. Risks can also be reduced through strong partnerships between LMs, SHIs and ODAs. This will ensure that the Social Housing developments are run effectively, and financial risk is minimised.

In terms of the impact of COVID-19 on social housing, it has a negative impact on the demand due to job losses and rental affordability. However, the full long-term impacts will only be known in the future. In addition, the development of social housing and CRUs has the potential to aid in post-COVID economic recovery.

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13 ANNEXURE 1: STAKEHOLDER ENGAGEMENT SCHEDULE

Municipality	Contact Person	Date of engagement	Type of Engagement
ALFRED DUMA MUNICIPALITY			
	1. Kwenza Hlela	12/10/2020	Email and follow up.
	kkhlela@alfredduma.gov.za	23/10/2020	
	2. Simo Mbelu	12/10/2020	Call and Email.
	hsmbelu@alfredduma.gov.za	23/10/2020	
	3. Mandisa Mtshali	12/10/2020	Email and follow up.
	mmtshali@alfredduma.gov.za	23/10/2020	
		4/11/2020	
	4. Jackson Khan	9/12/2020	Email, Call and Requested Virtual Meeting scheduled on 14 December, but Mr Khan did not attend.
	JKHAN@alfredduma.gov.za	14/12/2020	
		5/02/2021	
		9/02/2021	
		15/02/2021	
			Email requesting additional information.

			Electronic reminder sent for information requests.
			Electronic reminder sent for information requests. Telephonic conversation with Mr Khan and info received.
NEWCASTLE MUNICIPALITY			
5.	Laurence Short	12/10/2020	Email and follow up.
	Laurence.Short@newcastle.gov.za	23/10/2020	
		4/11/2020	
6.	Anesh Thulasee	12/10/2020	Email and follow up.
	anesh.thulasee@newcastle.gov.za	23/10/2020	
7.	Nkosiphumbili Ndlovu	7/12/2020	Email, Call and Requested Virtual Meeting scheduled on 17 December, but Mr Ndlovu did not attend.
	Nkosiphumbili.Ndlovu@newcastle.gov.za	11/12/2020	
		14/12/2020	
	082 806 7564	17/12/2020	
		5/02/2021	
		9/02/2021	

	15/02/2021	Email requesting additional information.
		Electronic reminder sent for information requests.
		Electronic reminder sent for information requests.
RAY NKONYENI MUNICIPALITY		
8. Simphiwe Nikelo	7/12/2020	Email and follow ups.
Simphiwe.Nikelo@rnm.gov.za		
9. Devan Govender	14/12/2020	Email, Call and virtual meeting.
Devan.Govender@rnm.gov.za	17/12/2020	
083 321 2291	5/02/2021	Email requesting additional information.
	9/02/2021	Electronic reminder sent for information requests.
		Telephonic conversation with Devan

		and info received.
KWADUKUZA MUNICIPALITY		
10. Muzi Sithole	17/12/2020	Email and virtual meeting.
083 317 9316		
muzis@kwadukuza.gov.za		
11. Nqobile Thungu	14/12/2020	Email, Call and SMS.
NqobileT@kwadukuza.gov.za		
	5/02/2021	Email requesting additional information and info received immediately.
12. Nqobile Kwawula	14/12/2020	Email and follow up.
071 687 5476		
UMHLATHUZE MUNICIPALITY		
13. Brenda Strachan	12/10/2020	Email and follow up.
strachanb@umhlathuze.gov.za	23/10/2020	Referred to Ntobeko Goodmen.
	4/11/2020	
14. Ntobeko Hlatshwayo	23/10/2020	Email and follow up.
HlatshwayoNN@umhlathuze.gov.za	4/11/2020	Referred to Goodmen.

15.	Goodmen Ntobeko Nzimande NzimandeGN@umhlathuze.gov.za	4/11/2020	Email and Virtual Meeting conducted on 8 December 2020.
		10/12/2020	
		5/02/2021	
		8/02/2021	Email requesting additional information. Telephonic conversation with Goodman and info received.

MSUNDUZI MUNICIPALITY

16.	Khumalo Kwethemba Kwethemba.khumalo@msunduzi.gov.za	12/10/2020	Email and followed up.
		23/10/2020	Referred to Phumlani.
17.	Phumlani Gumede Phumlani.Gumede@msunduzi.gov.za	27/10/2020	Email and follow up.
18.	Nombuso Mkhwanazi Nombuso.Mkhwanazi@msunduzi.gov.za	27/10/2020	Email and follow up.
19.	Mfundo Ngubane Mfundo.Ngubane@msunduzi.gov.za	11/12/2020	Email, Call, SMS and Virtual Meeting
		14/12/2020	

072 648 8522		17/12/2020	conducted on 17 December.
		5/02/2021	
		9/02/2021	Email requesting additional information.
		15/02/2021	Electronic reminder sent for information requests. Electronic reminder sent for information requests.
20.	Capital City Housing General Manager Rosanne	17/12/2020	Call, Email, Requested Virtual Meeting requested but could not attend however, Rosanne provided questionnaire feedback.
082 0609 211			
gm@cchousing.co.za			

14 APPENDIX 1: HOUSEHOLD DEMAND QUESTIONNAIRE

The following questionnaire was administered across the six regions, with a sample target of 600 households.

This study is aimed at gathering your views regarding the demand or need for social housing in the town that you live. The input you provide will be treated confidentially; it will only be used towards the completion of the afore-mentioned research.

All data will be used in summary form without reference to any individual. Participation in this research study is voluntary. You have the right to, at any time, withdraw or refuse to participate without any sanctions.

There aren't any direct benefits for your participation. All findings will be used for the completion of the academic research mentioned. No compensation will be provided to anyone partaking in this research.

The entire questionnaire will require about 15 minutes of your time.

A. DEMOGRAPHICS

1. What is your age group?

Under 25	(Close)
25-30	-2
31-40	-3
41-50	-4
51-60	-5
60-65	-6
Older than 65	(Close)

2. Where do you currently live?

Alfred Duma (Ladysmith)	-1
Newcastle	-2
KwaDukuza (Stanger)	-3
UMhlatuze (Richards Bay or Empangeni)	-4
Ray Nkonyeni (Port Shepstone)	-5
Msunduzi (Pietermaritzburg)	-6

3. Are you employed?

Yes	-1
No (Close)	-2

4. In which income band does your salary fall into?

Between R1 501 and R3 500	-1
Between R3 501 and R5 500	-2
Between R5 501 and R77 00	-3
Between R7 701 and R11 300	-4
Between R11 301 and R15 000	-5
More than R15 000	-6

5. How many people currently live with you?

Just Me	1
Number of people in household (Enter number)	

6. Are you currently looking for a place to live?

Yes	-1
No	-2

7. How satisfied are you with your current housing situation?

Very Satisfied - my current housing exceeds my needs	-1
Satisfied - my housing meets my needs	-2
Unsatisfied - my housing does not meet my needs	-3
Very Unsatisfied - my housing is not a permanent solution	-4
Very Satisfied - my current housing exceeds my needs	-5

8. What is your current monthly payment for your accommodation?

None- property is paid for	-1
Enter rand value per month	

9. What type of accommodation / housing do you currently live in?

Freestanding House	-1
RDP House	-2
Room within a house	-3
Outside flatlet	-4
Informal dwelling	-5

10. How many bedrooms does your accommodation currently have?

Bachelor Flat	-1
Number of bedrooms	

11. Have you ever applied for Social Housing or any government assistance with housing before?

Yes	-1
No	-2

12. Would you consider moving into social housing? DEFINITION OF: - social housing is rental accommodation for people who earn between R1500 and R15000 per month. It is partly funded by the government so rental rates are affordable.

Yes	-1
No – GO TO QUESTION 16	-2

13. How many bedrooms do you need if you were to move to social housing?

Bachelor flat	-1
Number of bedrooms	-2

14. If social housing is developed in the following areas, in which area would you choose to live? ASK ONLY FOR THE TOWN IN WHICH THE PERSON CURRENTLY LIVES – SEE Q 3

Name of Municipality	Name of Town	Name of Restructuring Zone Area	Code
Alfred Duma	Ladysmith	Hospital Street	-1
		Ladysmith Central	-2
		Dunlop	-3
Newcastle	Newcastle	Arbor Park	-4
		Newcastle Central	-5
		Fernwood	-6
KwaDukuz a	Stanger	KwaDukuza CBD	-7
		Blythedale Beach	-8
		Hyde Park	-9
uMhlathuze	Richards Bay and Empangeni	Aquadene	-10
		uMhlathuze Village	-11
Ray Nkonyeni	Port Shepstone	Marburg	-12
		Protea Park	-13
		Uvongo	-14
Msunduzi	Pietermaritzburg	Pietermaritzburg Central,	-15
		Oribi,	-16
		Westgate/Grange,	-17
		Copesville,	-18
		Raisethorpe Central,	-19
		Otto's Bluff,	-20
		Hayfields/Linconmeade,	-21

		Edendale Corridor	-22
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15. Why do you prefer the area selected?

Need housing any place would be good	-1
Close to transport routes	-2
Close to employment opportunities	-3
Good services in that area	-4
Location - close to family and friends	-5

16. If No, why would you not consider moving?

Crime	-1
Limited services	-2
Need to consider other household members - family considerations	-3
Would not be able to afford it	-4
Stigma - Don't like the area	-5
Too far from family and friends	-6

17. Has Covid-19 increased or decreased the need / demand for social housing in this town?

Increase	-1
Decreased	-2
Unchanged	-3

18. Do you believe the COVID-19 pandemic is reducing job opportunities in your town?

Yes	-1
No	-2

19. How many people in this town are currently looking for social (rental) housing of their own and or are unhappy with their existing housing and would move if they could?

Many are looking for social (rental) housing: There is a shortage of affordable / social housing	-1
Not too many: social (rental) housing is generally available if you look hard	-2
Few are searching: Social (rental) housing is easily available	-3

Thank you for your participation.