



Province of the

EASTERN CAPE

MINISTRY OF HOUSING AND SAFETY & LIAISON

MEDIA STATEMENT

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FOR IMMEDIATE RELEASE

PUBLIC AND PRIVATE SECTOR FINANCIAL INSTITUTIONS ENCOURAGED TO INVEST IN SOCIAL HOUSING

BHISHO – Eastern Cape MEC for Housing and Safety & liaison Thobile Mhlahlo has invited the public and private financial sector institutions to be involved in housing development particularly social housing projects in the province. For the past three years, the province has been utilizing social housing institutions for the provision of rental stock. “The banking sector has not been fully involved in the rental market within the province,” Mhlahlo said. He said rural projects have been clustered to entice financial institutions to invest government housing projects. “It is incumbent that we cluster the rural projects to create attractive figures for the financial institutions.”

The area of collaboration for the province include the provision of rental stock(acting as developers and financiers), provide finance for social housing tenants who are opting to purchase their units, affordable housing for middle income group, provision for top up finance to social housing institutions, packaging & bridge financing land acquisition.

“We have currently advertised for offers from land owners with a view to acquiring land well located for housing development. The department may partner with respective financial institutions in the development of various housing options depending on the demand.”

The social housing policy provides that the provision of rental stock should be undertaken within areas designated as restructuring zones. This means that any social housing stock should ensure economic, spatial and social (including racial) integration. The provision of the rental stock should be provided by Social Housing Institutions as well as Financial Institutions.

The department has a target of delivery of 20 000 rental units within the next 5 years through up scaling development of rental & affordable housing stock, Provision of alternative tenure for housing beneficiaries. This is part of a housing plan focusing on priorities for the remainder of the financial year which includes handing over 15 000 homes in the remaining months of the financial year, spend the R1,2 billion conditional grant and progressively build the capacity of the organization to deliver on its mandate.

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