

# Housing as Stimulus

Affordable housing should be seen as an economic stimulus, Human Settlements Minister Sexwale avers

DENNIS NDABA | SENIOR STAFF WRITER

**H**uman Settlements Minister **Tokyo Sexwale** sees affordable housing as an economic stimulus.

Housing construction, he says, is part of infrastructure development, while building and all its components, from steel reinforcements to billions of door frames and window frames, can form part of the dynamo of the economy, says Sexwale.

He adds that “when one goes to war against poverty, a lot of money is spent, which helps economic growth”, and that a more integrated approach to service delivery in existing and future human settlements is the solution to dealing with the needs of the poorest of the poor.

“We see affordable housing as part of a drive to create economic development,” Sexwale says, adding that his department’s task is to build human settlements in a way that is integrated, coordinated and holistic.

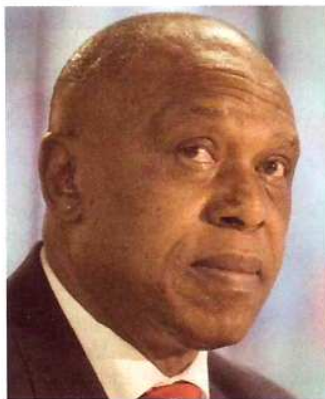
“The settlements we should be creating must be centres

where people can play, stay and pray – places where people live, learn and have leisure. This means we must holistically develop communities by addressing their needs, whether in education, health, culture, welfare and recreation.”

Director of the Corporate Strategy and Industrial Development Research Programme in the School of Economic and Business Sciences at the University of the Witwatersrand **Seeraj Mohamed** concurs that affordable housing is an economic stimulus.

“It increases State spending in the economy with multipliers which are generally higher than the regular infrastructure investments and private-sector investments because housing uses more local content and skills,” says Mohamed, who is also an *Engineering News* columnist.

He reiterates that housing can help increase the social wage and lessen demand on scarce cash in poor households. These households are usually least indebted



**TOKYO SEXWALE**  
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associations in Alexandra, the Alexandra Taxi Association and the Alexandra Randburg Midrand Sandton Taxi Association.

“The shopping centre will serve as a catalyst for further growth and development. It will provide a quality shopping environment and hosts the first fully integrated shopping mall and taxi facility.

This centre will create employment opportunities and will assist in ensuring that consumer spend remains within the local economy, bringing with it all the associated financial, social and employment benefits to the residents of Alexandra,” said Zuma, at the official opening, last month.

He stressed that townships need to have proper shopping facilities, roads, electricity, water and sanitation, schools and clinics, affordable public transport and all the basic services that are taken for granted in historically white areas.

“We will not rest until that happens.”

Alexandra Renewal Project deputy director **Darlene Louw** believes that the shopping

and can use the extra cash for investment in microenterprises, education or consumption. All three areas will stimulate the economy if government’s housing programme and other support for the poor are far reaching, such as the target of 1,2-million houses or even 250 000 houses a year.

“I think the programme is affordable and should be at the forefront of government programmes because it has relatively higher multipliers and stimulates more economic activity, investment and consumption by the poor at a time when business and the affluent are hugely indebted and have to save. Government can draw on existing infrastructure funds and development finance to finance the housing programme,” notes Mohammed.

At the moment, the department has a backlog of 2,2-million units.

“The challenge is to build these houses and make them sustainable. We are not going to build houses that are cracking, on land where quantity surveying has not been done properly and where thousands of cement bags grow legs. We have a priority to root out crime in the building of homes,” Sexwale warns.

He is concerned about underspending by government departments, which leads to the money being returned to the National Treasury.

“This makes my heart sink. This means that we have resources, where there should be a house, a school or a clinic. There is nothing more irresponsible than when people do not pay attention to systems, procedures and rules on how to draw money and spend it. People that operate like this in government should not be forgiven because they lead people into the quagmire of poverty, when there are funds available.”

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## PROPERTY DEVELOPMENT

# Development Catalyst

New Alex shopping mall to yield many economic benefits

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PRESIDENT **Jacob Zuma** says that the opening of the Pan Africa mall, in Alexandra, north of Johannesburg, is a step forward in “achieving the goal of bringing development to where the people live”.

The Pan Africa shopping centre forms part of the Presidential Alexandra Renewal Project, aimed at improving living conditions.

The centre was developed by Pan Africa DevCo, a development company established by Tebfin Developments in partnership with local entrepreneurs and the two main taxi

centre will improve the quality of life of the people of Alexandra and boost the local economy by attracting visitors.

“The Pan Africa shopping centre has already created jobs, opportunities and sustainable businesses, and will continue to do so. Symbolising freedom of choice, the shopping centre is designed to be an important point of connection: public and private resident and commuter, Alexandra and Africa, consumers and the items which will meet their daily needs,” notes Louw.

The Pan Africa centre is located at the heart of a comprehensive retail and taxi node, which includes a 50 000-m<sup>2</sup> taxi rank, a three-level holding facility for taxis, public parking and structured informal trading space. The combined retail offering in the node exceeds 40 000 m<sup>2</sup>, which is equivalent to that of a regional shopping mall.

Absa Commercial Property Finance head **Lyndon Kan** says that Absa’s involvement demonstrates the company’s support for urban renewal projects.

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## Sexwale to engage business on housing shortfall, meet with banks on financing

By: [Esmarie Swanepoel](#) 25th May 2009

The new Department of Human Settlements would be approaching the top 300 JSE-listed companies, to assist in bridging the current 2,2-million housing shortfall in the country, Minister **Tokyo Sexwale** said on Monday

Although companies listed on the JSE had social responsibility plans, Sexwale said he wished those companies would go a mile further and assist the government.

"Individuals in business and other sectors are also going to be approached to see how they can help, particularly by building homes for other South Africans who are not so fortunate. I have already raised this possibility with some people and have been pleasantly surprised by the response," he said at a briefing in Johannesburg.

Sexwale added that the new department would also be meeting with the leadership of the banking industry to create new forms of finance and to increase the access to finance.

"There is much to be done; we do not underestimate the complexity of the task or the volume that is before us. We have put our shoulders to the wheel and have made a clear commitment, because this is not a war that we can afford to lose."

The department, which was previously known as the Department of Housing, would also aim to forge ties with other government departments in an effort to create integrated human settlements, as opposed to reconstruction development programme (RDP) housing.

Sexwale stated that the new portfolio has been re-organised and renamed to reiterate that the focus was no longer just on providing houses, but on creating human settlements.

"We are focused on how best to settle our people for if they remain unsettled, we ourselves may not know peace," said Sexwale.

"Put bluntly, our task is to plan and build human settlements in a way which is integrated, coordinated and holistic. The settlements we should be creating must be centres where people can play, stay, and pray. Places where people will live, learn, and have leisure."

He said that the Human Settlement department would work closely with various other ministries, particularly those involved with economic policy, planning and implementation.

Sexwale addressed journalists after a meeting with his newly elected provincial members of the executive council (MECs).

He noted that the outcomes of Monday's discussions with the MECs, would be taken to Tuesday's Cabinet Lekgotla, and would inform the President's State of the Nation address next week.

The MECs would then meet again to shape the future strategy of the department, and move from province to province to investigate the work progressing in each.

Edited by: Mariaan Webb