



Saldanha Bay Municipality Human Settlement Plan

November 2009

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A. Introduction:

This document is the Human Settlement Plan (HSP) for the Saldanha Bay Municipality (SBM). It is aligned various national and provincial strategic objectives, policy statements and advisory directives related to the development and management of integrated human settlements, the SBM Integrated Development Plan (IDP), Draft Spatial Development Framework (SDF) and a recent review of the SBM space economy strategy¹. This HSP should form the basis for the Housing Chapter of the SBM IDP.

The work was undertaken by in-house staff with the assistance of specialists consultants (as part of the province's Built Environment Support Programme [BESP]). Senior staff from different service departments, as well as provincial staff, took part in in-depth discussions and workshops that informed this HSP.

The financial model of proposed housing projects, contained within this HSP, provides the projected project capital and operating costs and funds required for the applications for public subsidies in terms of the various state housing programmes.

Aim of the document:

The aim of this document is to identify the location, size and nature of specific housing projects in the greater SBM area, the combined effect of which is to meet the net housing need in the area, insofar as possible within the strategic framework of the national and provincial directives, the SBM IDP, Draft SDF, reviewed SBM space economy strategy, and taking into account the realities of development on the ground. The document should be read with the IDP, which remains the principal strategic planning instrument which guides and informs all planning and development and all decisions with regard to planning, management and development in the municipality.

Strategic foundations of the work:

The overarching guide for the SBM HSP is drawn from the national and provincial norms and standards for human settlement, as set out in the following pieces of legislation:

¹ Cf. "An Overarching Space Economy Strategy for the Development and Management of the Saldanha Bay Municipality", Working Document: Not for distribution beyond BESP staff at the Province of the Western Cape and Saldanha Municipality (ODA, 2009).

1. The Constitution (sections 152 and 153)
2. The Constitution's Bill of Rights (Article 26)
3. The Intergovernmental Relations Framework Act (of 2005)
4. The Development Facilitation Act (of 1995)
5. The Division of Revenue Act (of 2007)
6. The National Housing Act (of 1997)
7. The Municipal Structures Act (of 1998)
8. The Municipal Systems Act (of 2003)

In addition, there are further normative guidelines that have been developed for HSPs through the National Spatial Development Perspective (adopted in 2003), the Millennium Development Goals, the Accelerated Shared Growth Initiative South Africa (ASGISA), the Land Reform Programme and the cabinet's national housing policy (also referred to as Breaking New Ground [BNG]), which inform the SBM HSP.

BNG, the priorities of which are to accelerate housing delivery within sustainable, coherent settlements, turn quality housing and homes into assets and create a single efficient formal housing market, as well as overcome the effects of *apartheid* spatial planning on the housing market, in particular provides clear guidelines regarding the planning of human settlements and the implementation and delivery of housing in these settlements.

BNG's point of departure is that there is no single housing delivery programme that addresses comprehensively the problem of housing shortages, affordability and sustainable settlement. Instead, a range of housing delivery mechanisms are required to address the full range of housing needs. The Western Cape Sustainable Human Settlement Strategy (also known as Isidima) gives practical effect to BNG as breaking from the "one-size-fits-all" mind-set by accepting the need for an incremental approach via a range of interventions (for example, in situ upgrades, high density rental, social housing in mixed developments, backyards, greenfields) across a multiplicity of location types. The Isidima approach is to densify urban areas and make them more ecologically sustainable. The ultimate goal is that all citizens and residents live in vibrant, safe, efficient and sustainable human settlements that are able to grow and absorb everyone who chooses to live in the Western Cape, in particular poor households who do not have access to housing opportunities.

The draft National Inclusionary Housing Policy and the Western Cape's Provincial Spatial Development Framework's (WCPSDF) Inclusionary Housing Conditions, have also been referred to as guidelines for increasing the local supply of affordable housing and countering

segregationist urban planning policies, in order to create more integrated and inclusive neighbourhoods.

The underlying space economy strategy:

The emerging understanding of the SBM space economy (as articulated in the Draft SDF and reviewed SBM space economy strategy) is the immediate strategic foundation of this HSP, in the sense that the proposed housing projects and settlement configurations are aligned as closely as practically possible with the settlement foci of the space economy strategy. The space economy strategy is based on an argument that revolves around three interdependent strategic thrusts:

1. The first is to protect, maintain and expand the area's and community's natural assets – as the basis for all living species – on and off shore.
2. The second is to maximise the productive capacity and livelihood opportunity associated with major public infrastructure investments (specifically the port and movement infrastructure) and to structure human settlement in a manner which makes existing settlements better, not spatially bigger, as places of living, work, services and recreation.
3. The third is institutional reform. Without a strong, well-managed municipal institution and purpose built partnerships and institutional arrangements to support specific initiatives, the challenges and potential of SBM will not be met.

The argument is that SBM should plan the development of existing human settlements in its area of jurisdiction, within the context of the above strategic thrusts, and should achieve this by clearly defining the following key focus settlement areas:

1. Vredenburg's role as the municipality's seat of government and administrative offices and main commercial centre.
2. The port and back of port areas of productive development in Saldanha, which should form an accelerated development zone (the proposed Industrial Development Zone [IDZ]).
3. Saldanha's role as a well located place of residence, commerce and institutions .
4. The leisure and tourism role and character of smaller towns (as opposed to being commercial centres).
5. The potential of Hopefield to become an eco-tourism services centre or "hub" within a spatially contiguous nature and agricultural area (as defined in the Draft Biosphere SDF for SBM).

The practical implication of the space economy strategic argument is that settlement growth should be focused in the major towns:

1. New residential, commercial and public facility investment – both to address existing backlogs and that needed by the accelerated development zone – should be located in

Saldanha and Vredenburg. In this way, environmental sustainability, convenience and efficient service provision is assured.

2. Commercial development associated with the accelerated development zone should also remain focused on Saldanha and Vredenburg, in order to retain the potential of existing places of living and work.
3. “Normal” urban development in the form of a “corridor” between Vredenburg and Saldanha should be resisted. Should the need arise this area could be used for corporate offices associated with the accelerated development zone or major education and similar institutions which value settings in “green” surrounds. Focusing new development in this corridor now will undermine Vredenburg and Saldanha, drawing energy away from these towns.
4. In the smaller settlements of SBM, new development should focus on the needs of people already working and living in these settlements rather than a massive expansion to accommodate out-of-town tourist holiday homes or people who will find work in Vredenburg, Saldanha or the accelerated development zone (as stated elsewhere, Hopefield can, however, assume a new role as eco-tourism service centre or hub).

History and current state of housing:

SBM's history under segregationist policies, which were further refined under *apartheid*, meant that development of housing estates for the black² population, in particular the working classes, was dispersed to the periphery of towns, relatively far from work opportunity, shopping and other urban facilities, in specially planned dormitory townships. Since the demise of *apartheid* and the emergence of democratic government this dispersed development has persisted through the workings of the urban land market, where land in or near the centre of opportunity of towns in the municipal area was priced out of the reach of the working poor and unemployed: in the context of a *post-apartheid* developer-led state supported housing policy peripheral land was bought for housing the poor with public funds.

Ironically the state housing policy, while calling for greater integration of work and living opportunities, reinforced the segregationist structuring of settlements that it claimed to be committed to transforming. Since the 1990s there has been a significant influx of people into the major towns like Vredenburg and Saldanha. The municipality anticipated this influx and provided site-and-service areas where the inhabitants erected informal structures. To date there are approximately 1 200 informal main household structures per serviced site in site-and-service schemes around these two towns, and some 1 702 informal structures located in the “backyards” of these sites. Most of these are located on the periphery of towns like Vredenburg, Saldanha and St Helena. A central challenge of this HSP is to initiate and sustain the process of transforming the social geography of these segregated towns.

² Black is taken generically to mean previously disenfranchised South African citizens, commonly referred to as “blacks”, “coloureds” and “Asians” in terms of the *apartheid* population registration legislation.

Structure of the document:

In order to align the housing provision with the space economy strategic objectives it is necessary first to understand the housing demand/supply relationship in SBM. Sections B and C of the document therefore address this relationship. Section B of the document identifies the numbers of housing units delivered between 1998 and 2008 as well as current and envisaged housing projects. Section C identifies housing need, based on an estimation of informal structures as well as overcrowded formal structures. Section D assesses each of the current and future projects in terms of readiness (based on necessary procedural development milestones, including the provision and availability of infrastructure) and alignment with the space economy strategic objectives. To achieve the latter, the strategic objectives have been operationalised from a housing delivery perspective and each of the current and envisaged projects is assessed for its positive impact on, or undermining of, the achievement of these operationalised outcomes.

Section E of the document allocates the supply of required housing to strategic locations, categorised according to targeted market segments. The allocations are made in terms of two timing scenarios: the first scenario assumes that the need will be met within five years, and the second that it will be met within 10 years. The second scenario might be a more practical alternative because of the limited quantum of public subsidies and grants that are likely to be made available to SBM from the national and provincial governments, on an annualised basis. At the same time this scenario carries a greater number of new households that add to the total housing need in SBM. Section E also explains several housing delivery mechanisms through which to provide housing in the SBM.

Taking into account existing and planned projects (including private sector initiatives), Section F proposes the strategic geographical location of projects with appropriate delivery mechanisms, numbers of units and programmed roll out over the time period – either of the two timing scenarios referred to , or a third scenario – decided by SBM.

Section G provides an informed estimate of the individual and aggregated project costs, as well as potential sources of funding. These costs are drawn from a financial model, details of which is provided in an appendix.

Information sources:

The information on which this document is based, originated in the main from the following documents provided by the SBM: Saldanha Bay Draft Human Settlement Plan (February

2005); Water Services Development Plan (2005/2006); Saldanha Bay Municipality Draft SDF (April 2008) and Saldanha Bay SDF Presentation (September 2008); IHSP Presentation (MEC's Visit July 2009); Saldanha Bay Draft Human Settlement Plan (October 2009); and, Presentation on Electricity Infrastructure Information (7 to 9 October 2009).

Much of the information contained in the above documents was presented by SBM officials to a workshop held from 7 to 9 October 2009 as part of the provincial BESP. The initial profile of housing need and housing supply was drawn up and presented to and work-shopped in depth with SBM officials concerned with housing, planning and infrastructure on the final day of this workshop. Thereafter the data analysis was further refined and a second workshop with mainly SBM housing and planning officials was conducted on 21 October. Following their inputs further clarity was obtained about the housing supply and needs picture as well as the planning for expansion of existing as well as further residential development.

The experience and knowledge of SBM officials present at the workshops referred to above was identified as the platform off which to clarify facts about housing supply, housing need/demand as well as the status of forward planning. The consensus that was reached about the factual profile of housing in the SBM area is reflected in the sections B, C and D of this document.

Participative observation methodology:

The research method on which this document is based is open ended in the sense that inputs from municipal officials during the process had an effect on the outputs, i.e. the facts of the housing supply and housing needs in SBM. The data about these facts was initially drawn from the source documents referred to, and municipal officials assessed the integrity of the data during the workshops, thereby helping to clarify the facts and developing consensus about the facts.

SBM officials are familiar with the existing housing supply and need situation because they are confronted with these realities each and every working day and also participate continuously in addressing need through supply, whereby they act to change the profile of housing supply and housing need. Through their participation in addressing as well as re-creating this constantly changing housing supply/needs profile, municipal officials have developed a sense of the context within which housing need and housing supply functions, the critical indicators of need and supply, and the day to day requirements for effectively addressing the housing need/supply conundrum.

Through co-operation and interaction with municipal officials involved in settlement planning and housing delivery, the consultant facilitator utilised participative observation to facilitate the gathering of information and its analysis in a manner useful for determining the facts. This was achieved by the consultant facilitator interrogating the views and ways of seeing of the municipal officials and plotting their answers on a logical template in which housing needs and supply were arranged in a series of matrices. The structure and content of this template and its constituent matrices changed according to the reasonable conclusions of the municipal officials' team. This enabled a contextualised understanding of the housing needs/supply process in SBM and the hypothesization of the manner in which external factors as well as the municipal management of housing needs/supply might impact on the outcomes of housing planning and delivery.

Being participant observers in the object of investigation greatly enhanced the capacity of the municipal team to grasp the intended meaning of various responses from the facilitator, and also to test the explanatory usefulness of different arguments against supply/needs data presented to them. The consultant facilitator and municipal team jointly identified certain facts (about which there was consensus) and the areas of questioning where the facts had not yet been resolved. The latter were revisited to reach consensus on.

Through insights developed from an immersion in the empirical data – i.e. the existing documents and in discussion with the municipal team – the consultant facilitator applied a method through the prism of which the relationships between the various pieces of information could be made sense of. This enabled the weaving together of the information into an objective picture of the facts about the need for and the supply of housing in SBM.

B. Housing Supply:

Housing completed between 1998 and 2008:

Between 1998 and 2008 SBM delivered some 6 107 housing units, as indicated in the following table:

Table 1 - Saldanha: Housing Units Completed 1998-2008

Projects	Units
Saldanha - Diazville	919
Hopefield	200
St Helena - Laingville	1,183
Langebaan	240
Vredenburg - Louwville (Witteklip Ph1 & Ph2)	3,179
Steve Tshwete	386
TOTAL	6,107

SOURCE: Saldanha Bay Draft Project Management Unit – Housing 2009a: 3); Saldanah Bay workshop 21 October 2009

The delivery of these units shows that the SBM was able to provide about 600 units per annum through its delivery mechanism. When this is applied to a housing need of at least 10 000 units, which is the minimum requirement to address the housing need in SBM, it would take between 16 and 17 years to wipe out the backlog, but there would still be a residual backlog resulting from population growth. This is too long to expect those in need to wait for transformed accommodation; accordingly, this HSP will propose a more rapid delivery strategy that incorporates a range of housing delivery mechanisms including private sector for-profit, private sector non-profit, community and household-based housing provision.

A second factor that could retard the rate of housing delivery is insufficient public funds (subsidies, grants) allocated for the funding of the housing on an annualised basis. Accordingly, this HSP will explicate two scenarios for a programme of delivery, one through which housing is supplied to meet the need within five years, and the other within 10 years, in order to demonstrate the impact of the availability/non-availability of funds on rate of housing provision.

Current housing projects in progress:

It is also important to take into account the housing projects which are currently in progress in SBM. By end 2009 there should be a further 646 new housing units, which will further reduce the gross need. These units are spread across the following two areas, as indicated in the following table:

Table 2 - Saldanha: Current Housing Projects

Projects	Units
Langebaan	246
Hopefield	400
Total	646

SOURCE: Saldanha Bay Draft Project Management Unit – Housing 2009a

Projects submitted but not yet approved for subsidies:

In addition to current projects there is an equal number of housing units for which subsidies have been applied for but not yet approved:

Table 3 - Saldanha: Housing Projects Submitted

Projects	Units
Old Middelpoos	551
Total	551

SOURCE: Saldanha Bay workshop 21 October 2009

Projects envisaged for 2009/2010:

In addition the following projects are being planned for 2009/2010; but, no submissions for subsidies for these projects have yet been made:

Table 4 - Saldanha: 2009/2010 Housing Projects

Projects	Units
Ongegund	224
Diazville Phase 2	667
Paternoster	250
Total	1,141

SOURCE: Saldanha Bay Draft Project Management Unit – Housing 2009b; Saldanha Bay workshop 21 October 2009

Planning for future residential units:

The Draft SBM SDF provides for these planned units as well as further units , through densification of existing areas (which will yield an extra 2 519 sites), and the development of some 31 662 sites in newly proclaimed development areas (see table below).

Table 5 - Additional Units Planned

Towns	Existing Units	Densification of Existing Areas	New Development Zones	Totals	Existing + Additional Units	% Increase
Vredenburg	7,919	621	6,630	7,251	15,170	92%
Jacobs Bay	218	-	570	570	788	261%
Saldanha Bay	6 546	712	7,580	8,292	14,838	127%
Langebaan	3,520	52	7,120	7,647	11,167	217%
St Helena Bay	3,722	-	7,345	7,345	11,067	197%
Paternoster	541	-	929	929	1,470	172%
Hopefield	1,278	659	1,488	2,147	3,425	168%
Farms	388	-	-	-	388	-
TOTAL	24,132	2,519	31,662	34,181	58,313	142%

SOURCE: Existing units from Aktex and Samras data for 2008 (using water meters as a basis and adjusting for Saldanha unit numbers) (Saldanha Bay Municipality, Municipal Account Department, 2008); Additional units from Saldanha Bay SDF September 2008 (Presentation) (Urban Dynamics Western Cape, 2008)

Densification of existing areas is planned in Vredenburg, Saldanha, Langebaan and Hopefield, while most new development sites are planned for Vredenburg, Saldanha, Langebaan and St Helena (which together account for some 28 675 of the total of 31 662 units planned for new development areas).

Conclusion:

- Some 6 107 government subsidised housing units were delivered in the SBM area between 1998 and 2008.
- Currently there are a further 646 government subsidised units in the process of delivery in the SBM area – these should be completed by 2010.
- SBM has plans for a further 1 692 subsidised units, although there are as yet no applications for these subsidies.
- SBM has made provision through its Draft SDF for a further 34 181 housing units, including both affordable housing referred to above, and for middle and upper income housing, of which there is a fair amount of holiday homes already in Langebaan and to a lesser extent in St Helena.
- Insofar as affordable housing is concerned, the already limited rate of delivery of housing by SBM appears to be slowing down from the approximate 600 per annum during the 1998 to 2008 period. In part this seems to be because of the uncertainty

about how many subsidies could and would be allocated to SBM in terms of the Division of Revenue Act (DORA) by the Province of the Western Cape.

- All free-standing informal settlements in SBM are official site-and-service schemes – in other words there is no squatting in the SBM, in the sense of illegal occupation of land. The SBM, anticipating the influx of people to its area of jurisdiction, proactively serviced the land in certain areas, primarily George Kerridge and Ongegund in Vredenburg, Middelpas in Saldanha and Laingville in St Helena. Therefore, SBM has 1 200 informal units on legitimate site-and-service schemes
- SBM has effectively implemented site-and-service to address the housing needs, and thereby partially resolved the needs of 1 200 households by providing serviced stands; the challenge is to provide formal housing in place of the informal top structures that currently dot these stands
- Following from the above it is important that proposed housing interventions should have a rapid impact notwithstanding the relatively slow delivery of subsidies, and therefore of subsidised housing, and also provide expanded value-for-money, experienced as more square metres per Rand of subsidy.
- To achieve rapidity and value-for-money the SBM needs to be flexible in the range of mechanisms that could be used to achieve their objective of 1 200 conventionally-built top structures on the site-and-service stands.
- The extent of new middle and upper income housing needs to be assessed in terms of overall strategic objectives of the space economy strategy, so that these objectives are reinforced rather than undermined.

C. Housing Needs:

Introduction:

This document assumes that housing need is quantitatively reflected in the number of informal structures, of overcrowded formal structures, and of growth in the household population projected until 2014 (in one scenario) and 2019 (in a second scenario) in SBM.

The following tables presents data from the SBM Water Services Development Plan (2005/2006), referred to earlier, and the extra figures agreed at the two workshops with municipal officials. The estimates of informality are compared with those of other sources of informal housing and service backlogs; the comparative figures are significantly close in size, lending credence to the informal housing estimate.

Table 6 - Saldanha Bay: Estimating Housing Need to 2014

Informal Site-and-service scheme Main Structures	Informal Backyard Structures (Formal Townships)	Informal Backyard Structures (Site-and-service schemes)	Overcrowded Formal Structures	New Household Formation
1 200	2 596	1 702	5 530	4 843

SOURCE: Saldanha Bay Draft Project Management Unit – Housing (2009a); Saldanha Bay Municipality (2009a); and, input at Saldanha Bay workshop 6-9 and 21 October 2009

Sanitation services backlog (2009)	Electricity services backlog (2009)
943	1 500

SOURCE: Aurecon presentation to Saldanha Bay workshop 6-9 October 2009 (there is no solid waste collection through buckets)

Table 7 - Saldanha Bay: Estimating Housing Need to 2019

Informal Site-and-service scheme Main Structures	Informal Backyard Structures (Formal Townships)	Informal Backyard Structures (Site-and-service schemes)	Overcrowded Formal Structures	New Household Formation
1 200	2 596	1 702	5 530	10 636

SOURCE: Saldanha Bay Draft Project Management Unit – Housing (2009a); Saldanha Bay Municipality (2009a); and, input at Saldanha Bay workshop 6-9 and 21 October 2009

Sanitation services backlog (2009)	Electricity services backlog (2009)
943	1 500

SOURCE: Aurecon presentation to Saldanha Bay workshop 6-9 October 2009 (there is no solid waste collection through buckets)

The estimate of informal and overcrowded housing as well as growth in household populations in SBM in the future was developed in conjunction with SBM officials referred to earlier.

Units for new households 2009 to 2014 (2009 to 2019):

In estimating the growth in households between 2009 and 2014 (and 2009 and 2019) the participants at the two workshops agreed to use the population figures from the SBM list of registered household water meters as the base population figure (see table below).

Table 8 - Base Household Population (2009)

Population location	Water Meters	Municipal Accounts
Farms:	388	1,097
Hopefield:	1,278	1,758
Langebaan:	3,520	8,021
Saldanha Bay:	4,448	6,594
St Helena Bay:	3,722	6,421
Vredenburg:	7,919	8,992
Paternoster:	541	812
Jacobsdal:	218	527
Total	22 034	34,222

SOURCE: Existing units from Aktex and Samras data for 2008 (Saldanha Bay Municipality, Municipal Account Department, 2008)

The base population figure was therefore identified as 22 034 households. (Using StatsSA figures of 3, 5 persons per household, the population was derived from the total households).

Workshop participants also directed that a further 800 units in Saldanha, which were without water meters, be added to the number of households residing there, and that extra households from backyard structures (which also do not have water meters allocated) should be added in respect of the towns as listed in the table below (when these figures are included the number of units in Saldanha Bay increases to 6 546 (as in Table 5).

Municipal officials estimated the number of people living in the backyards of the formal townships as well as the site-and-service schemes. Using StatsSA figures of 3, 5 persons per household, the number of households was derived from the total population residing in informal backyard structures.

It was furthermore assumed that there would be one household per informal backyard structure.

Table 9 - Extra Backyard Population Added In

Formal Townships		
<i>Backyard Structures</i>	<i>People</i>	<i>Households*</i>
Saldanha Bay	2,500	721
Vredenburg	3,500	1,009
Paternoster	200	58
Hopefield	150	43
St Helena Bay	2,500	721
Langebaan	150	43
	9,000	2,596

Site-and-Service Schemes		
<i>Backyard Structures</i>	<i>People</i>	<i>Households*</i>
George Kerridge (Vredenburg)	2,500	721
Ongegund (Vredenburg)	200	58
Middelpos (Saldanha Bay)	2,000	577
Laingville Ph1 (St Helena Bay)	1,200	346
Laingville Ph2 (St Helena Bay)	1,500	433
	7,400	1,702

4,297

SOURCE: Workshop with municipal housing officials on 21 October 2009

* 3,5 persons assumed per household

The table below shows the adjusted base population and household figures for the towns as well as the total for the SBM as a whole.

Table 10 - Effective Population Growth Rates

Town	% Growth	Est. Pop. (2009) (base)	
		Pop	Households
Hopefield:	1.6	4,581	1,312
Langebaan:	2.0	12,355	3,563
Vredenburg:	3.0	33,658	9,707
Saldanha:	3.0	22,696	6,546
St Helena Bay*	5.0	22,282	6,426
	2.92	95,573	27,564

SOURCE: Urban Dynamics Western Cape (2008); Saldanha Bay Municipality (2009c); and Saldanha Bay workshop 6-9 October 2009

* including Jacobs Bay, Paternoster and Farmland

As indicated in the table, growth was projected at an average annual rate of 2,9 per cent.

The following table indicates the incremental growth in households (and therefore housing need) per annum as well as the total growth in housing need over the entire period 2009 to 2014.

Table 11 - Effective Population Growth Rates (2005-2009) and Projected Growth to 2014

TOWN	% GROWTH	EST POPULATION (2010)			EST POPULATION (2011)			EST. POPULATION (2012)			EST. POPULATION (2013)			EST. POPULATION (2014)			TOTAL UNITS REQUIRED (2009-2014)
		Pop	Households	Households differential	Pop	Households	Households differential	Pop	Households	Households differential	Pop	Households	Households differential	Pop	Households	Households differential	
Hopefield:	1.6	4,654	1,342	21	4,727	1,363	21	4,802	1,385	22	4,878	1,407	22	4,955	1,429	22	108
Langebaan:	2.0	12,602	3,635	71	12,854	3,707	73	13,111	3,781	74	13,373	3,857	76	13,641	3,934	77	371
Vredenburg:	3.0	34,667	9,998	291	35,707	10,298	300	36,779	10,607	309	37,882	10,925	318	39,018	11,253	328	1,546
Saldanha:	3.0	23,377	6,742	196	24,079	6,944	202	24,801	7,153	208	25,545	7,367	215	26,311	7,588	221	1,043
St Helena Bay (Incl. Jacobs Bay, Paternoster and Farmland):	5.0	23,396	6,748	321	24,566	7,085	337	25,795	7,439	354	27,084	7,811	372	28,439	8,202	391	1,775
	2.92	98,697	28,465	901	101,934	29,398	933	105,287	30,366	967	108,763	31,368	1,002	112,364	32,407	1,039	4,843
				901			933			967			1,002			1,039	4,843

SOURCE: Urban Dynamics Western Cape (2008); Saldanha Bay Municipality (2009c); and Saldanha Bay workshop 6-9 October 2009

The growth in housing need in SBM between 2009 and 2014 was accordingly estimated at 4 843 units.

The following table indicates the incremental growth in households over the period 2014 to 2019, as well as the total growth in housing need by 2019.

Table 12 - Effective Population Growth Rates (2005-2009) and Projected Growth to 2019

TOWN	% GROWTH	EST. POPULATION (2015)			EST. POPULATION (2016)			EST. POPULATION (2017)			EST. POPULATION (2018)			EST. POPULATION (2019)			TOTAL UNITS REQUIRED (2009-2014)
		Pop	Households	Households differential	Pop	Households	Households differential	Pop	Households	Households differential	Pop	Households	Households differential	Pop	Households	Households differential	
Hopefield:	1.6	5,033	1,452	23	5,113	1,475	23	5,193	1,498	23	5,275	1,521	24	5,359	1,546	24	224
Langebaan:	2.0	13,914	4,013	79	14,192	4,093	80	14,476	4,175	82	14,765	4,258	83	15,061	4,344	85	780
Vredenburg:	3.0	40,189	11,591	338	41,395	11,939	348	42,637	12,297	358	43,916	12,666	369	45,233	13,046	380	3,338
Saldanha:	3.0	27,101	7,816	228	27,914	8,051	234	28,751	8,292	242	29,614	8,541	249	30,502	8,797	256	2,251
St Helena Bay (Incl. Jacobs Bay, Paternoster and Farmland):	5.0	29,860	8,612	410	31,354	9,043	431	32,921	9,495	452	34,567	9,969	475	36,296	10,468	498	4,042
	2.92	116,097	33,483	1,077	119,967	34,599	1,116	123,978	35,756	1,157	128,137	36,956	1,200	132,450	38,200	1,244	10,636
				5,919			1,116			1,157			1,200			1,244	10,636

SOURCE: Urban Dynamics Western Cape (2008); Saldanha Bay Municipality (2009c); and Saldanha Bay workshop 6-9 October 2009

The growth in housing need in SBM between 2009 and 2019 was, in terms of this scenario, estimated at 10 636 units.

Informal structures:

There are a total of 5 497 informal structures in the SBM area. This fact was ascertained from municipal officials in the course of the two workshops held with them.

There are 1 200 main informal structures per site, in site-and-service schemes, mainly George Kerridge, Ongegund (both in Vredenburg), Middelpos (Saldanha) and Laingville (St Helena).

As the previous table indicates, there are also a further 4 297 informal structures in the backyards of formal housing (in formally proclaimed townships) and in the backyards of the main structures in the site-and-service schemes.

Overcrowded formal structures:

There are estimated 5 530 overcrowded formal structures in SBM

The table below shows the SBM housing waiting list:

Table 13 - SBM Housing Waiting List

Town	Units
Saldanha Bay:	2,600
Vredenburg:	2,400
St Helena Bay:	950
Paternoster:	260
Hopefield:	170
Langebaan:	350
Total	6,730

SOURCE: Waiting list slide from Saldanha Bay Municipality Project Management Unit – Housing (2009c)

The number of overcrowded formal houses was estimated by deducting the number of site-and-service scheme main units (i.e. excluding any backyard structures totalling 1 200) from the 6 370 on the waiting list. The reason for deducting the limited number 1 200 informal units and not the full number of 5 497 informal units is that the 4 297 back yard informal structures are viewed as an economic opportunity for the renters in the main houses – the challenge is not to replace these units with new housing but to craft a set of incentives that will prompt the renters to upgrade the quality of these units and transform them over time into formal units that contribute to the rented component of affordable housing. Alternatively, if the SBM requires to replace more informal units with formal housing, then the 1 702 backyard structures currently located in site-and-service schemes, could be replaced, but the 2 596 informal backyard structures in formal townships could be identified

as a current small landlords' rental market and subject to the appropriate interventions to incentivise upgrading.

Net housing need:

The net housing need has been determined by quantifying the total need for new housing less the housing that will be delivered since 2008, and also assuming that informal backyard structures will not be replaced with new housing units.

1. Net housing need for new structures (2009):

Taking into account what will have been delivered since 2008, SBM has a net housing need for 10 927 new housing units to replace the main informal structures (only) in site-and-service schemes, and address overcrowded units and new household formation until 2014:

Table 14 - Saldanha: Net Housing Need For New Structures in 2009

Housing need and supply	Informal Backyard Structures (on site-and-service)	Overcrowded Formal Structures	New Household Formation	Total
Informal & Overcrowded formal structures (2009)	1 200	5 530	4 843	11 573
Current housing projects	-	-	-	-
Projects submitted	-	646	-	646
2009/2010 housing projects	-	-	-	-
Balance of need to be addressed	1 200	4 884	4 843	10 927

SOURCE: Saldanha Bay Municipality Project Management Unit – Housing (2009a, 2009c)

Saldanha Bay Draft Human Settlement Plan: it is unclear how many of the 5 019 units referred to in this source have actually been completed; it is also unclear how many of the 551 units for which applications for subsidies were submitted, have actually been completed – in any event, funding for these projects is delayed until 2010, according to reliable input from municipal officials. It is unclear how many subsidies out of the total of 3 750 planned housing units have actually been approved – the guideline is that if there is provincial approval of subsidies for a project then that project is regarded as ready for use in addressing housing need/demand.

New household formation has been estimated assuming constant annual population growth rates as expressed in the Saldanha SDF and in terms of guidelines from the workshop of 9 October 2009.

The number of overcrowded formal structures was estimated by subtracting the total number of informal structures from the total waiting list.

The table below indicates the net housing need assuming growth in household numbers until 2019.

Table 15 - Saldanha: Net Housing Need For New Structures in 2009

Housing need and supply	Informal Backyard Structures (on site-and-service)	Overcrowded Formal Structures	New Household Formation	Total
Informal & Overcrowded formal structures (2009)	1 200	5 530	10 636	17 366
Current housing projects	-	-	-	-
Projects submitted	-	646	-	646
2009/2010 housing projects	-	-	-	-
Balance of need to be addressed	1 200	4 884	10 636	16 720

SOURCE: Saldanha Bay Municipality Project Management Unit – Housing (2009a, 2009c)
Same notes as in Table 14, apply

This shows a net housing need for 16 720 new housing units, driven mainly by new household formation.

As the table below indicates this leaves aside some 4 297 informal units in backyards, which require upgrading and refurbishment.

Table 16 - Saldanha: Net Housing Need For Refurbished Structures in 2009

Informal Backyard Structures (Formal Townships)	Informal Backyard Structures (Site-and-Service Schemes)	Total
2,596	1,702	4,297

SOURCE: Saldanha Bay workshop 21 October 2009

Conclusion:

- Gross housing need in SBM is estimated taking into account the extent of informal structures, overcrowding in existing formal structures, and estimated growth in households until 2014, as well as a second growth scenario to 2019.
- Net housing need in SBM is estimated by deducting the number of units that will be delivered by 2010, from the gross housing need.
- There is a net housing need in SBM area for 10 927 new housing units (including 1 200 informal structures in site-and-service schemes) for the growth scenario to 2014, and for 16 720 new units for the growth scenario to 2019.
- In addition there is a need to refurbish some 4 297 informal backyard units, 1 702 of which are located in site-and-service schemes and 2 596 of which are located in formal townships.
- The housing intervention that will be proposed later in the HSP assumes that the 1 702 informal structures in the backyards of the site-and-service schemes will be replaced with new housing.

- In addition there is an (un-quantified, and therefore unknown) demand for middle and upper income holiday home housing in the SBM area, presumably from out-of-town people.

D. Current & Envisaged Projects - Readiness and Strategic Alignment:

Project readiness:

The table below shows the project readiness of the four (i.e. one submitted and three 2009 to 2010) projects as well as the proposed densification sites in existing areas and the proposed new development areas

The table assesses project readiness through ascertaining how close these project plans are to being implemented on site. This is achieved by checking whether each project has passed the eight necessary milestones required before the development can proceed in a legally regulated manner. The completion of bulk infrastructure is a crucial – although not the only – criterion in making an estimate of the date the project is likely to go on-site.

Only one of the current projects – that in Ongegund – is ready to go on site in the short term and is likely to do so during December 2009; the remaining three current projects are likely to go on-site only towards the end of 2010 and during early 2011.

There are currently no projects planned for the densification zones proposed in existing areas or the new development areas, where most new sites are set aside for future residential development. While the bulk infrastructure required is available for the four current projects, the status of infrastructure for the densification areas as well as for the new development areas remains unclear at this stage.

A ninth milestone has been added, namely whether the installation of at least solar water heating panels and site or neighbourhood recycling of wet human waste is a condition of development. This milestone is important for assessing the likely sustainability of the developments given that there is likely to be significant increases in the price of electricity over the next five years. The municipality is making provision for conventional sewerage treatment plants; nevertheless, there is a growing literature that argues for the recycling of human waste either on-site (i.e. for use as dry manure) or at a neighbourhood level, and its utilisation as fertiliser for organic gardening. Therefore, while this element is not yet a critical issue for the sanitation provision in the SBM area, it is included because of the long run need to address the recycling of human waste.

Table 17 - Saldanha: Readiness Status of Current and Proposed Projects and Existing Areas and New Development Zones

PROJECTS	UNITS PLANNED	HOUSING TYPE	STATUS										
			Environmental Impact Study Approval?	Township Proclamation?	Zoning Requirement aligned with Development?	Estimated Bulk Servicing Completion Date (Electricity, Water & Sanitation)?	Is Renewable Energy (at least solar water panels) and/or Wet Waste Recycling a Condition of Development?	Does Developer Own the Land?	Subsidies budget allocated?	Debt Funding approved?	Procurement Completed?	Date when Ready to go on Site?	PRIORITY (S/M/L)
Old Middelpos	551	BNG SUBSIDY OWNERSHIP	N	Y	Y	Electricity ✓ Water ✓; Solid Waste ✓; Sanitation ✓	N	Y	N	N/A	N	10/2010	M
Ongegend	224	BNG SUBSIDY OWNERSHIP	Y	Y	Y	Electricity ✓ Water ✓; Solid Waste ✓ Sanitation ✓	N	Y	Y	N/A	N	Dec-09	S
Diazville Phase 2	667	BNG SUBSIDY OWNERSHIP	N	Y	Y	Electricity ✓ Water ✓; Solid Waste ✓; Sanitation ✓	N	Y	160 approved	N/A	N	Aug-10	M
Paternoster	250	BNG SUBSIDY OWNERSHIP	N	Y	Y	Electricity ✓; Water ✓; Solid Waste ✓; Sanitation ✓	N	Y	N	N/A	N	Jan-11	m
PROPOSED DENSIFICATION OF EXISTING AREAS													
Vredenburg	621	SUBSIDY, SOCIAL, GAP AND MIDDLE/HIGH INCOME HOUSING		Y	Y	Electricity ✓ Water ?; Solid Waste?; Sanitation ✓	N		N				
Saldanha	712	SUBSIDY, SOCIAL, GAP AND MIDDLE/HIGH INCOME HOUSING		Y	Y	Electricity ✓Water ?; Solid Waste?; Sanitation ✓	N		N				
Langebaan	527	ONLY MIDDLE/HIGH INCOME HOUSING		Y	Y	Electricity?; Water ?; Solid Waste?; Sanitation ✓	N		N				
Hopefield	659	SOCIAL BUT MAINLY MIDDLE/HIGH INCOME HOUSING		Y	Y	Electricity?; Water ?; Solid Waste?; Sanitation ✓	N		N				
PROPOSED NEW DEVELOPMENT ZONES													
Vredenburg	6,406	SUBSIDY, SOCIAL, GAP AND MIDDLE/HIGH INCOME HOUSING				Electricity?; Water ?; Solid Waste?; Sanitation ✓	N		N				
Jacobsbaai	570	ONLY MIDDLE/HIGH INCOME HOUSING				Electricity ✓ Water ?; Solid Waste?; Sanitation ✓	N		N				
Saldanha	6,362	SUBSIDY, SOCIAL, GAP AND MIDDLE/HIGH INCOME HOUSING				Electricity?; Water ?; Solid Waste?; Sanitation ✓	N		N				
Langebaan	7,120	SUBSIDY, SOCIAL, GAP BUT MAINLY MIDDLE/HIGH INCOME HOUSING				Electricity?; Water ?; Solid Waste?; Sanitation ✓	N		N				
St Helena	7,345	SUBSIDY, SOCIAL, GAP BUT MAINLY MIDDLE/HIGH INCOME HOUSING				Electricity?; Water ?; Solid Waste?; Sanitation ✓	N		N				
Paternoster	678	SUBSIDY BUT MAINLY MIDDLE/HIGH INCOME HOUSING				Electricity?; Water ?; Solid Waste?; Sanitation ✓	N		N				
Hopefield	1,488	ONLY MIDDLE/HIGH INCOME HOUSING				Electricity?; Water ?; Solid Waste?; Sanitation ✓	N		N				
TOTAL	34,180												

Strategic alignment with IDP:

The table below shows the extent of alignment between the specific projects and the operationalised space economy strategic objectives. These objectives have been translated into concrete indicators and each of the projects has been assessed in terms of whether or not it contributes to the achievement of each of these indicators. If the project contributes strongly to the achievement of the respective indicator then the number of that indicator is indicated in GREEN; if, on the other hand, the project actively undermines the achievement of the indicator the number of that indicator is indicated in RED. If the projects both contribute to and undermine different aspects of an indicator it is regarded as a weak alignment with that space economy objective and the number of that indicator is accordingly coloured in ORANGE.

The table indicates that all the current projects, through their focus within the urban edge of existing towns, do not encroach on agriculture and biosphere land. With the exception of the Paternoster project, these projects focus either on Saldanha or Vredenburg and thereby potentially situate residents close to their work places or to future circular public transport that would give them easy access to their workplaces. However, until an effective public transport system is implemented this will not be a reality, except in the case of Ongegund which is already proximate to a main transport artery into and out of Vredenburg. These project densities are however far too low to effectively help to compact each settlement; the housing typology is all BNG subsidised housing for ownership, laid out as one house per stand, which could prompt sprawl rather than facilitating compaction. Low density sprawl tends to push affordable housing to the periphery, and therefore could undermine the role of affordable housing in each of the settlements, as well as the role of the settlements themselves.

In the proposed densification of existing areas as well the new development zones, there could be a mix of housing typology (as indicated in the table); however, the densities proposed for these developments (in the SBM SDF) are still too low to achieve the compaction that would positively reinforce the role of each of the settlements as envisaged in the space economy strategy. The same concerns apply with respect to public transport, as expressed in connection with the current projects. It is notable that by far the largest number of new housing has been planned for in the new development zones in four towns: Saldanha, Vredenburg, Langebaan and St Helena.

Table 18 - Saldanha: Strategic Alignment of Projects and Existing Zones/New Development Areas to IDP

PROJECTS	UNITS PLANNED	HOUSING TYPE	HOW DEVELOPMENT ALIGNS WITH IDP STRATEGIC OBJECTIVES					
			1. The project location respects the agreed strategic relationship between built settlement and natural environment	2. The project respects the existing character, hierarchy and role of settlements	3. The project focuses on Saldanah Bay	4. The project focuses on Vredenburg.	5. The project enables residents' access to circular public transport.	6. Density evaluation (average density, units per hectare)
			1. The project is located within the existing urban edge, tightly defined. 2. The project does not encroach on land earmarked for agriculture. 3. The project does not encroach on biosphere land earmarked for conservation	1. The project reinforces the role of the settlement within which it is located. 2. The project does not undermine the role of the settlement within which it is located. 3. The project serves to fulfill the needs of the settlements as they exist.	1. The project locates residential development relatively close to where the residents will be working. 2. The project enables residents' access to circular public transport.	1. The project locates residential development relatively close to where the residents will be working. 2. The project enables residents' access to circular public transport.		
Old Middelpos	551	BNG SUBSIDY OWNERSHIP	1; 2; 3	1; 2; 3	1; 2			
Ongegund	224	BNG SUBSIDY OWNERSHIP	1; 2; 3	1; 2; 3		1; 2		
Diazville Phase 2	667	BNG SUBSIDY OWNERSHIP	1; 2; 3	1; 2; 3	1; 2			
Paternoster	250	BNG SUBSIDY OWNERSHIP	1; 2; 3	1; 2; 3			5	
PROPOSED DENSIFICATION OF EXISTING AREAS								
Vredenburg	621	SUBSIDY, SOCIAL, GAP AND MIDDLE/HIGH INCOME HOUSING	1; 2; 3	1; 2; 3		1; 2		15
Saldanha	712	SUBSIDY, SOCIAL, GAP AND MIDDLE/HIGH INCOME HOUSING	1; 2; 3	1; 2; 3	1; 2			15
Langebaan	527	ONLY MIDDLE/HIGH INCOME HOUSING	1; 2; 3	1; 2; 3			5	8
Hopefield	659	SOCIAL BUT MAINLY MIDDLE/HIGH INCOME HOUSING	1; 2; 3	1; 2; 3			5	10
PROPOSED NEW DEVELOPMENT ZONES								
Vredenburg	6,406	SUBSIDY, SOCIAL, GAP AND MIDDLE/HIGH INCOME HOUSING	1; 2; 3	1; 2; 3		1; 2		30
Jacobsbaai	570	ONLY MIDDLE/HIGH INCOME HOUSING	1; 2; 3	1; 2; 3			5	10
Saldanha	6,362	SUBSIDY, SOCIAL, GAP AND MIDDLE/HIGH INCOME HOUSING	1; 2; 3	1; 2; 3	1; 2			24
Langebaan	7,120	SUBSIDY, SOCIAL, GAP BUT MAINLY MIDDLE/HIGH INCOME HOUSING	1; 2; 3	1; 2; 3				23
St Helena	7,345	SUBSIDY, SOCIAL, GAP BUT MAINLY MIDDLE/HIGH INCOME HOUSING	1; 2; 3	1; 2; 3				22
Paternoster	678	SUBSIDY BUT MAINLY MIDDLE/HIGH INCOME HOUSING	1; 2; 3	1; 2; 3				21
Hopefield	1,488	ONLY MIDDLE/HIGH INCOME HOUSING	1; 2; 3	1; 2; 3				25
TOTAL	34,180							
			GREEN = Strong alignment with IDP					
			ORANGE = Weak alignment with IDP					
			RED = Undermines IDP Objectives					

Conclusion – status and strategic assessment of current projects and proposed densified areas and new development zones:

- Current projects (Old Middelpoort, Ongegend, Diazville Phase 2, and Paternoster):
 - Comprise 1 692 units
 - Have completed infrastructure
 - Contribute to agglomerating opportunities and access to services and jobs in existing townships
 - Do not encroach on biosphere and agricultural land
 - Will appear as a single storey, low density, BNG type (sprawl), which could undermine the role of the settlements

- Proposed densification of existing areas (Vredenburg, Saldanha, Langebaan and Hopefield):
 - Comprise 2 519 units
 - Could support improvements in disadvantaged areas in Vredenburg, Saldanha, Langebaan and Hopefield, and develop decent housing and/or integrated communities in these areas
 - Provide an opportunity for a mix of appropriate housing types
 - However, relatively low densities could undermine the role of these settlements through facilitating sprawl

- Proposed new development zones (Vredenburg, Jacobs Bay, Saldanha, Langebaan, St Helena and Paternoster):
 - Comprises 29 969 units
 - Could support improvements in disadvantaged areas in Vredenburg and Saldanha by taking up extra appropriate housing to meet the need/demand there – proposed densities are however inappropriately low and could undermine compact developments crucial for supporting the role of these settlements
 - The potential to expand Langebaan and St Helena by 200 per cent is inappropriate because there is very limited need for affordable housing and only a limited number that could be addressed there in an integrated settlement – clearly the significant expansion of housing in these towns would be mainly for upper income holiday homes, the owners of which would be absent for most of the year, and consequently there would be very limited economic development outcomes

- Initiatives in proposed new development zones at Langebaan and St Helena:
 - Comprise 14 465 units
 - Would undermine the space economy strategy objective of strengthening Saldanha and Vredenburg as the major commercial, industrial and residential settlements: residential concentrations in these towns would prompt the emergence of local commercial concentrations (including shopping malls), thereby further taking energy away from the Saldanha and Vredenburg business districts
 - The consequence will be the re-segregation of Saldanha and Vredenburg as relatively poor, black residential and commercial areas, and Langebaan and St Helena as higher income enclaves of white holiday home owners, served by decentralised shopping and commercial facilities

- The SBM housing need is 10 927 (for the scenario to 2014), or 16 720 (for the scenario to 2019); however, provision has been made for 34 180 new units. Thus, there is a planned oversupply of some 23 253 units (in the case of the scenario to 2014), or 17 460 (in the case of the scenario to 2019). The oversupply of 23 253 (or 17 460) units is strategically significant, it will:
 - Potentially draw focus off resolving issues within different housing projects in strategically space economy-aligned locations
 - Possibly further strengthen the opportunity for poorly located projects to find support (and therefore to work “against” space economy objectives)

E. Supply Side Interventions to meet Housing Needs/ Effective Demand:

Overview:

To respond to the given net housing need requires first that the need be analysed and structured into an effective demand-for-housing profile, i.e. the numbers of household in need of new housing must be categorised according to different housing options which they, on the basis of their income, can afford. The table below, which is derived from the SBM Water Development Plan, indicates the income distribution in SBM during 2009/2010, which the officials at the SBM workshops decided should be applied to all sub-categories of housing need in SBM.

Table 19 - Household Income Distrib: SBM

Monthly income range	Distribution
< R1,600	39%
R1,601 - R3,200	20%
R3,201 - R6,400	19%
R6,400 - R12,800	21%
> R12,800	
	100%

SOURCE: Saldanha Bay Municipality (2009a)

Accordingly, as a first step, the following tables have categorised the need arising from both scenarios, using the following quantified categories: informal housing (including the number of informal backyard structures in site-and-service schemes, but excluding the number of informal backyard structures in formal townships), overcrowded formal housing and new household formation, into monthly household income categories.

Table 20 – Saldanha : Income Distribution across Various Housing Need (to 2014)

Monthly Income Range	Distribution	Informal Structure on Site-and-service	Informal Backyard Structure (Site-and-service)	Overcrowded Formal Structures	New Household Formation	Totals
<R1 600	39%	473	671	1 925	1 909	4 977
R1 601 – R3 200	20%	246	349	1 001	992	2 588
R3 201 – R6 400	19%	229	324	930	922	2 405
R6 401 – R12 800	21%	253	358	1 028	1 020	2 659
>R12 800		-	-	-	-	-
Total	100%	1 200	1 702	4 884	4 843	12 628

The above table categorises the housing need for 12 628 new units (derived in the section B of this HSP, and based on new household formation to 2014) into four income brackets.

Table 21 - Saldanha: Income Distribution across Various Housing Need (to 2019)

Monthly Income Range	Distribution	Informal Structure on Site-and-service	Informal Backyard Structure (Site-and-service)	Overcrowded Formal Structures	New Household Formation	Totals
<R1 600	39%	473	671	1 925	4 192	7 260
R1 601 – R3 200	20%	246	349	1 001	2 179	3 774
R3 201 – R6 400	19%	229	324	930	2 026	3 509
R6 401 – R12 800	21%	253	358	1 028	2 239	3 878
>R12 800		-	-	-	-	-
Total	100%	1 200	1 702	4 884	10 636	18 422

The above table categorises the housing need for 18 422 new units (derived in section B section of this HSP, and based on new household formation to 2019) into four income brackets.

In addition to the need for either 12 628 or 18 422 new housing units (depending on whether or not one adopts the scenario to 2014 or that to 2019), there are also some 2 596 informal units in the backyard of formal townships, which it is argued constitute part of the existing private sector rental stock:

Table 22 - Saldanha: Income Distribution across Informal Structures (Formal Townships)

Monthly income range	Distribution	Informal Backyard Structures (Formal Townships)
< R1,600	39%	1,023
R1,601 - R3,200	20%	532
R3,201 - R6,400	19%	494
R6,400 - R12,800	21%	546
> R12,800		-
	100%	2,596

These backyard structures represent a need for upgrading and refurbishment, the achievement of which will require a raft of regulations and incentives from the SBM.

Based on the above income distributions of the need for new housing, and subtracting the two estimates of housing need from the total new sites planned for (through densification of existing areas and new development zones), the SBM housing supply/demand situation (including the potential supply for high income housing) is reflected in the following tables for each timing scenario.

Table 23 - Saldanha Housing Needs according to Supply-side Interventions (to 2014)

Supply-side interventions (delivery mechanisms)	Maximum New Build Estimate	
	Req. Hsng. Units	%
Middle to higher income market (private)	21 552	63
Gap and above-Gap bond segment	2 659	8
Social housing market segment	2 405	7
Capital subsidy segment (credit-linked)	2 588	8
Capital subsidy (non-credit-linked)	4 977	15
Total	34 181	100
Incentivised rental refurbishment (Backyard structures (formal townships)		2 596

Table 24 - Saldanha Housing Needs according to Supply-side Interventions (to 2019)

Supply-side interventions (delivery mechanisms)	Maximum New Build Estimate	
	Req. Hsng. Units	%
Middle to higher income market (private)	15 759	46
Gap and above-Gap bond segment	3 878	11
Social housing market segment	3 508	10
Capital subsidy segment (credit-linked)	3 775	11
Capital subsidy (non-credit-linked)	7 260	21
Total	34 180	100
Incentivised rental refurbishment (Backyard structures (formal townships)		2 596

The size of the middle to higher income market segment was estimated by deducting the estimated housing need from the total number of new sites proposed by the SBM SDF (referred to earlier); the estimated number of middle to higher income housing presupposed by the SBM SDF would comprise between 46 and 63 per cent of new build – this is for an income category the population of which currently comprises less than 21 per cent of the total SBM population.

The previous two tables indicate the overall SBM need/demand for new housing by supply side interventions.

The following two tables allocate required new housing units (excluding the middle to upper income category) in terms of specific supply side interventions in identified development zones in each town of the SBM.

The allocations were made to zones identified for densification and for new development in each town, in the Draft SBM SDF.

In some locations higher densities will be required than specified in the Draft SDF, to reinforce the space economy strategic objectives referred to earlier.

Table 25 – Proposed Numbers of Housing Units by various Delivery Mechanisms in Defined Locations (to 2014)

Towns	PROPOSED NUMBERS OF HOUSING UNITS BY VARIOUS DELIVERY MECHANISMS IN DEFINED LOCATIONS (TO 2014)															Totals					
	GAP AND ABOVE-GAP BOND SEGMENT					SOCIAL HOUSING MARKET SEGMENT					CAPITAL SUBSIDY SEGMENT (CREDIT-LINKED)						CAPITAL SUBSIDY (NON-CREDIT LINKED)				
	DENSIFIED EXISTING AREAS		NEW DEVELOPMENT ZONES		TOTAL	DENSIFIED EXISTING AREAS		NEW DEVELOPMENT ZONES		TOTAL	NEW DEVELOPMENT ZONES		TOTAL	DENSIFIED EXISTING AREAS			NEW DEVELOPMENT ZONES		TOTAL		
	DevZones	Numbers	DevZones	Numbers		DevZones	Numbers	DevZones	Numbers		DevZones	Numbers		DevZones	Numbers		DevZones	Numbers		DevZones	Numbers
Vredenburg	3	102	E, F, G	600	702	4	360	A, B	240	600	E, F, G, H	1,405	1,405	OGG	224	H, I	1,520	1,744	4,451		
Jacobsbaai																			-		
Saldanha Bay			B, D, K	1,044	1,044	5, 7	375	E, K	965	1,340	A, D, J, L, M	934	934	DIA, OM	1,218	A, B, D, J, L, M	1,558	2,776	6,094		
Langebaan			C	800	800			D	324	324	B, E	149	149			A, C	120	120	1,393		
St Helena			B, M	113	113						B, M	100	100			B, M	87	87	300		
Paternoster														PAT 3	250			250	250		
Hopefield						3	141			141									141		
Farms																			-		
Totals					2,659					2,405			2,588					4,977	12,629		

Table 26 - Proposed Numbers of Housing Units by various Delivery Mechanisms in Defined Locations (to 2019)

Towns	PROPOSED NUMBERS OF HOUSING UNITS BY VARIOUS DELIVERY MECHANISMS IN DEFINED LOCATIONS (TO 2019)																			Totals	
	GAP AND ABOVE-GAP BOND SEGMENT					SOCIAL HOUSING MARKET SEGMENT					CAPITAL SUBSIDY SEGMENT (INCL CREDIT-LINKED)					CAPITAL SUBSIDY SEGMENT (NON-CREDIT LINKED)					
	DENSIFIED EXISTING AREAS		NEW DEVELOPMENT ZONES		TOTAL	DENSIFIED EXISTING AREAS		NEW DEVELOPMENT ZONES		TOTAL	DENSIFIED EXISTING AREAS		NEW DEVELOPMENT ZONES		TOTAL	SUBMITTED & 2009/2010 PROJECTS		NEW DEVELOPMENT ZONES			TOTAL
	Dev Zones	Numbers	Dev Zones	Numbers		Dev Zones	Numbers	Dev Zones	Numbers		Dev Zones	Numbers	Dev Zones	Numbers		Dev Zones	Numbers	Dev Zones	Numbers		
Vredenburg	3	102	E, F, G	1,000	1,102	4	360	A, B	240	600			E, F, G, H	1,395	1,395	OGG	224	H, I	1,895	2,500	5,597
Jacobsbaai			E	50	50								D	50	50			D	50	50	150
Saldanha Bay			B, D, K, J, H	1,439	1,439	5, 7	375	E, H, I, J, K	1,868	2,243			A, D, F, G, J, L, M	1,188	1,188	OM, DIA	1,218	A, B, J, L, M	1,608	2,826	7,696
Langebaan			C	739	739			D	324	324			B, E	1,000	1,000			A, C, D	1,134	1,134	3,197
St Helena			B, M	200	200			A	100	100			B, M	200	200			B, M	200	200	700
Paternoster			K, L, M	48	48			H	100	100			H, K, L, M	50	50	PAT	250	H, K, L, M	150	400	598
Hopefield	2	100			100	3	141			141	2	92			92	2	150			150	483
Farms																					-
Totals					3,678					3,508					3,975					7,260	18,421

The rationale for the above tables is fourfold:

1. To concentrate most (10 545 in the first scenario and 13 293 in the second scenario) of the total housing required in SBM (12 629 and 18 421) in Vredenburg and Saldanha – although there is a smaller proportion in the second scenario due to ultimate limits on zones and stands available in Saldanha Bay and Vredenburg.
2. To increase densities in both existing and new development areas in order to accommodate as many people as possible on the limited tracts of land that are located close to the central business districts of these towns.
3. To locate new housing in Vredenburg and Saldanha, and also elsewhere, close to major transport routes to facilitate access to work and urban amenities – because towns other than Vredenburg and Saldanha are not well linked to economic activity, means that only a limited number of housing units were allocated to these towns, although significantly more units were allocated to Langebaan in the second scenario due to its being a greater centre of activity.
4. To strive for a combination of social housing, non-credit-linked as well as credit-linked capital subsidy, and mortgage financed housing typologies to achieve inclusionary housing projects.

There are seven spatial frameworks in the appendix, one for each town in the SBM, showing the location of each of the different housing typologies referred to in the above tables.

There are definite housing delivery mechanisms aligned with each of the market segments identified. These are described below.

Incremental formal housing:

There are 2 902 households in the SBM area who have constructed their own informal dwellings on the municipality's site-and-service schemes. Of these 1 200 are main units, and 1 702 are backyard structures. Of these 2 902 households in informal structures, 1 144 (473 main structure households and 671 backyard structure households) earn less than R1 600 per month, and 595 (246 main structure households and 349 backyard structure households) earn between R1 601 and R3 200 (i.e. they qualify for the non-credit linked and credit-linked capital subsidy). There is likely to be a portion of these that are unemployed, people who would have time to build their own structures and for whom self-help is both an appropriate as well as a cost effective housing delivery option.

The informal structures already situated on the site-and-service schemes, are typically referred to negatively as shacks, and the response of the authorities elsewhere in South Africa (e.g. in respect of the N2 Gateway project) has often been to engage in shack clearance. However there is a different, incrementalist approach to informal structures the point of departure of which is that households have invested in housing and this investment represents a locator that can be built on. Through incremental building what starts off as an informal structure can be turned into an acceptable formal house over time.

SBM has already provided a critical starting point for the process of incremental formalization, namely the provision of proper infrastructure through site-and-service: what is now required is assistance for individual households through subsidies, credit, building materials and technical assistance, to improve and formalise their structures. The municipality should play a key-facilitating role to enable the provision of these services to the residents.

SBM's policy with regard to the informal structures in the site-and-service schemes is to temporarily relocate households to a transit settlement, construct a BNG unit on their serviced stand, and then move the households back, to take occupation of their subsidy-funded formal unit.

SBM could however relieve the pressure on itself by providing the 719 households that qualify for the capital subsidy occupying the *main* structures with a unique opportunity to formalize their structures with public funds (subsidies), while at the same time enabling access to formal structures elsewhere for the 1 702 households occupying the backyard structures. If the households occupying the main structures provide the labour – either on an individual household or collective household basis – they will be able to build a structure up to double the size of the conventional BNG units, funded with the government's capital subsidy.³

Incremental formalization reflects the reality of most formal housing all over the world: homeowners get involved in the process of improving their housing which is their asset; some owners sell and move elsewhere when this suits their needs, e.g. green fields, social housing, formal ownership etc. The precondition for this happening is that a secondary housing market develops in these areas – the targeted 719 main households would the

³ An affordable housing project in Mbekweni (Paarl) has complemented the incremental building process through utilizing local resources and waste as building materials. Through the beneficiary households provide the labour (under technical supervision), and through using cheaper materials, a much larger structure than provided through conventional building methods, can be built funded by the government's housing subsidy.

pioneers of this market in the Vredenburg and Saldanha site-and-service areas. Over time with ownership, neighbourhood improvement will result in the houses becoming tradable assets. This will be the point at which a functioning housing market will have been established in what were previously regarded as “shack settlements”. Incrementalism is part and parcel of the BNG approach to housing policy.

In implementing incremental formal housing care should be taken to establish the rules of engagement by the dwellers of informal settlements in the formalisation process. The risk is that such projects could attract more informal settlers and result in urban sprawl rather than the goal of contained, densified sustainable hamlets. In this regard the coherence of existing community structures will be a key factor in stabilising existing informal settlements through a process of incremental formal housing.

Communal/transitional housing:

Communal and transitional housing is a form of social housing targeted at households earning less than R2 000 per month, including the unemployed. “Communal” refers to the fact that the cooking and cleaning (ablution) facilities are all shared within a single building or project, and “transitional” refers to the fact that accommodation is only provided for a limited period (say one year) after which an individual or household is expected to assume responsibility for seeking their own accommodation on the housing market, either through private market or social housing delivery mechanisms. The newly introduced Community Residential Units subsidy could also apply in this delivery mode, providing the units are built on state-owned land. A limited number of units need to be built as tenure is limited to 12 months. This means that the impact of this form of housing on re-integration of previously homeless and unemployed people to society, increases over time as the same built stock is used for each succeeding round of occupants.

Communal/transitional housing has been implemented in larger cities where transformed inner city buildings have provided accommodation for the poor or destitute. A particular housing institution in the Johannesburg inner city⁴ has developed a unique service that includes occupational training and/or counselling, assisting residents to find employment and monitoring their employment history to facilitate sustainable income generation. They are interested in applying this model elsewhere in the country.

⁴ Madulomoho Housing, which together with MES Aksie, a faith-based social service group, provides a package of services including occupational training job placing and monitoring.

The communal/transitional housing model could be applied to address the needs of the SBM households estimated to fall within the bottom end of the subsidy market and earn below the ceiling referred to above, given that it is a holistic approach to re-integrating the unemployed, semi-employed and homeless into society. If two such projects with sufficient units to accommodate 100 residents each, were built (one in Saldanha Bay and the other in Vredenburg) they would provide an occupational training and employment placement service to 2 000 people over a decade. Clearly, this would have a significant impact on the work and life opportunities of the most vulnerable and marginalised of households currently.

BNG housing:

All of the affordable housing units delivered in the greater SBM area between 1998 and 2008 were RDP/BNG units, and those in the current programme are BNG houses. As this programme is still operating and will continue until completion of the outstanding units, it should be incorporated as a delivery mechanism within the sustainable settlement delivery strategy.

A total of 7 565 subsidies for BNG units are needed for meeting the targets of scenario one, and 11 035 for meeting the targets of scenario two. The current and 2009/2010 SBM housing programmes should provide 1 692 subsidised BNG units, including for some site-and-service areas like Old Middelpoort (Saldanha Bay) (551) and Ongegund (Vredenburg) (224) – 719 of these subsidies should be allocated to the proposed incrementally formalized units there. The remaining 5 873 (9 343) BNG units should be spread across other zones of Saldanha Bay and Vredenburg, as well allocated to the smaller projects earmarked for St Helena, Paternoster and Langebaan. In the second scenario the number of BNG units allocated to Langebaan increases significantly in order to take up available stands there to meet the ongoing need for housing. To a lesser extent the size of BNG projects in the other smaller towns will perforce expand in the second scenario to address the increased need in terms of new household formation.

Social housing:

Government policy facilitated the emergence of social housing as a delivery mechanism that enables a choice for alternative forms of tenure to outright ownership – like rental, rent-to-buy, co-operative housing and installment sale. The reason for this is that ownership is expensive in terms of both transaction and maintenance costs, and therefore sometimes not affordable for households in the target category. A further reason for making a rental form of housing available is that many households require flexibility to relocate in order to seek and secure work.

Through its social housing programme, government provides subsidies to accredited social housing institutions (SHIs) to assist them to purchase and refurbish existing buildings, or to start new developments, which are then mainly rented to tenants. These institutional subsidies are available for medium to high density social housing units. SHIs get the balance of their funding requirements from loans. In recent years government has introduced an extra restructuring subsidy for social housing projects that are located in restructuring zones – these are special districts within towns and cities in which the municipalities are promoting integration.

Where the social housing units are located on state property they can qualify for the Community Residential Units (CRU) subsidy⁵ (instead of the institutional subsidy), which provides more value per square meter than the conventional institutional housing subsidy.

The SHIs' roles are to effectively manage the properties to ensure decent and affordable housing for the sector of the population earning between R3 500 and R7 500 per month. Both public and private institutions (including non-profit companies) can manage and maintain such stock. Since 1994 a social housing sector has emerged in the South African housing market, and to date manages approximately 75 000 accommodation units. The most popular form of tenure is rental.

To maximize the subsidies for social housing SBM should immediately initiate the process of identifying and then getting approval for the establishment of several restructuring zones in key zones of Saldanha Bay, Vredenburg, Hopefield and Langebaan. To package the funding for social rental housing there should be applications for institutional subsidies, restructuring social housing grants and debt funding (from the National Housing Finance Corporation [NHFC]) in respect of 600 units in Vredenburg (in scenario one), 1 340 in Saldanha Bay, 324 in Langebaan and 141 in Hopefield; scenario two would involve a relatively large 2 243 social housing units in Saldanha, 600 in Vredenburg, 324 in Langebaan, 100 in St Helena, 100 in Paternoster and 141 in Hopefield. The SBM could then put out a tender to several of the South African SHIs for the development of the proposed social housing units.

Private rental market:

As indicated there are 2 596 informal structures that are rented out, in the backyards of formal townships in SBM. The providers of this accommodation are private landowners who rent their units to tenants. In many cases in existing townships these landlords live on the

⁵ CRU subsidies provide the best value of public funding per square meter of residential property. The conditions for this subsidy are: (1) the property is state-owned and may not be alienated; (2) the occupants earn less than R3 500 per month; and, (3) the tenure is rental in perpetuity. Property management can be outsourced to a SHI.

same properties and rent out structures in their backyards. What is required here is a flexible application of municipal by-laws so that health and safety can be ensured without negatively impacting on the affordable private rental market through increasing the costs of compliance. At the same time SBM should explore the insights from both the National Department of Human Settlements as well as the Western Cape Provincial Government about incentivizing the upgrading of existing informal rented structures, in order to formulate and implement a coherent, effective strategy in this regard.

Formalised home ownership (mortgaged property for the Gap market):

This is the established delivery mechanism for private, outright ownership. Commercial banks can fund this effectively, and private developers manage the process of acquiring and servicing the land, constructing the houses and transferring of title to new owners. What is required here from the SBM is rapid land release through either in-fill sites and/or green fields under an incentive scheme.

The municipality should make their land available at an affordable price to enable entry to the ownership market for those currently excluded through high prices. In some instances this might necessitate the land being made available at no charge or price.

There is a need for 2 659 units for ownership in scenario one; most of these should be located in Vredenburg, Saldanha and Langebaan. In scenario two this number increases to 3 878, most still being concentrated in Vredenburg, Saldanha and Langebaan.

Conclusion:

- The net housing need in SBM should be met in a manner that supports the strategic space economy objectives as far as possible within the existing economic, political and developmental realities of the area.
- To this end there should be inclusionary housing that combines the six different housing delivery mechanisms, incremental formalisation, transitional/communal, BNG, Social, private rental and homeownership/gap.
- There should be incremental formalisation of the 719 units in the Old Middelpoos and Ongegund site-and-service schemes in Vredenburg and Saldanha.
- The communal/transitional projects for 100 tenants per annum should be located within – or close to – the Vredenburg and Saldanha business districts.

- Credit and non-credit linked BNG housing as well as gap ownership, on relatively high densities (i.e. through cluster housing) should be provided in Vredenburg mainly development zones E, F G and H, which are proximate to the main road transport artery to Saldanha, while social housing projects would be best located in a proposed restructuring zone that includes existing zone 4 and new zones A and B. (there is a strip of land between zone H and the Vredenburg/Saldanha artery which is currently vacant and not earmarked for development on the SDF: it is recommended that this tract of land be considered for high density development).
- In Saldanha credit and non-credit linked subsidy housing should be concentrated in zones J, L and M – L and M are favourably situated with respect to the prospective back-of-port development and work opportunities identified in the space economy strategy; social housing in Saldanha should be located mainly in zones 5, 7, E, H, I, J and K, as this will enhance the residential usage near to the harbour as well as the area currently identified in the SDF for integration. As in case of Vredenburg SBM should initiate the process of getting the relevant stands in these zones included within a formal restructuring zone.
- Social housing in Langebaan should be located in zone D – SBM should initiate the process of getting the relevant stands in these zones included within a formal restructuring zone; Gap ownership and the credit and non-credit-linked capital subsidy housing should be developed on an inclusive basis in zones A, B, C and D.
- A limited number of Gap ownership and credit and non-credit linked subsidy housing should be developed on an inclusive basis in zones B and M in St Helena.

F. Proposed Roll Out of Housing Projects to fulfil Residual Need in support of IDP Strategy:

Proposed project interventions:

STILL AWAITING SBM GUIDE FOR PROGRAMME ROLL OUT TO 2019

G. Project Intervention Costs and Funding:

DEPENDS ON F ABOVE

H. Appendices – Financial Model and Spatial Frameworks:

MODEL DEPENDS ON G ABOVE; SPATIAL; FRAMEWORKS INCLUDED AS PDF DOCUMENT

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