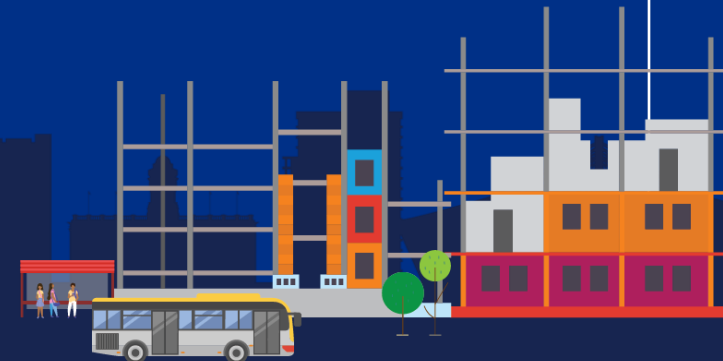




**TUHF**

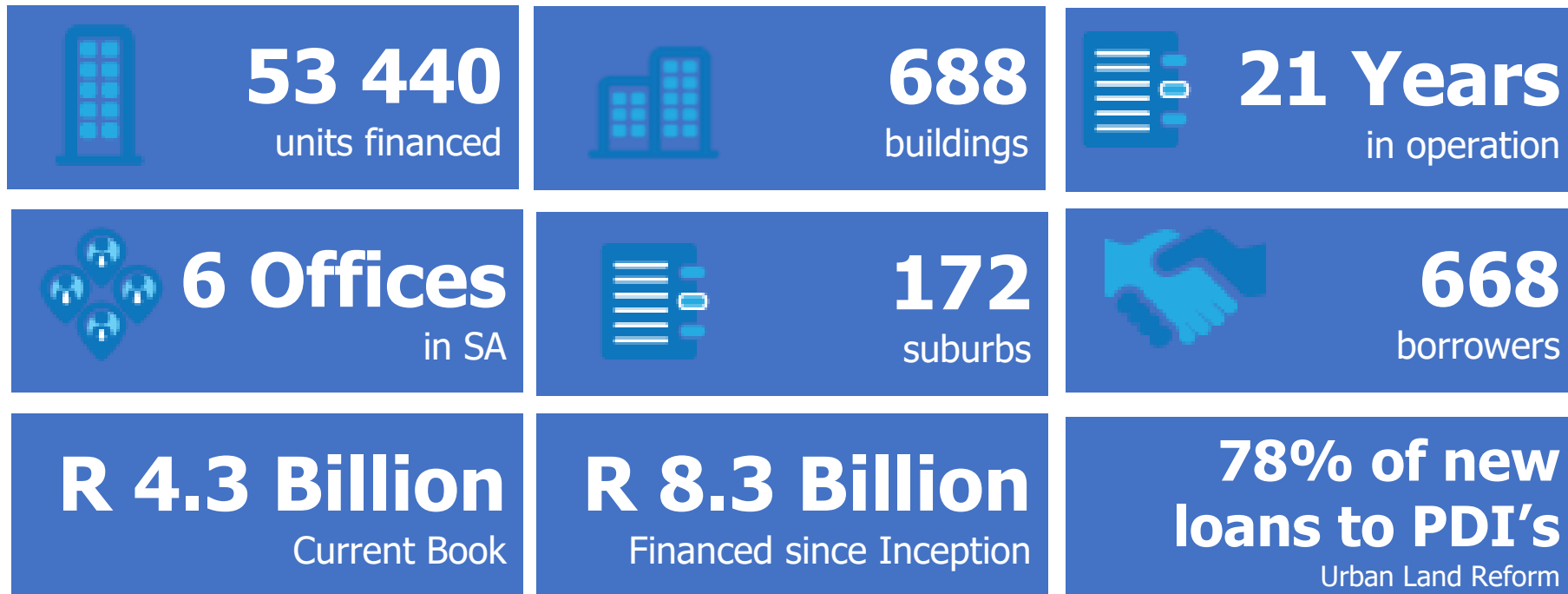
## **Affordable Housing Finance:** Lessons from South Africa and the African Continent

Paul Jackson  
CEO & Founder



## Impact Through Scale

The leading **provider of residential commercial property finance for affordable housing** in the in-city and inner-city areas of South Africa



TUHF achieves **commercially competitive returns** to shareholders and investors with significant **development impact**

# Housing is part of the REAL Economy:-Local Economic Development

- Spatial Dislocation: Our cities are growing faster than the people entering them
  - One of the main obstacles for economic
- Many multipliers, forward and backward linkages
  - CAHF Housing Economic Value Chain Research
  - Huge job creation and business effect
- Social & economic effects require urban density
  - Many SME opportunities and thus Job Opportunities
- Significant Environmental Effects:
  - Repurposing, use of existing infrastructure – Embedded Carbon
  - Reduced emission through reduced transport
- Significant Fiscal Impact effects i.e. tax base



# Is Housing is part of the Real Economy and Fiscally Net Positive?

Well it depends

**The house as a private asset | Housing sector as a national asset**

**Social asset** | a place in the settlement, an address, effective citizenship, social security

**Economic growth & job creation** | backwards/forward linkages, multipliers impact of housing on the economy

See Gardner, D (2018) <http://housingfinanceafrica.org/projects/housing-and-the-economy/>

**Financial asset** | can be traded for money and can be used as security against a loan

See <http://housingfinanceafrica.org/projects/transaction-support-centre/>



**Sustainable human settlements** | integrated with functioning local economies

See <http://housingfinanceafrica.org/documents/city-reports-cape-town-ethekwin-manguang/>

**Economic asset** | part of a household's economic strategy – backyard rental or home based entrepreneurialism

See <http://housingfinanceafrica.org/projects/housing-entrepreneurs/> Work by Shisaka Development Management Services

**Financial intermediation** | financial sector development, and opportunities for domestic capital investment

See <http://housingfinanceafrica.org/documents/an-analytical-framework-for-understanding-housing-markets/>

See <http://housingfinanceafrica.org/documents/bringing-life-to-mortgage-markets-in-south-africa/> Work by Ilana Melzer & Claire Hayworth 71 point4



Acknowledgment: Centre for Affordable Housing Finance in Africa



# Cities are built the way they are financed – Bertrand Renaud, 1984

**Financial Markets** particularly **Public Finance** plays a critical role in shaping cities and patterns of Development



**Financial markets** and **housing finance products** stimulate both housing demand and supply, enabling access to affordable housing and improved living conditions for low-income households.

The housing sector supports financial intermediation, contributing to a stronger and more stable financial system.

**This theoretical framework, however, this understanding does not shape how practitioners & government engage in the affordable market.**



Maputo, Mozambique



Dar es Salaam, Tanzania



Abidjan, Côte d'Ivoire

**Acknowledgment: Centre for Affordable Housing in Africa**







# South African Urban Sprawl nearing Crisis Stage with inter-Generational Consequences

economic opportunity

- 25% of income spent on commuting
- 2-4 hours per day lost to commuting
- significant CO2 emissions
- 48% higher cost of infrastructure delivery
- 10-20% higher cost of service delivery p.a

our people



# Combatting urban Sprawl and the Policy/Practice Mismatch

Peripheral Developments tend to entrench poverty, Both Economic and Social exclusion  
40 x 40 x 40 x 40

Efficient cities means urban densification, functional transport corridors and spatial integration

Use existing infrastructure, physical, social and administrative infrastructure.

A certain level of Urban Densification is required for Social and Economic Activity

Promote local economic development with Massive Small thinking

Above inflation administered prices is affecting profitability thus investment.





# Statutory Lockout in townships

Bankers need to tick boxes

- **The Grid: Why the investment on the Periphery?**

## Legacy Zoning Still Dominates

- Townships like Khayelitsha and Gugulethu are zoned **Single Residential 1** — limiting multi-unit or mixed-use developments.
- Plots are large, but zoning is rigid and **not aligned with densification goals**.

## Complex and Slow Rezoning

- **Lengthy rezoning** (GR2/GR4) and consent-use processes.
- **No overlays or fast-track approvals** in high-growth township areas.

## Approval Bottlenecks

- Rezoning and land-use approvals can take extremely long **12–24 months**.
- Delays caused by under-resourced planning departments and **infrastructure assessments**

## Limited Incentives for Township Investment

- Urban Development Zones (UDZs) and tax breaks apply to inner-city areas — not to townships.
- Few township-specific financial or regulatory incentives exist.
- Excessive Development Contributions

## Coordination Gaps

- Provincial initiatives (e.g., Better Living Challenge) show promise, but progress is slow.
- Misalignment between **provincial planning goals** and **City-level execution**.

## Policy/Practice Mismatch

in the housing space:  
economic, spatial & social  
**integration,**  
concept of **efficient cities**

# Our Clients







## Supporting Micro Developers and the “Massive Small” Approach

### Possible Interventions

#### Ring-Fenced Land for Micro development

- Designate small, well-located parcels specifically for **local or emerging developers**.
- Allow for **incremental development** or joint ventures with support.

#### Simplified Planning and Zoning Support

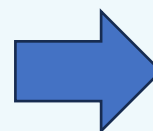
- Pre-approve basic **typologies and site**
- Provide **template building plans**, fast-track minor rezonings, and reduce red tape.

#### Blended Finance Access

- Introduce **grant + loan packages** to unlock micro-scale developments.
- Collaboration with local DFIs for working capital, bridging finance.

#### Pipeline Visibility

- Publish a **microdeveloper-specific land release pipeline** with clear timelines and site info.
- Allow for **small consortiums or community-based development models** to apply.



### Benefits

- **Accelerated Delivery of Affordable Housing**
- **Stimulated Local Economic Development**
- **Unlocked Underutilised Urban Land**
- **Builds a More Inclusive Property Sector**
- **Improves Alignment with Government Spatial Goals**





## LT Court: Anele





# LT Court - Before







**LT Court**  
- After







**TUHF**



# Thank You

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