

IMIZI SOCIAL HOUSING ASSOCIATION

Addressing challenges affecting social housing

The IMIZI Project (IMIZI means “home” in Xhosa) started in Nelson Mandela Bay Municipality in 1998 and established the IMIZI Housing Association in 2002.

IMIZI’s mission is ‘to develop and manage housing stock that is new, innovative and receptive to the needs of target customers – the income-earning sector that qualifies for government subsidy. IMIZI further aims to ensure that broader socio-economic issues affecting social housing are addressed throughout the Nelson Mandela Bay Municipality, provided this does not undermine the primary mission’.

Setting up IMIZI

IMIZI intends to provide strong governance through an independent board of external expertise, including Abaco International Partners in association with Swedish Development Advisors to form a small flexible organisation with limited staff and outsource as many functions as possible. IMIZI seeks to be financially viable, based on sound financial management principles and systems and to mobilise all possible sources of funding for establishment and project capital costs.

The IMIZI project was in its implementation phase supported by external technical expertise, including Swedish development advisors and technical advisors from Nelson Mandela Bay Municipality.

In order for IMIZI to design appropriate housing solutions, one of the first activities carried out was market surveys with target communities. These served to explore affordability levels and assess people’s views on housing options, including to what extent people still expected housing to be free, and what they consider to be suitable rentals per unit type.

Training and study visits have been carried out by the IMIZI board to study social housing in other South African cities, in Swe-

THE OBJECTIVES OF IMIZI ARE TO:

- Develop and manage housing stock that is well located, affordable and acceptable and that provides customers with additional support in terms of education, personal financial advice, employer involvement and special needs
- Explore new and innovative housing solutions (densification and integration, special housing needs, new housing finance products, different tenure options, job creation, etc) for own stock development and replication by others
- Develop relationships with other stakeholders and encourage the establishment of metro-wide programmes in support of social housing.

MAIN ACTORS IN THE IMIZI PROJECT

- Nelson Mandela Bay Municipality
- IMIZI Board
- SIPU International
- Linda Van der May, SA consultant



IMIZI flats planned for Baakens Valley in Nelson Mandela Bay.

KEY SUCCESSSES OF IMIZI ARE THE DEVELOPMENT OF:

- A financial model and project viability methodology that enables a relatively quick and reliable measurement of individual project viability
- A good working relationship with the Nelson Mandela Bay Municipality that is expected to develop into a sound and mutually beneficial partnership
- A broader portfolio of potential projects, which includes Motherwell, Baakens Valley, the Central Business District and other parts of the metropolitan area
- The potential to transfer a large-scale, fast-track private sector development to IMIZI through the National Housing Finance Corporation Presidential Job Summit Programme for Social Housing in 2007.

den and the Netherlands. Some understandings that arose as a result of the trips were the following:

- The roles of national, provincial and local government in terms of social housing in South Africa need urgently to be clarified and there is a need for new national social housing legislation and policy.
- It is critical that the Nelson Mandela Bay Municipality defines its role in respect of social housing so that authorities, institutions and other organisations have clear guidelines and expectations.
- In the absence of a well developed national social security system there may be a need to look at downsizing housing units, possibly through a broader range of housing options catering for a variety of socio-economic groups.
- It is important to be sensitive to context and concerns expressed by various cultural groups in the development of the different housing solutions.
- Politicians and decision makers must do more to promote social housing and the various departments associated with housing delivery should cooperate in their drive to provide housing of this nature.

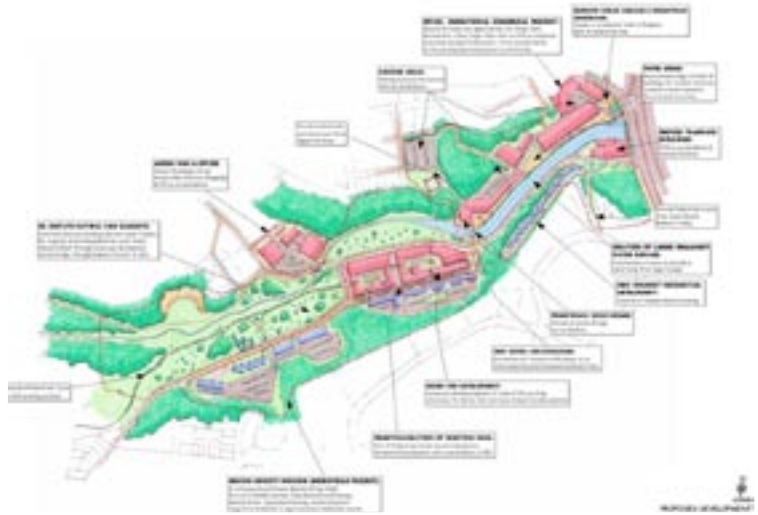
IMIZI's planned projects

IMIZI has a strong board of eight members with considerable expertise and experience in town planning, housing, quantity surveying, finance and community development. There is a good

working relationship with, but a recognized institutional independence from the Nelson Mandela Bay Municipality.

IMIZI has planned two main housing development projects, one in Motherwell and the other in Baakens Valley. Access to capital grants (and capacity building) is expected to take place in 2007 either through the National Housing Finance Corporation or the Social Housing Regulatory Authority. The Provincial Housing Department will provide top-up funding. The South African Government has decided that social housing grants will focus on 'restructuring areas' that promotes 'social, racial, economic, and cultural integration.' Baakens Valley area falls in this category, while Motherwell is not identified as a restructuring area but still needs assistance to renew the housing stock.

As a relatively young organisation it has not been easy for IMIZI to establish itself in the turbulent social housing market of South Africa.



IMIZI's vision for the Baakens Valley Flats.

LESSONS LEARNED FROM IMIZI

As a result of studies carried out within the project and comparisons with other housing associations, the following has been learnt:

- The legacy of apartheid is much stronger than anticipated and to a large extent people still expect housing to be free; and therefore the culture of non-payment remains, making it hard to implement sustainable social housing projects
- Payroll deductions from housing residents' wages ensure monthly payments, but this requires authority that the prospected residents are formally employed in order to be eligible
- It is of critical importance to try to avoid taking side in the local politics
- If residents do not pay after negotiations with tenants, evictions may be necessary
- When a housing association is perceived to be part of Local Government its independence is undermined
- A portfolio of projects should preferably be a mix of for-profit and not-for-profit components and offer both rental and freehold tenure options.

Future challenges in the social housing sector are that national operational guidelines are not yet available and that the regulatory authority who handles social housing subsidy applications is not fully established. The fact that subsidies are not forthcoming makes it difficult to develop social housing initiatives. Other challenges are spiralling construction costs and difficulties in finding suitable centrally located land for social housing.