

Low-cost houses could be built in suburbs

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PROPOSED plans for the development of low-cost housing on vacant land in existing suburbs have been met with objections from residents.

Over a hundred discontented residents attended a recent meeting to learn more about the proposed development and to air their concerns which range from a lack of knowledge, an infringement on their rights, to the influence it may have on property values.

This social development project will see the building of over 2 000 houses on 27 pieces of vacant land – including parks – in Parsonsvlei, Baakens Valley, South End, North End, Walmer, and Central.

The houses are intended for young families and professionals earning between R3 500 and R7 000 a month who would not qualify for a loan. The National policy stipulates that such units be rented out to the middle-income group for a period of 30 years before they are sold.

Estate agents, however, are positive about the development.

According to Jaco Rademeyer from Jaco Rademeyer Estates there is a definite need for housing in this price bracket as it would give an opportunity to people who are currently renting to break into the property market and to own a fixed asset.

“According to Coega and the Nelson Mandela Metropolitan Municipality there is indeed a need for housing in this price bracket,” said Warren Jack from the Warren Jack Property Group in Port Elizabeth.

Claude Jansen van Rensburg from Chadé Properties in Port Elizabeth believes the Nelson Mandela Metropole actually needs in excess of 10 000 houses for people in this income bracket.

“There is a gap in the market, with almost no housing available between R75 000 and R300 000. This becomes quite apparent when you bear in mind that almost 70% of the workforce in the Metro falls into an income bracket of between R1 500 and R7 500 and interest rates and the cost of building and

acquiring land is constantly on the rise.”

“Most of the earmarked areas are appropriate, with the possible exception of Walmer”, says Rademeyer. “If low-cost housing is built in an upmarket area, special care should be taken for it not to impact negatively on the existing properties,” said Rademeyer.

According to Jack the Parsonsvlei/Greenbushes areas are especially suitable for this kind of development, as there is a lot of industrial development in the area which would benefit tremendously from a workforce living in close proximity.

“Apart from the existing industrial infrastructure, I also foresee more industries moving out there due to affordability. Should the proposed low-cost housing development come off the ground in this area, it will turn into a whole new suburb,” said Jack.

“On the other end of the scale, I think Walmer is most probably the worst possible area in which to introduce a low-cost housing development. Walmer was the second most-sought-after suburb in the country last year. A low-cost housing development in this area will most certainly have a very negative influence on the currently escalating prices of the up-market properties.”

Jack continued that due to up-market properties in the Walmer area being in short supply, it will not do the residential property market any favours by bordering R5-million residences with low-cost housing. “As it is, the Walmer township poses huge challenges in the area and a low-cost housing development thrown into the mix will most certainly only complicate matters further.”

Jansen van Rensburg is of the opinion that the Parsonsvlei-area would be ideally suited for low-cost housing. “It is situated on a main bus route and is around the corner from the budding industrial developments in Greenbushes.”

“Another five to six industrial parks are in the pipeline for completion in the Greenbushes area in the next two years. If these developments are done in the right areas, it will most certainly have a very positive effect on the property market.”

