

Transport corridors play key role in property development

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The next property boom in South Africa will be driven by transport developments in and around metropolitan areas, University of Cape Town associate professor **Francois Viruly** said Wednesday.

“Transport has the opportunity to change the locational dynamics in and between South Africa’s cities,” he stated.

Viruly told *Engineering News Online* that growth in the local transport sector would open new areas for property construction projects around transport corridors.

“All the historical property construction booms in South Africa have been driven by technological or demographic issues; in the 1960s it was industrialisation of South Africa and in the 1980s it was decentralisation to a certain degree,” he noted.

Viruly said the signs of the next property development spurt were already visible.

“Cities will no longer be perceived as individual cities, but will be connected through transport corridors. This has already started as seen with the Rea Vaya bus rapid transit system, the Gautrain and Cape Town’s integrated rapid transit system,” he stated.

Further, Viruly added that housing the additional ten-million people that were expected to move to Gauteng over the next 20 years, posed a challenge.

“The demand for residential infrastructure is immense and growing continuously. How this demand will be met is yet to be seen,” he said at the unveiling of the results of his study on the social and economic impact of affordable housing, commissioned by private equity firm International Housing Solutions (IHS).

Viruly’s ten-month study to determine the impact of about R7.8-billion worth of affordable housing development projects, funded by IHS, focused on the direct benefits derived from living in integrated affordable housing, as well as associated job creation.

The study showed that IHS’s investment over the life of its SA Workforce Housing Fund would create 100 000 jobs, which will be derived from an estimated 5 000 jobs created a year in perpetuity through the maintenance of housing units, the payment of rates and taxes and the expenditure on goods and services by households.

A further 50 000 once-off jobs will be created in the construction of the units.

In terms of the social impact, Viruly pointed out that surveyed residents of IHS’s affordable housing reported an improvement in the quality of life for their children, health and housing.

The study also revealed that more than 50% of households have seen an improvement in access to education and employment from the property they occupy.

Further, Viruly said that affordable housing also empowered the working class, by opening up the property market to them and allowing them to move up the housing ladder.

The study's findings were in line with the shift in South Africa's approach to the housing backlog from the provision of free Reconstruction and Development housing to the development of affordable housing.

This was supported by R83.5-billion in housing subsidies announced by Finance Minister **Pravin Gordhan** in his Budget speech