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07 July 2025

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RE: SUBMISSION OF U20 CONTRIBUTIONS

To Whom It May Concern

Social Housing in South Africa: A Scalable Tool for Urban Inclusion

Submitted by:

National Association of Social Housing Organisations (NASHO)

South Africa

Introduction

Social housing plays a crucial role in fostering inclusive, sustainable urban environments. In South Africa, the legacy of apartheid spatial planning has left deep inequalities in urban form, access, and opportunity. Affordable rental housing in well-located urban areas remains out of reach for low-income households, contributing to ongoing patterns of exclusion.

The National Association of Social Housing Organisations (NASHO) is a network of 21 members including accredited Social Housing Institutions (SHIs), Municipal Owned Entities and private sector Other Delivery Agents operating across seven provinces. Collectively, our members manage over 38,000 units, representing more than 70% of South Africa's formal social housing stock. We work to advance delivery, innovation, and sustainable investment in the sector while championing the right to live with dignity in well-located, secure, and affordable urban homes.

Why Social Housing Matters for Social Inclusion



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Social housing in South Africa is a regulated rental programme targeting low to moderate income households earning between R1,850 and R22,000 per month. It is designed to provide affordable accommodation in urban areas where property prices and rentals are otherwise unaffordable.

This model uniquely serves:

- Working families who do not qualify for government housing grants but also cannot access the private rental market;
- Single parents, young professionals, and essential workers priced out of inner-city areas;
- People seeking to live closer to jobs, schools, and transport, but excluded by market forces.

Unlike informal settlements or state-subsidised ownership schemes, social housing offers well-managed properties, and regulated affordability. It promotes urban integration, economic mobility, and intergenerational opportunity, key pillars of social inclusion.

Structural Barriers to Scale

Despite its impact, social housing in South Africa remains small relative to the scale of need. Key systemic challenges include:

- Financing constraints: Existing funding streams are limited and often delayed, undermining the financial sustainability of delivery agents and deterring institutional investment.
- Municipal capacity: Many cities lack land allocation strategies or technical expertise to support social housing development.
- Land access: Well-located, publicly owned land is often unavailable or inaccessible due to administrative or political bottlenecks.
- Policy fragmentation: Inconsistent application of housing and planning regulations across municipalities slows delivery and discourages innovation.

These challenges are not unique to South Africa. Across the G20, urban areas are grappling with affordability crises, rising inequality, and exclusionary development patterns. Social housing offers a



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practical, scalable solution, but it requires enabling frameworks, public-private partnerships, and political will.

Case Snapshot: Leveraging Social Housing for Urban Integration

In eThekweni (Durban), NASHO members have partnered with the local metro to develop affordable rental units in former inner-city office buildings. These projects serve low-income workers employed in the informal and service sectors, people who were previously living in overcrowded backyard dwellings or commuting long distances daily.

One development, located just two blocks from the city's main transport interchange, houses over 250 people in dignified, secure accommodation. This has created measurable improvements in residents' quality of life, commuting time, and safety while also revitalising underused urban space.

Recommendations to the Urban 20

We propose that the U20, under South Africa's G20 presidency, elevate the importance of social housing as a key policy lever for inclusive urban growth. Specifically, we recommend:

1. Prioritise Social Housing in Urban Policy

Encourage cities to include regulated, affordable rental housing as a central component of their urban inclusion and resilience strategies.

2. Support Financing Innovations

Promote investment vehicles and financing frameworks that de-risk social housing development, including blended finance models, land value capture, and performance-based grants.

3. Enable Municipal-Led Land Access



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Incentivise the release of well-located public land for non-profit and social housing through transparent, pro-poor land strategies.

4. Foster Local-National Partnerships

Strengthen coordination between national housing departments and municipalities to streamline planning, approvals, and funding processes.

5. Include Practitioner Voices

Ensure that civil society organisations, SHIs, and housing practitioners are included in local and global dialogues on urban inclusion. Platforms like the U20 Task Team should actively engage implementation partners working on the ground.

Conclusion

Social housing is not only about shelter, it is about equity, dignity, and inclusion. It is about reversing the spatial injustice embedded in our cities and building a future where everyone, regardless of income, can live near opportunity.

As South Africa leads the G20 this year, we urge the U20 process to recognise the potential of social housing to create more inclusive, connected urban spaces. NASHO and its members stand ready to support this vision and share lessons from the South African experience.

We thank you for the opportunity to contribute and welcome further engagement with the U20 Task Team.

Karabelo Poee
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