

## **CAPE TOWN COMMUNITY HOUSING COMPANY PRESS RELEASE**

26 June 2008

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### **Last of 238 new homes handed over to families thanks to Cape Town Community Housing Company**

The last houses in the 238 unit housing development of Morgen's Village in Mitchell's Plain will be handed over this week by the Cape Town Community Housing company (CTCHC).

The keys to 6 of these houses were handed over to the new homeowners during a handover ceremony in Mitchell's Plain today (Thursday, 26 June).

The development comprises of 238 two bed-roomed houses available as 38m<sup>2</sup> single story semi-detached or 42 m<sup>2</sup> double story homes.

"We are very pleased to be able to hand over these homes to families who will begin to build a community in the area", said Fungai Mudimu, Chief Executive Officer of the CTCHC.

The houses are priced at R120 141.98 and R 132 304.15. CTCHC is the only company in South Africa to be building institutionally subsidised homes at this price.

"With the benefit of nine years of experience and the construction of 5 000 houses under its belt, the CTCHC has learned valuable lessons in the construction of new homes," said Mudimu.

The Morgen's Village development has been endorsed by the City of Cape Town (CoCT) and the Provincial Government of the Western Cape (PGWC).

According to Mudimu, "Lessons learnt by the CTCHC in previous developments will continue to be incorporated within this precinct.

"Basically our clients have been very happy with their new homes and a survey conducted in May this year indicated that 58% felt that they received excellent service."

The design of both the homes and the development itself has been aligned with the recommendations of a social research project, a move that aims to optimise a sense of community and quality of life for residents.

Further commitment to delivering good-quality, value-for-money homes to first generation homeowners was demonstrated in the choice of partners that included architects JS & Associates, BKS Engineers and Project Managers and Peninsula Construction, all reputable companies with solid industry experience.

To compliment the attention to community building, the City of Cape Town's Parks and Forestry department has begun greening the area with grass, shrubs and trees.

Potential owners of homes in Morgen's Village must meet the qualifying criteria for an Institutional Housing Subsidy (IHS) stipulated by the Department of Housing.

This means they must be a South African citizen in possession of a valid 13 digit identity document, first time home owners and either married (customary unions are recognised); single with proven financial dependents or widowed with proven financial dependents.

In addition they should not have received a previous housing subsidy and their income may not exceed R3 500.00 per month.

Of prime importance is affordability and buyers will need to agree to credit vetting to satisfy the requirements of the National Credit Act of 2005 (NCA).

Once affordability is established, buyers need to pay a minimum deposit of R2 500. Payments are spread over a period of 12 years at a prime interest rate of 11.5% and may vary from R985 to R1142 per month depending on the type of home bought.

An alternative arrangement of making repayments for four years and settling the full outstanding amount is also available. Other costs include a monthly levy of R182 that is inclusive of rates, building insurance and administration costs.

In this sensitive economic environment the CTCHC is committed to educating their clients beyond the simple purchase of a home. Each new owner has to attend comprehensive workshops that will cover their roles, rights and responsibilities when purchasing a subsidised home, estate planning, budgeting, disability grants and NCA requirements.

Says Mudimu, 'We noticed the economic difficulties experienced by our buyers and embarked on an affordability drive as early as 2004. We have also partnered with the local Red Door office to do budgetary and financial planning for our customers.

"We intend to forge a permanent relationship with the local office, specifically with our future emphasis of Community Development.

"Now that the Morgen's Village project is complete, CTCHC will be looking at providing more houses in the Western Cape", said Mudimu.

\* The Cape Town Community Housing Company (Pty) Ltd was launched nine years ago in May 1999, with the aim of making more potential home owners benefit from the institutional housing subsidy offered through the National Housing Subsidy. The CTCHC has built more than 5000 homes and put thousands of responsible first-generation home owners on the path to financial success. A great future lies ahead!