

**Press
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Housing vouchers to empower people

“Housing policy needs a fundamental rethink to empower individuals, provide real value for money, and break the current delivery logjam,” says the IRR (Institute of Race Relations) in the latest issue of *@Liberty*, its policy bulletin.

The solution to rising housing costs and poor delivery lies in what many people have been saying for years: that the State should transfer the housing subsidy directly to them, as they could use it more efficiently.

Says the IRR: “The Government should shift to a new system of housing vouchers provided directly to beneficiaries. These vouchers would be redeemable solely for housing-related purchases.

“The vouchers would go directly to some 10m South Africans between the ages of 25 and 35, who earn below a specified ceiling.

“The housing voucher would be worth R800 a month, or R9 600 a year, and each recipient would continue to receive this voucher for ten years. Each beneficiary would thus receive R96 000 over this period.

“A couple would be able to pool their money and would thus receive nearly R200 000 over a decade. This amount could be topped up by their own earnings, which means a couple earning R5 000 a month could devote R1 000 of that to housing. At R12 000 a year, this would add R120 000 to their housing budget over ten years and bring the total available to them close to R320 000 in all.

“Such sums would empower people to build or improve their own homes, or obtain and pay down mortgage bonds.”

The voucher system – and the market it would create – would also encourage the private sector to build many more houses or apartment blocks, or revamp existing structures for housing purposes.

Adds the IRR: “Individuals would be empowered to make their own housing choices, while the vouchers would help provide ‘more bang for every buck’. Accelerated housing delivery would also stimulate investment, generate jobs, and give the weak economy a vital boost.”

More details of the fundamental rethink required are set out in the latest issue of *@Liberty*, available on the IRR website by clicking [here](#).

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