



South Africa: Is it possible to make Social Housing Green?

The prices on electricity are high and are still rising in South Africa. Most households have difficulty coping with the weighty bills while the entire society has difficulty dealing with rolling electricity blackouts, also known as load shedding. Now decision makers recognize the need for a sector transformation and have already taken the first steps towards stable, energy efficient building solutions. Sharing technical and political knowledge and experiences internationally is critical to gain successful implementation and that's the reason for South Africa's Department of Human Settlement in partnership with the Danish Energy Agency invited key South African stakeholders to the workshop "Advancing Greening in the Social Housing Sector" recently held in Johannesburg.

Rising electricity prices increases the need for energy efficiency

In South Africa the price of electricity has increased significantly in recent years - Eskom (South African electricity supply company) reports that direct customers will receive an approximately 13% increase, as approved by the National Energy Regulator of South Africa (NERSA) - and the trend seems to continue. This has a large impact on the social housing sector, where the bill for electricity makes out a significant proportion of the household-budgets. At the same time, the South African government wants to take lead in the green transition and show that, in the long term, it will pay off to invest in more social housing build energy efficiently. Based on this challenge - which is also an opportunity - a workshop was held in Johannesburg with some of the key stakeholders within the social housing sector, discussing how to transform the sector.

A successful workshop on Green Building Codes and financing for social housing

35 key persons from the sector participated actively in the workshop held on the 28th and 29th of May in Johannesburg. One financial expert from

Denmark's [Ministry of Housing, Urban and Rural Affairs](#) was Michael Kaadtmann, who has 25 years of experience in the sector. His key message to the audience was: *“Social housing can be a frontrunner for energy efficiency and key is regulation, e.g. include the life cycle costs related to the building”*.

Yes, it is possible to green the housing sector

A technical expert, Jesper Ditlefsen from the Danish Energy Agency, also shared his experience with the participants. His key message to the audience was “Poorly designed buildings waste energy on a large scale. This is not only harmful to the environment but also very expensive. The good news is that there are simple, proven and profitable ways to cut such waste”.

Key points of the workshop:

- Some of the challenges that Denmark experienced in the 1970ies regarding energy security of supply are in some ways similar to the current electricity crises that South Africa are experiencing today.
- One key lessons learned from the Danish team is that in many cases, the life-time cost of operating a building may be five times higher than the construction costs. So if you can reduce operating costs, this can pay for a substantial increase in construction costs.
- The financial sector in South Africa could to a higher extend support basic energy efficiency measures rather than only focusing on quick solutions such as solar PV.
- The Danish financial model regarding the long term funding options have proved sustainable, and could solve some of the financial constraints in the South African social housing sector.
- Potential synergies could be harvested through closer cooperation between National Departments and social housing organisations; hence the workshop catalysed for future partnerships.
- Finally a clear call for further collaboration with Denmark was expressed.

The social housing context in South

Since the promulgation of South Africa's National Standard for Building ([SANS 10400 XA](#)) in September 2011, the building environment has been required to ensure compliance with the Standard's compulsory energy efficiency building regulations read in conjunction with other regulations. Whilst several other issues exist, this may contribute in making compliance difficult. A particular constraint that influences the performance of the social housing sector is its requirement to develop a sustainable financial model inclusive of upfront greening costs. Such costs in turn increase the tenants'

financial commitment to the extent that social housing becomes unaffordable to its target market. Based on this knowledge a Danish team of technical advisers with different areas of expertise presented their policy and financial modelling experience at the workshop.

Sharing Denmark's green standards for social housing

Denmark have proved that successful implementation of Green Building Codes is possible and have developed specific methods for financing social housing. Therefore, it was agreed in a meeting last September 2014, between the National Minister of Human Settlements and the Danish Minister for Climate, Energy and Building, to run a workshop in South Africa where technical experts from Denmark would share lessons learned from Green Building Codes in order to inform the South African greening policy. In subsequent meetings it was agreed that the sector, which would potentially benefit most from such a collaborative workshop, would be the [Social Housing Sector](#). Here the workshop could also act as a catalyst for the sector to further engage with greening policy and financial concerns.

[Toolkit on Energy Efficiency in New Buildings](#), [About Energy Efficiency in South Africa](#), [Factsheet on Social Housing](#), [State of Green, Low Energy Buildings](#)

[Energy Efficiency in Buildings - The Danish Experience](#), [Energy Efficiency and new Social Housing in Denmark](#), [Danish and South African Energy Program](#)

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