

Housing has critical economic and environmental roles



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A growing body of research suggests that housing construction can play a critical role in S.A's economy – helping tackle the local unemployment crisis & the fight against rising carbon emissions.

"Without adequate access to credit for lower income earners, analysts argue that the market for mass-scale private housing construction – which will go some way towards tackling South Africa's unemployment crisis - will simply not materialise."

Housing offers solution for SA unemployment crisis

Most economies – from Britain during the Great Depression to modern day China – have relied on housing construction to absorb their low-skilled workers. Construction is labour intensive and employs low- and medium-skilled young men – who account for a large swathe of South Africa's unemployed. Construction also creates demand for locally produced building materials and generates jobs in related industries. Analysts estimate that each construction job creates another one in supplier industries.

When compared to other economies, the local construction sector employs only about 6% of the SA workforce, whereas in many other countries construction absorbs between 8% and 10% of the labour force. It is estimated that South Africa's construction employment "gap" equates to around half a million jobs.

There is certainly an urgent need for housing in South Africa – with an estimated [2.3 million housing unit backlog](#) and rapid urbanisation, which results in the formation of 450 00 new households each year. A recent [research note](#) suggests that it is demand, rather than supply, that is preventing South Africa from following the route taken by other rapidly growing economies before us. Without adequate access to credit for lower income earners, analysts argue that the market for mass-scale private housing construction will simply not materialise.

Housing choices could help tackle climate change

[Research](#) suggests that the energy people use to power their homes and meet their mobility needs accounts for between 40% and 70% of emissions of carbon dioxide, the main greenhouse gas involved in global climate change. Efforts to control greenhouse gas emissions have thus far tended to focus on supply side measures – such as generating renewable energy and using biofuels in an attempt to reduce reliance on fossil fuels.

However, a group of researchers decided to investigate the other end of the equation by considering how energy consumption for housing and mobility at the household level impacts emissions.

A study in Switzerland found that the bulk of these household emissions are typically generated by a small percentage (less than a quarter) of the more affluent households – due in part to their large living spaces and long commutes in private vehicles. Halving the emissions from just these households reduced emissions from the entire community by about 25%.

As containing greenhouse gas emissions becomes an ever more urgent issue, and given the key role that our houses and the associated mobility requirements play in the level of household emissions, analysts argue that using design and technology to drastically reduce the carbon footprint of houses of the future can play a critical role in tackling rising carbon emissions and the resultant climate change.

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