Contractor and Developer Academy

Submitted By: Development Action Group



Organization Profile

Organization Name: Development Action Group

Organization Type: Civil society

Website: https://www.dag.org.za/people-led-housing-solutions/contractor-and-developer-academy/

Practice Details

Country(ies): South Africa

City(ies): Cape Town

Start Year: 2017

Ongoing: Yes

End Year: N/A

Main Adequate Housing Components:



Housing Thematic Areas:



Relevant SDGs:



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Problem & Context

Cape Town faces a severe housing crisis, with demand projected at 529,300 opportunities by 2028 and a backlog of 360,000 already in place. Budget cuts, weak growth, and infrastructure challenges have slowed public delivery, while small-scale rental housing (SSRH) in townships has become the fastest-growing affordable housing segment. Yet most SSRH remains informal and non-compliant, posing risks for residents, developers, and service provision. High compliance costs, slow approvals, and limited government support further constrain the sector. Despite its potential to help close the gap, SSRH is often overlooked, with complex legal systems hindering integration. DAG's Contractor and Developer Academy responds by equipping emerging contractors and small-scale developers with training, advisory services, and direct support to unlock safer, more sustainable affordable housing.

Solution Developed

It was established to help address South Africa's housing backlog by strengthening the capacity of emerging contractors and micro-developers from previously disadvantaged neighbourhoods to deliver affordable, quality small-scale rental housing. The CDA has three core objectives: to build the capacity of contractors to comply with construction industry standards, improve quality, and create jobs; (2) to train developers to meet planning regulations and package projects that deliver affordable rental units in township areas; and to advocate for policy reforms, including municipal bylaw changes, that enable compliant, affordable rental housing delivery. To drive collaboration, DAG convenes quarterly sector coordination platforms with research and academic institutions, property and township developers, financial institutions, government, and NGOs. DAG supports NGOs nationally with mentorship and guidance to develop their own CDA-type programmes. DAG assisted PlanAct, a Gauteng-based NGO, to establish and secure funding for its own initiative. CDA now facilitates peer-to-peer learning platforms to foster knowledge sharing and strengthen collaboration across the country.

Implementation

We've implemented several key actions: evidence-based research, partnerships with academics, sector organising and coordination, and rental accommodation projects. These initiatives have deepened our understanding of the value chain, from project packaging to construction and tenant occupation. Our ecosystem includes: DAG: capacity building, construction oversight, and sector convening; Built Environment Professionals: technical support for emerging developers; Township Developers Forum: organizing and policy advocacy; Western Cape Property Development Forum: mentorship and policy advocacy; financial institutions: financing for the sector; City of Cape Town and other municipalities: planning approvals and regulatory reforms; NGOs like PlanAct: piloting models; and academic/research institutions: training, research, and policy advocacy. The project implementation timeline is made up of these steps: Project packaging: Developers engage with DAG to navigate the formal planning and construction

process, submitting building plans with the support of registered Built Environment Professionals (BEPs). DAG's team provides hands-on monitoring to ensure alignment with approved plans and adherence to construction standards. Financial advocacy: DAG engages with financial institutions to advocate for micro-developer inclusion in their funding packages. Project completion: DAG offers property management support to developers, ensuring smooth operations and tenant management.

Enablers & Obstacles

Key drivers and enablers of our project include: evidence-based research, stakeholder engagement, and political will. The City of Cape Town's council resolution in 2020 and the establishment of the mayoral priority program in 2022 have been instrumental in developing incentives for the sector, such as prototypical plans and the Township Development Charge fund. Virtual platforms have expanded our reach, enabling sector discussions and organizing emerging developers through WhatsApp platforms. Despite these advances, we've encountered obstacles, including politicization and initial resistance from government officials due to policy constraints. Our research has helped influence officials and shift their perspective on supporting the sector. Additionally, we've addressed community knowledge gaps through community radio stations, social media, and partnerships with local forums, raising awareness about property development and promoting informed decision-making.

Results & Impact

Since 2017, CDA has trained 155 construction companies (57% women-led) and 45 property developers (35% women), while 1,038 individuals have gained housing-related knowledge through our information sessions. Since inception, the CDA has given technical support to 23 small-scale developer projects, delivering 233 residential units for 662 tenants, unlocking over R39 million in investment and boosting local economic activity. Policy and advocacy achievements include influencing George Municipality’s Planning By-law, establishing the Township Developers Forum of Western Cape, supporting CoCT’s SSRU programme, and successfully advocating for a City-funded R20 million Township Development Charge Fund.

Impacts on low-income households include improved access to affordable rental units and strengthened developer capacity to meet housing demand. Broader economic impacts include job creation, business growth, and increasing formalization of small-scale developers. Community networks are strengthened through collaboration and forums, enhancing the replicability of successful housing initiatives. Environmentally, planned small-scale developments and prototypical plans support efficient land use and sustainable urban growth.

Replication & Scale Up

Through a partnership with PlanAct, a like-minded NGO operating in Gauteng's three major metropolitan municipalities, CDA-type activities have been implemented since 2023. PlanAct leads engagement with government officials and conducts capacity building initiatives for emerging construction companies and micro developers. Meanwhile, DAG continues to mentor PlanAct and convenes peer-to-peer learning platforms for metros nationwide.

The CDA practice can be scaled through partnerships with NGOs and municipalities. Key enablers include DAG's mentorship to other NGOs, access to funding for contractors and emerging developers, and standardized municipal support through prototypical plans and streamlined approval processes. Further expansion can be achieved through awareness campaigns and local developer forums, strengthening networks, facilitating knowledge transfer, and replicating projects across South Africa's townships and urban areas.

Policy Uptake

This housing practice is a new or innovative practice that is not yet adequately or fully integrated into formal policy frameworks.

CDA advocacy efforts have contributed to the approval of the National White Paper on Human Settlements in December 2024, which recognizes the role of micro-developers in providing affordable housing in South Africa. However, clear guidelines are still needed to enable metros to establish supportive mechanisms for CDA-type programs. Further engagements are necessary with other national departments and state institutions. For example, discussions have already begun with National Treasury's Cities Support Program to explore alternative financing options for municipal infrastructure improvements.

Lessons & Takeaways

Access to affordable finance remains a significant challenge for emerging construction companies and micro developers. To address this, DAG must intensify its advocacy efforts, engaging with the financial sector, including traditional banks, to find solutions. Additionally, DAG should partner with the public sector to launch education campaigns targeting political principals and the general public, focusing on compliance in construction, property ownership, and development.