



MEDIA ADVISORY

To : ALL MEDIA/NEWS EDITORS

Date : 30 May 2025

SOCIAL HOUSING REGULATORY AUTHORITY’S (the “SHRA”) APPROACH TO FUNDED DEVELOPMENTS AND PROJECT OVERSIGHT CONCERNING THE INSTRATIN GROUP (“Instratin”)

The SHRA has noted recent media interest and public commentary regarding several social housing projects developed by the Instratin Group, a delivery agent with SHRA-funded projects.

The SHRA supports transparency of the social housing programme and recognises the importance of clear communication around the challenges and progress within the sector. In this regard, we wish to provide an update on developments linked to Instratin Group.

The SHRA’s approach to project funding is phased and performance based. Capital grants are disbursed in alignment with construction progress. This ensures that public funds are released only for work that meets required standards and contractual obligations. It must be emphasised that the funding provided by the SHRA does not cover the full costs of the development of a particular project and the requirement is that a delivery agent secures further debt funding for the completion of a project.

Since 2021, the SHRA has not approved any new grant funding to Instratin. Our focus has shifted to working with partners to unlock stalled projects, support funding restructures, and enable the eventual completion of outstanding units. We also continue to monitor contracts through regular audits and technical assessments. Once projects reach practical completion, maintenance responsibilities shift to the delivery agent in line with the grant agreement.

Since 2021, the SHRA has not approved any new grant funding to Instratin Group. In line with its mandate and oversight responsibilities, the SHRA Council has resolved to discontinue support for three social housing projects implemented by the Instratin Group, namely Bridge City in Durban (KZN), Midrand Heights in Midrand (Gauteng), and the Paarl Development in the Western Cape. The process of consideration of formally terminating these projects is underway (which termination will be geared towards securing the investment already made in these projects and, in this regard, may include transfer of the existing stock to a performing

delivery agent) as part of a broader strategic shift to safeguard public resources, uphold accountability, and prioritise developments that are both viable and sustainable.

We remain committed to ensuring that social housing continues to offer safe, dignified, and affordable rental accommodation for low- to middle-income households. The SHRA reaffirms its responsibility to the public and welcomes opportunities to clarify its processes. Our priority is ensuring that every funded project ultimately contributes to the broader vision of a well-managed, sustainable and inclusive social housing sector in South Africa.

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