



Housing

Access to housing and secure accommodation is an integral part of government's commitment to reducing poverty and improving the quality of people's lives.

The Department of Housing determines, finances, promotes, co-ordinates, communicates and monitors the implementation of policy for housing and human settlement.

The Department of Housing's expenditure increased from R4,2 billion in 2002/03 to R9,5 billion in 2008/09, representing an average growth rate of about 8% from 2002/03 to 2005/06, and accelerating to 21,5% from 2005/06 to 2008/09.

The Integrated Housing and Human Settlement Development Grant, representing transfers to provinces, has consistently taken about 93% of the total expenditure on the Vote. Expenditure on the grant will increase from R4,97 million in 2006/07 to R8,7 billion in 2008/09.

The department completed 115 175 sites and 137 657 units in 2005/06, using 95% of the grant.

From 2006, government plans to spend R23 billion on subsidies for 500 000 housing units over the next three years.

In 2005/06, the nine provinces spent 95% of the Integrated Housing and Human Settlement

Development Grant allocated to them for that financial year, plus roll-overs from previous years.

Legislation and policy **Comprehensive Housing Plan**

The Minister of Housing, Dr Lindiwe Sisulu, announced the Comprehensive Housing Plan for the Development of Integrated Sustainable Human Settlements in September 2004.

Cabinet approved the plan as a framework for housing programmes in the next five years, which aim to eradicate informal settlements in South Africa in the shortest possible time.

It provides for comprehensive oversight by government in promoting the residential property market. This includes the development of low-cost housing, medium-density accommodation and rental housing; stronger partnerships with the private sector; social infrastructure; and amenities.

The plan aims to change spatial settlement patterns by building multicultural communities in a non-racial society.

With the N2 Gateway Project, the biggest housing project ever undertaken, government is piloting the integration of communities and of different income groups; a auditing and updating



the database of housing needs to ensure the list and choice of beneficiaries is credible; building human settlements with basic economic and social amenities; and pursuing a new way of inter-government relations.

Despite delivering 1 831 000 new subsidised houses between 1994 and March 2005, with another 57 065 sites serviced and 52 548 houses built between April and September 2005, the housing backlog continued to grow. To accelerate housing delivery, the department is simplifying the administration of housing subsidies by:

- collapsing the income qualification categories so that qualifying households receive the same housing subsidy amounts
- extending the reach of the housing programme by allowing households earning up to R7 000 a month (up from R3 500 per month) to qualify for housing subsidies
- upgrading informal settlements.

The comprehensive housing plan is being implemented through a pilot project in each province that will improve the living conditions of 103 000 households in informal settlements. The informal-settlement upgrading projects provide for phased, area-based development and fund community participation and project management as an integral part of housing projects. Eradicating or upgrading all informal settlements by 2014/15 is the prime target.

The plan's strategic focus includes ensuring the delivery of affordable housing in sustainable and habitable settlements. The plan's strategic priorities are to:

- accelerate housing delivery
- improve the quality of housing products and environments to ensure asset creation
- ensure a single, efficient formal housing market
- restructure and integrate human settlements.

The first phase of 705 units was ready by August 2006, with 30% of all units going to backyarders, and 70% to residents of informal settlements in Langa, Gugulethu, Bonteheuwel, Bokmakierie and Nyanga who had applied.

The department's other priority is the Cosmo City Project in Johannesburg, where 441 families took occupation of their houses in December 2005. Other pilot projects in the provinces to which funds have been redirected are Soweto-on-Sea in Port Elizabeth where 37 000 units are expected to be built, Duncan Village, and Winnie Mandela in Tembisa, where 8 206 units are to be built.

Key focus areas identified by the comprehensive housing plan include:

- accelerating housing delivery as a key strategy for poverty alleviation
- using housing provision as a major job-creation strategy
- ensuring that property can be accessed by all as an asset for wealth creation and empowerment

Housing subsidy bands, 2006/07

Income category	Previous subsidy	New subsidy	Contribution	Product price
Individual, project-linked and relocation assistance subsidies				
R0 – R1 500	R31 929,00	R36 528,00	None	R36 528,00
R1 501 – R3 500	R29 450,00	R34 049,00	R2 479,00	R36 528,00
Aged, disabled and health-stricken groups				
R1 501 – R3 500	R31 929,00	R36 528	None	R36 528,00
Institutional subsidies				
R0 – R3 500	R29 450,00	R34 049,00	Institution must add capital	At least R36 528,00
Consolidation subsidies				
R0 – R1 500	R18 792,00	R21 499,00	None	R21 499,00
R1 501 – R3 500	R16 313,00	R19 020,00	R2 479,00	R21 499,00
Consolidation subsidy: Aged, disabled or health-stricken groups R1 501 – R3 500	R18 792,00	R21 499,00	None	R21 499,00
Rural housing subsidies				
R0 – R3 500	R29 450,00	R34 049,00	None	R34 049,00
People's Housing Process				
R0 – R3 500	R31 929,00	R36 528,00	None	R36 528,00
Emergency Programme				
Temporary assistance	R26 874,00	R31 952,00	None	R31 952,00
Rural housing subsidies				
Services	R13 137,82	R15 029,00	None	R15 029,00
Houses	R18 792,00	R21 499,00	None	R21 499,00
Fast-Tracking Programme				
Transitional Housing	Up to R12 176,00 per unit			
Public-Sector Hostels Redevelopment Programme		Previous grant		New grant
Family units		R29 450,00		R34 049,00
Individual units (per bed)		R7 234,00		R8 512,25

Source: Department of Housing

- leveraging growth in the economy, combating crime and promoting social cohesion
- using housing development to break down barriers between the First Economy residential property boom and the Second Economy slump
- using housing as an instrument for the development of sustainable human settlements in support of spatial restructuring
- diversifying housing products by emphasising rental stock.

Rental housing for the poor

About 1,8 million South African households in the middle- to lower-income groups live in rented accommodation, as opposed to about 5,2 million households that own property. At national level, 45% of households earn between R0 and R800 per month, while 45% of households at metropolitan level fall within the R801 to R3 200 income bracket. Nationally, 71,14% of households rent accommodation, and 71,76% of people renting in metropolitan areas live in formal structures. Black households are the largest percentage of renters, followed by coloured households. The demand for rental housing nationally was expected to increase by about 105 670 units a year until 2006 in the middle- to lower-income groups.

There is a dire need for public rental housing for the poor, which the Department of Housing aims to address by means of various options.

The department has formulated an affordable rental-housing programme for people in the low-income bracket who may live in housing stock arising out of:

- provision made by previous departments
- public-sector hostels for housing migratory labour in the previous dispensation
- municipal rental stock which has not been transferred to the households who inhabit the units, and which will continue to be used as rental accommodation because of the low economic status of the households

In his Budget Speech on 15 February 2006, the Minister of Finance, Mr Trevor Manuel, announced the scrapping of transfer duties for houses costing less than R500 000. Transfer duties of 5% will be payable on properties costing between R500 000 and R1 million.

In February 2006, the Department of Housing and Amalgamated Banks of South Africa launched a R400-million housing project at Olievenhoutbosch Extension 36, south of Pretoria. The project comprises 5 480 housing units, made up of 3 049 subsidised, 1 168 bonded and 1 263 rental units built on 180 hectares of land.

Part of the land will be used for the development of 17 business sites, three schools, two clinics, 10 churches and a public open space.

It aims to achieve 70% black ownership and 30% female participation.

- new high-rise housing stock that will be built for the specific purpose of accommodating low-income households in rental accommodation.

By November 2006, a new Community Rental Programme had been developed and was being finalised for implementation.

Breaking New Ground (BNG) Programme

To ensure quality, innovation and choice, the National Home-Builders Registration Council (NHBRC) and Amalgamated Banks of South Africa (Absa) ran an innovation hub competition in which all registered home builders and contractors who use alternative building technologies exhibited them in Rosslyn, outside Pretoria. During the competition, 17 show houses were completed, proving that quality houses can be built with the current subsidy of R36 000. Houses built under the BNG Programme were expected to be between 40 m² and 45 m² in size and would allow for a two-bedroom house with a bathroom, kitchen and dining room.

Rental Housing Act, 1999 (Act 50 of 1999)

The Rental Housing Act, 1999 which came into operation on 1 August 2001, defines the responsibility of government in respect of the rental housing market.

It sets out the duties and responsibilities of both landlords and tenants, and provides for the establishment of rental housing tribunals in the provinces, thus allowing for a speedy and cost-effective resolution of disputes between landlords and tenants.

Among others, the Act prescribes that:

- Leases may be oral or in writing. Tenants can demand a written lease.

- The landlord must give the tenant a written receipt.
- The landlord may require that the tenant pay a deposit before moving in.
- The balance of deposit and interest must be refunded to the tenant by the landlord not later than 21 days after the expiry of the lease.

Three rental housing tribunals were set up in Gauteng, the Western Cape and North West. Other provinces are in the process of establishing similar tribunals. The Act gives these tribunals the power to make rulings in line with those of a magistrate's court.

Home Loan and Mortgage Disclosure Act, 2000 (Act 63 of 200)

The Home Loan and Mortgage Disclosure Act, 2000 provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing-credit needs of communities. It requires financial institutions to disclose information, and identifies discriminatory lending patterns. The Act aims to promote equity and fairness in lending and disclosure by financial institutions, and will be implemented as soon as the regulations of the Act have been promulgated.

The Act also aims to eradicate discrimination and unfair practices, by encouraging banks and financial institutions to grant home loans to all its clients. It compels banks and financial institutions to disclose annual financial statements so that their lending practices in respect of home loans can be monitored.

In March 2005, the Department of Housing revived the Financial Services Charter by signing a memorandum of understanding with four major banks – Absa, First National Bank, Standard Bank and Nedcor.

On 23 February 2006, the Minister of Housing, Dr Lindiwe Sisulu, signed a memorandum of understanding with her Democratic Republic of Congo (DRC) counterpart, Mr John Tibasima, in a joint partnership aimed at various housing projects in the DRC.

Tibasima was in South Africa to study government administration, the administration of housing, the role of various spheres, financing and planning of human settlements, policy-making and statutes.

The banks pledged R42 billion to be released into the affordable housing market by 2008.

By 30 September 2005, the banks had lent R16,7 billion to the target market and were expected to report to the Charter Council on their activities.

As a second phase of this initiative, subject to possible risk-sharing mechanisms, the creation of mechanisms to raise funds in the market through an appropriate conduit which would be guided in line with principles set by housing and the intervention of the Ministry of Finance, the banks would increase their investment beyond R42 billion in the target market.

Engagements in the charter process are ongoing. The banks were expected to flight a generic consumer-education programme aimed at informing potential borrowers of their rights and obligations, and those of banks, through various media. Another campaign was expected to raise awareness of the initiative and of the basis on which members of the target group could access affordable housing finance products and subsidies from the Department of Housing. Government initiated a programme to bridge the gap as identified by the banks as a barrier to entry to affordable housing finance products, and developed a programme of financial support for households with incomes ranging from R3 501 to R7 000.

Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998)

In terms of the Housing Consumer Protection Measures Act, 1998, residential builders have to register with the NHBRC and are obliged to enrol all new houses under the NHBRC's Defect Warranty Scheme.

The Act aims to protect home owners from inferior workmanship. Builders are responsible for design and material defects for three months, roof leaks for a year, and any structural failures of houses for five years. NHBRC inspectors may assess workmanship during and after the building process.

Banks are compelled by law to insist on home-builder registration and enrolment prior to granting a mortgage loan or finance.

All new government-subsidised housing units constructed as part of approved projects enjoy protection against shoddy workmanship by housing contractors.

Through the Act, properties that were built with funding from the Government's housing subsidy grant only, enjoy protection against structural defects and must comply with minimum technical norms and standards.

Previously, the properties of the poor did not qualify for such protection. The NHBRC ensures that registered builders deliver within the minimum housing standards.

Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 (Act 19 of 1998)

The Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 prohibits unlawful eviction and sets out detailed procedures for the eviction of unlawful occupiers.

It also prohibits the receipt of payment as a fee for arranging the occupation of land without the consent of the owner, and repeals obsolete laws relating to illegal squatting.

The Act provides a process for fair eviction of unlawful occupiers, and distinguishes between occupiers who have been residing on land for less than six months and those who have been residing on land for more than six months.

Social housing

The Department of Housing finalised the Social Housing Bill, which was expected to be introduced to Parliament in the second half of 2006.

The Bill is expected to assign the responsibilities of national, provincial and local government on matters pertaining to social housing.

It will also ensure that relevant institutional arrangements and capacities required by the Social Housing Programme are in place, including the establishment of the Social Housing Regulatory Authority.

The department is intensifying its working relationship with community-based organisations and various non-governmental organisations (NGOs) that include the Federation of Urban (and Rural) Poor, Built Environment Support Group, Kuyasa Fund, Utshani Fund and Rooftops to build a strong and cohesive housing sector.

In September 2005, the department signed the Social Contract for Rapid Housing Delivery with 47 other key stakeholders.

Each signatory committed to becoming a member of the Plenary Assembly, aimed at reviewing and

monitoring progress in achieving the ideals of the Social Contract for Rapid Housing Delivery. The first Plenary Assembly met in March 2006 to look at issues such as development planning, land and legal matters, delivery, consumer education, capacity-building and communication, development planning and the housing supply chain.

The social contract brings together all sectors in a mobilised and cohesive housing sector that seeks to help government achieve the goal of eradicating all informal settlements by 2014.

Public-Sector Hostel Redevelopment Programme

The Department of Housing is replacing the hostels policy with one that will create humane living conditions, and will provide affordable and sustainable housing on either a rental or home-ownership basis.

Several pilot redevelopment projects have been launched.

The department has also prepared a set of technical specifications for the upgrading or provision of new services, and the upgrading (redevelopment) of hostel buildings. The new technical norms and standards for redeveloping hostels will give rise to new guidelines for turning sector hostels into family units.

In July 2006, First National Bank (FNB) announced an increased investment in housing in South Africa of some R2 billion.

Together with government, FNB aims to deliver 3 000 bonded houses in the Joe Slovo settlement, situated in the Langa township in Cape Town. It has pledged to invest some R600 million in the project.

Houses, which are priced between R150 000 and R250 000, will be offered to people who earn between R3 500 and R7 500 per month.

Besides the R600 million, FNB has also started an R800-million housing deal to build houses in Soweto, and has invested R368 million to build some 1 000 houses in Johannesburg in 2006, bringing the total investment to just under R2 billion.

Capacity-building

One of the major constraints in housing delivery is the lack of capacity, in terms of an efficient workforce and the installation of appropriate technology, equipment and systems for monitoring, evaluation and reporting purposes.

The Department of Housing continues to assist provinces in ensuring effective and efficient implementation of the National Housing Programme. The strategy and guidelines for housing capacity-building, as well as guidelines for provincial housing-capacity business plans, have been developed.

The Department of Housing has undertaken several initiatives to support small enterprises within housing and to promote Black Economic Empowerment and gender mainstreaming.

Based on extensive consultation with stakeholders in the construction and housing industry, the department has developed a framework for emerging contractor support that has resulted in a support programme that is focusing initially on training emerging contractors.

Through the NHBRC, R10 million has been set aside to develop a pool of housing entrepreneurs who will enhance delivery of low-cost housing. By August 2006, tenders for Construction Education and Training Authority-accredited service-providers had been issued and the NHBRC had trained 1 740 emerging home builders, of which 610 (35% of the total) were women.

The NHBRC has committed R7 million to training the youth through the National Youth Service Project, which aims to support nation-building by involving young people in delivering crucial government services.

The NHBRC is involved in the construction of houses in the Modimolle Ministerial Special Project, which was initiated to complement the emerging home-builder training. The project targeted 200 learners and had trained 65 of them by the end of August 2006.

To give women contractors better access to housing projects, the department has ring-fenced 10% of provincial housing department's allocation to projects undertaken by female developers or contractors. In 2005, provincial government departments allocated 288 housing-development projects worth R1,9 billion countrywide to emerging female contractors.

Emergency housing

The National Housing Programme for Housing Assistance in Emergency Housing Circumstances was instituted in terms of the Housing Act, 1997 (Act 170 of 1997).

The amendment relates to the provision of the Constitution that everyone has the right to have access to adequate housing, and that the State must take reasonable legislative and other measures as permitted by available resources to achieve the progressive realisation of this right.

The main objective of this programme is to provide temporary housing relief to people in urban and rural areas who find themselves in emergency situations, such as when:

- their existing shelters have been destroyed or damaged
- their prevailing situation poses an immediate threat to their lives, health and safety
- they have been evicted or face the threat of eviction.

Assistance involves prioritising funds from the provincial housing allocations to municipalities to accelerate land development, and the provision of basic municipal engineering services and temporary shelter.

Emergency Housing Circumstances Programme

In November 2005, government approved a policy regarding fast tracking the housing solution for people living in areas of stress by using the Emergency Housing Circumstances Programme. Pilots under the programme were to be implemented in Gauteng, the Eastern Cape and Western Cape.

In Gauteng, the pilot was to be implemented in Protea South (Johannesburg Region), Tsakane Extension 10 (Ekurhuleni) and Sicelo Shiceka Extension 5 (Sedibeng). The Eastern Cape's pilot programme would be implemented in Klipplaat in the Ikwezi Municipality that was hit by a tornado in February 2005. By the end of August 2006, 57 houses had been completed and 12 houses were in various stages of completion.

The programme was expected to be implemented in Bardale in Mfuleni, and in Happy Valley in Oostenberg in the Western Cape.

Housing subsidies

New housing-subsidy programmes are being developed and certain existing programmes have

been enhanced, including rental and social-housing subsidies. The housing-subsidy programmes, including project-linked subsidies, are being revised to introduce a procurement-compliant regime, consolidation subsidies, the People's Housing Process (PHP), rural subsidies and institutional subsidies.

The department has designed a housing scheme to effectively cater for people with disabilities. People with visual impairment and other disabilities will receive an additional amount to the normal subsidy to make their homes more accessible and comfortable, in accordance with their physical needs.

Disabled beneficiaries may receive special additions to their houses to enable them to live independently. These additions have been tailor-made to accommodate the variety of special housing needs.

Such special additions to houses entail concrete aprons and ramps to facilitate access, special grab-rails in bathrooms, kick plates on doors, visible doorbells and special access arrangements to toilets.

Project-linked subsidies

This housing subsidy mechanism enables a qualifying household to access a complete residential unit, which has been developed within an approved project-linked housing subsidy project for ownership by the beneficiary.

Individual subsidies

An individual subsidy provides qualifying beneficiaries

with access to housing subsidies to acquire ownership of serviced stands. It also allows the beneficiary to enter into house-building contracts, or to purchase existing, improved residential property which is not part of approved housing-subsidy projects.

This subsidy helps qualifying beneficiaries who wish to increase their subsidies by accessing credit, as well as beneficiaries who do not qualify for credit.

Consolidation subsidies

This subsidy mechanism affords former beneficiaries of serviced stands, financed by the previous housing dispensation (including the Independent Development Trust's site and service schemes), the opportunity to acquire houses.

Institutional subsidies

The institutional subsidy is available to qualifying institutions to enable them to create affordable housing stock for persons who qualify for housing subsidies.

The subsidy is paid to approved institutions to provide subsidised housing on deed of sale, rental or rent-to-buy options, on condition that the beneficiaries may not be compelled to pay the full purchase price and to take transfer within the first four years of receiving the subsidy.

Institutions must also invest capital from their own resources in the project.

Total projects per province, June 2006

Eastern Cape	460
Free State	639
Gauteng	1 146
KwaZulu-Natal	568
Limpopo	578
Mpumulanga	378
Northern Cape	260
North West	262
Western Cape	579
Total	4 870

Source: Department of Housing

Total beneficiaries per province, June 2006

Eastern Cape	247 694
Free State	138 146
Gauteng	433 095
KwaZulu-Natal	281 341
Limpopo	150 978
Mpumulanga	122 507
Northern Cape	38 364
North West	161 035
Western Cape	217 866
Total	1 781 026

Source: Department of Housing

Relocation assistance

Relocation assistance provides an alternative option to defaulting borrowers who were three months in arrears on 31 August 1997, and where the option of rehabilitating these mortgage loans is not affordable.

This alternative provides an opportunity to obtain affordable housing with the assistance of the housing subsidy.

A person who is eligible for relocation assistance must enter into a relocation agreement to relocate to affordable housing.

Discount Benefit Scheme

The Discount Benefit Scheme promotes home ownership among tenants of state-financed rental stock, including formal housing and serviced sites. In terms of this scheme, tenants receive a maximum discount of up to R7 500 on the selling price of the property.

Where the discount amount equals or exceeds the purchase price or loan balance, the property is transferred free of any further capital charges.

Rural subsidies

This housing subsidy is available to beneficiaries who enjoy only functional tenure rights to the land they occupy. This land belongs to the State and is governed by traditional authorities.

The subsidies are only available on a project basis and beneficiaries are supported by implementing agents. Beneficiaries also have the right to decide on how to use their subsidies, either for service provision, for the building of houses or for a combination thereof.

Housing institutions

The Department of Housing's support institutions play an important role in enhancing the norms and standards of housing, as well as making housing more accessible to all South Africans.

The institutions are the NHBRC, the National Housing Finance Corporation (NHFC), the National Urban Reconstruction and Housing Agency (Nurcha), Servcon Housing Solutions, Thubelisha Homes, the Social Housing Foundation (SHF), the South African Housing Fund, the PHP and the Rural Housing Loan Fund (RHLF).

National Home-Builders Registration Council

The NHBRC was established in terms of the Housing

Consumer Protection Measures Act, 1998 (Act 95 of 1998). The council protects the interests of consumers and regulates the home-building industry.

The NHBRC is a section 21 company established to provide for the protection of housing consumers through a home warranty scheme, and to regulate the home-building industry through the registration of builders and the setting of ethical and technical standards for the residential building industry.

The Housing Consumer Protection Measures Act, 1998 extends the NHBRC home-warranty scheme to government housing subsidy schemes.

The NHBRC raises revenue from fees charged for the registration of home builders and the enrolment of new houses under its warranty scheme.

National Housing Finance Corporation

The Department of Housing established the NHFC as a development-finance institution in 1996, to ensure that every low- and moderate-income household gains access to housing finance.

Following a review of the NHFC's mandate to enable the parastatal to function as a financial institution, legislative amendments were introduced and the NHFC was made a housing bank. In 2006/07, the NHFC was expected to deliver at least 25 000 units and to provide finance for the poor and middle-income groups.

National Urban Reconstruction and Housing Agency

Nurcha was formed in May 1995 as a partnership between the South African Government and the Open Society Institute of New York, United States of America (USA), to arrange finance for the construction of housing.

Over the years, Nurcha has raised additional financing through Swedish, Norwegian and other agencies in the USA, and through the Futuregrowth Fund, Overseas Private Investors' Corporation and Rand Merchant Bank. It is a tax-exempt, non-profit-making company. By the end of 2005/06, Nurcha had supported the building of 153 897 houses.

Programmes

Nurcha uses a variety of interventions to arrange and package finance such as bridging-finance loans for those delivering housing to low-income households, infrastructure and community facilities.

Housing subsidy expenditure according to subsidy instruments from April 1994 – June 2006

Total number of subsidies

	Project linked	Individual	Consolidation	Institution	Hostel redevelopment	Rural	Emergency housing	Total
Total	2 075 012	165 891	272 206	69 183	171 602	122 178	5 307	2 881 379

Source: Department of Housing

Nurcha has programmes to assist small/emerging contractors by lending them money to build subsidy housing and related infrastructure, and infrastructure and/or community facility projects.

To assist contractors and developers who are unable to access bridging finance from a bank, Nurcha has developed innovative finance programmes, and has entered into agreements with financial intermediaries who ensure the appropriate flow of finance to projects. Applicants are normally contractors who also require financial and project-management support.

Nurcha lends money directly to established developers and contractors developing subsidy housing, affordable housing in the R80 000 to R250 000 selling price range, infrastructure and community facilities. Established contractors are required to provide a minimum of 30% of the project-bridging finance required upfront (no contribution is necessary for emerging contractors).

Nurcha provides finance and guarantees for the construction and upgrading of rental stock for the affordable housing market sector. These facilities are provided subject to the specific requirements of the negotiated package.

Servcon Housing Solutions

Servcon was established in 1994 as a 50-50 joint venture between the Department of Housing (representing government) and the Banking Council of South Africa, now the Banking Association of South Africa.

When the agreement was renewed in 1998, Servcon was mandated to provide exclusive management services in respect of the designated portfolio, comprising 33 306 properties in possession (PIPs), and non-performing loans (NPLs) with a value of R1,277 billion, for a period of eight years from 1 April 1998 to 31 March 2006.

By 28 February 2006, Servcon had normalised 32 233 properties, and anticipated achieving the full target of 33 306 by 31 March 2006.

By early 2006, steps had been initiated to transform Servcon into a special purpose vehicle that will play a leading role, in conjunction with municipalities and provinces, in identifying and acquiring well-located land for housing.

Government departments and parastatals have been engaging in discussions to identify and release well-located land for housing.

Social Housing Foundation

The SHF was established as a section 21 company by the Department of Housing in 1997. It is mandated by the department to develop and build capacity for social housing institutions, and to develop a policy framework for the sector.

The strategic objectives of the organisation, based on its mandate, mission and vision, are to:

- provide social-housing-sector strategic information
- mobilise resources for the social housing sector
- facilitate the capacitation of sectoral participants
- promote the social housing sector
- facilitate sectoral stakeholder alignment
- achieve SHF business-service excellence.

By the end of August 2006, the Department of Housing was compiling a framework for environmentally sound housing that identified gaps and provided guidelines for environmentally friendly homes.

The department was also collaborating with the Danish International Aid Agency (Danida) on a project that aims to supply subsidised housing with efficient energy. Danida has contributed R13 million to the project.

In the first half of 2005/06, the SHF contributed to policy development in this sector by releasing position papers on public housing and housing co-operatives that also documented best-practice case studies.

It was expected that the SHF would be consolidated under the new Social Housing Regulatory Authority once the new social housing policy and Bill were introduced. SHF functions would continue at existing funding levels, with the department having budgeted transfers of R81 million for the SHF over the medium term.

Peoples' Housing Partnership Trust (PHPT)

The Department of Housing established the PHPT in 1997 to create the capacity to facilitate subsidy support for the PHP, which is the process of owners literally building their own homes. In terms of the National Housing Policy: Supporting the PHP, the PHPT's mandate is to capacitate national, provincial and local government, and civil society, to participate in and support the PHP.

The trust gets limited grant funding from the department and raises revenue through grants from provinces for PHP projects.

Rural Housing Loan Fund

The RHLF was incorporated in 1997 as a subsidiary to the NHFC, but has existed as a separate entity since 2002. It is a wholesale lending institution that raises money and lends it, to enable institutions to provide low-income people in rural areas with housing finance.

Thubelisha Homes

Thubelisha Homes is a section 21 company that was established to procure and develop housing stock for rightsizing. To achieve this, Thubelisha has to determine the number, nature and location of the housing stock that is required; secure funding to

finance 'rightsizing' housing stock; procure or develop and finance relevant rightsizing stock; evaluate the clients for 'rightsizing' stock; and grant credit to qualifying clients.

Government gave Thubelisha a R50-million start-up grant with which to commence operations. Thubelisha gets subsidies through government programmes to 'rightsize' clients.

Thubelisha Homes' mandate has been expanded to include the project management of housing projects and integrated sustainable developments, as well as the construction of affordable housing and related services.

Thubelisha supports the BNG Programme in various ways, and provides products and support services that include:

- project and construction management and audits
- subsidy and claims administration
- accounts administration
- contractor development and skills transfer.

Thubelisha offers graduates a six-month practical training programme and exposure to the subsidised housing market and construction industry via its Experiential Programme. In partnership with Women For Housing, Thubelisha has initiated the Contractor Development Programme, which will access resources, provide contractors with regular work, and formalise structured career and business development for emergent contractors.

Thubelisha was appointed project manager and implementing agent of the N2 Gateway Project. Thubelisha is project managing the upgrade of 750 backyard shacks in Orlando East that are let by Soweto home owners. This project differs from other subsidised housing projects as no policy governs it. The new structures are built free of charge to the home owner, with two- or three-roomed options and communal ablutions.

Acknowledgements

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BuaNews

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Thubelisha Homes

National Urban Reconstruction and Housing Agency

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