

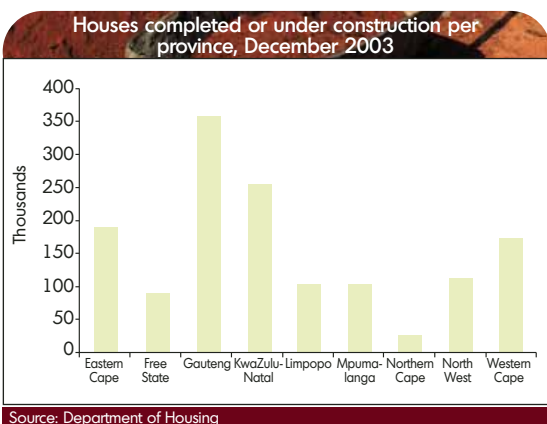


Housing

Giving people decent secure homes is a cornerstone of government's commitment to a better life for all.

Achievements

Between 1994 and 2003, 1 985 545 subsidies were approved for an expenditure of R24,22 billion. Moreover, 481 373 houses that were built in the Apartheid era were transferred to occupants through the Discount Benefit Scheme. While the cost to government was approximately R3,6 billion, the replacement cost of these houses (that is, the value to occupants) is approximately R24 billion. Thus, about R48 billion of housing assets have been transferred to citizens since 1994.



With respect to improving gender equality in housing ownership, 49% of all subsidies approved were granted to women. The outcomes of providing subsidised housing indicate that a total of over six million citizens received housing between 1994 and 2003.

New approach

Resource constraints and changing demographics have recently necessitated a more rigorous focus on quality rather than quantity.

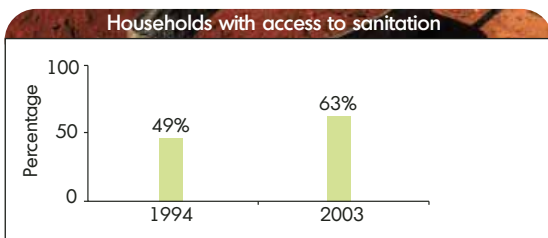
In future, the Housing Programme will focus on:

- balancing rural and urban development
- countering housing fraud
- facilitating urban renewal, particularly in inner cities
- monitoring and performance evaluation
- developing a co-ordinated housing rental policy.

Human Settlement Redevelopment Programme

This Programme aims to improve the quality of the urban environment and address the legacy of dysfunctional urban structures, frameworks and imbalances through multi-year housing development plans.

A multi-pronged approach, this Programme aims to redevelop depressed areas, counter spatial distortion,



Source: *Towards a Ten Year Review*

provide essential community facilities and re-plan existing settlements. This could entail slum clearance and resettlement.

Housing projects today aim to encourage previously marginalised communities and particularly women contractors.

Rural communities (which account for 31% of the housing backlog) are a particular priority.

Other focuses are on:

- upgrading informal settlements
- promoting subsidies which encourage people to save towards their housing, and subsidies for those with disabilities.

Recent housing legislation has been aimed, among others, at:

- The construction of more rental housing. (Special tribunals have been set up in three provinces to mediate disputes between landlords and tenants.)
- Requiring lending institutions to disclose mortgage information to prevent discriminatory lending.
- Requiring all home-builders to register new houses with the official Defect Warranty Scheme managed by the National Home-Builders Registration Council.

In 2002, government announced that its Public Sector Hostel Redevelopment Programme was being redirected towards creating sustainable rental housing stock. Pilot projects costing R12 million were conducted in four provinces, and new finishing norms and costing parameters were introduced to replace previous funding limits.



FACT

More than 87% of people in the rural areas earn less than R2 500 a month. These people make up 68% of the Rural Housing Loan Fund's end users. The Fund has given loans worth R220 million to more than 45 000 rural borrowers for incremental housing and home improvement.

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Housing subsidies

In April 2004, the Department of Housing increased housing subsidies by up to 11,68% to counter the effects of inflation.

Income	Housing subsidy
zero to R1 500	R25 800
R1 501 to R2 500	R15 700
R2 501 to R3 500	R8 600

Indigent, aged, those with disabilities and health-stricken: R25 580.

Subsidies

All housing-subsidy beneficiaries are required to contribute either in kind or financially.

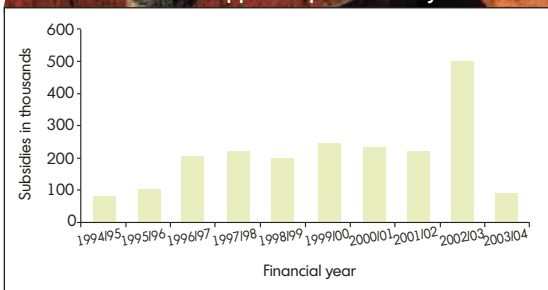
Those contributing in kind, through the People's Housing Process (PHP), are expected to build their own houses.

The PHP has resulted in more, bigger and better structures.

South Africa's approach to home building is similar to that of Cuba's. Thirty-eight architects and designers from that country have helped to support the PHP process.

Those participating in housing projects are also eligible for subsidies. Up until March 2002, some 2 510 housing projects, representing 1 247 974 housing opportunities, were approved.

Total subsidies approved per financial year



Source: Department of Housing

Delivery partners

The Department works with a variety of organisations towards the goal of affordable and decent housing for all. These include:

- The National Housing Finance Corporation, which approved facilities worth more than R1,4 billion and disbursed R1,15 billion between May 1996 and March 2003.
- By March 2003, the National Urban Reconstruction and Housing Agency – a partnership between the Government and the Open Society Institute of New York – had arranged financing for 550 projects and the completion of 124 000 houses.
- A joint venture between the Department of Housing and the Council of South African Banks, Servcon Housing Solutions manages non-performing loans (NPLs) and properties in possession (PIPs) in areas where normal legal processes have broken down. Servcon inherited 33 306 properties with a value of R1,277 billion. By 31 March 2003, it had exceeded its targets by disposing of 54,2% of properties. The number of properties on Servcon's books has declined to 19 398 with a value of R714 million.
- Thubelisha Homes, a not-for-profit company, helps the owners of PIPs or NPLs relocate to more affordable homes. By May 2003, Thubelisha had delivered over 4 500 houses. Another 10 000 were planned over the next three years.
- Another not-for-profit company, the Social Housing Foundation, aims to build capacity for social housing institutions. By mid-2003, some 59 social housing institutions had been established, providing 33 500 housing units.
- The Rural Housing Loan Fund's approved retail intermediaries provided 10 936 housing loans to low-income households in 2002/03.