



## HUMAN SETTLEMENTS

Government aims to speed up the delivery of housing for the poor and have all South Africans accommodated in formally planned settlements by 2014.

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Following the appointment of a new administration in May 2009, the name of the Department of Housing was changed to the Department of Human Settlements. The aim is to transform the country's residential areas and build communities with closer access to work and social amenities, including sports and recreational facilities. The Department of Human Settlements determines, finances, promotes, coordinates, communicates and monitors the implementation of policy for housing and human settlement.

By the end of March 2009, government had provided 2,8 million houses, giving shelter to more than 13,5 million people, free of charge.

Expenditure on housing service delivery increased by 23% to R10,9 billion in the 2008/09 financial year.

By June 2009, nationally, over 570 housing projects had been approved and a housing grant of R12,4 billion was allocated for the 2009/10 financial year for expenditure on the construction of 226 000 new housing units across all nine provinces.

### Comprehensive Plan for Sustainable Human Settlements

As part of the housing programme, government provides a 40-m<sup>2</sup> house with two bedrooms, a kitchen, lounge and separate bathroom to qualifying households earning from R0 to R3 500 a month. The focus on security of tenure aims to encourage poor households to invest resources in housing and building an asset.

In March 2009, South Africa's housing-delivery programme received a boost with the launch of the new Housing Development Agency that will address the issue of land acquisition.

The banking sector has pledged more than R40 billion towards the provision of affordable mortgage products.

### 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. According to the *Development Indicators, 2009*, there has been an improvement in the income of the poorest, rising from R783 in 1993 to R1 041 in 2008.

There is a dire need for public rental housing for the poor, which the Department of Human Settlements 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:

- public-sector hostels provided for the purposes of housing migratory labour in the previous dispensation
- municipal rental stock
- new high-rise housing stock.

## Capacity-building

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

The National Home-Builders' Registration Council (NHBRC) aims to protect the interests of housing consumers and regulate the home-building industry.

Government has established national institutions to facilitate the specific housing and housing-related needs of the market, in addition to the role provincial governments and municipalities play.

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

## Delivery partners

- The NHFC was established in 1996 as a development finance institution to contribute to reducing South Africa's housing backlog by mobilising, raising and deploying housing finance from sources outside the public sector. The NHFC has disbursed more than R2,4 billion in funding and delivered more than 264 130 housing opportunities since 1996.
- Another not-for-profit company, the SHF, aims to build capacity for social-housing institutions. It is expected that the SHF

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Policy exists that will allow for the increased allocation of housing units to ex-combatants and for Truth and Reconciliation Commission reparations on a preferential basis. Over the next five years, an average of 30% of subsidised units is expected to be allocated to this target group.



will be consolidated under the new Social Housing Regulatory Authority, as envisaged by the new Social Housing Bill.

- The RHLF's main purpose, as a wholesale lending institution, is to enable retail institutions to provide loans to low-income earners to finance housing in rural areas.

### Subsidies

A government housing subsidy is a grant provided by government to qualifying beneficiaries for housing purposes. Government does not give beneficiaries cash. The grant is used only for acquiring housing goods and services or the provision of complete houses that comply with the minimum technical and environmental norms and standards.

The following subsidies exist:

- Consolidation Subsidy
- Individual Subsidy
- Integrated Residential Programme
- Institutional Subsidy
- Relocation Assistance
- Discount Benefit Scheme
- rural subsidies
- People's Housing Process.

Government aims to upgrade well-located informal settlements and provide proper service and land tenure to 500 000 households by 2014. Over 6 000 hectares of well-located public land will be allocated for low-income and affordable housing.



A key new initiative will be to accommodate people whose salaries are too high to get government subsidies, but who earn too little to qualify for a normal bank mortgage. A R1-billion fund will be set up to encourage the private banking and housing sector to help those who do not qualify for government subsidies but do not earn enough to afford a bank housing subsidy.