

Human Settlements



Government is committed to providing sustainable human settlements to improve the quality of household life for the poor. Such provisions entail access to quality accommodation, basic services, secure tenure and affordable mortgage finance.

Formal housing has grown by 50% since 1994, translating to an additional 5,6 million formal homes since the country's first democratic elections.

Government and human settlements stakeholders have committed to deliver 1,5 million housing opportunities by 2019. The commitment by banks, developers, mining companies and big employers officially declared South Africa the biggest construction site in Africa and the developing world.

Housing experts at the National Settlement Indaba estimated the partnership to be worth over R250 billion over five years in affordable bonded housing investments by banks, rental accommodation developments by private sector and agencies, government subsidies, housing investments by big employers and mining companies, bulk services development for townships and human settlements, upgrading of current informal settlements infrastructure and community infrastructure like schools, churches, business sites and other amenities.

The commitment is detailed in the Social Contract for the Development of Sustainable Human Settlements signed at the end of the two days National Human Settlements Indaba and Exhibition held at the Sandton Convention from 16 to 17 October 2014. The Indaba was attended by government, South African Local Government Association, mining companies, government parastatals, property developers and owners, engineers, banks, mines, Non-governmental Organisations and big employers.

The Indaba, held under the theme "building partnerships for the delivery of 1,5 million housing opportunities sought to mobilise and recommit different stakeholders in the private sector to support government in its quest to provide shelter for all South Africans.

Human Settlements Vision 2030

Housing the poor was an ingredient of the department's three-part response to the State's Vision 2030 Strategy. "Gap housing" is a term that describes the shortfall or gap in the market between residential units supplied by the State and houses delivered by the private sector. The gap housing

market comprises people who typically earn between R3 500 and R15 000 per month, which is too little to enable them to participate in the private property market, yet too much to qualify for state assistance.

Gap housing is a policy that addresses the housing aspirations of people such as nurses, fire fighters, teachers and members of the armed forces, who earned between R3 000 and R15 000 per month and, therefore, did not qualify for RDP houses and did not earn enough to obtain home loans.

Nationally the houses were financially assisted by the National Housing Finance Corporation (NHFC) through an intervention called Finance Linked Individual Subsidy Programme, which gives all qualifying beneficiaries the certainty of being granted loans, bonds or mortgages by banks and other financial institutions. Those in the middle- to high-income groups could apply for housing bonds.

The challenges ahead include removing racial connotations from living spaces, which more than anything else reflects the real evil of apartheid social engineering. Undoing this policy will require time and major resources.

As part of its strategy in this regard, the department is obliging banks to give loans to blacks who want to buy properties in previously exclusively white areas. It has also been buying up high-rise buildings in inner cities, and refurbishing and transforming them from office space to rented family units. This form of social housing has become popular with young couples, students and single mothers.

Areas close to townships, known as “No-Man’s Land” and were used as buffer zones to separate black townships from white areas, are being eradicated. The land is being used for housing with occupants being moved closer to cities.

New non-racial towns and cities are being developed to fulfil the principle of a united people in non-racial residential areas.

Human Settlements Capacity Grant

This is a new grant, the rollout of which started in the 2014/15 financial year, for the next three financial years.

The grant comes from the national Human Settlement Development Grant to develop capacity for municipalities and metros that have received Level 3 accreditation. Level 3 accreditation is approved by provincial members of the Executive Council of Human Settlements after municipalities and metros meet the criteria set out in the Human Settle-

ment Code and other policies.

The grant set aside for the six metros for 2014 was R300 million. To achieve Level 3 accreditation, a municipality is required to have in place:

- financial systems that are compliant with national specifications
- a standard subsidy financial administration package
- reporting systems
- management information systems
- standard accounting procedures.

The total grant set aside for each of the six metros was allocated as follows:

- Nelson Mandela Metro: R37 707 000
- Ekurhuleni Metro: R52 374 000
- City of Joburg: R59 573 000
- City of Tshwane: R47 506 000
- EThekweni: R52 469 000
- City of Cape Town: R50 370 000.

Housing institutions

The department's housing institutions include the National Home-Builders Registration Council, NHFC, National Urban Reconstruction and Housing Agency, Rural Housing Loan Fund, the Housing Development Agency and the Social Housing Regulatory Authority.

Subsidies

A housing subsidy is a grant by government to qualifying beneficiaries for housing purposes. One of the DHS areas of responsibility in the delivery of human settlements relates to the bottom-most end of the market, where it provides housing subsidies to the poor. This is where the bulk of the housing backlog exists, affecting mainly those who earn below R3 500 a month.

Bucket Eradication Programme

The objective of the Bucket Eradication Programme is to eradicate all bucket toilets across the country. This is an indirect grant for a period of two years. The budget for the programme was R899 million for the 2014/15 financial year and R975 million for the 2015/16 financial year.