



Official Guide to **SOUTH AFRICA** 2021/22

HUMAN SETTLEMENTS



Human Settlements

The Department of Human Settlements (DHS) is mandated, in terms of Section 26 of the Constitution of the Republic of South Africa of 1996 and Section 3 of the Housing Act of 1997, to establish and facilitate a sustainable national housing development process in collaboration with provinces and municipalities.

In fulfilling its mandate, the department determines national policy and norms and standards for the development of housing and human settlements, prescribes national housing delivery goals and oversees provincial and municipal performance outcomes against national targets.

To further ensure an effective housing development process, the department funds, capacitates and supports provinces and municipalities in the implementation of human settlements projects.

The department's focus over the medium term will be on creating integrated and transformed human settlements, upgrading informal settlements, and providing affordable housing. To facilitate the pursuit of these focus areas and ensure its human settlements programmes are sustainable, the department will seek to fast-track its policy and programme review of the *1994 White Paper on Housing*, the national housing code and the Housing Act of 1997.

Integrated human settlements

The department planned to finalise 25 integrated plans over the medium term to guide the implementation of housing projects within the 94 nationally declared priority development areas. Over the medium period, the department aimed to deliver 180 000 subsidy housing units and issue 388 104 title deeds to beneficiaries from low-income households.

These projects will deliver a range of housing options and create inclusive communities within an improved spatial landscape to undo the legacies of race-based spatial planning.

Informal settlements upgrading

By mid-2022, there were over 2 700 informal settlements in South Africa, a majority of which are located in unsuitable land that is prone to housing emergencies. The DHS's national upgrading support programme assists provinces and municipalities with comprehensive planning for the upgrading of informal settlements.

Upgrading entails a systematic improvement to living conditions through secure tenure, safe and reliable water and sanitation and adequate access to social services. A large part of this involves active community participation to enable meaningful engagement.

Through the programme, assistance will be provided to an estimated 900 informal settlements over the medium-term period, and 180 000 stands will be upgraded to have access to municipal services.

Affordable housing

Affordable housing broadly comprises rental and social housing programmes and affordable housing finance instruments. The department's planned review and update of social housing policy over the medium term is aimed at increasing the supply of rental and social housing stock. To this end, the department aimed to deliver 25 000 affordable rental units in strategically located areas and 3 000 community residential units over the medium-term period.

The department will continue to assist low and middle-income households that earn above the qualifying threshold to receive state-subsidised housing but below the qualifying threshold to secure a home loan. To address this unserved market, a targeted 12 000 finance-linked individual subsidies will be disbursed through the National Housing Finance Corporation in the form of lump-sum deposits that lower monthly mortgage repayments for qualifying beneficiaries.

Shelter satisfies a basic human need for physical security and comfort and the characteristics of the dwellings in which households live provide an important indication of the well-being of household members.

According to Statistics South Africa's General Household Survey of 2021, slightly more than eight-tenths (83,6%) of South African households lived in formal dwellings in 2021, followed by 11,7% in informal dwellings, and 4,2% in traditional dwellings. Households that lived in formal dwellings were most common in Limpopo (96,3%) and Mpumalanga (89,8%).

Approximately one-fifth of households in Gauteng (17,0%) and Western Cape (17,3%) lived in informal dwellings. Traditional dwellings were most common in Eastern Cape (21,6%) and KwaZulu-Natal (9,3%).

About 83,4% of households in metropolitan areas lived in formal dwellings while 15,0% lived in informal dwellings. Informal dwellings were most common in Buffalo City (19,3%), Johannesburg (17,3%) and Cape Town (16,6%), and least common in Nelson Mandela Bay (5,6%).

Households that lived in rented dwellings were most common in Gauteng (30,6%) and Western Cape (23,9%) and least common in Mpumalanga (7,5%), Limpopo (8,4%) and Eastern Cape (8,5%). By comparison, the largest percentage of households that lived in dwellings that were either paid off or being occupied rent-free were found in Limpopo (89,5%) and Mpumalanga (89,6%) while the smallest percentages were observed in Gauteng (57,2%) and Western Cape (59,5%).

Title deeds

TheDHS has partnered with the Banking Association of South Africa to fast-track the delivery of title deeds to housing beneficiaries. This will be done by utilising the Youth Employment Services programme.

Housing entities

The DHS's housing entities include the:

- **National Housing Finance Corporation (NHFC)**, which was established as a development finance institution in 1996 and is mandated to provide access to affordable housing finance for low-income and middle-income households by leveraging private sector funding to finance housing developments and create affordable housing stock. In the affordable housing sector, the NHFC plays a multiple role as an innovator, financier and facilitator by ensuring viable housing finance solutions; sustainable human settlement growth and engagement of relevant partnerships.

The NHFC has been tasked to administer, and facilitate delivery and access to the Finance-Linked Individual Subsidy Programme (FLISP), now called Help-Me-Buy-A-Home, which provides poor and low to middle-income households with access to adequate housing. Qualifying households for this subsidy are those that in the gap market; those that do not qualify for a fully subsidised house and at the same time they do not qualify for mortgage loan from the banks.

In the 2022/23 financial year, the revised bands for the FLISP now called Help-Me-Buy-A-Home will come into effect. With effect from 1 April 2022, the applicable subsidy quantum have been revised from what existed in 2018, by 20.9%, to ensure that they remain consistent with the ability of the DHS, through its implementing agents, to continue and improve delivery. To qualify for social housing, the revised income bands from households earning an income between are R1 500 to R15 000 to R1 850 to R22 000 gross monthly income.

In an effort to facilitate access to ownership among government employees by utilising Help Me Buy a Home Subsidy, the NHFC has signed a memorandum of understanding with Government Employees Housing Scheme.

- **National Home Builders Registration Council (NHBRC)**, which was established in terms of the Housing Consumers Protection Measures Act of 1998 and is mandated to represent the interests of housing consumers by providing warranty protection against defined defects in new homes, and to regulate the home-building industry. It also provides training and capacity building to promote and ensure compliance with technical standards for building homes.

The NHBRC has reviewed its Investment Strategy and has included as one of its investment portfolios in the NHBRC's Warranty Fund, a "Housing Development Investment Fund". The objective of the fund is to invest in

projects that facilitate access to affordable housing and finance thereof for the low-to-middle income South African households.

- **Property Practitioners Regulatory Authority** (formerly Estate Agency Affairs Board), is primarily mandated to, among others, regulate the affairs of all property practitioners; allowing for transformation in the property sector and to ensure consumer protection against undesirable practices and conduct of property practitioners. The Property Practitioners Act of 2019 aims to provide, among others, for the regulation of property practitioners; transformation of the property practitioners sector; to provide for compliance with and enforcement of the provisions of the Act; and consumer protection.
- **Housing Development Agency** (HDA), which was established in terms of the HDA Act of 2008 and is mandated to identify, acquire, hold, develop and release state-owned and privately owned land for residential and community purposes; and manage housing development projects for the creation of sustainable human settlements. The agency also provides provinces and municipalities with project, technical and land geospatial services related to housing developments.

The HDA has implemented a dashboard that tracks the implementation of transformation and empowerment in all HDA programmes. The dashboard tracks how much is spent on businesses owned by women, youth, persons with disabilities and military veterans, as percentage of the annual total procurement spend.

- **Social Housing Regulatory Authority** (SHRA), which was established in terms of the Social Housing Act of 2008 and is mandated to regulate the social housing sector, and subsidise affordable rental housing units for low-income to middle-income households. The SHRA aims to achieve 30 000 housing units by the end of 2024.