



## Human Settlements

OFFICIAL GUIDE TO  
**SOUTH AFRICA**

2022/23



## 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.

Over the medium term, the department planned to continue focusing on developing integrated human settlements; upgrading informal settlements; and creating an enabling environment for affordable housing by continually reviewing policy and implementation programmes, and strengthening support to provinces and municipalities to implement human settlements programmes.

### Policy changes

Effective from 1 April 2023, the DHS announced the beginning of policy changes to be implemented on all new projects. These changes are aimed at responding to the economic changes, especially the rising cost of living, energy poverty and security needs for the vulnerable.

All subsidised houses will now be provided with solar panels and rainwater harvesting devices, where necessary, and for persons with disabilities, the houses will be fitted with burglar bars.

Because of increasing material costs, the department has increased the subsidy quantum by 29.7% for the 2023/24 financial year. The adjustment aims to speed up the pace of delivery and ensure that the quality of houses provided to beneficiaries does not deteriorate.

The DHS is committed to ensuring that all deserving military veterans are adequately housed and that the process is fast-tracked to ensure that these heroes and heroines receive the recognition that they deserve.

Effective from April 2023, in real terms, the housing programmes were adjusted as follows:

- Breaking New Ground (BNG) services and top structure – R286 364
- House for persons with disabilities – R307 166
- Military veterans house – R348 069
- First Home Finance – R169 265
- Social housing – R460 984.

### Developing integrated human settlements

One of the department's objectives is to create inclusive communities within an improved spatial landscape. As such, the department planned to finalise 11 integrated plans in priority development areas that are intended to advance

spatial transformation and deliver integrated human settlements projects. The medium-term target was to deliver 180 000 fully subsidised houses and issue 388 104 title deeds to beneficiaries from low-income households.

The Lufhereng integrated urban development project in Johannesburg, a mixed-use residential housing development, aims to promote spatial integration and provide affordable rental housing units; and the Avoca Node project, which aims to create an enabling environment for private sector-led housing developments, is in the eThekweni Municipality.

### Upgrading informal settlements

The department assists provinces and municipalities with comprehensive planning for the upgrading of informal settlements. This involves providing secure tenure, safe and reliable water and sanitation and adequate access to social services.

Related work is completed in phases, with phases 1 to 3 comprising the provision of secure tenure and basic services such as water, sanitation, lighting and refuse removal. Community participation in the upgrading process is a key pillar in the programme as beneficiaries are encouraged to find adequate upgrading solutions that are specific to their communities.

A targeted 900 informal settlements across the country will be upgraded to phase 3. Over the period ahead, the department was expected to ensure that provinces and municipalities deliver 60 000 serviced sites per year through the National Upgrading Support Programme. The department intended to hire consultants to augment capacity for the upgrading of informal settlements and the provision of affordable rental housing.

### Facilitating affordable housing

Affordable housing broadly constitutes the provision of rental and social housing programmes, and instruments to provide housing finance to traditionally unserved segments of the population. These are critical components in the creation of a functional residential property market.

To this end, the department aims to increase the supply of rental and social housing stock, and assist low-income and middle-income households that earn above the qualifying threshold to receive state-subsidised housing but below the threshold to secure a home loan. Accordingly, the department plans to build 10 800 rental housing units and disburse 12 000 finance-linked individual subsidies over the next three years.

### Informal Settlement Upgrading Programme (ISUP)

The DHS has a target of 1 500 informal settlements for upgrading. By mid-2023, a total of 1 269 informal settlements were at various phases of upgrading. Through this programme, the department enters into social compacts with communities and ensuring that suitable land parcels are acquired to build houses for communities. The department continues to provide support to provinces and metros to improve the lives of people in informal settlements.

In October 2022, government hosted an international meeting with United Nations Habitat (UN-Habitat) to launch a framework for a Global Action Plan on Slums and Informal Settlements. The Global Action Plan Framework on Informal Settlements and Slums is a necessary tool for the world to achieve Sustainable Development Goals (SDG) Target 11.1 by 2030, which is to ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

South Africa was an active proponent of the inclusion of SDG Goal 11 in Agenda 2030 and ensured that the issue of informal settlements and slums was adequately addressed, even in the New Urban Agenda.

Government is using its membership of Cities Alliance, the global partnership fighting urban poverty and supporting cities to deliver sustainable development, to intensify the fight against urban poverty, hunger and deliver sustainable development.

### Eradication of mud houses

Mud houses whose structural integrity is compromised and those that are found in pieces of land that are unsuitable for settlement, collapse under the weight of heavy rains and floods. Most people in the rural part of the country are increasingly finding themselves homeless as more mud houses collapse.

Since government prioritised the eradication of mud houses, five provinces have implemented the programme to eradicate mud houses. In the 2022/23 financial year, a total of 8 262 mud houses were eradicated. Seven provinces have planned to eradicate 11 791 mud houses in the 2023/24 financial year.

The DHS planned to use remote sensing through satellite and other modern technology applications to locate and get a total count of all mud houses across the country.

### Title deeds

The DHS 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 using the Youth Employment Services programme.

### Housing entities

The DHS's housing entities include the:

- **National Housing Finance Corporation**, which was established as a development finance institution in 1996. The corporation is responsible for expanding income and middle-income households through financial intermediaries. Over the medium term, the corporation planned to focus on increasing affordable housing finance to intermediaries. The corporation is also mandated to administer the Finance-linked Subsidy Programme. First Home Finance is a once-off housing finance subsidy enables qualifying beneficiaries to buy or build their first homes on affordable basis. First Home Finance was developed by the DHS to enable sustainable and affordable first time home-ownership opportunities to South African citizens and legal

permanent residents whose household income is from R3 501 up to R22 000 per month. This market segment is generally referred to as (the 'affordable' or 'gap' market). Households in this income band generally find it hard to qualify for housing finance to access their first homes as their income is regarded as low for mortgage finance, but too high to qualify for a government 'free-basic house', the RDP or BNG house.

- **National Home Builders Registration Council**, is established in terms of the Housing Consumer Protection Measures Act of 1998 to protect the interests of housing consumers and regulate the home building industry. The council provides warranty protection against poor workmanship in newly built homes and ensures that home builders adhere to prescribed technical standards in the building process. The council generates its revenue through fees for the enrolment of newly constructed homes, the registration and renewal of membership for home builders, and the provision of technical services.
- **Property Practitioners Regulatory Authority** (formerly Estate Agency Affairs Board), was established in terms of the Property Practitioners Act of 2019 to regulate property practitioners in the marketing, promotion, management, sale, letting, financing and purchase of immovable property. The authority also regulates the conduct of property practitioners in dealing with consumers and manages the Property Practitioners Fidelity Fund. Over the medium term, the authority planned to focus on improving compliance within the sector by inspecting a targeted 920 estate agencies and renewing 211 128 fidelity fund certificates.
- **Housing Development Agency (HDA)**, which was established in terms of the HDA Act of 2008, is mandated to identify, hold, develop and release land for integrated human settlements development. The agency also provides project-level technical assistance and project management services to provinces and municipalities. Over the medium term, the agency planned to continue focusing on assisting provinces and municipalities with the implementation of human settlements programmes and projects. The agency was expected to provide upgrading support to provinces and municipalities for 850 informal settlements.
- **Social Housing Regulatory Authority**, was established in terms of the Social Housing Act of 2008 to regulate and invest in the social housing sector. The authority regulates social housing institutions and the units they manage, provides capital subsidies to accredited social housing institutions and builds the capacity of the sector. Over the medium term, the authority planned to focus on increasing the number of social housing units for rental, with the aim of delivering 8 000 units per year.