



SOUTH AFRICA
YEARBOOK
2024/25

Human Settlements

The Department of Human Settlements (DHS) is mandated in terms of Section 3 of the Housing Act, 1997 (Act 107 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 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 aimed 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.

Housing

According to Statistics South Africa's General Household Survey of 2023, slightly more than eight-tenths (83,5%) of South African households lived in formal dwellings in 2023, followed by 12,2% in informal dwellings, and 3,9% in traditional dwellings. Households that lived in formal dwellings were most common in Limpopo (95,1%) and Mpumalanga (90,1%).

Western Cape (19,2%) had the highest percentage of households that lived in informal dwellings, followed by Gauteng (18,4%) and the North West (17,1%). Traditional dwellings were most common in the Eastern Cape (17,1%) and KwaZulu-Natal (10,3%).

About 83,0% of households in metropolitan areas lived in formal dwellings while 16,0% lived in informal dwellings. Informal dwellings were most common in Ekurhuleni (19,2%), Cape Town (18,9%) and Johannesburg (18,2%), and least common in Nelson Mandela Bay (6,3%).

Households that lived in rented dwellings were most common in Gauteng (37,8%) and the Western Cape (27,8%), and least common in the Eastern Cape (12,7%), Limpopo

(15,0%) and the Northern Cape (15,2%). Households that owned the dwellings they lived in, regardless of whether they have fully paid for it, were most common in KwaZulu-Natal (74,6%), Mpumalanga (72,1%), the Northern Cape (71,2%) and Limpopo (71,0%). Only 46,4% of households in Gauteng, and 63,4% in the Western Cape owned the dwellings they lived in. Nationally, 13,2% of households occupied the dwellings they were living in rent-free.

The percentage of households that received some form of government housing subsidy increased from 5,6% in 2002 to 12,0% in 2023. A notably higher percentage of female-headed households (14,4%) than male-headed households (10,1%) received subsidies. This is in line with government policies that give preference to households headed by individuals from vulnerable groups, including females, and individuals with disabilities.

About 9,7% of households that lived in subsidised dwellings either reported weak or very weak walls, or weak or very weak roofs. Responses varied across provinces. Households in Mpumalanga (respectively 16,1% and 13,6%) were generally least satisfied with the quality of walls and roofs, while those in Gauteng complained least about the state of their dwellings' walls (2,7%) and roofs (3,2%).

Developing integrated human settlements

One of the DHS's objectives is to create inclusive communities within an improved spatial landscape. As such, over the MTEF period, 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 is to deliver 180 000 fully subsidised houses and issue 388 104 title deeds to beneficiaries from low-income households.

Spending for these activities is within the Integrated Human Settlements Planning and Development programme's allocation of R73.5 billion. The programme's budget increases at an average annual rate of 5.1%, from R22.1 billion in 2022/23 to R25.6 billion in 2025/26. An additional R2.2 billion is allocated through the urban

settlements development grant for: the Lufhereng integrated urban development project in Johannesburg, a mixed-use residential housing development that 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 in eThekweni Municipality.

These were the only projects approved to access the budget facility in the human settlements sector. Transfers to the grant are made in the Integrated Human Settlements Planning and Development programme. From 2023/24 the DHS aimed to take over the implementation of the emergency housing programme. As a result, the provincial emergency housing grant and the municipal emergency housing grant ended. This adjustment will increase expenditure on payments for capital assets from R15.3 million in 2022/23 to R575.9 million in 2025/26.

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. To upgrade a targeted 900 informal settlements to phase three across the country, provincial and municipal spending through the informal settlements upgrading partnership grant is expected to amount to R27.2 billion over the medium term.

A further R120 million over the period ahead is expected to ensure that provinces and municipalities deliver 60 000 serviced sites per year through the national upgrading support programme. The department intends to hire consultants to augment capacity for the upgrading of informal settlements and the provision of affordable rental housing. Spending for

this is within the department's budget for consultants, which is expected to increase at an average annual rate of 7,3%, from R188.8 million in 2022/23 to R233.5 million in 2025/26.

The Informal Settlement Upgrading Programme (ISUP) has, in the medium term, set a target of 1 500 informal settlements for upgrading. By mid-2023 a total of 1 269 informal settlements were at various phases of the upgrading process. The ISUP had immense challenges that the department sought to overcome by entering into social compacts with communities and ensuring that suitable land parcels are acquired to build houses for the communities.

South Africa hosted an international meeting with United Nations Habitat (UN-Habitat) in October 2022, 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 Goal (SDG) Target 11.1 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 Sustainable Development Goal 11 in Agenda 2030 and ensured that the issue of informal settlements and slums was adequately addressed, even in the New Urban Agenda. South Africa is also using its membership of Cities Alliance, to intensify its fight against urban poverty, hunger and deliver sustainable development.

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 aimed 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 planned to build 10 800 rental housing units and disburse 12 000 finance-linked individual subsidies over the next three years. As a result, over the



period ahead, spending in the Rental and Social Housing programme is expected to be R3.1 billion and spending in the Affordable Housing programme is expected to be R1.9 billion. The human settlements sector must be responsive to the ever-changing human needs, which is made possible by creating an adaptive policy environment. In line with government's promise to ensure security and comfort, the DHS has changed the Norms and Standards to improve the lives of the qualifying beneficiaries.

These changes are aimed at responding to the economic changes, especially the rising cost of living, energy poverty and security needs for the vulnerable. From 1 April 2023, all subsidised houses that are being built will be provided with solar panels and rainwater harvesting devices, especially in rural communities. For persons with disabilities, the houses will be fitted with burglar bars to improve security. The DHS has increased the subsidy quantum by 29,7% for the

2023/2024 financial year, mainly to address the increasing building costs.

The adjustment will ensure that government speeds up the pace of delivery and ensures that the quality of houses provided to beneficiaries does not deteriorate. More importantly, to ensure that contractors do not abandon sites due to unaffordable costs. Effective from April 2023, in real terms, the housing programmes were adjusted as follows:

- 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

Eradication of asbestos

Asbestos, which is a health hazard, is an apartheid relic that still weighs heavily on the health of poor households.

Government is eradicating asbestos as a matter of priority. The number of asbestos roofs that have been removed in the past financial year includes 1 500 roofs in Seshego and 2 100 roofs in kaNyamazane.

The department is committed to the eradication and correct disposal of asbestos roofs and walls in old township properties across all nine provinces. In the current financial year, a total budget of R220 million has been allocated to the provincial HSDG business plans in the Eastern Cape, Free State and KwaZulu-Natal to implement 27 projects across the provinces to remove asbestos roofs.

Eradication of mud houses

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

Since last year's pronouncement on the prioritisation of the eradication of mud houses, five provinces have implemented the programme to eradicate mud houses. In the past financial year, a total of 8 262 mud houses were eradicated. Seven provinces have planned to eradicate 11 791 mud houses with a budget of R1.7 billion in the 2023/24 financial year.

Government aimed to introduce the use of remote sensing through satellite technology and other modern technology applications to help locate and get a total count of all mud houses across the country. This means it will have to acquire the skills to capacitate the department to be able to use these technologies.

Legislation and policy

The mandate of the DHS is derived from the following legislative framework:

- Housing Act of 1997, which provides for the facilitation of a sustainable housing development process, and further lays down general principles applicable to housing development in all spheres of government, including defining the functions of national, provincial and local

governments in respect of housing development;

- Estate Agency Affairs Board (EAAB) Act, 1976 (Act 112 of 1976), which provides for the establishment of an EAAB and an Estate Agents Fidelity Fund, including the control of certain activities of estate agents in the public interest;
- Social Housing Act, 2008 (Act 16 of 2008), which provides for the establishment of the Social Housing Regulatory Authority (SHRA), as regulator of all social housing institutions, and further defines the functions of national, provincial and local governments in respect of social housing;
- Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 (Act 19 of 1998), as amended, which provides for the prohibition of unlawful eviction and further provides procedures for the eviction of unlawful occupiers, including the repeal of the Prevention of Illegal Squatting Act, 1951 (Act 52 of 1951);
- Housing Consumers Protection Measures Act, 1998 (Act 95 of 1998), which makes provision for the protection of housing consumers and also provides for the establishment and functions of the National Home Builders Registration Council (NHBCRC);
- Rental Housing Act, 1999 (Act 50 of 1999), which provides clear roles and responsibilities of government in respect of rental housing property and also makes provision for promoting access to adequate housing through creating mechanisms for ensuring the proper functioning of the rental housing market;
- Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), as amended, which secures transparency, accountability, and sound management of the revenue, expenditure, assets and liabilities of the institutions to which it applies. The Act regulates financial management in the national government and provincial spheres of government. It also assists in ensuring that all revenue, expenditure, assets as well as liabilities of those two spheres of government are managed efficiently and effectively. The Act further provides for the responsibilities of persons entrusted with financial management in those two spheres of governments;
- Home Loan and Mortgage Disclosure Act, 2000 (Act 63

of 2000), which promotes the practice of fair lending by requiring disclosure by financial institutions of information regarding the provision of home loans. It also serves to establish an Office of Disclosure. The Act requires lenders to compile and disclose annual data on the demographic makeup and geographic distribution of housing-related loans;

- Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), which serves to establish a framework for the three spheres of government to promote and facilitate intergovernmental relations among them. The Act also provides for mechanisms and procedures in order to facilitate the settlement of intergovernmental disputes among spheres of government;
- Housing Development Agency (HDA) Act, 2008 (Act 23 of 2008), which serves to establish the agency and to provide for its functions and powers. It also outlines the roles of the agency, which are to facilitate the acquisition of land and landed property, in a way that complements the capacities of government across all spheres, and to fast-track land acquisition and housing development services for the purpose of creating sustainable human settlements;
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013), which provides a framework for spatial planning and land use management in South Africa. It specifies the relationship between the spatial planning and the land use management system and other kinds of planning. It also ensures that the system of spatial planning and land use management promotes social and economic inclusion;
- Community Schemes Ombud Service (CSOS) Act, 2011 (Act 9 of 2011), which serves to provide for the establishment of the Community Schemes Ombud Service and to provide for its mandate and functions. The Act also provides for a dispute resolution mechanism in community schemes;
- Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), which establishes a legislative framework for the promotion of Black economic empowerment (BEE) and empowers the relevant Minister to issue codes of good practice and to publish transformation charters for

key sectors. The Act further establishes the BEE Advisory Council;

- Expropriation Act, 1975 (Act 63 of 1975), which serves to provide for the expropriation of land and other property for public and certain other purposes;
- Development Facilitation Act, 1995 (Act 67 of 1995), which facilitates and speeds up the implementation of the Reconstruction and Development Programme and projects;
- Less Formal Township Establishment Act, 1991 (Act 113 of 1991), as amended, which provides for shortened procedures for the designation, provision and development of land and for the establishment of townships for less formal forms of residential settlement;
- National Environmental Management Act (NEMA), 1998 (Act 107 of 1998), as amended, which protects ecologically viable areas representative of South Africa's biological diversity and its natural landscapes and seascapes in a system of protected areas. The Act places a responsibility on the department to adhere to sustainable development and conservation principles;
- Sectional Titles Management Act, 2011 (Act 8 of 2011), which provides for the establishment of body corporates to manage and regulate sections and common property in sectional titles schemes and for that purpose to apply rules applicable to such schemes. It further requires the body corporates to establish a sectional titles schemes management advisory council; and
- Division of Revenue Act, 2018 (Act 14 of 2018), as amended, which provides for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for various financial years. It also makes a determination of each province's equitable share and allocations to provinces, local government and municipalities from national government's equitable share and the responsibilities of all three spheres pursuant to such division and allocations.

Entities

Community Schemes Ombud Service

The CSOS was established in terms of the CSOS Act, 2011 (Act 9 of 2011) to provide dispute resolution services for community schemes; monitor and control the quality of all governance documentation for sectional title schemes; and take custody of, preserve and provide public access to scheme governance documentation. The ombud will focus on ensuring that 80% of scheme governance documents are registered and compliant with the legislative framework by 2025/26.

To this end, spending on regulation is expected to increase at an average annual rate of 5,6%, from R117.5 million in 2022/23 to R138.6 million in 2025/26. Total expenditure is expected to increase from R431.9 million in 2022/23 to R467.2 million in 2025/26 at an average annual rate of 2.7%. The CSOS was expected to incur an operating deficit in 2022/23 as its expenditure plans include spending the surplus funds it generated in 2021/22, for which National Treasury approval has been granted. The ombud derives its revenue through levies paid by community schemes. Revenue is expected to increase in line with expenditure.

Property Practitioners Regulatory Authority (PPRA)

The PPRA 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 (PPFF).

Over the medium term, the authority will focus on improving compliance within the sector by inspecting a targeted 920 estate agencies and renewing 211 128 fidelity fund certificates. Spending on compliance constitutes a projected 25,8% (R157.5 million) of total expenditure, increasing from R49.2 million in 2022/23 to R56.6 million in 2025/26 at an average annual rate of 4,8%. Total expenditure is expected to decrease at an average annual rate of 3,8%, from R230.3 million in 2022/23 to R204.8 million in 2025/26,

as the authority repositions from the old EAAB to become a streamlined regulator in the sector. The authority derives its revenue from fees and levies from property practitioners and fees from managing the PPFF.

Property Practitioners Fidelity Fund

The PPFF is managed by the PPRA. The fund protects the interest of the public from negligence on the part of property practitioners in dealing with real estate transactions. Expenditure in the fund is expected to decrease at an average annual rate of 7%, from R91.8 million in 2022/23 to R73.8 million in 2025/26, as improved compliance reduces the number of claims against the fund. It generates revenue through administrative fees, interest earned on trust accounts and recovered claims.

Housing Development Agency

Established in terms of the HDA Act of 2008, the HDA 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 aimed to continue focusing on assisting provinces and municipalities with the implementation of human settlements programmes and projects. The agency is expected to provide upgrading support to provinces and municipalities for 850 informal settlements.

To this end, spending on built environment projects constitutes the largest spending item in the budget at 56,4%. Expenditure is expected to increase at an average annual rate of 4%, from R503.7 million in 2022/23 to R566.7 million in 2025/26. The agency derives revenue from programme management fees and transfers from the department. Revenue is expected to increase in line with expenditure.

National Home Builders Registration Council

The NHBRC 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



National Housing Finance Corporation (NHFC)

The NHFC was established as a development finance institution in 1996. The corporation is responsible for expanding access to housing finance for low-income and middle-income households through financial intermediaries.

The corporation will focus on increasing affordable housing finance to intermediaries over the medium term. As such, its loan book is expected to increase from R4.5 billion in 2022/23 to R5.9 billion in 2025/26. To fund this growth, the corporation plans to seek the Minister of Finance's approval to borrow in terms of Section 66(5) of the PFMA of 1999.

The corporation is also mandated to administer the finance-linked subsidy programme, which is set to disburse 10 405 subsidies over the medium term to

first-time home buyers at a projected cost of R1.6 billion over the MTEF period. As a result, total expenditure is expected to increase at an average annual rate of 4,7%, from R942.6 million in 2022/23 to R1.1 billion in 2025/26.

The corporation derives its revenue from interest on loans, income from controlled entities and revenue from rental properties and management fees. Total revenue is expected to increase at an average annual rate of 3,2%, from R1.2 billion in 2022/23 to R1.3 billion in 2025/26.

Social Housing Regulatory Authority

The SHRA 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 aimed to focus on increasing the number of social housing units for rental, with the aim of delivering 8 000 units per year.

against poor workmanship in newly built homes and ensures that home builders adhere to prescribed technical standards in the building process.

The council will continue to focus on improving compliance with building standards by inspecting a targeted 448 749 homes over the MTEF period. Total expenditure is expected to increase from R862.8 million in 2022/23 to R949.3 million in 2025/26 at an average annual rate of 3,2%. 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.

Revenue is expected to increase at an average annual rate of 4,4%, from R1.3 billion in 2022/23 to R1.5 billion in 2025/26 as 45 280 home builder memberships are renewed, and 155 420 houses in the subsidy sector and 137 703 houses in the non-subsidy sector are enrolled to protect consumers against poor workmanship.

To this end, expenditure on project development for social housing is set to constitute 89,4% (R2.6 billion) of total expenditure over the medium term. Expenditure is expected to increase at an average annual rate of 4.3%, from R887.4 million in 2022/23 to R1 billion in 2025/26. The entity derives all its revenue through transfers from the department. Revenue is expected to increase in line with expenditure.

Programmes and funding

Finance-Linked Individual Subsidy Programme (FLISP)

The Constitution enshrines the right of everyone to have access to adequate housing and makes it incumbent upon government to take reasonable measures to achieve this. Among government's many programmes, the FLISP is specifically intended for the market segment whose income is inadequate to qualify for a home loan but exceeds the maximum limit applicable to access government's Free Basic House Subsidy Scheme.

This market segment, generally known as the "affordable/gap" market, earns between R3 501 and R15 000 per month. Households in this segment, if buying a home for the first time, may apply for a FLISP subsidy. The subsidy attaches to the beneficiary and not to the property. This is used to decrease the mortgage bond and applies only to people who have never been assisted by government.

It is disbursed as a once-off subsidy. With effect from the 2022/23 financial year, FLISP also aimed to extend to non-mortgage housing finance facilities, and accordingly, the subsidy may be used in combination with one of the following products and situations:

- Housing loans granted or guaranteed by a pension and provident fund.
- Unsecured housing loans from any registered lender.
- Housing loans granted or guaranteed by cooperative or community-based savings schemes.
- FLISP can be used in combination with individual own resources or savings loans supported by employer-based schemes such as Government Employees Housing Scheme or private sector employer assisted housing schemes.

- Housing loans supported by Permission-to-Occupy issued by government or recognised traditional authority. With effect from 1 April 2022, the FLISP quantum range increased by between 7,2% and 10%. This change was expected to go a long way in enhancing affordability of home loans as households will be able to put in higher deposits for their home loans or cover other housing acquisition or building costs.

Rental and social housing

Social housing provides medium density rental housing to low-income households. The programme promotes the provision of affordable rental housing, monitors the performance of the SHRA and develops capabilities in the rental housing sector through intergovernmental collaboration and evidence-based research.

Over the medium term, work under the programme will include promoting the delivery of affordable rental housing by conducting research and developing policies and programmes as and when required, strengthening cooperation and collaboration by facilitating intergovernmental forums and stakeholder partnerships on an ongoing basis, and accelerating the provision of affordable rental housing by providing capital and operational funding to the SHRA to deliver 18 000 social housing units and monitoring and evaluating the financial and non-financial performance of affordable rental housing programmes and projects monthly and quarterly.

Since the last adjustment of the qualification criteria in 2018, tenants have been struggling to pay their rent due to inflation and substantial increases in utility costs. Government has revised the bands for households earning from R1 850 to R22 000 gross monthly income for people to qualify as opposed to the previous range of R1 500 to R15 000. This is expected to align with the broader definition of affordable housing programmes such as FLISP.

Integrated Human Settlements Planning and Development

The programme manages the development of policy, planning and research in the creation of sustainable and integrated

human settlements, oversees the delivery of the Integrated Residential Development Programme, and coordinates intergovernmental partnerships with stakeholders.

Over the medium term, work under the programme will include accelerating the delivery of spatially integrated housing and human settlements development by transferring and monitoring the HSDG and Title Deeds Restoration Grant to provinces, the Urban Settlements Development Grant to metropolitan municipalities, and undertaking research and developing housing and human settlements policies and programmes.

It will also promote planning coordination and strengthen intergovernmental cooperation across and within different spheres of government by providing support to provinces and municipalities in the development of 57 integrated implementation plans over the medium term and facilitating intergovernmental forums and stakeholder partnerships on an ongoing basis.

Informal Settlements

The programme provides policy, planning and capacity support for the upgrading of informal settlements, and oversees the implementation of the Informal Settlements Upgrading Programme. Over the medium term, work under the programme will include accelerating the provision of security of tenure, basic services and related infrastructure by managing the transfer of the Informal Settlements Upgrading Partnership Grant to municipalities and provinces, undertaking evidence-based research and developing responsive policies, and supporting provinces and municipalities through the National Upgrading Support Programme.

Affordable Housing

The programme facilitates the provision of affordable housing finance, monitors market trends and develops research and policy that respond to demand. It also oversees housing finance entities reporting to the Minister of Human Settlements. Over the medium term, work under the programme will include strengthening cooperation and collaboration by facilitating intergovernmental forums and stakeholder partnerships.

It will also accelerate the provision of affordable housing finance by providing capital and operational funding to the NHFC for the administration of the FLISP, researching and developing policies and programmes that promote the provision of affordable housing finance for households as and when required, and monitoring and evaluating the financial and non-financial performance of affordable housing programmes and projects.

Housing subsidies

A housing subsidy is a grant given by government to qualifying beneficiaries to be used for housing purposes. The subsidy is either paid to a seller of a house or, in new developments, it is used to finance the construction of a house that complies with the Ministerial Minimum Norms and Standards. The house is then transferred to the qualifying beneficiary.

One of the DHS's 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.

Individual subsidies

An individual subsidy provides qualifying beneficiaries with access to housing subsidies to acquire ownership of improved residential properties (a stand or house) or to finance the acquisition of a serviced site linked to a house-building contract that is not part of an approved housing-subsidy project.

The latter option is only available to beneficiaries with access to housing credit. The subsidy amount of R84 000 comprises R6 000 for the raw land cost, R22 162 for internal municipal engineering services and R55 706 for the cost of constructing the top structure.

Consolidation subsidies

This subsidy mechanism gives former beneficiaries of serviced stands, financed by the previous housing dispensation (including the Independent Development Trust's site and service schemes), the opportunity to acquire houses.

Housing Development Finance Programme

The grant funds the delivery of housing and human settlements programmes, and manages all matters related to improving access to housing finance and developing partnerships with the financial sector.

Its objectives are to:

- Manage the performance of provinces and municipalities by monitoring the expenditure and non-financial performance of human settlements development and housing programmes monthly and quarterly;
- Accelerate the delivery of housing and human settlements by providing funding from the HSDG, the Urban Settlements Development Grant and transfers to public entities on a scheduled ongoing basis;
- Improve access to housing finance by collaborating with the private sector and related entities to develop mechanisms to increase market penetration and provide loans to low- and middle-income households on an ongoing basis; and
- Ensure equal access to housing finance through monitoring the lending practices of the financial sector by publishing an annual report on mortgage finance.

Institutional subsidies

Institutional subsidies are available to qualifying housing institutions. The subsidy is paid to approved institutions to provide subsidised housing on deed of sale, rental or rent-to-buy options. This is done on condition that the beneficiaries may not be compelled to pay the full purchase price and take transfer within the first four years of receiving the subsidy. Institutions must also invest capital from their own resources in the project.

Subsidies for persons with disabilities

People with disabilities who qualify for a housing subsidy receive additional amounts to improve their houses with special additions, such as paving and ramps to their doors, grab rails in bathrooms and visible doorbells for the deaf.

Enhanced Extended Discount Benefit Scheme

The scheme promotes home ownership among tenants of

state-financed rental stock, including formal housing and serviced sites. The scheme is only available to beneficiaries who took occupation of such rented houses before 15 March 1991.

Rural subsidies

These housing subsidies are available to beneficiaries who enjoy only functional tenure rights to the land they occupy. This land belongs to the State and is governed by traditional authorities. These subsidies are only available on a project basis and beneficiaries are supported by implementing agents. Beneficiaries also have the right to decide how to use their subsidies, either for service provision, building houses or a combination of these.

Farm resident subsidies

The Housing Subsidy Programme for Farm Residents addresses the wide variety of housing needs of people working and residing on farms by providing a flexible package of housing models to suit the local context. In most instances, the programme is applied where farm residents are required to reside close to their employment obligations and where the farm land is distant from the nearest town, rendering the settlement of the farm residents in town impracticable.

Farm residents play an important role in all aspects of their housing solutions regarding the selection of options, the design and implementation phase, as well as the ongoing management of the housing stock.

Human Settlements Development Grant

The grant reflects the conditional allocation transferred to all provinces for the delivery of housing projects, as per the National Housing Code.

Rural Housing Loan Fund

The Rural Housing Loan Fund is a wholesale lending institution. It is mandated to facilitate access to housing credit to low-income rural households by providing wholesale finance through a network of retail intermediaries and community-based organisations.

International relations

South Africa is party to the UN Millennium Development Goals, which provide for the significant improvement in the lives of at least 100 million slum dwellers by 2020. In addition to these conventions, South Africa adheres to the following declarations under the UN Habitat Programme:

- Vancouver Declaration on Human Settlements of 1976; and
- Istanbul Declaration on Cities and other Human Settlements of 1996 and the Habitat Agenda of 1996, the focus of which is to address the plight of people without adequate housing.

World Urban Forum (WUF)

The WUF was established by the UN to ensure that member states and the world respond to ensure proper and sustainable management of urbanisation in towns and cities across the globe. The matters which receive attention include eradicating the ill effects of urbanisation, such as poverty, unemployment, and inequality, and managing the negative consequences of climate change on communities.

It brings together government leaders, ministers, mayors, diplomats, members of national, regional and local government, non-governmental and community organisations, professionals, academics, grassroots leadership of women and youth, to debate and propose solutions to ensure proper, working, equitable and sustainable livelihoods for households and people living in urban areas.

The forum also advises the Executive Director of the UN-Habitat and the UN-Habitat's Governing Council on key issues that should inform the work of UN Habitat and all key stakeholders in the field of human settlements and urban development.