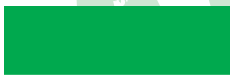


POCKET GUIDE TO SOUTH AFRICA



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HUMAN SETTLEMENTS

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HUMAN SETTLEMENTS

The Department of Human Settlements determines, finances, promotes, communicates and monitors the implementation of housing and sanitation programmes in South Africa.

Government has set itself the target of making a positive impact on the quality of life of 500 000 households by 2014, by upgrading informal settlements. The upgrade will provide households with security of tenure and access to essential services in sites that are close to economic and other social amenities.

To meet its objective of sustainable human settlements and improved quality of household life, the Department of Human Settlements has identified the following areas of priority:

- accelerated delivery of housing opportunities
- access to basic services
- more efficient land use
- an improved property market.

Between 1994 and June 2011, government built over three million homes for South Africans, giving shelter to over 13 million people.

Sustainable human settlements

By June 2011, the formalisation of 206 informal settlements had been completed. Of the 2 700 informal settlements

In terms of government's 12 outcomes, the Department of Human Settlements contributes directly to sustainable human settlements and improved quality of household life (Outcome 8).



To accelerate the delivery of basic services and housing opportunities, and improve access to the property market, the Department of Human Settlements, together with provinces and municipalities, will focus on the following outputs over the medium term:

- upgrading 400 000 units of accommodation within informal settlements
- improving access to basic services by providing universal access to sanitation
- facilitating the provision of 80 000 affordable social and rental housing units of accommodation in well-located areas
- facilitating the provision of improved housing finance opportunities for 600 000 households within the gap market for people earning between R3 500 and R12 800
- releasing 6 250 ha of public-owned land for housing development.

countrywide, 1 100 of had been identified for upgrading and a further 335 targeted for formalisation.

Cabinet approved the Comprehensive Housing Plan (CHP) for the Development of Integrated Sustainable Human Settlements (Breaking New Ground [BNG]) that aims, among other things, to eradicate informal settlements in South Africa in the shortest possible time.

The BNG incorporates principles such as the:

- integration of subsidised, rental and bonded housing
- provision of engineering services at a higher level than many other townships, and applied consistently throughout the township
- provision of ancillary facilities such as schools, clinics and commercial opportunities.

As part of the CHP, government provides a 40-m² house with two bedrooms; a separate bathroom with a toilet, shower and handbasin; a combined living area and kitchen with a washbasin; and a ready board electrical installation where electricity supply is available in the township, to qualifying households earning less than R3 500 a month.

Rental housing for the poor

Government plans to build 220 000 housing units in each financial year between 2011 and 2014. By the start of 2011/12, more than 8 000 human-settlement projects were already underway across the country.

The Housing Development Agency is fully operational, with the sole mandate to acquire land on behalf of government for human settlement. The target is to acquire 6 025 ha of land by 2014. This will provide for 500 000 housing units.

The National Upgrading Support Programme has also been established and is expected to help municipalities with upgrading projects. In addition, the Department of Human Settlements has reached an agreement with the country's major banks to form a joint working team to explore aspects of housing finance.

The National Rental Housing Strategy, which was approved in 2008, provides for people in the low-income bracket who may live in housing stock arising out of:

- provision made by previous departments
- public-sector hostels for housing migratory labour in the previous dispensation

HUMAN SETTLEMENTS

- municipal rental stock that has not been transferred to the households who inhabit the units, and which will continue to be used as rental accommodation because of the low economic status of the households
- new high-rise housing stock to be built for the specific purpose of accommodating low-income households in rental accommodation.

Many job seekers in urban areas require rental accommodation. There has been an increased demand for affordable and well-located rental accommodation. The Department of Human Settlements has developed a project pipeline with a mix of public-private sector rental stock, including the:

- Umlazi Community Rental Unit (CRU) Programme in KwaZulu-Natal
- Brooklyn Social Housing Programme in Cape Town
- Amalinda Institutional Housing Subsidy in Buffalo City, East London
- Cavendish Inner-City Private-Sector Rental in Johannesburg
- Zola Township Small-Scale Private Rental Stock for backyard dwellers in Gauteng.

All of these are aimed at creating 80 000 rental opportunities by 2014.

The CRU Programme replaces the National Hostel Redevelopment Programme and the proposed Affordable Rental Housing Programme.

There are approximately 2 000 public hostels that need to be addressed by government. There are also 200 000 residential units owned by provinces and municipalities. The programme provides a coherent framework for dealing with the many different forms of existing public-sector residential accommodation.

The CRU Programme aims to facilitate the provision of secure, stable rental tenure for lower-income individuals. The programme targets low-income individuals and households earning between R800 and R3 500 a month, who are unable to enter the formal private rental and social housing market.

More single women are buying homes in South Africa, with the number rising significantly over the last four years. According to mortgage company Ooba, the ratio of women to men in single-person home-loan applications increased from 36,53% in January 2007 to 46,94% in 2011. Single-person applications made up 49,65% of applications, compared to joint applications.



In September 2011, the Department of Human Settlements introduced Mortgage Default Insurance. This ensures that home owners have shelter if they default on their repayments. It also assures financiers and bond lenders of returns in such a situation.



This is an example of a product tailor-made to take care of the housing finance needs of low- to middle-income households that may be overlooked by banks.

The CRU Programme covers:

- public hostels owned by provincial housing departments and municipalities
- “grey” hostels that have both private and public ownership
- public housing stock that cannot be transferred and has to be managed as rental accommodation
- post-1994 newly developed public residential accommodation owned by provincial housing departments and municipalities
- dilapidated, derelict and dysfunctional buildings.

Housing institutions

The department’s support institutions play an important role in enhancing the norms and standards of housing, and making housing more accessible to all South Africans. They also 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 National Home Builders Registration Council, National Housing Finance Corporation, National Urban Reconstruction and Housing Agency, Rural Housing Loan Fund, Housing Development Agency and Social Housing Regulatory Authority.

Subsidies

A housing subsidy is a grant by government to qualifying beneficiaries for housing purposes. The subsidy is either paid to a seller of a house or, in new developments, the subsidy 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 Department of Human Settlements’ areas of responsibility relates to the bottom-most end of the market, where it provides housing subsidies to the poor. This is where

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the bulk of the housing backlog exists, affecting mainly those who earn below R3 500 a month.

The amount allocated to grants for the poor in 2010/11 totalled R15 billion, rising to R17,9 billion in 2013/14.

The following subsidies exist:

- Consolidation Subsidy
- Individual Subsidy
- Integrated Residential Development Programme
- Institutional Subsidy
- Discount Benefit Scheme
- rural subsidies
- subsidies for people with disabilities
- People's Housing Process
- farm resident subsidies
- Finance-Linked Subsidy Programme.