



Access to housing and secure accommodation is an integral part of government's commitment to reduce poverty and improve people's quality of life.

Since the launch of the *White Paper on Housing* in December 1994, housing has undergone fundamental changes. By February 2003, some 1,46 million units had been completed under the subsidised housing scheme, with another 300 000 in the pipeline, thereby ensuring that at least 8,5 million previously disadvantaged South Africans have the dignity and security of a stable home, secure tenure and access to basic services. The total number of subsidies already approved was 1 759 654. Direct government subsidies to housing since the election of the first democratic Government amounted to R24,2 billion by February 2003.

These are four-roomed structures with basic services but for people who previously lived in informal settlements or were homeless, they mean dignity, the creation of settled communities and the chance to dream of greater things.

Resource constraints and changing demographics now necessitate an even more rigorous focus on quality, rather than the former quantity-driven approach, with policy adapting to this changing outlook.

It has been realised that the laudable post-1994 efforts to bring housing to people placed too great an emphasis on ownership. In future there will be, among other things, a stronger focus on rented accommodation.

In September 1999, the Rental Housing Act was passed to ensure that more houses are provided for rental purposes and to regulate the behaviour of unscrupulous landlords so that tenants do not pay exorbitant rents.

The proposed new Social Housing Bill will further enhance the access of the poor to affordable rental housing and housing credit.

Recognising the need to align national, provincial and local budgets and planning processes, and budget co-ordination across national departments, the Human Settlement Redevelopment Programme was initiated in 1999. The Programme aims to improve the quality of the urban environment and to address the legacy of dysfunctional urban structures, frameworks and imbalances.

South African home owners already enjoy strong protection with legislation, for instance, giving owners legal recourse in the event of shoddy workmanship. By compelling banks and financial institutions to disclose lending data, discriminatory lending is discouraged.

A major thrust of public-sector involvement in the provision of decent, affordable housing has been the initiative to redevelop hostels. These structures were originally built to accommodate migrant workers in the major urban centres and are now being progressively transformed into accommodation that is suitable for a mix of single people and families. By May 2002, government had spent R775 million on upgrading hostels.

Another new outlet for government's housing funds is the People's Housing Process which supports those people who are willing and able to commit their



resources, skills and energies to housing themselves, in effect those people who want to build their own homes. The Process gives such people technical, financial and other support.

### **Subsidies**

Individual ownership subsidies are allocated to help beneficiaries become home owners. The Housing Subsidy Scheme currently provides six funding options to all eligible people earning R3 500 per month or less. New housing subsidy programmes are being developed and certain existing programmes are enhanced, including rental and social housing subsidies

Anyone getting a housing subsidy must now contribute either in kind or financially. Contribution in kind entails participation in People's Housing Process

**DID YOU KNOW?** Between 1994 and 2002, some 1,46 million houses had been delivered to the people or were under construction under the Government's subsidised housing scheme.

projects and therefore the building of their own houses. Where beneficiaries elect to opt for contractor-built houses, a minimum financial contribution of R2 479 must be paid up front. Indigent people are assisted with increased subsidies. The minimum product cost of a subsidised house amounts to

R22 800, the amount indigent beneficiaries receive. These people are the aged, disabled and ill.

Project-linked subsidies give individuals the opportunity to own houses in approved projects. From the introduction of project-linked subsidies up to March 2002, 2 510 housing projects, representing 1 247 974 housing opportunities were approved.

### **Housing institutions**

The National Home-builders Registration Council (NHBRC) has begun to administer the Housing Consumers Protection Measures Act, 1998. In April

2001, the Act was extended to all new government-subsidised housing schemes. According to this Act, anyone who is in the business of home-building must be evaluated by and registered with the NHBRC. Re-evaluations are then undertaken every year.

Every new home built by registered home-builders must be enrolled with the NHBRC. Previously, this applied to homes with a selling price below R250 000. However, the Act obliges all homes, irrespective of selling price, funding option or form of tenure, to be enrolled, even when an architect has been appointed.

Servcon Housing Solutions was established as a joint venture between the Department of Housing and the Council of South African Banks (COSAB) in 1994.

Servcon was mandated to provide exclusive management services with respect to the designated portfolio comprising 33 306 properties in possession (PIPs) and non-performing loans (NPLs) with a value of R1,277 billion, for a period of eight years from 1 April 1998 to 31 March 2006. The mission of Servcon is to normalise the lending process, by managing NPLs and PIPs in areas where the normal legal process has broken down in terms of the normalisation programme agreed to by the Department and COSAB.

Servcon has four programmes, namely:

- the rescheduling programme, which assists those who can afford an existing property by providing a mechanism to reassess the property to arrive at a reasonable buy-back or new-debt amount
- the subsidised rental programme that gives the occupant time to adjust to paying again after a period of non-payment
- rightsizing, which is designed for the owner/ex-owner who cannot afford a property or the rental option, by offering assistance to procure and finance in whole or part, an alternative affordable house
- special assistance, which is provided to the aged and disabled, such as providing relocation assistance in situ, i.e., without having to relocate.

The Social Housing Foundation was established in

November 1997 to seek international donor funding and technical expertise for social housing projects. Its mandate is to broadly develop and build capacity for housing institutions, to encourage networking both locally and internationally by bringing various players together in a range of different forums, to promote information and skills exchanges and co-operation, and to develop a policy framework for social housing.

It intends to achieve this by:

- promoting a sustainable social housing-provider network
- influencing national social housing policy
- mobilising resources for the sector
- empowering core clients towards long-term sustainability
- achieving business service excellence.

The National Urban Reconstruction and Housing Agency (NURCHA) is a further intervention aimed at mobilising finance for low-income housing. Created by government in conjunction with the Open Society Institute of New York, it offers guarantees to banks otherwise unprepared to approve bridging finance loans to developers, thereby helping to expedite housing delivery. NURCHA also invests equity in large-scale housing developments and guarantees end-user finance. It also initiates savings programmes, which by February 2003 had recruited 27 000 members.

The Special Integrated Presidential Project for Urban Renewal was identified as one of the first Presidential Lead projects. The aim of the Project was to kick-start development in major urban areas, focusing on violence-torn communities and those in crisis. It was developed to ensure an integrated approach to the provision of infrastructure, housing, community and recreation facilities and job opportunities. The project aims to transform previously disadvantaged communities and create sustainable and habitable living environments.

Projects within 31 communities, in all nine provinces, have been identified.



Work includes the provision of housing, hostel and road upgrading, the provision of electricity and improvements to social services such as child-care facilities, schools, sports fields, libraries, police stations and centres for the aged.