



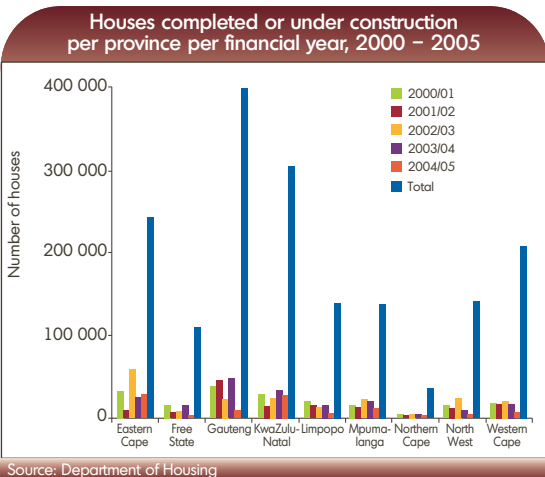
Housing

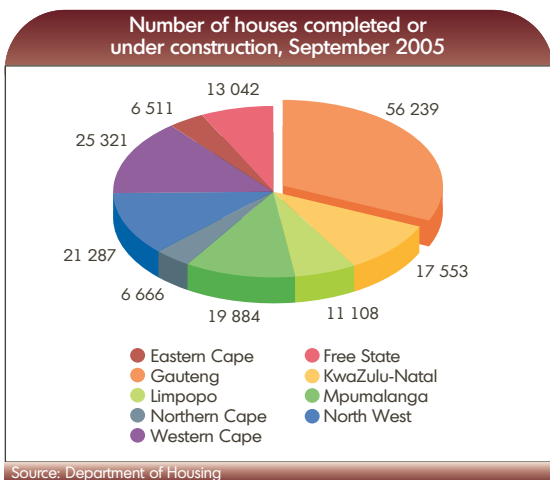
Access to housing and secure accommodation is an integral part of government’s commitment to reduce poverty and improve the quality of people’s lives.

Achievements

Between 1994 and June 2005, a total of 2,4 million housing subsidies were approved. During this period, 1,7 million housing units were provided to more than seven million people.

In 2004/05, some 178 612 housing units were completed.





Comprehensive Housing Plan

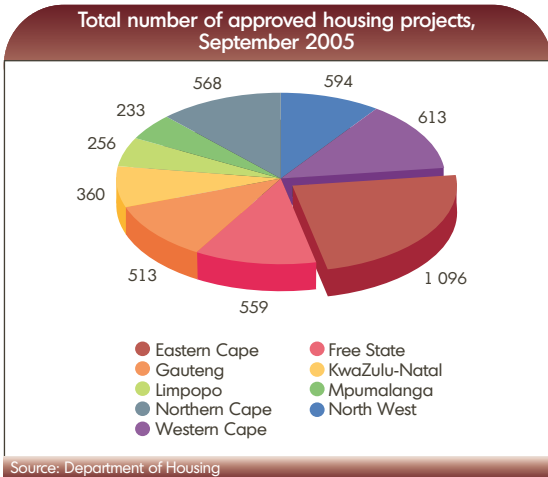
In September 2004, government unveiled the Comprehensive Housing Plan for the Development of Integrated Sustainable Human Settlements.

Cabinet approved the plan as a framework for housing programmes in the next five years. It provides for comprehensive oversight by government in promoting the residential property market. This includes the development of low-cost housing, medium-density accommodation and rental housing; stronger partnerships with the private sector; social infrastructure; and amenities.

The plan also aims to change spatial settlement patterns, informed by the need to build multicultural communities in a non-racial society.

Human Settlement Redevelopment Programme

This programme aims to improve the quality of the urban environment and addresses the legacy of dysfunctional urban structures, frameworks and imbalances through multiyear housing development plans.



A multipronged approach, this programme aims to redevelop depressed areas, counter spatial distortion, provide essential community facilities and re-plan existing settlements. This could entail slum clearance and resettlement.

By February 2005, more than 180 projects to improve dysfunctional human settlements had been approved and were funded through the Human Settlement Redevelopment Programme.

The Human Settlement Redevelopment Grant and the Housing Subsidy Grant have been consolidated into a single integrated housing and human settlement grant to accommodate this responsive, area-based approach to housing delivery.

In the 2005 Budget, an additional allocation was made of R50 million for 2005/06 to step up the housing programme so that all informal settlements can be upgraded by 2014.

Additional funding amounting to R500 million in 2006/07 and R1,5 billion in 2007/08 has been allocated.

In January 2005, South Africa hosted the African Ministerial Conference on Housing and Urban Development (AMCHUD) at the International Convention Centre in Durban.

At the event, South Africa was elected chair and Kenya a rapporteur until 2007. Other members of the Bureau of AMCHUD are Senegal, Algeria and Chad. In various follow-up fora, South Africa presented the common African position on the eradication of slums relating to the inadequacy of the presently agreed upon slum target that is contained in the millennium development goals, the need for the international community to meet their commitments in respect of finance, as well as debt relief and cancellation.

In March 2005, the Minister of Housing, Dr Lindiwe Sisulu, signed a memorandum of understanding (MoU) with the Banking Association of South Africa in Pretoria.

The MoU is in line with the commitment of the Financial Services Charter and the Comprehensive Plan on Sustainable Human Settlements to extend housing finance on a sustainable basis to low-income borrowers.

The banking sector has pledged R42 billion to be released into the affordable housing market by 2008.

Housing projects today aim to encourage previously marginalised communities and particularly women contractors.

Legislation

Recent housing legislation has been aimed, among other things, at:

- The construction of more rental housing. (Special tribunals have been set up in three provinces to mediate disputes between landlords and tenants.)
- Requiring lending institutions to disclose mortgage information to prevent discriminatory lending.
- Requiring all home-builders to register new houses with the official Defect Warranty Scheme managed by the National Home-Builders Registration Council (NHBRC). The NHBRC registered 3 739 home-builders (an increase of 23,7% from 2003) and enrolled 48 305 housing units by March 2004 (an 11,5% increase from 2003).

Delivery partners

The Department of Housing collaborates with various organisations towards breaking new ground in housing delivery.

- The National Housing Finance Corporation (NHFC) has made significant strides towards making affordable housing finance accessible to the low- and moderate-income communities. The NHFC had disbursed more than R1,7 billion by mid-2005.
Through its funding, the lives of almost two million people were improved. The NHFC is the implementing agent for the first rental housing projects initiated through the Presidential Job Summit pilot project on rental housing.
- By March 2005, the National Urban Reconstruction and Housing Agency – a partnership between the Government and the Open Society Institute of New York – had financially supported the building of 146 984 houses.
- As a joint venture between the Department of Housing and the Council of South African Banks, Servcon Housing Solutions manages non-performing loans (NPLs) and properties in possession (PIPs) in areas where normal legal processes have broken down. Servcon inherited 33 306 properties with a value of R1,277 billion. By 31 March 2005, Servcon had normalised 21 953 properties and anticipated achieving the full target of 33 306 by 31 March 2006.
- Thubelisha Homes, a not-for-profit company, helps the owners of PIPs or NPLs to relocate to more affordable homes. By May 2005, Thubelisha had serviced 3 000 stands and built 3 674 houses, using skills such as project and construction management and subsidy administration.
- Another not-for-profit company, the Social Housing Foundation (SHF), aims to build capacity for social housing institutions. The SHF and the social housing sector have shown significant growth. By March 2004, there were 83 social housing institutions in South Africa.

In 2005/06, government awarded the SHF a grant of R18 million.

- The Rural Housing Loan Fund's (RHLF) main purpose, as a wholesale lending institution, is to enable retail institutions to provide loans to low-income earners to finance housing in rural areas.

By March 2004, the RHLF-funded intermediaries had made available more than 53 209 loans to rural borrowers for incremental housing and home improvement, totalling R250 million.