



# HUMAN SETTLEMENTS



## Pocket Guide to South Africa 2010/11

# HUMAN SETTLEMENTS

The Department of Human Settlements aims to transform the country's residential areas and build communities with closer access to work and social amenities, including sports and recreational facilities.

Between 1994 and June 2010, government built over 2,7 million homes for South Africans, giving shelter to more than 13 million people.

Spending on housing service delivery increased from R4,8 billion in 2004/05 to R10,9 billion in the 2009/10 financial year – at an average rate of 23%.

Nationally, over 570 housing projects had been approved and a housing grant of R12,4 billion allocated for the 2010/11 financial year, translating into the construction of 226 000 new housing units across all nine provinces.

### Sustainable human settlements

By February 2010, there were less than 2 700 informal settlements across South Africa accommodating more than 1,2 million households.

Cabinet approved the Comprehensive Housing Plan 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

These are some of the Department of Human Settlements' highlights in 2010:

- provinces spent a total of R12,2 billion, or 98,4% of their allocation, by 21 April 2010
- increased roll-out of sanitation infrastructure programmes in rural areas
- significant progress was made in building local government capacity through the municipal accreditation process, whereby all six metros and four local municipalities were assessed
- the Sectional Titles Schemes Management Bill and the Community Schemes Ombuds Service Bill were introduced to Parliament
- good progress was made in the department's war on corruption.



The new National Housing Code, which was published in February 2010, aligns housing policy and programmes with the Comprehensive Plan for the Development of Sustainable Human Settlements (Breaking New Ground). The code is more flexible to cater for project-specific challenges and development conditions. It was developed on the basis of the four key interventions envisaged in the Comprehensive Plan.

The Farm Residents' Housing Assistance Programme is incorporated in the National Housing Code. The programme provides for housing assistance to eligible farm residents who will hold rental or freehold tenure. It also includes assistance to the beneficiaries of the Department of Rural Development and Land Reform's Labour Tenants Programme.

During 2009/10, the department developed a set of pro forma contracts to assist the provinces and municipalities with the implementation of the programme.

- combination of different housing densities and types, ranging from single stand-units to double-storey units and row houses.

By May 2010, 500 00 informal settlement dwellings were being upgraded.

## Rental housing for the poor

Since the introduction of the Social Housing Programme in 1998, more than 42 000 rental units have been developed using the Institutional Subsidy Programme.

The National Rental Housing Strategy, which was approved in 2008, sets the delivery target of 100 000 rental housing units by 2012. This will comprise 75 000 social housing and 25 000 community residential units.

The Affordable Rental Housing Programme is one of government's initiatives to address the housing backlogs. The objective of this programme, which has an urban focus, is to increase the rate of affordable rental housing delivery to 300 000 units a year by 2014.

The programme 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
- municipal rental stock, which has not been transferred to the households who inhabit the units, and which will



## Pocket Guide to South Africa 2010/11

# HUMAN SETTLEMENTS

In February 2010, British news magazine *The Economist*, reported that South Africa was the best performing housing market in the world over the longer term.

South African house prices rose by a cumulative 418% between 1997 to 2009 according to the magazine's global house price index, outstripping the other 20 housing markets that were observed by the index.



continue to be used as rental accommodation because of the low economic status of the households

- new high-rise housing stock that will be built for the specific purpose of accommodating low-income households in rental accommodation.

## Housing institutions

The department's support institutions play an important role in enhancing the norms and standards of housing, as well as 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 and the Housing Development Agency.

## Subsidies

A government housing subsidy is a grant provided by government to qualifying beneficiaries for housing purposes. Government does not give beneficiaries cash. The grant is used only for acquiring housing goods and services or the provision of complete houses that comply with the minimum technical and environmental norms and standards.

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.