



OFFICIAL GUIDE TO
South Africa

2018/19

**Human
Settlements**

The Department of Human Settlements (DHS) derives its core mandate and responsibilities from Section 26 of the Constitution of the Republic of South Africa of 1996 and Section 3 of the Housing Act of 1997, read in conjunction with approved policies and chapter 8 of the National Development Plan (NDP).

This allows the DHS, in collaboration with provinces and municipalities, to establish and facilitate a sustainable national housing development process. The department does this by: determining national policy and national norms and standards for housing and human settlements development; setting broad national housing delivery goals, and monitoring the financial and non-financial performance of provinces and municipalities against these goals.

In executing these roles and responsibilities, the department also builds capacity for provinces and municipalities, and promotes consultation with all stakeholders in the housing-delivery chain, including civil society and the private sector.

The DHS is committed to the NDP's vision of transforming human settlements and the spatial economy to create more functionally integrated, balanced and vibrant urban settlements by 2030.

Outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 Medium Term Strategic Framework is aligned with this vision and guides the work of the department, as well as its commitment to improving institutional capacity and coordination across government.

The NDP sets out a human settlements trajectory proposition that, 'by 2050 visible results from effectively coordinated spatial planning systems shall have transformed human settlements in South Africa into equitable and efficient spaces with citizens living in close proximity to work with access to social facilities and essential infrastructure'.

According to Statistics South Africa's (Stats SA) General Household Survey (GHS) of 2018, about 81,1% of all households resided in formal dwellings in 2018.

Although the percentage of households that have received some kind of government subsidy to access housing has increased from 5,6% in 2002 to 13,6% by 2018, 13,1% of households were still living in informal dwellings. This could be attributed to the fact that rapid household growth and population relocation is making it very difficult to address existing backlogs in the face of fresh demands.

Towards integrated human settlements

The DHS's ongoing policy review seeks to reinforce the shift from housing to human settlements, as envisaged in the Breaking New Ground strategy and chapter 8 of the NDP. The emphasis is on creating integrated, mixed-use, mixed-income developments that support densification and the development of transport-oriented corridors, and provide access to housing, and social and economic amenities.

Providing integrated human settlements also entails increasing access to and delivering adequate housing and housing services in high quality living environments, providing affordable rental housing and state-subsidised units, delivering title deeds, and providing temporary shelter for housing-related emergencies, among other interventions.

Housing entities

The department's housing entities include the:

- **National Home Builders Registration Council (NHBRC)**, which represents the interests of housing consumers by providing warranty protection against defined defects in new homes and to regulate the home building industry. The NHBRC also provides training and capacity building to promote and ensure compliance with technical standards in the home-building environment.
- **Community Schemes Ombud Service**, which provides a dispute-resolution service for community schemes; monitors and controls the quality of all governance documentation relating to sectional title schemes; and takes custody of, preserves and provides public access to scheme governance documentation.
- **Estate Agency Affairs Board**, which regulates, maintains and promotes the conduct of estate agents; issues certificates from the Estate Agents Fidelity Fund; prescribes the standard of education and training for estate agents; investigates complaints lodged against estate agents, and manages and controls the Estate Agents Fidelity Fund.
- **Housing Development Agency**, which identifies, acquires, holds, develops and releases state-owned and privately owned land for residential and community purposes; and project manages housing developments for the creation of sustainable human settlements.
- **National Housing Finance Corporation (NHFC)** – In October 2018, the Rural Housing Loan Fund (which

facilitates access to housing credit to low income rural households by providing wholesale finance through a network of retail intermediaries and community-based organisations) and the National Urban Reconstruction and Housing Agency (which provides bridging finance to contractors building low to moderate income housing, infrastructure and community facilities) merged with the NHFC to achieve improved efficiencies, economies of scale and a more sustainable housing finance model. This was the first step towards establishing a new, consolidated finance institution for the development of human settlements. The institution was expected to be formally established over the medium-term period, and was expected to support broader funding in the human settlements value chain.

- **Social Housing Regulatory Authority**, which regulates the social housing sector, and ensures a sustainable and regulated flow of investment into the social housing sector in order to support the restructuring of urban spaces by providing capital grant to accredited social housing institutions.

Subsidies

A housing subsidy is a grant by government to qualifying beneficiaries for housing purposes. One of the DHS 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.

According to Stats SA's GHS of 2018, the percentage of households that received some form of government housing subsidy increased from 5,6% in 2002 to 13,6% in 2018.

A slightly higher percentage of female-headed households (17,4%) than male-headed household (11,0%) 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.

Government Employees Housing Scheme (GEHS)

The GEHS was established in 2015/16 to assist public service officials on salary levels 1 to 10 with collateral for access to

home loans and home ownership.

The objective of the scheme is to:

- support, educate and advice employees on housing options and opportunities;
- enhance employees access to affordable housing;
- promote home ownership and facilitate asset security among employees;
- assist employees to access affordable housing loans and finance;
- assist employees to rent houses with a view to buy and own homes; and
- provide transitional arrangements towards the GEHS.



