



Photograph: Don Boroughs/PictureNET Africa

# Housing

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. Some 1,45 million housing subsidies were approved and 1,3 million housing units constructed, providing more than six million poor people with secure tenure and safe homes.

Since 1994, government has invested R18 billion in housing. However, resource constraints and changing demographics now necessitate a more rigorous focus on quality, rather than the former quantity-driven approach. Housing policy and strategy have therefore been adjusted to accommodate this new focus.

The Housing Programme will in future also emphasise pressure relief. It balances urban and rural development, counters housing fraud, and facilitates urban renewal, especially in inner cities. Attention will furthermore be paid to monitoring and performance evaluation to assess the elements of the national housing strategy. Initially, housing policy placed too much emphasis on ownership, but it has been recognised that the lack of a co-ordinated rental housing policy is a shortcoming.

The Human Settlement Redevelopment Programme succeeds the Special Integrated Presidential Projects as a strategic intervention for urban renewal.

The Human Settlement Redevelopment Programme impacts on the lives of people and communities in a physical, social, economic and environmental context. The Programme will fill the gap in the development needs of dysfunctional and disadvantaged communities, which cannot be addressed through existing, alternative government programmes.

Recognising the need to align national, provincial and local budgets and planning processes, and budget co-ordination across national departments, this Programme of pilot projects was initiated in 1999. Its aim is to improve the quality of the urban environment and to address the legacy of dysfunctional urban structures, frameworks and imbalances. To achieve this, the Department of Housing introduced a system of multi-year housing development plans to be applied coherently across the three spheres of government. These plans are to be updated annually on a rolling basis. They have to take into account current housing needs and backlogs, as well as available resources, and on that basis prioritise the needs of the various national housing programmes.

A need was identified for a programme to assist municipalities to initiate Human Settlement Redevelopment projects, which will focus on correcting imbalances and dys-

---

◀ Since 1994, some 1,45 million housing subsidies have been approved and 1,3 million housing units constructed, providing more than six million poor people with secure tenure and safe homes.

functionalities of the human settlement patterns by:

- addressing the nature and underlying reasons for dysfunctionality
- providing a source of funding to correct such dysfunctionality and act as catalyst to gear other sources
- co-ordinating sources of development funding to promote holistic and integrated development
- adding value to projects which can be funded through other processes and programmes.

The following broad categories of projects are considered under the Programme:

- infrastructure upgrading initiatives to facilitate the redevelopment of depressed areas or to improve access to employment and business opportunities.
- land intervention initiatives to counter spatial distortion and enhance the integration of human settlement.
- replanning and redevelopment of existing human settlements, which could entail slum clearance, acquisition of property, planning of redevelopment initiatives and resettlement of people.
- consolidation initiatives where previous housing/development initiatives resulted in unsafe, inappropriate or substandard development in need of enhancement.
- provision of essential community facilities and amenities.
- special development-needs projects to satisfy Presidential requests that may entail cross-functional co-operation and co-ordination and require extraordinary solutions outside of approved government programmes. Lately, the focus of these programmes have, to a large extent, fallen on the Presidential Urban Renewal Strategy and the Integrated Sustainable Rural Development Programme (ISRDP).

By March 2002, government had spent R18,2 billion on housing. It also committed R140 million in 67 areas in all the provinces to the Human Settlement Redevelopment Programme.

## Legislation and policy

### Rental Housing Act, 1999

In September 1999, the Rental Housing Act, 1999 (Act 50 of 1999), was passed in Parliament 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.

It also provides for a special tribunal to mediate between landlords and tenants in the event of disputes. It outlaws the existing practice of evicting long-standing tenants from their homes without mediation.

The Act came into effect on 1 August 2000.

Rental Housing Tribunals have been established and are operating in Gauteng and the Western Cape. The remaining provinces are in the process of establishing tribunals.

The Social Housing Foundation has been statutorily recognised and mandated to promote the concept of co-operative housing and to assist in the establishment of institutions to hold and manage housing stock on a sustainable basis.

### Home Loan and Mortgage Disclosure Act, 2000

The Home Loan and Mortgage Disclosure Act, 2000 (Act 63 of 2000), provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities. It requires financial institutions to disclose information and identifies discriminatory lending patterns. The Act is aimed at promoting equity and fairness in lending and disclosure by financial institutions, and will be implemented as soon as the Regulations under the Act have been promulgated.

The Act aims to encourage banks and financial institutions to grant home loans to all its clients. It compels banks and financial institutions to disclose annual financial statements so that their lending practices in respect of home loans can be monitored.



## Housing Consumer Protection Measures Act, 1998

According to the Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998), residential builders have to register with the National Home-builders Registration Council (NHBRC) and are obliged to enrol all new houses under the NHBRC's Defect Warranty Scheme. The first phase of the Act came into effect on 4 June 1999, making the NHBRC a statutory body.

The aim of the Act is to protect home owners from inferior workmanship. Builders are responsible for design and material defects for three months, roof leaks for a year and structural defects for five years. NHBRC inspectors may assess workmanship during and after the building process.

Banks are compelled by law to insist on home-builder registration and enrolment prior to granting a mortgage loan or finance.

All new government-subsidised housing units enjoy protection against shoddy workmanship by housing contractors from April 2002. Through the Housing Consumer Protection Measures Act, 1998, these properties, which were built with funding only from the Government's housing subsidy grant, now for the first time enjoy protection against structural defects and must comply with minimum technical norms and standards.

Previously, this was the responsibility of the poor because their properties did not qualify for such protection. The NHBRC provides that registered builders deliver within the minimum housing standards, which among other things, demand that houses should at least be 30 m<sup>2</sup> in size.

## Housing Amendment Act, 2001

The Housing Amendment Act, 2001 (Act 4 of 2001), removes some of the inefficiencies in the institutional arrangements covered in the Housing Act, 1997 (Act 107 of 1997). The Amendment Act, 2001 abolished Provincial Housing Development Boards, transferring their powers, duties, rights and obligations to

the provincial members of executive councils responsible for housing. The Act empowers the Minister to determine a procurement policy on housing development and puts regulatory measures in place to restrict the sale or alienation of State-subsidised housing.

The Housing Amendment Act, 2001 came into operation on 1 February 2002.

## Draft Social Housing Bill

A Draft Social Housing Bill was developed in 2001. The Bill is being refined in line with the Social Housing Policy discussion document that has been developed.

It aims to establish a sustainable social housing process, provide for the establishment of the Office of the Registrar of Social Housing Institutions and afford statutory recognition to housing institutions.

This Office will establish accreditation processes and criteria for housing institutions and generally regulate, inspect and do all things necessary to ensure good governance and sustainability of housing institutions.

## Public Sector Hostel Redevelopment Programme

The Public Sector Hostel Redevelopment Programme Policy was approved during 1994. In summary, it provides for:

- the funding of redevelopment initiatives to create humane living conditions in hostels
  - hostel inhabitants to be involved in redevelopment initiatives and the ongoing administration of the redeveloped complex
  - the upgrading of dilapidated complexes and/or the redevelopment of hostels into family units or a combination of single sex units and family accommodation on a rental and/or ownership basis
  - in line with subsidies, a funding limit of R16 000 per family or R4 000 per single person to finance redevelopment initiatives.
- During a media briefing in March 2002, the Minister of Housing, Ms Sankie Mthembu-

Mahanyele said that the Hostel Redevelopment Policy was being reviewed. The fundamental objective of the policy review process is to move away from the so-called redevelopment of hostels to an approach where sustainable rental housing stock will be created and maintained.

Pilot projects totalling R12 million were conducted in Gauteng, KwaZulu-Natal, the Western Cape and the Free State. Their provincial housing departments were mandated to formulate policy proposals based on the achievements of the pilots projects. Their proposals were the following:

- The management of the hostel complexes after the completion of redevelopment initiatives should be enhanced by the introduction of suitable access control measures, computerised database systems and clearly-defined 'house rules'. This is to prevent uncontrolled overcrowding.
- Special arrangements are required for women in female hostels and for those whose children live with them.
- Hostel owners should be obliged to administer the hostels so that they adequately recover costs and provide for future maintenance costs.
- Residents of the hostels should, where possible and feasible, be employed by building contractors to undertake construction work.
- Hostel residents should be placed in charge of the day-to-day management of the complexes to engender a culture of ownership. The residents should receive formal training in management skills, the registration of applications for accommodation, allocation of units and the maintenance of the complex.
- With regard to the ownership option, it was recommended that beneficiaries who wish to own hostel units should be encouraged to access this right in terms of the Housing Subsidy Scheme.
- The funding limit was identified as a major problem area and suggestions are being tabled to replace it with an acceptable

alternative funding structure.

- Stricter control over the occurrence of unauthorised trading practices within hostels should be enforced.

A special task team has been established, comprising technical and policy experts from the nine provincial housing departments, key municipalities that own public-sector hostels and the national Department. The fundamental policy changes already identified by the task team comprise the following:

- The Public Sector Hostel Redevelopment Policy should be converted into a policy framework for the creation of sustainable rental housing stock. This stock should augment government's new emphasis on the provision of medium-density housing stock and rental housing options such as those to be provided within the Presidential Job Summit initiative.
- As a substitute for the current funding limit, a flexible minimum standard, linked to standard finishing norms, as well as costing parameters should be introduced.

The revision process has been concluded. The replacement of the funding limit is being finalised.

By May 2002, the Government had spent R775 million on the upgrading of hostels.

## Funding

For 2001/02, the Department received a total amount of R3 225,958 billion to finance national and provincial housing programmes while R3 739,624 billion was allocated for 2002/03.

The allocation is made annually on the basis of a formula that takes into account the backlog in each province, the number of households in various income categories of the subsidy scheme, the ratio between urban and rural housing, and the performance of the relevant provincial government.

Another leg of the National Housing Subsidy Policy was launched in April 1998. The People's Housing Process recognises the



efforts and initiatives of those who prefer to build their own houses and are prepared to commit their resources, skills and energies to housing themselves. It provides technical, financial and other support to these people. Funding is administered through the provincial housing departments, while the People's Housing Partnership Trust (PHPT) helps build the capacity to speed up delivery.

## Capacity-building

The lack of capacity, which entails an efficient workforce and the installation of appropriate technology, equipment, and systems for monitoring, evaluation and reporting purposes, is one of the major constraints in housing delivery.

The Department has embarked on numerous capacity-building initiatives. The aim of these initiatives is to enable national, provincial and local spheres of government to effectively administer national housing programmes by equipping them with the necessary knowledge and skills to perform their functions efficiently.

The main focus of the 2002/03 provincial capacity-building programmes is to ensure that they are aligned to both provincial and national housing priorities. Training should be focused on both strategic and operational interventions to meet the needs at each level. The main emphasis of the intervention is on local government level.

Each province has been allocated an amount of R1,1 million with the exception of the Northern Cape, which has been allocated R1,2 million. The total amount allocated to all provinces for housing capacity-building in 2002/03 is R10 million. The money has been allocated directly from National Treasury to the respective provinces.

The national Department, in conjunction with all provinces, conducted the following activities:

- In July 2001, research was conducted to determine provincial capacity-building

gaps. This was followed by workshops with all provincial housing departments to discuss the outcomes of the research.

- There is a need for an ongoing impact assessment of capacity-building interventions to establish their effect on the delivery of housing. The Department developed guidelines for provinces in respect of impact evaluation and all provinces have included impact evaluation in their plans.

Most of the issues raised above will be addressed in a medium to long-term plan. The Department is finalising a Strategy on Housing Capacity-building that will deal with the medium to long-term issues.

## Housing subsidies

Individual ownership subsidies are allocated to help beneficiaries acquire ownership of fixed residential property (housing opportunities) for the first time. The Housing Subsidy Scheme currently provides six funding options to all eligible people in the income bracket of R3 500 per month or below.

New housing subsidy programmes are being developed and certain existing programmes are enhanced, including rental and social housing subsidies. The housing subsidy programmes, including project-linked subsidies, are also being revised to introduce a procurement prescript compliant regime, consolidation subsidies, people's housing process, rural subsidies and institutional subsidies. The Department also developed the phasing-out of subsidy subprogrammes to address the subsidies of the previous dispensation.

It further developed policy frameworks on rental housing and for the Human Settlement Development Programme. It addressed capacity needs in provincial and local government by training housing managers and administrators through classroom tuition. This programme was developed in collaboration with tertiary institutions.

The main subsidy levels linked to household income from 1 April 2002 are as follows:

Household income (R)	Subsidy (R)
0 – 1 500	20 300
1 501 – 2 500	12 700
2 501 – 3 500	7 000

With effect from 1 April 2002, all housing subsidy beneficiaries must contribute either in kind or financially. The National Savings Programme for Housing is administered by the National Urban Reconstruction and Housing Agency (NURCHA).

Contribution in kind entails participation in PHP 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 upfront. Certain categories, classified as indigent, will be assisted by the granting of increased subsidies. The minimum product cost of a subsidised house amounts to R22 800. The indigent beneficiaries will receive R22 800 in subsidies. These are the aged, disabled and ill-stricken beneficiaries.

The National Housing Subsidy Programme has proved to be very effective in serving as an instrument of social upliftment.

Financial support to poor communities is provided as part of the Consolidated Municipal Infrastructure Programme.

**Project-linked subsidies**

Project-linked subsidies give individuals the opportunity to own houses in approved projects. From the introduction of project-linked subsidies until March 2002, 2 510 housing projects, representing 1 247 974 housing opportunities, were approved. Accordingly, the same number of project-linked subsidies has been reserved.

**Individual subsidies**

The individual subsidy affords people access to housing subsidies to acquire ownership of an existing property or a property in a project not approved as part of a project-linked subsidy project. A person may also buy a serviced

site linked to a house-building contract. The individual subsidy can be used in two different ways:

- on a non-credit basis, where only the subsidy amount is used to acquire a property
- on a credit-linked basis, where a home loan is also obtained from a mortgage or non-traditional lender to buy a property.

**Consolidation subsidies**

Through the consolidation subsidy, there were people who received housing assistance from government in the form of ownership of serviced sites, including ser-vised sites under the auspices of the Independent Development Trust.

Those beneficiaries who received assistance may apply for a further benefit from government to improve their housing circumstances. The consolidation subsidy is granted for the provision or upgrading of a top structure on such a site.

As from April 2002, the subsidy category is R10 900 for a monthly income up to R1 500. Such beneficiaries must also contribute either in kind or financially.

**Institutional subsidies**

Subsidies are available to institutions creating affordable housing stock to allow eligible people to live in subsidised residential properties with secure tenure. The properties will often be rented, but tenure forms based on share blocks, deeds of sale or full ownership are not excluded.

On an approved project, an institution is entitled to receive R20 300 for each residential property that will be occupied by qualifying beneficiaries. Cost recovery is required with respect to the management and administration of projects that receive institutional housing subsidy support.

**Relocation assistance**

Government's initiatives to stabilise the housing environment resulted in the development of a relocation assistance mechanism. It provides an alternative to defaulting borrowers



who were three months in arrears on 31 August 1997, and where the rehabilitation of their mortgage loans was not affordable.

The relocation instrument provides for the conclusion of a rental arrangement on a monthly basis to stay on the relevant property, pending relocation to an affordable property. The Government provides assistance in the form of a Relocation Assistance Grant, equal to the subsidy for which a person would normally qualify, while banks provide a mortgage loan that the individual can afford. The process has been commonly termed 'rightsizing'.

By March 2002, relocation assistance had been approved to enable 2 870 beneficiaries to acquire affordable housing. A shortage of alternative housing is, however, delaying progress. In an effort to alleviate this problem, the company managing the initiative, Servcon Housing Solutions (Pty) Ltd, was given the opportunity to establish a housing construction entity. The construction company will focus on the building of houses to accommodate beneficiaries who wish to relocate to affordable houses.

### Discount Benefit Scheme

The Discount Benefit Scheme promotes home-ownership among tenants of State-financed rental stock, including formal deed-of-sale housing and serviced sites.

In terms of the Scheme, tenants receive a maximum discount of up to R7 500 on the selling price or outstanding loan balance of a property. Often the discount equals the selling price of the property, which is then transferred free of charge to the tenant. Some one million households qualify for assistance under the Discount Benefit Scheme. By March 2002, a total of 396 546 beneficiaries had received their title deeds through the Scheme.

## Housing institutions

### National Home-builders Registration Council

In March 2001, the Minister appointed a 14-member board for the NHBRC.

In 1999, the NHBRC, previously a company established under Section 21 of the Companies Act, 1973 (Act 61 of 1973), began 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. Under the previous NHBRC, 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.

The Act obliges all home-builders to warrant that the:

- home will be fit for habitation
- home will be built in a workmanlike manner
- home will be built according to plans and specifications approved by the relevant municipality and in accordance with the NHBRC's technical requirements
- builder will rectify, at his/her own cost, any defects occurring and notified within 90 days of occupation, caused by a failure in design, workmanship or materials
- builder will rectify any roof leak occurring and notified within 12 months of occupation, caused by a failure in design, workmanship or materials
- builder will rectify any major structural defects occurring and notified within five years of occupation.

Housing projects built under the Government's Capital Housing Subsidy Scheme also fall within the scope of the Act.

The *Home-building Manual* gives precise details of the minimum technical requirements for all home-builders, and provides guidelines and tips on how they can be met.

Significant home-builder education is included in the Manual, and the NHBRC has indicated a significant improvement in site construction quality through the use of the Manual.

**Progress between April 2001 and 31 March 2002**

Description	Target	Achieved
Registrations	2 111	2 442
Enrolments	29 854	36 121
Complaints	2 913	1 997
Inspections		36 486
Remedial Works		40

The NHBRC utilises a defect-preventative inspection service to ensure that all home-builders are following the guidelines laid down in the Manual.

The Act allows these inspectors full access to sites and all reasonable information from the home-builder, such as plans and specifications, that allow them to perform their duties.

Most home-builders have accepted the principles of housing consumer protection encompassed by the Act. It prohibits a home-builder from receiving any payments (other than the initial deposit) unless the home is enrolled. Where this is found not to be the case, the NHBRC has been compelled to take disciplinary action against defaulting home-builders.

By early 2002, the NHBRC operated in a non-subsidy market. With effect from 1 April 2002, the NHBRC also covers the subsidy market and its mandate has been extended to include the Government's subsidised low-cost houses. For NHBRC cover, subsidy units must meet certain specification including a financial cost estimated at R2 479 per unit. With the exception of the indigent, beneficiaries are expected to pay the R2 479 either through sweat equity or in cash.

**National Housing Finance Corporation (NHFC)**

The NHFC was established to search for new and better ways to mobilise finance for hous-

**Progress between April 2001 and March 2002**

End-user loans	427218 units
Housing units	67 451 units
Facilities approved	R1,5 billion
Disbursements	R1,1 billion
Intermediaries funded	53

ing from sources outside the State, in partnership with the broadest range of organisations.

The mission of the NHFC is to ensure:

- development and appropriate funding of institutions providing affordable housing finance at the retail level. Such finance is aimed at the lowest possible income levels able to afford credit on a sustainable and commercial basis.
- development and appropriate funding of institutions offering a variety of tenure options for residential purposes, in the under and unserved segments of the housing market.
- sustained and growing mobilisation of savings in the housing process, through appropriate intermediaries.

The NHFC Business Plan states that it aims to create housing opportunities for low and moderate-income families by:

- funding intermediaries to promote broader access to housing
- building adequate and sustainable capacity within the organisations it funds
- partnering organisations to pioneer new finance and housing delivery.

The lives of more than two million beneficiaries have improved through the efforts of the NHFC.

**National Urban Reconstruction and Housing Agency**

NURCHA is a Presidential Lead Project established to facilitate low-income housing projects.

It is a tax-exempt, non-profit Section 21 company, registered in May 1995. Operational expenses are funded by an allocation from government and a grant from the Open Society Institute in New York, United States of America (US).

NURCHA's mission is to expedite housing delivery in the short to medium term for low-income households, and it seeks to achieve this through the following four programmes:

- Guarantees for bridging finance: providing guarantees to lenders who then advance credit to developers and contractors for the



### Progress between April 2001 and March 2002

- Total houses approved (bridging finance): 2 678 units
- Completed houses (bridging finance): 1 136 units
- Amount paid (bridging finance): R1 218 505
- Under construction in terms of JVDF: 1 839 units
- Completed houses in terms of JVDF: 332 units
- Equity investment: R20,3 million
- Sales value: R108,8 million.

purpose of housing developments on projects assessed and approved by NURCHA.

- Guarantees for end-user finance: providing guarantees that are linked to small loans taken out by low-income families, enabling them to increase a housing subsidy and buy or rent a better home.
- Joint Venture Development Fund (JVDF): investing equity in large-scale housing development and thus sharing risk with larger developers to entice them to remain involved in a segment, which is generally considered to be high risk and low return. The JVDF falls under the Trusteeship of the NHFC, but is administered by NURCHA.
- Target savings: Initiating the development of savings programmes, which increase access to affordable credit and other housing benefits for low-income consumers, with the following objectives:
  - initiating savings and loan products with financial institutions
  - recruiting and educating savers
  - facilitating the extension of credit to qualifying savers
  - establishing a housing benefit programme
  - linking savings and loans to the subsidy
  - monitoring and evaluation.

The Department does not fund NURCHA's operations or projects, but has injected some capital for the new Targetsavings Scheme.

### Servcon Housing Solutions

Servcon was established as a joint venture between the Department of Housing (representing government) 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.

Servcon receives funding from the Department on a quarterly basis. The funding goes towards 50% of the operating costs of Servcon, and 50% of interest on the value of the undischarged guarantee to the banks.

### Thubelisha Homes

Thubelisha Homes was established in 1998 by the Department and Servcon Housing Solutions. Their mandate is to procure or develop housing stock appropriate for rightsizing purposes for beneficiaries qualifying in terms of Servcon's programme.

Thubelisha has six programmes, namely to:

- determine the nature and scale of demand
- secure funding to finance rightsizing housing stock

Description	Target	Achieved
Questionnaires received from Servcon	1 00	1 621
Subsidy applications completed	1 900	2 046
Houses from contractor	1 950	1 920
Hand-over to clients	1 675	1 396
Services stands available	2 300	2 365

- procure or develop and finance relevant rightsizing stock
- evaluate clients
- sell the house
- effectively communicate.

Between April 2001 and 31 March 2002, Thubelisha was given a government grant of R50 million to start its operations. It obtains subsidies through the Government's programmes to rightsize clients.

### Social Housing Foundation (SHF)

The SHF was established in November 1997, with the purpose of seeking to access international donor funding and technical expertise to deploy in social housing projects in need of such support.

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.

During the course of 2001, the SHF established itself as an institution independent from the NHFC. The SHF's operational expenses are funded by the Department. The SHF

also receives funding from donor agencies, primarily the European Union, for the purpose of funding specific projects.

### South African Housing Fund

The South African Housing Fund aims to provide adequate funds to enable provincial governments to establish and maintain habitable, stable and sustainable residential environments.

This includes the provision of:

- permanent residential structures with secure tenure and privacy, and which provide adequate protection against the elements
- potable water, adequate sanitation facilities and domestic electricity supply.

Housing funds for national housing programmes are budgeted for and appropriated in the South African Housing Fund programme. From 2000/01, the funds are allocated through the conditional grant mechanism to the nine provinces in accordance with the provisions of the Housing Act, 1997. Housing funds are now reflected in the revenue funds and expenditure appropriations of provinces, enhancing provincial accountability. The allocation to the provinces is according to a formula based on equity, taking into account the housing backlog and income profile of each province.

The conditions attached to the funds are based on the provisions of the Housing Act, 1997 and will be agreed upon between the Department and the provinces. The Department developed guidelines to facilitate the process of transferring funds from the Housing Fund to provinces and to guide reporting processes in terms of the Housing Act, 1997, the Public Finance Management Act, 1999 (Act 1 of 1999), and the Division of Revenue Act, 2000 (Act 16 of 2000).

The aims of the housing subsidy assistance scheme have largely been met. Introduced in 1994 on a project-linked basis only, the scheme evolved into a comprehensive instrument providing an array of housing subsidies to a broad spectrum of beneficiaries. It allows



several tenure options on an individual or group basis in urban areas.

dies, facilitation grants and housing support funding.

## People's Housing Process (PHP)

The National Housing Policy: Supporting the PHP was adopted by the Minister of Housing in May 1998. The Policy focuses on poor families in both urban and rural areas, using capital subsidies to allow people to build their own homes.

It also assists people to obtain access to technical, financial, logistical and administrative support to build their own homes, on either an individual or a collective basis.

## Peoples' Housing Partnership Trust

The broad mandate of the PHPT is aligned with the National Housing Policy: Supporting the PHP, which stipulates and defines the PHPT mandate as capacitating and engaging with national, provincial and local governments and civil society to meaningfully participate and support the PHP. In order to create adequate capacity for the PHP, the Department established the PHPT in June 1997 to implement a Capacitation Programme to support the PHP.

The main objective of the Programme is to develop capacity at all levels of government, non-governmental and community-based organisations, and communities to support the PHP.

The PHPT has five programmes:

- communication
- training
- research and development to develop a database of information which is easily accessible
- technical advisory services to establish and manage a support programme
- corporate services to ensure efficient and effective functioning.

The PHPT is funded by the United Nations (UN) Development Programme, the UN Centre for Human Settlements and the US Agency for International Development. Government assistance to the PHP is in the form of subsi-

## Urban renewal

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. It aimed to transform previously disadvantaged communities and create sustainable and habitable living environments.

In addition, the Project has been viewed as an ideal opportunity to promote the business-planning concept and to give provincial governments the opportunity to improve co-ordination.

Several such projects within 31 communities have been identified as beneficiaries. The projects are:

- Eastern Cape: Duncan Village and Ibhayi
- Free State: Thabong
- Gauteng: Katorus
- KwaZulu-Natal: Cato Manor
- Limpopo: Mahwelereng
- Mpumalanga: Masoyi and Siyabuswa
- Northern Cape: Galeshewe
- North West: Molopo River Basin
- Western Cape: Integrated Service Land Project in the Cape Metropolitan Area.

These projects include the provision of housing and hostel upgrading, infrastructure upgrading (such as roads and the provision of electricity and street lighting), and the provision and upgrading of social infrastructure. The projects include child-care facilities, schools, clinics, sports fields, libraries, police stations, centres for the aged, post offices and playgrounds.

Providing areas for markets, community gar-

dens and skills training creates opportunities for business development.

These activities are planned and implemented in an integrated manner to ensure sustainable and habitable living environments.

## Settlement policy and urban development

In June 1996, South Africa made a commitment at the Habitat II Conference in Istanbul, Turkey, to implement the Habitat Agenda. The Agenda is the guiding international policy for Human Settlements.

The Department of Housing is charged with the responsibility of co-ordinating the implementation of the Agenda. To do this, national policies that support the principles and the vision of the Agenda should be in place.

The Urban Development Framework is essentially the key policy document that will guide the implementation of the Habitat Agenda in South Africa. Besides the Framework, the Department has taken the opportunity offered by the Global Urban Observatory, and initiated an Urban Indicators Programme and a Local Best Practice Strategy.

The Minister of Housing launched the Af-

rican Solutions Network, a website hosted by the Department, which features:

- information about the African Solutions Conference and others in the region, which deal with issues relating to sustainable development
- contact details of individuals and organisations active in the field of sustainable human settlement development in the region
- a database of relevant good practices
- information on technologies, building materials and practices, which supports sustainable human settlement development
- links to relevant research databases to source the latest research relating to sustainable human settlement.

The African Solutions Network also provides links to other websites and resources on the Internet.

Another initiative driven by the Department, which relates to Habitat II, is the Environmentally Sound Low-cost Housing Task Team. The Team has been tasked with promoting environmental efficiency in the housing sector, and is working on the development of standards and guidelines, incentive programmes, a financing mechanism and general awareness-raising initiatives.



## Acknowledgements

Department of Housing  
*Estimates of National Expenditure 2002*, published by the National Treasury

### Suggested reading

- Rust, K. and Rubenstein, S. eds. *A Mandate to Build: Developing Consensus Around a National Housing Policy in South Africa*. Johannesburg: Ravan Press, 1996.
- Bundy, C. *Rise and Fall of the South African Peasantry*. 2nd ed. Cape Town: David Philip, 1988.
- Housing and the World of Work*; Produced by the National Housing Initiative in association with AECl and Matthew Neil and Associates. Auckland Park, Johannesburg: National Business Institute, 1998.
- James, W. ed. *Houses for Africa: An Inspirational Source Book for Building and Finishing Your Home*. Johannesburg: Emden Publishing, n.d.
- Keegan, T. J. *Facing the Storm: Portraits of Black Lives in Rural South Africa*. Cape Town: David Philip, 1988.
- South African Home Owners Buyers' Guide: Design, Building, Renovating, Decorating, Garden and Outdoor, 1998/99*. Johannesburg: Avonwold, 1998. Annual.