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Housing

The aim of the Department of Housing is to determine, finance, promote, co-ordinate, communicate and monitor the implementation of policy for housing and human settlement.

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.

Since the launch of the *White Paper on Housing* in December 1994, housing in South Africa has undergone fundamental changes. Between 1994 and June 2004, the Housing Programme provided more than 1,6 million housing opportunities to more than seven million people. During the same period, a total of 2,4 million subsidies were approved.

The Minister of Housing, Dr Lindiwe Sisulu, unveiled the Comprehensive Housing Plan for the Development of Integrated Sustainable Human Settlements in September 2004.

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 at changing spatial settlement patterns, informed by the need to build multicultural communities in a non-racial society.



According to the Plan, the Government takes responsibility for providing the bare minimum for the hard-core poor (income levels 0 – R1 500) by providing them with a full housing subsidy of R28 000. The poor (income levels R1 500 – R3 500) will also receive the full subsidy but will be required to provide either a small contribution or sweat equity. A newly created subsidy band in terms of the Plan targets the middle-income level (those earning R3 500 to R7 000 per month) for whom government will pay a deposit.

These new benefits will be achieved through the following:

- Housing delivery will be demand-driven and will involve a great deal of flexibility.
- The role of the private sector will be enhanced through the collapsing of subsidy bands, as well as the removal of blockages relating to down-payments for indigents and pensioners. Beneficiaries' spousal income will also be assessed. A fixed rate and other new loan products will be developed, including an option to convert the capital grant, where linked to home ownership or rental, into an annuity-based grant or benefit.
- Employers will be encouraged to make their contribution through employer-assisted housing.
- Barriers to housing trade will be removed through amendments to the Housing Act, 1997 (Act 107 of 1997), to reduce the period during

which resale on the private market is prohibited from eight to five years.

- Access to title deeds will be enhanced through the implementation of measures to stimulate a renewed uptake in the Discount Benefit Scheme, and the establishment of a high-priority focus on completing the registration of transfer in respect of houses constructed under the existing Housing Programme.
- All programmes will be focused on ring-fencing informal settlements and replacing these with more adequate forms of housing.

In addition, greater co-ordination will be effected between national, provincial and local government. An Inter-Ministerial Committee will oversee the implementation of the Housing Plan.

Other initiatives to be carried out in terms of the Plan include land acquisition through the proactive identification and acquisition of land through the Public Works Asset Register, the State Land Register and the Environmental Potential Atlas.

The Plan will be implemented from April 2005.

Legislation and policy

Rental Housing Act, 1999

The Rental Housing Act, 1999 (Act 50 of 1999), which came into operation on 1 August 2001, defines the responsibility of government in respect of the rental housing market.

It sets out the duties and responsibilities of both landlords and tenants, and provides for the establishment of rental housing tribunals in the provinces, thus allowing for a speedy and cost-effective resolution of disputes between landlords and tenants.

Among other things, the Act prescribes that:

- Leases may be oral or in writing. Tenants can demand a written lease.
- The landlord must give the tenant a written receipt.
- The landlord may require the tenant to pay a deposit before moving in.
- The balance of deposit and interest must be refunded to the tenant by the landlord not later than 21 days after the expiration of the lease.

In response to the need for rental housing in urban-based metropolitan areas, the Department facilitated the development of rental housing stock. Rental housing policy was expected to be finalised at the end of 2004 and the rental housing subsidy was expected to be implemented in 2005/06.

Three rental housing tribunals were set up in Gauteng, the Western Cape and North West. Other provinces are in the process of establishing similar tribunals. The Act gives these tribunals the power to make rulings in line with those of a Magistrate's Court.

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 of the Act have been promulgated.

The Act aims to eradicate discrimination and unfair practices by encouraging 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.

The Department of Housing also continues to participate in the deliberations of the Financial Services Charter to monitor the extent to which the targets set for the allocation of credit to low-income communities are met.

Housing Consumer Protection Measures Act, 1998

In terms of the Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998), residential builders have to register with the National Home-Builders Registration Council (NHBC) and are obliged to enrol all new houses under the NHBC's Defect Warranty Scheme.

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 any structural failures of houses 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 constructed as part of approved projects enjoy protection against shoddy workmanship by housing contractors.

Through the Act, properties that were built with funding from the Government's housing subsidy grant only, now enjoy protection against structural defects and must comply with minimum technical norms and standards.

Previously, the properties of the poor did not qualify for such protection. The NHBRC ensures that registered builders deliver within the minimum housing standards.

Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998

The Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 (Act 19 of 1998), provides for the prohibition of unlawful eviction and sets out detailed procedures for the eviction of unlawful occupiers.

It also prohibits the receipt of payment as a fee for arranging the occupation of land without the consent of the owner, and repeals obsolete laws relating to illegal squatting.

The Act provides a process for fair eviction of unlawful occupiers, and distinguishes between occupiers who have been residing on land for less than six months and those who have been residing on land for more than six months.

Community Reinvestment Bill

The Community Reinvestment Bill, which was published for comment in 2003, has been put on hold pending the outcome of affordable housing lending targets identified in the Financial Services Charter.

The Department of Housing will lead the Government's response to the opportunities presented by the Charter. A framework is expected to be developed within which affordable housing finance deals and partnerships between the finance and public sectors can be structured.

Non-housing urban-development opportunities presented by the Charter will also be explored in an effort to increase private investment in community facilities in residential neighbourhoods.

The Community Reinvestment Bill is a sequel to the Home Loan and Mortgage Disclosure Act, 2000, and will provide for mechanisms to ensure that more home loans are allocated to low- and medium-income borrowers. However, the Bill will not compel housing-finance institutions to take risks in meeting their community-reinvestment obligations.

Social housing

The primary housing policy developments in 2003/04 included a new social housing policy. The policy will create an enabling environment for both private and public-sector investments in social housing projects.

The policy, and associated legislation, will support urban regeneration, integration and densification initiatives that promote greater urban efficiency.

On 15 August 2004, Minister Sisulu and the European Union Ambassador, Mr Michael Lake, launched a R160-million Social Housing Programme in Pretoria.

Rental housing is central to the Department of Housing's strategy to provide alternative and cheap accommodation to those who work in urban areas.

The Programme serves as a vehicle for providing housing under different tenure options like co-operative housing and instalment sale.

Public-Sector Hostel Redevelopment Programme

The Department is revising the hostels policy to replace it with a policy that will enable the creation of humane living conditions, and provide affordable and sustainable housing on either a rental or home-ownership basis.

Several pilot redevelopment projects have been launched.

The Department has also prepared a set of technical specifications for the upgrading or provision of new services, and the upgrading (redevelopment) of hostel buildings.

Amendments to the implementation guidelines, which will direct the redevelopment of the Public-Sector Hostels Redevelopment Programme, were expected to be finalised by the end of the 2004/05 financial year.

Funding

The Department received R4,8 billion in 2004/05 to finance national and provincial housing programmes.

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 the various income categories of the subsidy scheme, the ratio between urban and rural housing, and the performance of the relevant provincial government.

Total departmental expenditure was expected to increase from R3,3 billion in 2000/01 to R5,5 billion in 2006/07.

The People's Housing Process (PHP) 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 this task. 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.

To support the PHP, 62 Cuban community architects and engineers have been deployed in the nine provinces.

Capacity-building

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

The Department continues to provide support to and assist provinces to ensure effective and efficient implementation of the National Housing Programme. The strategy and guidelines for housing capacity-building, as well as guidelines for provincial housing-capacity business plans were developed.

National housing code workshops were held at both national and provincial level, aimed at capacitating internal and provincial officials, including municipal officials and councillors, and increasing knowledge on housing policies, programmes and legislation.

In April 2004, the Department announced the amended version of the National Housing Programme dealing with housing assistance in emergency circumstances.

The National Housing Programme for Housing Assistance in Emergency Housing Circumstances was instituted in terms of the Housing Act, 1997.

The amendment relates to the provision of the Constitution that everyone has the right to have access to adequate housing, and that the State must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right.

The main objective of this Programme is to provide temporary housing relief to people in urban and rural areas who find themselves in emergencies, such as when:

- their existing shelter has been destroyed or damaged
- their prevailing situation poses an immediate threat to their life, health and safety
- they have been evicted or face the threat of eviction.

The assistance involves prioritising funds from the provincial housing allocations to municipalities to accelerate land development, and the provision of basic municipal engineering services and temporary shelter.

National Housing Education and Training Programme

The Programme has undergone major transformation and improvement since its inception in 1998. By June 2003, a total of 5 590 participants

had been trained. Initially, the University of the Witwatersrand (Wits) School of Public Management and Development played a central role as the only service-provider. Since 1999, at least one tertiary institution in each province has been offering the Programme.

These changes were the result of continuous monitoring and reviews conducted during the implementation of the course, as well as input from the Capacity-Building Task Team, established to oversee the effective and efficient implementation of the Programme.

Courses are designed to cater for the capacity needs of all officials employed in the national, provincial and local governments, including councillors.

There has been a gradual increase in the number of women participating in these courses.

Formal education and training in housing

The Cabinet approved the establishment of the Professional Housing Institute on 29 May 2002.

In line with the Skills Development Act, 1998 (Act 97 of 1998), the Department facilitated and coordinated the establishment of the Housing Standard Generation Body (SGB).

The Housing SGB commits itself to the generation of standards and qualifications to ensure quality education and training programmes in the sector.

Through this process, the needs of housing practitioners and consumers are accommodated and lifelong learning encouraged.

SGB activities have been divided into two sub-groups, with the one focusing on housing consumer education and the other on professional qualifications.

In 2004, a housing consumer education programme was developed and piloted in the Western Cape, KwaZulu-Natal, Gauteng and the Free State.

Housing Scholarship Programme

The Department launched the Housing Scholarship Programme in 2002, targeting matriculants who wish to pursue a career in housing. Ten students were awarded scholarships for the 2003 academic

year. Owing to limited resources, the Department approached the Construction Education and Training Authority (CETA) for funding assistance. The Department, in conjunction with CETA, intends to embark on an internship programme to provide students with the opportunity and scope to gain practical experience.

Housing subsidies

Individual ownership subsidies are allocated to help beneficiaries acquire ownership of fixed residential property (housing opportunities) for the first time.

New housing-subsidy programmes are being developed and certain existing programmes have been enhanced, including rental and social-housing subsidies. The housing-subsidy programmes, including project-linked subsidies, are being revised to introduce a procurement-compliant regime, consolidation subsidies, PHP, rural subsidies and institutional subsidies.

The Department increased housing subsidies by up to 11,68% with effect from April 2004. The subsidy for beneficiaries earning from zero to R1 500 rose by R2 700, from R23 100 to R25 800.

Beneficiaries earning between R1 501 and R2 500 received a R1 500-subsidy increase, from R14 200 to R15 700. The subsidy for beneficiaries earning between R2 501 and R3 500 rose from R7 800 to R8 600.

Subsidies for the indigent, including the aged, people with disabilities and the health-stricken, were increased from R22 800 to R25 580.

The consolidation subsidy for beneficiaries earning R1 500 was increased from R10 900 to R12 521, and for indigents from R13 400 to R15 000.

The Department has designed a housing scheme to effectively cater for people with disabilities. People with visual impairment and other disabilities will get an additional amount to the normal subsidy to make their homes more accessible and comfortable, in accordance with their physical needs.

In February 2004, the Department approved an extension to the existing housing subsidies for people with disabilities.

In the past, the existing categories of people with disabilities and the nature of disability comprised

five categories, namely A, B and C for various walking disabilities, varying from the use of walking aids to the partial and full-time use of wheelchairs; Category D for hearing disabilities (partially or profoundly deaf); and Category E for vision loss (partially or totally blind). The sixth category, Category F, was approved and added for limited or no use of upper body limbs.

Other new or enhanced subsidy mechanisms developed since 2002/03 include:

- a procurement-compliant regime for all green-field housing developments
- an enhanced variation for houses in the Southern Cape Coastal Condensation Area
- a comprehensive strategy for provincial governments and municipalities to collect financial contributions from housing beneficiaries.

Project-linked subsidies

This housing subsidy mechanism enables a qualifying household to access a complete residential unit, which is developed within an approved project-linked housing subsidy project for ownership by the beneficiary.

Individual subsidies

An individual subsidy provides qualifying beneficiaries with access to housing subsidies to acquire ownership of serviced stands. It also allows the beneficiary to enter into house-building contracts, or to purchase existing, improved residential property which is not part of approved housing-subsidy projects.

This subsidy furthermore helps qualifying beneficiaries who wish to increase their subsidies by accessing credit, as well as beneficiaries who do not qualify for credit.

Consolidation subsidies

This subsidy mechanism affords former beneficiaries of serviced stands, financed by the previous housing dispensation (including the Independent Development Trust's site and service schemes), the opportunity to acquire houses.

Institutional subsidies

The institutional subsidy is available to qualifying insti-

tutions to enable them to create affordable housing stock for persons who qualify for housing subsidies.

The subsidy is paid to approved institutions to provide subsidised housing on deed of sale, rental or rent-to-buy options, on condition that the beneficiaries may not be compelled to pay the full purchase price and take transfer within the first four years of receiving the subsidy.

Institutions must also invest capital from their own resources in the project.

Relocation assistance

Relocation assistance provides an alternative option to defaulting borrowers who were three months in arrears on 31 August 1997, and where the option of rehabilitating these mortgage loans is not affordable.

This alternative provides an opportunity to obtain affordable housing with the assistance of the housing subsidy.

A person who is eligible for relocation assistance is required to enter into a relocation agreement, so as to relocate to affordable housing.

Discount Benefit Scheme

The Discount Benefit Scheme promotes home ownership among tenants of State-financed rental stock, including formal housing and serviced sites. In terms of this Scheme, tenants receive a maximum discount of up to R7 500 on the selling price of the property.

Where the discount amount equals or exceeds the purchase price or loan balance, the property is transferred free of any further capital charges.

Rural subsidies: informal land rights

This housing subsidy is available to beneficiaries who enjoy only functional tenure rights to the land they occupy. This land belongs to the State and is governed by traditional authorities.

The subsidies are only available on a project basis and beneficiaries are supported by implementing agents. Beneficiaries also have the right to decide on how to use their subsidies either for service provision, the building of houses or a combination thereof.

Housing institutions

The Department of Housing'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.

The institutions are the NHBRC, the National Housing Finance Corporation (NHFC), the National Urban Reconstruction and Housing Agency (NURCHA), Servcon Housing Solutions, Thubelisha Homes, the Social Housing Foundation (SHF), the South African Housing Fund, the PHP and the Rural Housing Loan Fund (RHFL).

National Home-Builders Registration Council

The NHBRC was established in terms of the Housing Consumer Protection Measures Act, 1998. The Council protects the interests of consumers and regulates the home-building industry.

Before the commencement of the Act, the National Home-Builders Regulation Council was established as a Section 21 company. Its main objective was to promote the common interests of persons occupied in the business or profession of home-building, through the regulation of the home-building industry.

In August 1995, the NHBRC (Pty) Ltd also established the National Home-Builders Registration Council Fund (Pty) Ltd. The main objective of this company was to establish an indemnity fund to promote the interests of contactors, by making funds available through the NHBRC on an *ex gratia* basis to finance the rectification of defects in housing units in circumstances where contractors were either unable or not liable to do so.

On 26 March 2001, a statutory council was established in accordance with the provisions of the Housing Consumer Protection Measures Act, 1998. The two former Section 21 companies were consequently dissolved and all their assets and liabilities were transferred to the statutory council.

More and more members of the public want to purchase homes which are enrolled with the NHBRC.

The NHBRC's major source of revenue is the enrolment of new homes.

In 2003/04, the NHBRC registered some 19 448 home builders and enrolled 281 462 homes. It also conducted 470 921 inspections during that period and received 16 288 complaints.

National Housing Finance Corporation

The NHFC was set up by the Department of Housing in 1996 with a mandate to ensure that every South African with a regular source of income is able to gain access to finance, and to acquire and improve a home of his or her own.

As one of the country's development-finance institutions, the Corporation acts as a wholesale funder and risk-manager, facilitating access to housing finance for low- and moderate-income communities.

The mission of the NHFC is to ensure:

- Development and appropriate funding of institutions, providing affordable housing finance at 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 or underwriting the funding of intermediaries and institutions to promote broader access to housing
- building adequate and sustainable capacity within the organisations it funds
- partnering organisations and institutions to deliver innovative housing-finance solutions.

Between May 1996 and February 2004, the NHFC approved facilities totalling more than R1,6 billion, and disbursed R1,5 billion.

In 2003/04, 55 loans to the value of more than R632 million were disbursed to finance 220 602 houses.

Through its lending activities, more than 46 146 new housing units had been built by February 2004. Over 171 510 loans had been originated and facilitated, and a total of 62 new and emerging institutions had been supported. More than 1,1 million people's lives had been improved through the NHFC's funding activities.

National Urban Reconstruction and Housing Agency

NURCHA was formed as a partnership between the South African Government and the Open Society Institute (OSI) of New York, United States of America (USA), in May 1995 to arrange finance for housing.

Over the years, NURCHA has raised additional financing through Swedish, Norwegian and US agencies, and through the Futuregrowth Fund, Overseas Private Investors' Corporation and Rand Merchant Bank. It is a tax-exempt, non-profit-making company. In 2004/05, government awarded NURCHA a R3 034 000 grant.

Operational expenses are funded by an initial allocation from government and a grant from the OSI. Since 1995, NURCHA has expanded its mission to expedite the:

- construction of housing for low-income households

- creation of viable communities through financing the construction of housing-related infrastructure and community facilities.

By the end of the 2003/04 financial year, NURCHA had received claims totalling R4,8 million for 55 housing projects. Since 1995, NURCHA has supported the building of 135 421 houses, of which 13 827 were built during 2003/04.

Programmes

NURCHA uses a variety of interventions to arrange and package finance for those delivering housing to low-income households, infrastructure, and community facilities:

- Bridging-finance loans for small contractors: NURCHA lends money to small/emerging contractors building subsidy housing. To assist contractors and developers who are unable to access bridging finance from a bank, NURCHA has entered into agreements with financial intermediaries that have specifically tailored products to ensure the appropriate flow of finance to projects. Applicants requiring this form of funding are normally contractors who also require financial management support.
- Bridging finance loans for established contractors: NURCHA lends directly to established developers and contractors developing subsidy housing, credit-linked housing in the R50 000 to R180 000 selling price range, infrastructure and community facilities. Established contractors are required to provide a minimum of 30% of the project bridging finance required upfront.
- Financing for rental housing: NURCHA provides finance and guarantees for the construction and upgrading of rental stock for the affordable housing market sector. These facilities are provided subject to the specific requirements of the negotiated package.
- National Savings Scheme: Mandated by government, NURCHA launched the National Savings Scheme in 2001. As a result of the amendment to the Government's housing policy in April 2003, the Scheme was substantially revised. In support of the amended policy, NURCHA now works with provincial and local authorities to assist benefi-



In 2002, the Government enacted the Pre-Emptive Clause which sought to prevent beneficiaries from selling government-subsidised homes. The pre-emptive right, contained in sections 10A and 10B of the Housing Act, 1997 (Act 107 of 1997), was introduced into law by means of the Housing Amendment Act, 2001 (Act 4 of 2001), which came into operation on 1 February 2002.

The law aims to stop the selling of Reconstruction and Development Programme (RDP) houses by beneficiaries at a price well below the market value.

The Clause limits both the voluntary and involuntary sale of houses obtained by persons via any of the national housing programmes. In terms of voluntary sales, persons may not sell an RDP house within a period of eight years from the date on which the property was acquired, without having first offered it to the relevant provincial housing department. In cases of involuntary sales, a person's creditors in law may not sell or otherwise alienate such property without having first offered the property to the relevant provincial housing department.

aries to save towards any contributions they are required to make to their subsidised housing.

Servcon Housing Solutions

Servcon was established as a 50-50 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 in respect of 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.

Servcon's mission 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 repurchase/rescheduling programme that assists those who can afford an existing property by providing a mechanism to reassess the property and 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 in 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 disposed of 19 783 properties during 2003/04. It receives funding from the Department on a quarterly basis to cover 50% of its operating costs and 50% of interest on the value of the undischarged guarantee to the banks. In 2004/05, Servcon received a grant of R37 166 000.

Thubelisha Homes

Thubelisha Homes is a Section 21 company established in 1998 by the Department of Housing and

Servcon. It commenced operations in 1999.

Thubelisha Homes' mandate is to procure or develop housing stock appropriate for rightsizing purposes.

To achieve this, Thubelisha Homes has to:

- determine the number, nature and location of the required housing stock
- secure funding to finance operations
- procure or develop and finance relevant housing stock
- evaluate the clients for capital subsidies
- sell houses to approved clients under cost-effective and appropriate terms
- communicate its role effectively to key stakeholders on an ongoing basis and obtain their support for the programmes.

Rightsizing is a process initiated by the Record of Understanding signed by certain banks and the Government, whereby occupants of bank-owned PIPs or NPLs are assisted to relocate to more affordable homes.

These clients are permitted to occupy their existing homes temporarily while paying a predetermined and affordable rental to Servcon. Relocation assistance equivalent to the capital subsidy is available to Thubelisha via the provincial Housing departments, to procure new homes for clients.

Thubelisha was initially capitalised with a R50-million grant from government to assist



On 13 October 2004, the South African Government and the Islamic Republic of Iran signed a Memorandum of Understanding (MoU) to cooperate on housing development and technology.

The MoU covers the exchange of expertise between the two countries to assist with solving the problems of increasing urbanisation and housing architectural practices.

The two countries will explore possibilities for joint research in the fields of physical planning at national and regional level, urban design, geographic information systems and seismology. In addition, they committed to building research centres and organisations in the two countries to exchange information and expertise in housing development.

The two parties have agreed to promote co-operation between companies in the building and construction sector, particularly in mass construction of housing, and construction of low-cost and appropriate prefabricated housing units.

with bridging finance and working capital. A division of the FirstRand Group, which provides a treasury function for Thubelisha, manages this fund.

In addition to ensuring the effective implementation of the rightsizing programme, Thubelisha's other core strategic objectives are to:

- increase the utilisation of female contractors on their projects
- integrate the aged and clients with disabilities from the municipal waiting lists into their projects
- facilitate the delivery of houses through a managed PHP
- implement an accredited emerging-contractor development programme
- integrate waiting-list clients into rightsizing projects.

Thubelisha operates in six of the nine provinces. During 2003/04, some 11 713 stands were secured, with 5 405 houses handed over to clients.

Between 1999 and March 2004, some 12 064 stands were secured, 9 777 subsidy applications completed, and 7 341 subsidies approved.

Social Housing Foundation

The SHF was established as a Section 21 company by the Department of Housing in 1997. It is mandated by the Department to develop and build capacity for social housing institutions (SHIs) and to develop a policy framework for the sector.

The strategic objectives of the organisation, based on its mandate, mission and vision, are to:

- provide social-housing-sector strategic information
- mobilise resources for the social housing sector
- facilitate the capacitation of sectoral participants
- promote the social housing sector
- facilitate sectoral stakeholder alignment
- achieve SHF business-service excellence.

The SHF and the social housing sector have shown significant growth and development in recent years. By November 2003, there were 64 SHIs in South Africa and 33 500 housing units had been provided.

The most significant agreement relating to social housing is that between the European Commission (EC) and the South African Government.

The EC has pledged 20 million Euros (about R200 million) for social housing over the next five years.

The EC programme has been strengthened, with a considerable amount of work conducted around building the internal staff capacity, systems, procedures and manuals of the SHF. Three SHIs were successful in applying for grant funding for capacity-building and development, and plans for a number of additional institutions are in the pipeline.

In 2004/05, the Government awarded the SHF a grant of R15 347 000.

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.

People's Housing Process

The National Housing Policy: Supporting the PHP was adopted by the Minister of Housing in 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 in obtaining 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. To create adequate capacity for the PHP, the Department established the PHPT in June 1997 to implement the Capacitation Programme to Support the PHP.

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

The PHPT has five programmes:

- Communication
- Training
- Research and Development
- Technical Advisory Services
- Corporate Services.

The PHPT is funded by the United Nations (UN) Development Programme, the UN Centre for Human Settlement and the US Agency for International Development. Government assists the PHP by way of subsidies, facilitation grants and housing-support funding.

Rural Housing Loan Fund

The RHLF's main business, as a wholesale lending institution, is to raise money and lend it, to enable retail institutions to provide loans to low-income earners to finance housing in rural areas.

In 2003/04, the RHLF funded more than 54 000 home improvements, mostly built by home owners or small local builders. It committed over R272 million to 22 retail lenders and disbursed over R252 million to lenders.

The Rural Housing Strategy to support rural housing, dealing with a comprehensive range of housing-related issues, such as tenure, livelihood strategies and broader socio-economic issues, was expected to be developed in 2004 and implemented in April 2005.

By August 2004, a farm-worker and farm-dweller policy was being developed to respond to the housing needs of rural communities. This included policy recommendations that will consider the economic, social and institutional sustainability of farm-worker settlements; the required institutional framework; the roles and responsibilities of implementing agencies; technical norms and standards; tenure security; suitable subsidy mechanisms; and legislative amendments.

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, hostel and infrastructure (such as roads and the provision of electricity and street-lighting) upgrading, 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 gardens 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.

Urban Upgrading and Development Programme (UUDP)

The UUDP is a joint bilateral undertaking between South Africa and Germany, which was established in 1994 between the national Department of Housing and German Technical Co-operation.

The Department is playing a key facilitation and co-ordination role in the implementation of the Programme in the Free State and Eastern Cape. Assistance to the two provinces and housing institutions has involved:

- support to the Masilonyana Municipality in the Free State in bridging the bufferzone by promoting the integration of the Masilo township with the former town through territorial marketing
- support for the implementation of the PHP projects in Mount Fletcher, Elliotdale and Tarkastad in the Eastern Cape
- support for the national review of the PHP by the PHPT
- the piloting of a municipal housing-sector plan as part of the Integrated Development Plan of the local municipality of Mohokare in the Free State.

By March 2004, the UUDP assisted:

- roughly 2 500 household beneficiaries of housing subsidies, through integrated planning, self-help and management of construction processes to gain a foothold in the urban economy by owning a transferable asset
- to fast-track the delivery of roughly 18 000 housing units within the framework of the Housing Support Programme without losing sight of quality
- to conceptualise and scale-up a national programme for educating thousands of prospective or existing house owners about citizens' rights and responsibilities as housing beneficiaries
- to empower 550 household beneficiaries of housing subsidies to grow the value of their national assets by investing more than R3 million in the upgrading and improvement of their houses
- to empower thousands of community members to gain a better understanding of housing policy so as to better articulate demand, make an

informed choice and be part of decision-making on appropriate delivery

- many of its staff and community members improving their understanding of urban service-delivery markets and filling up some of the delivery gaps with rare skills.

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 the Urban Indicators Programme and a Local Best Practice Strategy.

African Solutions Network, a website hosted by the Department, 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
- a database of relevant good practices
- information on technologies, building material and practices that support sustainable human-settlement development
- links to relevant research databases to source the latest research relating to sustainable human settlement.

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

Another initiative driven by the Department, which relates to Habitat II, is the Environ-

mentally 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

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Department of Housing

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Social Housing Foundation

Thubelisha Homes

National Urban Reconstruction and Housing Agency

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