





Housing

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

The Department of Housing determines, finances, promotes, co-ordinates, communicates and monitors the implementation of policy for housing and human settlement.

Since the launch of the *White Paper on Housing* in December 1994, housing in South Africa has undergone fundamental changes. Between 1994 and June 2005, the housing programme provided more than 1,7 million housing units to more than seven million people. During the same period, a total of 2,4 million subsidies were approved.

In 2004/05, 178 612 housing units were made available.

Legislation and policy

Comprehensive housing plan

The Minister of Housing, Dr Lindiwe Sisulu, announced 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 to change spatial settlement patterns, informed by the need to build multicultural communities in a non-racial society.

It is estimated that more than 108 000 additional households will benefit from this venture.

The following benefits will be achieved:

- 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.

Housing subsidy bands, 2005/06				
Income category	Previous subsidy	New subsidy	Contribution	Product price
Individual, project-linked and relocation assistance subsidies				
RO – R1 500	R25 800 + contribution	R31 929	None	R31 929
R1 501 – R3 500	R15 700	R29 450	R2 479 + shortfall	R31 929
Indigent: Aged, disabled and health stricken	R28 279	R31 929	None	R31 929
Institutional Subsidy				
RO – R3 500	R25 800	R29 450	Indirect institution must add capital	At least R31 929
Consolidation subsidies				
RO – R1 500	R14 102	R18 792	None	R18 792
R1 501 – R3 500	New category	R16 313	R2 479	R18 792
Consolidation subsidy for aged, disabled or health-stricken groups	R16 581	R18 792	None	R18 792
R1 501 – R3 500				
Rural housing subsidies				
RO – R3 500	R25 800	R29 450	None	R29 450
People's housing subsidies				
RO – R3 500	R25 800	R31 929	None	R31 929
Emergency Housing Programme				
Temporary assistance	R23 892	R26 874	Shortfall	R26 874
Services	R11 698	R13 137	None	R13 137
Houses	R16 581	R18 792	None	R18 792
Public-Sector Hostels Redevelopment Programme		Previous grant	New grant	
Family units		R25 800	R29 450	
Individual units (per bed)		R6 400	R7 234	

Source: Department of Housing

- 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.

Additional funding amounting to R500 million in 2006/07 and R1,5 billion in 2007/08 has been allocated to step up the housing programme so that all informal settlements can be upgraded by 2014.

A number of pilot projects will inform the further development of the informal settlement upgrading programme.

Key focus areas identified by the comprehensive housing plan include:

- accelerating housing delivery as a key strategy for poverty alleviation
- utilising housing provision as a major job-creation strategy
- ensuring that property can be accessed by all as an asset for wealth creation and empowerment
- leveraging growth in the economy, combating crime and promoting social cohesion

- using housing development to break barriers between the First Economy residential property boom and the Second Economy slump
- utilising housing as an instrument for the development of sustainable human settlements in support of spatial restructuring
- diversifying housing products by placing emphasis on rental stock.

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.

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 aims to promote 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 also 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.

In March 2005, the Department of Housing revived the Financial Services Charter by signing a memorandum of understanding (MoU) with four major banks – the Amalgamated Banks of South Africa (Absa), First National Bank, Standard Bank and Nedcor.

The banks pledged R42 billion to be released into the affordable housing market by 2008.

As part of the MoU, the department was negotiating the National Home Loan Code of Practice with appropriate role-players.

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 Act aims 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. NHBC 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, 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), prohibits 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.

Social housing

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

The Social Housing Bill was expected to assign the responsibilities of national, provincial and local government on matters pertaining to social housing.



In May 2005, the Minister of Housing, Dr Lindiwe Sisulu, was nominated to serve on the United Nation's High Level Commission on the Legal Empowerment of the Poor.

Minister Sisulu is one of the only two serving ministers from sub-Saharan Africa nominated to serve on this commission, comprising primarily heads of government.

The commission is based on the conviction that the fight against poverty can only be achieved if governments succeed in democratising the rule of law.

The commission was expected to start operating in September 2005.

It will also ensure that relevant institutional arrangements and capacities required by the Social Housing Programme are in place, including the establishment of the Social Housing Regulatory Authority.

Public-Sector Hostel Redevelopment Programme

The Department of Housing is replacing the hostels policy with a policy that will create 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. The new technical norms and standards for redeveloping hostels will give rise to new guidelines for turning sector hostels into family units.

Housing Development Bill

The Housing Development Bill is expected to put in place a broad framework for residential development, facilitate spatial restructuring and set aside a certain proportion of all housing developments for affordable housing.

Funding

The Department of Housing received R5,1 billion in 2005/06 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 R3,7 billion in 2001/02 to R7,4 billion in 2007/08, an average annual growth rate of 12,1%.

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.

Capacity-building

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

The Department of Housing continues to 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, have been developed.

In 2005/06, the Department of Housing set aside R10 million to train emerging contractors country-wide to meet the challenge of sustainable provision of human settlements.

Emergency housing

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 emergency situations, such as when:

- their existing shelters have been destroyed or damaged

- their prevailing situation poses an immediate threat to their lives, 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.

Housing Consumer Education (HCE) Programme

The HCE programme educates and trains housing consumers (owners and rental users) on their rights and responsibilities, thereby:

- protecting and strengthening low-cost housing as a national asset
- enhancing the market value of low-cost housing
- using low-cost housing as collateral for leveraging credit by the poor
- building strong and vibrant communities, in collaboration with other programmes such as community development workers, the Expanded Public Works Programme, and HIV and AIDS awareness
- enhancing the maintenance culture of housing consumers
- improving the sustainability of the housing unit as an inclusive element of living environments.

Furthermore, the HCE programme empowers housing consumers to understand their housing rights and responsibilities, as well as the different types of subsidies offered by government.



The N2 Gateway Lead Project in Cape Town forms part of the Comprehensive Housing Plan for South Africa, adopted by Cabinet on 2 September 2004.

The plan aims to eradicate informal settlements in South Africa in as short a period as is physically possible.

The project will build sustainable human settlements designed to uplift the standard of living of more than 100 000 residents of the City of Cape Town.

It also ensures that housing consumers are educated on existing and new housing legislation, strategies and approaches.

Housing subsidies

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 of Housing increased housing subsidies by up to 11,68% with effect from April 2005.

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

Disabled beneficiaries may receive special additions to their houses to enable them independent living in normal residential areas. These additions have been tailor-made to accommodate the variety of special housing needs.

Such special additions to houses entail concrete aprons and ramps to facilitate access, special grab rails in bathrooms, kick plates on doors, visible doorbells and special access arrangements to toilets.

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 institutions 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 must enter into a relocation agreement 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

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 (RHLF).

National Home-Builders Registration Council

The NHBRC was established in terms of the Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998). The council protects the interests of consumers and regulates the home-building industry.

The NHBRC is a section 21 company established to provide for the protection of housing consumers through a home warranty scheme, to regulate the home-building industry through the registration of builders and setting of ethical and technical standards for the residential building industry.

The Housing Consumer Protection Measures Act, 1998 extends the NHBRC home warranty scheme to government housing subsidy schemes.

The NHBRC raises revenue from fees charged for the registration of home-builders and the enrolment of new houses under its warranty scheme. Revenue increased significantly from R164,9 million in 2001/02 to R355 million in 2004/05, representing an average annual increase of 29,1%.

Expenditure has remained relatively stable, fluctuating between R77,7 million in 2001/02 and R88,3 million in 2003/04.

Expenditure is driven largely by the claims on the warranty scheme resulting from poor construction, and is therefore difficult to predict. As a result of the limited claims against the warranty scheme, the NHBRC accumulated significant reserves – R945,4 million in 2004/05.

The NHBRC improved its effectiveness following an aggressive publicity campaign, registering 3 739 home-builders by March 2004 (an increase of 23,7% from 2003) and enrolling 48 305 housing units (an 11,5% increase from 2003).

From 2003 to 2004, complaints handled recorded a decrease of 6,9%, inspections increased by 51,8% and renewals increased by 6,9%. Conciliation cases decreased by 21,9% and suspensions increased by 67,1%, resulting in more home-builders being suspended for the year ending 2004 compared with 2003.

National Housing Finance Corporation

The Department of Housing established the NHFC as a development finance institution in 1996, to ensure that every low- and moderate-income household gains access to housing finance.

As a wholesale funder and risk manager, the NHFC is mandated to:

- undertake funding as a wholesale intermediary to promote broader access to housing
- underwrite the flow of wholesale funds to retail intermediaries (provide cover, security or guarantee)
- undertake proactive programmes aimed at building institutional and financial capacity at retail level
- specialise in identifying, assessing, pricing, monitoring and managing risks associated with the placement of wholesale funds with retail intermediaries.

The NHFC defines the low- and moderate-income market as any South African household with a regular monthly income of between R1 500 and R7 500. This market sector is able to contribute towards its housing costs, but finds it hard to access bank-funded housing finance.

The corporation is a registered public company and has been granted the necessary exemption in terms of the Banks Act, 1990 (Act 94 of 1990). As a national public entity, the NHFC adheres to the regulatory framework of the Public Finance Management Act, 1999 (Act 1 of 1999).

The NHFC has made significant strides towards making affordable housing finance accessible to low- and moderate-income communities. Through its various intermediaries and partners, the corporation has, in its eight years of existence, disbursed more than R1,7 billion.

Through its funding, the lives of almost two million people have improved.

The NHFC's commitment to supporting emerging lenders has resulted in the funding of niche lenders and housing institutions.

National Urban Reconstruction and Housing Agency

NURCHA was formed in May 1995 as a partnership between the South African Government and the Open Society Institute of New York, United States of America (USA), 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. By the end of 2004/05, NURCHA had supported the building of 146 984 houses.

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 con-

tractors and developers who are unable to access bridging finance from a bank, NURCHA has developed innovative finance programmes and entered into agreements with financial intermediaries who 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.

Servcon Housing Solutions

Servcon was established in 1994 as a 50-50 joint venture between the Department of Housing (representing government) and the Council of South African Banks, now the Banking Association of South Africa.

When the agreement was renewed in 1998, 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.

In terms of the normalisation programme, Servcon's mission is to normalise the lending process by managing PIPs and NPLs in areas where the normal legal process has broken down.

By 31 March 2005, Servcon had normalised 21 953 properties, and anticipated achieving the full target of 33 306 by 31 March 2006. It receives funding from the department on a quarterly basis to cover 50% of its operating costs while 50% of interest on the value of the undischarged guarantee is paid to banks.

Thubelisha Homes

Thubelisha Homes is a housing-support institution reporting to the Minister of Housing. Its primary function is to build affordable houses for South Africans using government's capital subsidy. Thubelisha does this in three stages: securing land for development, servicing stands with water and sewerage infrastructure, and building top structures.

In 2004/05, Thubelisha serviced 3 000 stands and built 3 674 houses, using skills such as project and construction management; subsidy administration; beneficiary relocations; acting as a support organisation for 'managed' PHP projects; community liaison and contractor development; and skills transfer.

Thubelisha is undergoing major structural changes to accommodate government's Comprehensive Plan for the Development of Sustainable Human Settlements. The repositioning will enable Thubelisha to assist provincial housing departments and local authorities to provide more houses through delivery-enhancing interventions such as unblocking slow-moving projects.

Thubelisha will assist government's housing plan in the following areas:

- informal settlements
- social and community facilities
- social (medium-density) housing
- job creation
- appropriate technology
- delivery-enhancing interventions.

To help government in the implementation of these six key areas, Thubelisha has established a head office in Johannesburg and opened provincial offices in Gauteng, Mpumalanga, Eastern Cape and Western Cape. More offices were expected to be opened in North West and KwaZulu-Natal in 2005.

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 March 2004, there were 83 SHIs in South Africa.

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 2005/06, government awarded a grant of R18 118 000 to the SHF.

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 core business is providing loans, through intermediaries, to low-income households for incremental housing purposes. Incremental housing is a people-driven process and the RHLF aims to empower low-income families in rural areas to access credit that enables them to unleash the potential of their self-help skills, savings and local ingenuity to build and improve their shelters over time.

Until 31 March 2002, the RHLF was a subsidiary of the NHFC. From 1 April 2002, it became a separate entity. The RHLF has channelled funds to homeowners in several rural areas in all nine provinces in South Africa through 20 medium and small retail lenders.

The RHLF has set up a peer-support network to support capacity-building and loyalty to the RHLF mission among intermediaries. This unique approach to development finance seeks to institutionalise peer interaction among non-competitive start-ups.

Urban renewal

The Special Integrated Presidential Project for Urban Renewal was identified as one of the first Presidential lead projects.

The project aimed 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 provide provincial governments with 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 the upgrading of hostels and infrastructure (such as roads and the provision of electricity and street-lighting). 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.

The Department of Housing plans to construct homes with two or three storey 'walk ups' as part of dealing with the housing backlog. Existing buildings will also be acquired and converted for housing purposes.

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 implementing the programme in the Free State and Eastern Cape. Assistance to the two provinces and housing institutions 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 had:

- assisted roughly 2 500 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
- fast-tracked the delivery of roughly 18 000 housing units within the framework of the Housing Support Programme without losing sight of quality
- conceptualised and scaled-up a national programme for educating thousands of prospective or existing house owners about citizens' rights and responsibilities as housing beneficiaries

- empowered 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
- empowered 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
- trained many of its staff and community members to improve their understanding of urban service-delivery markets and fill 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 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 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

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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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