



Government aims to speed up delivery of housing for the poor and have all South Africans accommodated in formally planned settlements by 2014.

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

By December 2008, government had built 2,7 million houses – providing shelter for more than 13 million people free of charge.

From 2004, government's housing expenditure increased from R4,8 billion to R9 billion in 2007/08, representing an average growth of 23,2% per year. The housing budget is projected to grow from R9 billion in 2007 to R10,6 billion in 2008/09 and R15,3 billion by 2010/11, at an average annual rate of 19,4%.

Comprehensive Housing Plan

Cabinet approved the Comprehensive Housing Plan for the Development of Integrated Sustainable Human Settlements and has a framework for housing programmes that aims to eradicate informal settlements in South Africa in the shortest possible time.

The plan 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 aims to change spatial settlement patterns by building multicultural communities in a non-racial society.

The Comprehensive Housing Plan is being implemented through a pilot project in each province, which will improve the living conditions of 103 000 households in informal settlements. The informal-settlement upgrading projects provide for phased, area-based development, and fund community participation and project management as an integral part of housing projects. Eradicating or upgrading all informal settlements by 2014/15 is the prime target.

The plan's strategic focus includes ensuring the delivery of affordable housing in sustainable and habitable settlements. Its strategic priorities are to:

- accelerate housing delivery
- improve the quality of housing products and environments to ensure asset creation
- ensure a single, efficient formal housing market

- restructure and integrate human settlements.
- Key focus areas identified by the Comprehensive Housing Plan include:
- accelerating housing delivery as a key strategy for poverty alleviation
 - using 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 down barriers between the First Economy residential property boom and the Second Economy slump
 - using housing as an instrument for the development of sustainable human settlements in support of spatial restructuring
 - diversifying housing products by emphasising rental stock.

The Breaking New Ground (BNG) Programme is aimed at improving overall housing delivery.

A BNG house is a state-subsidy house given to qualifying beneficiaries. BNG builds on existing housing policy articulated in the *White Paper on Housing* (1994), but shifts the strategic focus from simply ensuring the delivery of affordable housing to making sure that housing is delivered in settlements that are both sustainable and habitable. Unlike the previous 20-34 square metre subsidy houses, the BNG house is 40 square metres in size and has two bedrooms, a lounge, an open plan kitchen and a fitted bathroom. This house is also equipped with electricity. The BNG Programme is being implemented through the informal-settlement upgrading programme.

The Government and the private sector, including banks and property developers, signed the Social Contract for Rapid Housing Delivery in 2005 in an effort to accelerate housing delivery to address the housing backlog.

The contract binds signatories to work together to remove bottlenecks in housing delivery, invest more resources in low-cost housing and fast-track delivery. This has brought on board players from the financial construction sectors, and many other stakeholders.

By October 2008, the four major banks had informed the Minister of Housing that they had spent R38 billion of the R42 billion they committed

to as part of the Finance Services Charter. These funds are directed to those people who earn between R3 000 and R8 000 a month.

Legislation, policy and initiatives **Inclusionary Housing Policy**

Private-sector developers, in collaboration with financial institutions, have undertaken several inclusionary housing initiatives.

These include housing projects in Bertrams, Johannesburg; Olievenhoutbosch, Pretoria; Cosmo City in Johannesburg; Hlanganani, Springs; and Blythedale, outside Durban.

Multiple housing projects that are designed as mixed-income housing developments serve to ensure cross subsidisation and achieve inclusionary housing objectives.

Housing Development Agency

The Housing Development Agency Act, 2008 (Act 23 of 2008), establishes the Housing Development Agency as a statutory body to ensure that the delivery of housing is facilitated. The Act provides for an agreement between the agency and a municipality where a council lacks the capacity to acquire, hold, develop and release land for residential or community development. Its main purpose is to address the:

- shortage of well-located land
- facilitation of the rapid development of sustainable human settlements
- supply of much-needed project-management capacity for government projects.

The agency will also assist in cutting red tape that prohibits the acquisition of suitable land, as well as in the approval of development both by government and the private sector.

The provincial housing departments will be responsible for assisting local authorities in developing their land needs assessments and in co-ordinating individual municipal submissions into a provincial plan. The agency is also expected to facilitate the rapid release of land, which is key to the implementation of the BNG Programme and will improve the efficient location of human settlements. Servcon and Thubelisha will be integrated into the agency.

Rental Housing Act, 1999 **(Act 50 of 1999)**

The Rental Housing Act, 1999 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 that the tenant 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 expiry 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.

The Rental Housing Amendment Bill was approved by Cabinet to, among other things, amend the Rental Housing Act, 1999 to make further provision for rulings by rental-housing tribunals, to expand the provisions pertaining to leases and to extend the period allowed for the filling of vacancies in rental-housing tribunals.

Home Loan and Mortgage **Disclosure Act, 2000 (Act 63 of 2000)**

The Home Loan and Mortgage Disclosure Act, 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

In a move to give support and economic assistance to military veterans, the Housing Committee of Ministers and MECs (MinMec) approved the Military Veterans Housing-Assistance Programme.



Through this government initiative to assist and integrate military veterans into society, both socially and economically, all military veterans were called upon to apply for government-subsidised housing before 31 December 2008.

By October 2008, more than 10 000 veterans had registered for a housing subsidy and more than 1 500 subsidies had been allocated.





fairness in lending and disclosure by financial institutions.

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.

Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998)

In terms of the Housing Consumer Protection Measures Act, 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 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. 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 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.

The Housing Consumers Protection Measures Amendment Bill aims to amend the Housing Consumers Protection Measures Act, 1998, so as to, among other things, clarify the scope of application of the Act; provide for late enrolment and non-declared late enrolment; enable owner-builders to apply for exemption; extend claims to include roof leaks; make further provision for the use of money in the funds contemplated in the Act; extend the offences created under the Act; and amend provisions pertaining to the granting of exemptions and to the lodging of appeals.

Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 (Act 19 of 1998)

The Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 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.

Rental housing for the poor

About 1,8 million South African households in the middle- to lower-income groups live in rented accommodation, as opposed to about 5,2 million households that own property. There has been an improvement in the incomes of the poorest rising from R783 per month to R1032 per month.

Nationally, 71,14% of households rent accommodation, and 71,76% of people renting in metropolitan areas live in formal structures. Black households comprise the largest percentage of renters, followed by coloured households.

The demand for rental housing nationally is expected to increase substantially in the middle- to lower-income groups.

There is a dire need for public rental housing for the poor, which the Department of Housing aims to address by means of various options.

The department has formulated an affordable rental-housing programme for people in the low-income bracket who may live in housing stock arising out of:

- provision made by previous departments
- public-sector hostels for housing migratory labour in the previous dispensation
- municipal rental stock, which has not been transferred to the households who inhabit the units, and which will continue to be used as rental accommodation because of the low economic status of the households
- new high-rise housing stock that will be built for the specific purpose of accommodating low-income households in rental accommodation.

Policy now exists that will allow for the increased allocation of housing units to ex-combatants for Truth and Reconciliation Commission reparations, on a preferential basis. Over the next five years, an average of 30% of subsidised units are expected to be allocated to this target group.



Social Housing Bill

Over the years, the social housing sector has grown, and has been the beneficiary of significant funding from government. It is, however, characterised by a patchwork of policies, findings and institutions that neither supports the growth of the sector nor allows for proper regulation and monitoring of funding and policy. For these reasons, the Department of Housing has taken steps to assist the governance and regulatory processes through the promulgation of the Social Housing Bill and the establishment of the Social Housing Regulatory Authority, all framed by the approved Social Housing Policy.

The objectives of the Social Housing Bill are to establish and consolidate general definitions and principles, which can then be recognised as the authoritative guidelines for the sector as a whole, to establish the Social Housing Regulator and to provide for the recognition and accreditation of social housing institutions. The Bill provides for specific functions and responsibilities for the three tiers of government. It requires the national Government to create the kind of legislative, financial and institutional frameworks that will enable the sector to grow while provincial governments are given responsibilities to approve and administer grant funds and monitor project-level compliance.

Local governments are, on the other hand, required to ensure access to land, infrastructure and services, as well as initiate the identification of restructuring zones.

The Bill's major purpose is the establishment of the Social Housing Regulatory Authority, the body that in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999), will, among other things, be responsible for accrediting social housing institutions, administer and disburse capital and institutional grants as well as conduct compliance monitoring to norms and standards set by the sector. It will have powers to intervene to resolve maladministration issues and take remedial steps where necessary.

The Social Housing Foundation (SHF) will close down as soon as the regulatory authority has been established. Some of the functions of the foundation will be transferred to the department.

N2 Gateway Project

The project entails the transformation of the informal settlements along the N2 outside Cape Town.

This is the biggest housing project ever undertaken. Government is piloting the integration of communities and different income groups, auditing and updating the database of housing needs to ensure the list and choice of beneficiaries is credible, building human settlements with basic economic and social amenities and pursuing a new way of intergovernmental relations.

The project will see the development of about 30 000 dwellings at sites along a 30-km stretch of the N2, from District Six to Joe Slovo, Netreg, New Rest and Boys Town to Delft.

By May 2008,

- 4 500 temporary relocation units had been built
- 705 rental apartments were fully occupied at Joe Slovo
- First National Bank was developing an affordable bonded show village at Joe Slovo phase two and another 850 of these homes at Delft
- contractors had started with earthworks ahead of the construction of a BNG show village of 55 homes
- Delft was a hive of activity, with about 1 000 BNG homes already allocated to beneficiaries at Symphony, where the finishing touches were being applied to 1 400 new homes.

Community Residential Units (CRU) Programme

The CRU Programme aims to facilitate the provision of secure, stable rental tenure for lower-income people. The programme, which was approved by the Housing MinMec, provides a coherent framework for dealing with the many different forms of existing public-sector residential accommodation. The CRU Programme will target low-income

Social housing is state-subsidised rental housing for medium- and low-income people.

It services groups who cannot afford to buy a house; groups that are in transition, either geographically or in their life cycle, for example the young, the upwardly or downwardly mobile; single parents with children, especially women; and specific high-priority target groups, such as pensioners and physically challenged.

Social housing specifically targets people who would not normally qualify for state-subsidised housing because of their income bracket or because they have previously benefited from subsidised housing. In South Africa, social housing has been identified as a priority in government's attempt to create integrated human settlements.



persons and households earning below R3 500 a month, who are not able to be accommodated in the formal private rental and social housing market. The programme seeks to support the development of affordable rental stock.

Capacity-building

One of the major constraints in housing delivery is the lack of capacity, in terms of 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 in ensuring 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.

The Department of Housing has undertaken several initiatives to support small enterprises within housing and to promote Black Economic Empowerment and gender mainstreaming.

Based on extensive consultation with stakeholders in the construction and housing industry, the department has developed a framework for emerging contractor support that has resulted in a support programme that focuses initially on training emerging contractors.

Emergency housing

The National Housing Programme for Housing Assistance in Emergency Housing Circumstances was instituted in terms of the Housing Act, 1997 (Act 170 of 1997).

The amendment relates to the provision of the Constitution that everyone has the right to access adequate housing, and that the State must take reasonable legislative and other measures as permitted by 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.

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 subsidies

New housing-subsidy programmes are being developed and certain existing programmes have

The South Africa Housing Subsidy Scheme subsidy quantum amounts for the period 2008/09 in respect of a 40 m² house

Individual and project-linked subsidies	Top structure funding only	Own contribution	Product price
R0 - R1 500	R43 506	None	R43 506
R1 051 - R3 500	R41 027	R2 479	R43 506
Indigent: aged, disabled and health-stricken R0 - R3 500	R43 506	None	R43 506
Institutional subsidies			
R0 - R3 500	R41 027	Institution must add capital	At least R43 506
Consolidation subsidies			
R0 - R1 500	R43 506	None	R43 506
R1 501 - R3 500	R41 027	R2 479	R43 506
Indigent: aged, disabled and health-stricken R0 - R3 500	R43 506	None	R43 506
Rural subsidies			
R0 - R3 500	R43 506	None	R43 506
People's Housing Process			
R0 - R3 500	R43 506	None	R43 506

Source: Department of Housing





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, the People's Housing Process (PHP), rural subsidies and institutional subsidies.

Project-linked subsidies

This housing-subsidy mechanism enables a qualifying household to access a complete residential unit, which has been developed within an approved project-linked housing subsidy project for ownership by the beneficiary. Provinces or municipalities employ contractors to build houses for people or beneficiaries who qualify for subsidies. The subsidy amount is linked to the beneficiary's income and any shortfall must be financed 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, which is available on the basis of first-come first-serve, 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

Institutional subsidies are available to qualifying housing institutions that comprise a group of individuals who form a legal entity that acquires residential property to manage to enable them to create affordable housing stock for persons eligible 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 to 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 are three months in arrears 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. An eligible person must enter into a relocation agreement to relocate to affordable housing.

Finance-Linked Subsidy Programme (FLISP)

Government introduced the FLISP to assist first-time home buyers who earn between R3 501 and R7 000 per month to obtain a home loan. The subsidy attaches to the beneficiary and not to the property. This is used to decrease the mortgage bond and is only applicable to people who have never before been assisted by the State. It is disbursed as a once-off subsidy.

Subsidy for people with disabilities

People with disabilities who qualify for a housing subsidy will receive additional amounts to improve their houses with special additions such as paving and ramps to their door, grab rails in bathrooms, and visible door bells for the deaf.

Discount Benefit Scheme

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

Beneficiaries who took occupation of these rented houses before 15 March 1991 can now apply for a discount on the selling of their houses.

In most cases, these houses are given to people free of charge due to the fact that the discount is more than the selling price.

Rural subsidies

These housing subsidies are 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.

These 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, for the building of houses, or for a combination of these.

People's Housing Process

The PHP is a government housing-delivery mechanism that supports households who wish to enhance their subsidies by building their own homes or organising between themselves the building of their homes. The process allows beneficiaries to establish a housing-support organisation that will provide them with organisational, technical and administrative assistance.

The assistance includes training and guidance to the beneficiaries to build their own homes. The subsidy is available to beneficiaries enjoying functional tenure rights to the land they occupy. The land is normally in rural areas and belongs to the State and is given by the State and the authorities. Unlike the project-linked subsidy where a contractor builds houses for a number of people, the PHP allows people or beneficiaries to build or organise the building of their homes.

Housing institutions

Government has established the following national institutions to facilitate the specific housing and housing-related needs of the market, in addition to the role provincial governments and municipalities play. 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 SHF, the South African Housing Fund, the People Housing Partnership Trust 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. 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, and to regulate the home-building industry through the registration of builders and the 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.

In the quest to build capacity in the home-building industry, the NHBRC introduced a skills training programme for home builders. These include Construction, Education and Training Authority-accredited training in financial, project and construction management. Training is conducted by the NHBRC at a budget of some R47 million, targeting 9 870 emerging home builders in the housing sector. By 2007/08, 4 512 home builders had been trained. The training of emerging home builders is spread throughout all the provinces and municipalities and in urban and rural areas. The NHBRC will establish construction centres throughout the country to bring training within easy reach.

National Housing Finance Corporation

The Department of Housing established the NHFC as a development-finance institution (DFI) in 1996 to ensure that every low- and moderate-income household gains access to housing finance. The NHFC's revenue is derived from interest and service charges for its wholesale lending and financial services.

The NHFC's mandate has been expanded to enable it to directly lend to low- and medium-income end users. A new business model for the corporation has been developed and approved for implementation. By September 2008, final steps regarding the transformation of the NHFC were being implemented in the context of a government-wide review of DFIs. The NHFC's offering of end-user finance for home ownership targets 8 000 loans in townships and "sterile" areas.

National Urban Reconstruction and Housing Agency

Nurcha was formed 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 construction.

It is an innovative construction finance company that supports the national programme to house all South Africans in sustainable human settlements. Nurcha provides bridging finance to contractors and developers involved in the construction of subsidy housing, affordable housing, community facilities and infrastructure.





Over the years, Nurcha has raised additional financing through Swedish, Norwegian and other agencies in the USA, and through the Future Growth Fund, Overseas Private Investors' Corporation and Rand Merchant Bank. It is a tax-exempt, non-profit-making company.

In 2008/09, Nurcha continued to finance contractors in the subsidy housing, credit-linked housing and community infrastructure subsectors.

Nurcha is specially geared to provide construction finance for contractors or developers who cannot easily get access to finance through the conventional financial institutions. Each contractor or developer has unique needs and levels of experience. Some require a more closely managed approach than others, including assistance with project and cash-flow management and material procurement. Nurcha assesses the needs of each applicant and structures the loan accordingly.

Emerging contractors with little or no project management experience, and who require a high level of support, are funded and managed through a system of Nurcha intermediaries. In this programme, the project loan account is jointly managed by the contractor and the intermediary so as to ensure controlled payment for material, labour etc. More established contractors and developers who do not require close management are funded directly by Nurcha.

Servcon Housing Solutions

Servcon Housing Solutions (Pty) Ltd has been in practice for more than 12 years. Since its establishment in 1995 as an agreement between the national Department of Housing and the Council of South African Banks, Servcon has

According to a report from Lightstone Risk Management, the number of black property owners increased by more than 60% between 1997 and 2007. Of all the property owners registered with the deeds office in 2007, 36% were black, marking a 63,4% increase from 1997 when the figure stood at 22%.

The Lightstone data also shows that black people constituted 47% of new property buyers between 1997 and 2007. In terms of property mobility or second-property ownership, the Lightstone report indicates that of the 1997 black first-time buyers, 27% had gone on to engage in further property activity, compared to 31% of coloured, 38% of Asian and 46% of white property owners.



grown to be a 100% government-owned enterprise.

Servcon's current activities include:

- a ring-fenced portfolio in 33 310 properties
- a normalisation programme that takes place in Gauteng, Western Cape and Eastern Cape and has 12 274 properties left to be transferred
- normalising and satisfactorily resolving 20 482 properties in a period of eight years
- acquisition of suitably located state-owned land and property for development.

Social Housing Foundation

The SHF was established as a Section 21 company by the Department of Housing. It is mandated to develop and build capacity for social housing institutions, 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 strategic information to the social housing sector
- mobilise resources for the social housing sector
- facilitate the capacitation of sectoral participants
- facilitate sectoral stakeholder alignment
- achieve SHF business-service excellence
- provide social-housing-institution support
- provide sector communication and knowledge management.

It is expected that the SHF will be consolidated under the new Social Housing Regulatory Authority, as envisaged by the new Social Housing Policy and Bill.

Rural Housing Loan Fund

The RHLF is a Section 21 company, which was established in 1996 by the Department of Housing in partnership with the German Development Bank. It is a world-class rural housing social venture capital fund that creates new financial arrangements and opportunities for rural families to improve their housing, economic and living environments.

The mandate of the RHLF is to facilitate access to housing finance for low-income earners who intend to improve their housing conditions largely in non-metropolitan areas, such as communal land, small and secondary towns and rural nodes.

The RHLF operates as a wholesale finance institution and, to achieve its mandate, the RHLF lends





to intermediary housing lenders who, in turn, lend to individual borrowers. The RHLF is essentially a social venture capital fund. Traditionally, the RHLF has facilitated loans for rural housing through approved housing lenders who are willing and able to lend to people who want to build and improve their living conditions in rural areas. In addition, the RHLF has invested in a number of its approved intermediary lenders. Since inception, RHLF has disbursed more than 157 000 loans to the cumulative value of some R0,6 billion.

The RHLF has proved that the market for rural-housing finance credit does exist.

Increasingly, the RHLF is making access to housing finance possible for people in rural nodes.

Thubelisha Homes

Thubelisha is a dynamic and rapidly expanding housing-support institution reporting to the national Department of Housing. It provides specialised interventions that positively impact on the development of integrated sustainable human settlements and accelerate affordable housing delivery.

With a track record of successfully completed projects and a national footprint in all nine provinces, Thubelisha's mandate has been expanded to include the project management of housing projects and integrated sustainable developments, as well as the construction of affordable housing and related services.

Thubelisha supports the Minister of Housing's BNG initiative through the following programmes:

- upgrading informal settlements
- unblocking projects through delivery-enhancing interventions
- fast-tracking housing solutions using the emergency housing circumstances programme for people living in areas of stress
- implementing mega projects.

In 2006/07, Thubelisha secured 22 149 stands, completed 6 475 houses, handed over 6 198 houses and achieved a turnover of R314 million. Houses completed were 51% of the adjusted target while turnover was 73% of the target.

Corporate social investment

The company's experiential programme provides graduates with a six-month practical training programme and exposure to the subsidised housing market and construction industry.

Training modules include New Business Development Management, Project Management, Subsidy Administration and Stakeholder Management.

Through its partnership with Women For Housing, Thubelisha has initiated the Contractor Development Programme, which provides contractors with technical and business training. Successful contractors are listed on a database and provided with regular work. A significant portion of the programme targets female contractors, assisting them with career and business development.

Projects

Thubelisha has been appointed as the project manager and implementing agent of the N2 Gateway Project in Cape Town.

It also project-manages the upgrading of backyards in Orlando East. This is a pilot project to convert 750 backyard shacks being rented out by home owners into two- or three-roomed outbuildings. Provision is made for communal ablutions, and all this is done free of charge to the home owner.



Acknowledgements

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