



SA YEARBOOK 2009/10
HUMAN SETTLEMENTS



Supplying housing is interrelated with social and economic dynamics, which are fundamental to maintaining a person's livelihood. It is also an expression of the Government's resolve to rid the country of poverty and to achieve a better life for all.

Following the appointment of a new administration in May 2009, the Department of Housing's name was changed to the Department of Human Settlements. The aim is to transform the country's residential areas and build communities with closer access to work and social amenities, including sports and recreational facilities. 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 Human Settlements determines, finances, promotes, coordinates, communicates and monitors the implementation of policy for housing and human settlement.

By the end of March 2009, government had provided 2,8 million houses, giving shelter to more than 13,5 million people, free of charge.

In 2008, the then Department of Housing concluded four memoranda of understanding with external stakeholders:

- Intersite, to facilitate access to certain land parcels
- the Development Bank of Southern Africa, for programme and implementation-capacity support
- Anglo Platinum, for integrated human-settlement development around large mining operations
- the former Umsobomvu Youth Fund, for youth service in housing development.

Despite many challenges, there is strong collaboration between government and financial institutions. Over R40,5 billion has been released for financing housing development and/or ownership.

Within the context of a government-wide review of the development finance institutions, the transformation of the National Housing Finance Corporation (NHFC) and the increase in lending to lower-income groups are being implemented.

On the introduction of measures to ensure affordable and sustainable home ownership, by March 2009, well over 100 000 units had been planned in mixed-income and multiple-use projects. By March 2009, the subsidy voucher system for building material in rural areas, to sup-

port the self-build initiative, had been completed pending a policy decision and was due for implementation in 2009.

Expenditure on housing service delivery increased by 23% to R10,9 billion in the 2008/09 financial year.

Funds allocated to national pilot projects for the 2009/10 financial year included R400 million for the N2 Gateway, R120 million for the Zanemvula Housing Project and R150 million for disaster relief in KwaZulu-Natal.

By June 2009, nationally, over 570 housing projects had been approved and a housing grant of R12,4 billion was allocated for the 2009/10 financial year for expenditure on the construction of 226 000 new housing units across all nine provinces.

The homes being built are of a larger size and better quality, with more houses of 40 to 45 square metres (m²) being constructed.

Sustainable human settlements

Cabinet approved the Comprehensive Housing Plan for the Development of Integrated Sustainable Human Settlements (Breaking New Ground [BNG]) that aims, among other things, to eradicate informal settlements in South Africa in the shortest possible time.

The plan provides for programmes that promote the development of the entire residential property market, including 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 spatially, economically and socially integrated human settlements.

The Comprehensive Housing Plan is being implemented through informal settlement-upgrading pilot projects in each province, which will improve the living conditions of 103 000 households. The informal-settlement upgrading projects provide for phased, area-based development and emphasise community participation and social and economic development as an integral part of housing projects. The goal of upgrading all informal settlements by 2014/15 is aligned to the United Nations millennium development goals to improve the lives of 100 million slum dwellers worldwide.

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.

As part of the housing programme, government provides a 40-m² house with two bedrooms, a kitchen, lounge and separate bathroom to qualifying households earning from R0 to R3 500 a month. The focus on security of tenure aims to encourage poor households to invest resources in housing and build an asset.

The department developed and launched a number of instruments to guide the implementation of the Comprehensive Plan for Sustainable

Human Settlements in all three spheres of government. These include the monitoring, evaluation and impact-assessment policy and implementation guidelines, and the operating system for the policy and guidelines. The department has also initiated a project-monitoring process to measure the performance of provincial housing departments against targets set in their business plans, to identify constraints and assist with addressing them swiftly.

Legislation, policy and initiatives

The Department of Human Settlements has several legislative proposals in the pipeline to accelerate the achievement of ideal human settlements for the people and strengthen the legal environment. These include:

- Amendments to the Housing Act, 1997 (Act 107 of 1997), to align it to the ethos and principles that underpin the creation of sustainable human settlements.
- The Sectional Titles Management Bill, to deal with the management and administration of sectional titles schemes.
- The Community Scheme Ombud Service legislation, to establish a dispute-resolution mechanism for all community housing schemes.
- The Land Use Management Bill that is being piloted by the Department of Rural Development and Land Reform.
- Tabling a new National Housing Code, which is required in terms of the Housing Act, 1997. The 2009 code was approved by MinMec in February 2009.

Housing Act, 1997

The Housing Act, 1997 provides for, among other things, facilitating a sustainable housing-development process and for this purpose lays down general principles applicable to housing development in all spheres of government; defining the functions of national, provincial and local government in respect of housing development; provides for the establishment of the South African Housing Development Board; the continued existence of provincial boards under the name of provincial housing development boards; and financing national housing programmes.

Section Two of the Housing Act, 1997 compels all three spheres of government to, among other things, give priority to the needs of the poor in respect of housing development.

The Women in Housing Indaba, which is held every year in August, aims to encourage more women to participate in the construction industry. The 2009 indaba looked at opportunities for women in the building of sustainable human settlements by investigating initiatives undertaken by the Department of Human Settlements.

The indaba, under the theme *Entrenching Women's Participation in Housing Delivery*, provided a platform for women in housing to share experiences and to network. The indaba addresses the role of women in housing-delivery processes and in construction, while training and skills and enterprise development were other key focus areas.



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 (HDA)

The HDA Act, 2008 (Act 23 of 2008), provides for the establishment of the HDA as a statutory body to ensure that the delivery of housing is facilitated. The HDA was launched in March 2009. The objectives of the HDA are to:

- identify, acquire, hold, develop and release state, communal and privately owned land for residential and community purposes and for the creation of sustainable human settlements
- project manage housing-development services for the purposes of creating sustainable human settlements
- monitor centrally coordinated planning and budgeting of all infrastructure required for housing development
- monitor the provision of all infrastructure required for housing development.

The HDA 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 coordinating individual municipal submissions into a provincial plan.

The agency is also expected to assist municipalities and provinces with the rapid release of land and landed property, which will fast-track housing delivery in a way that supplements government capacity. The rapid release of land is key to the implementation of the BNG Programme and will improve the efficient location of human settlements. The housing institutions, 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 creates mechanisms to promote the provision of rental housing property and promotes access to adequate housing through creating mechanisms to ensure proper functioning of the rental housing market.

It furthermore provides for the establishment of rental housing tribunals; defines the functions, powers and duties of such tribunals; and lays down general principles governing conflict resolution in the rental housing sector. The Act provides for the facilitation of sound relations between the tenants and the landlords and for this purpose lays down general requirements relating to leases. It repeals the Rent Control Act, 1976 (Act 80 of 1976), and provides for matters connected therewith.

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 for all payments received by the landlord from the tenant.
- 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.

The Act gives tribunals the power to make rulings, which are deemed to be rulings of a magistrate's court in terms of the Magistrates' Courts Act, 1993 (Act 120 of 1993), and which are enforced in terms of the Act.

The Rental Housing Amendment Act, 2007 (Act 43 of 2007), 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

Housing delivery, 2008/09 financial year

Eastern Cape	20 180
Free State	14 667
Gauteng	80 469
KwaZulu-Natal	36 068
Limpopo	16 686
Mpumalanga	17 626
Northern Cape	4 914
North West	15 912
Western Cape	31 011
Total	239 533

Source: Department of Human Settlements

allowed for the filling of vacancies in rental-housing tribunals.

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 in 1993 to R1 041 per month in 2008. (*Development Indicators, 2009*)

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.

The Department of Human Settlements aims to address this demand 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 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 few years, an average of 30% of subsidised units are expected to be allocated to this target group.

Social Housing Act, 2008 (Act 16 of 2008)

The Social Housing Act, 2008 aims to establish and promote a sustainable social housing environment. It defines the functions of the national, provincial and local spheres of government in respect of social housing. It provides for the establishment of the Social Housing Regulatory Authority (SHRA) to regulate all social housing institutions obtaining or having obtained public funds and it allows

for the undertaking of approved projects by other delivery agents with the benefit of public money. It furthermore gives statutory recognition to social housing institutions and provides for matters connected therewith.

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 Human Settlements has taken steps to assist the governance and regulatory processes through the promulgation of the Social Housing Act, 2008 and the establishment of the SHRA, all framed by the approved Social Housing Policy.

The objectives of the Social Housing Act, 2008 are to establish and consolidate general definitions and principles, which can then be recognised as the authoritative guidelines for the sector as a whole.

The Act also provides for the recognition and accreditation of social housing institutions. In providing for specific functions and responsibilities for the three tiers of government, the Act requires the national Government to, among other things, create the kind of legislative, regulatory, financial and policy frameworks that will enable the sector to grow. Provincial governments are given responsibilities to, among other things, approve, allocate and administer capital grants, as well as to administer the social housing programme and, for this purpose, approve any projects in respect thereof.

Local governments are required to ensure access to land, municipal infrastructure and services for approved projects in designated restructuring zones. Local governments are furthermore responsible to initiate the identification of these restructuring zones.

The Act's major purpose is the establishment of the SHRA, 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 through regular inspections.

It will have powers to intervene in the affairs of social housing institutions, to resolve maladministration issues and take remedial steps where necessary.

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.

Community Residential Unit (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 targets low-income 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 Human Settlements 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 Human Settlements 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

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

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

Source: Department of Human Settlements

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 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.

An additional R150 million had been allocated in 2009/10 for the housing disaster-relief grant to KwaZulu-Natal. This was for rehabilitating and constructing houses and related infrastructure that were damaged by storms in November 2008.

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 have been revised and incorporated in the Housing Code, which aims to provide more flexibility to allow for local and project-specific needs.

Integrated Residential Development Programme

This housing-subsidy mechanism replaces the project-linked subsidy mechanism and enables the development of projects that provide a mix of income groups and land uses. The new programme aims to encourage the development of integrated settlements, which are socially, economically and environmentally sustainable.

Individual subsidies

An individual subsidy provides qualifying beneficiaries with access to housing subsidies to acquire ownership of improved residential properties (stand or house) or to acquire a house-building

contract that is not part of approved housing-subsidy projects. The latter option is only available to beneficiaries who will access housing 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. 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.

Project-linked subsidy

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

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 doors, grab rails in bathrooms, and visible door bells for the deaf.

In November 2009, the National Housing Audit, headed by the Special Investigations Unit (SIU), was instituted to address corrupt contractors and officials who build substandard houses for the poor. In the Northern and Eastern Cape alone, 3 000 houses would have to be destroyed as a result of shoddy and corrupt workmanship. Those found guilty would face civil or criminal action. For those found within government ranks, suspension with pay was not an option. Unscrupulous subcontractors and service-providers would be blacklisted.

By November 2009, some R20 million had already been recovered by the SIU after 800 government officials had been found to be unlawful beneficiaries of housing subsidies. A total of 120 of these were municipal employees who had been arrested. More than R12 billion of the funds allocated to the department in the medium term budget would be spent on housing delivery.



Discount Benefit Scheme

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

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

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 (PHP)

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.

In April 2009, a R98,3-million housing development project was launched in Jouberton in the North West. Houses built by the Masizakhe PHP as part of the Masizakhe Women's Group's 10 years' anniversary celebrations, were also handed over. The group was awarded the Best Performing Women in Housing Award during the 2008 Provincial Govan Mbeki Inaugural Housing Awards.

Human-settlement planning

The emphasis towards human-settlement planning is highlighted in the housing plan of 2004. A unit that focuses on this aspect was created in 2008 in the then Department of Housing.



In accordance with the Memorandum of Understanding signed by Anglo Platinum Limited and government, the construction of 1 000 houses for mineworkers started in April 2009.

The R190-million Phase Two of the Seraleng Integrated Housing-Settlement Development Project is part of a R2,4-billion investment towards integrated and vibrant human settlements.

This is part of 125 housing development projects to provide 79 325 housing units in the Bojanala Platinum District Municipality at a budgeted cost of R1,3 billion.

Anglo Platinum South Africa will spend more than R137 million towards land and services to benefit 20 000 households as part of its contribution to assist government to eradicate informal settlements by 2014. Government subsidies over 10 years will total over R87 million.

The mission and value proposition of the unit are the promotion of a non-racial, integrated society through the management and implementation of rigorous human-settlement development planning frameworks.

More specifically, its mission is to manage human-settlement development planning processes and support the implementation of human-settlement and housing-development planning frameworks. Furthermore, the unit adds value by acting as a catalyst and facilitator for housing-development planning in all spheres of government within the housing sector.

Services include:

- supporting provincial housing departments to develop multi-year housing-development plans
- supporting municipalities to develop housing chapters for their municipal integrated development plans
- reviewing the multi-year housing-development plans of provincial housing departments
- developing the national Human Settlements Plan
- maintaining the existing, and developing new housing planning instruments
- promoting the alignment of national sectoral planning.

Furthermore, the unit seeks to achieve its mission by engaging in the following strategic initiatives:

- enhancing and facilitating the involvement of provincial housing departments and municipalities in the development of housing
- providing training and capacity to provincial housing departments and municipalities on the drafting of housing-development plans

- regular engagements with relevant sector departments
- rationalising both the processes and products demanded by various sectors in different spheres of government.

Stakeholder management

Given the challenges of urban poverty, with a projected rise of 1,4 billion by 2020 from one billion slum dwellers, the private sector is a vital partner that must be engaged if the world's cities are to be achieved sustainably. A further challenge is to increase operations through new partnerships to address the daunting challenges of rapid urbanisation.

The Department of Human Settlements has been at the forefront in addressing this challenge in South Africa. In 2006, the Chief Directorate: Stakeholder Management was established. The unit's primary objective is to mobilise sector

stakeholders to partner with government towards fast-tracking housing delivery.

The unit facilitates stakeholder engagement through various dialogue forums, which led to collaboration in the implementation of the Social Contract for Rapid Housing Delivery and Rural Housing Contract, Stakeholder Engagement, Women in Housing, Youth in Housing (YiH) and the Govan Mbeki Housing Awards.

Social Contract for Rapid Housing Delivery

The Social Contract for Rapid Housing Delivery was signed in September 2005 during the Housing Indaba in Cape Town. The contract was signed by the then Department of Housing, provincial housing departments, national housing institutions and private stakeholders that form part of the supply value chain in the delivery of housing.

Among these private stakeholders are the banks, established construction companies and organisations, as well as non-governmental organisations that are all important partners in the effort to fast-track the delivery of sustainable human settlements.

The discussions for the Social Contract Pre-Plenary were structured according to five broad themes, namely capacity-building; product and delivery; development planning and land; finance and economic; and communication. By April 2009, three pre-plenary sessions had been held, the last one serving as a platform to review progress made towards achieving the 2005 Social Contract goals and objectives.

Women in Housing

This is a programmatic process to entrench participation of women in the housing-delivery value chain. The programme is socio-economic in nature with a clear 30% annual participation quota. The programme was conceived to provide redress for the construction-sector legacy that marginalised women's participation over decades. The few women who made strides found themselves faced with various challenges in the housing construction sector.

The 2008 Women's Build was celebrated concurrently with the Women in Housing Indaba and 52 houses were constructed in Kimberley, Northern Cape. In all, 18 female contractors were contracted to deliver the houses and 30 young female volunteers were organised to participate in the process. As a result of initiatives like these, the participation of women in the construction industry is projected to significantly increase to

In October 2009, in recognition of its efforts in providing decent shelter the Gauteng Provincial Government's Alexandra Renewal Project (ARP) was awarded the United Nations (UN) Scroll of Honour Award.

The ARP scooped the award at the World Habitat Day event held in Washington DC. With the award, the UN Habitat aims to acknowledge initiatives that have made outstanding contributions in various fields, such as shelter provision, highlighting the plight of the homeless, leadership in post-conflict reconstruction, and developing and improving the human settlements and the quality of urban life.

The ARP was launched in 2001 as an urban regeneration project that is aimed at reviving the social, economic and physical outlook of the township north of Johannesburg.

It was also aimed at building houses, fixing infrastructure and the Jukskei River, building parks, converting hostels into family units and changing the urban landscape of the township. The successful implementation of the project has improved the living conditions and human development potential within Alexandra.

People who have previously lived on the flood lines now have access to decent and habitable shelter in the form of new housing-development initiatives. Residents have found employment on the ARP-related construction sites, while others have established small businesses in the area.

The project's key achievements lies in the innovation shown in improving the lives of existing residents, despite a range of technical, social and political difficulties they confront on a daily basis.

This award was launched by the UN Settlements Programme in 1989 and is the most prestigious human settlements award in the world.



reach the 50% target for female-owned projects in housing construction by 2014, including disabled women and youth.

Youth in Housing

The YIH Programme is geared towards enhancing participation of youth in the construction and building of housing units. It is a service programme that is based on voluntary participation, using *letsema/ilima* principles. The programme is managed and based on the National Youth Service Model, which is characterised by three components, namely structured learning, service and exit opportunities. The programme is implemented through provinces and municipalities where housing units are built.

In all provinces, the programme targets 100 youth to undertake a service programme in respect of housing. The programme prepares youth by providing technical training through the National Home-Builders' Registration Council (NHRBC). The youth are given the opportunity to construct houses to perfect their skills in house-building under the mentorship of experienced contractors. While on site, the contractors identify star performers who are recommended for emerging contractor training and further education and training.

The NHRBC is leading the process by preparing youth before they go to build houses on site with technical training, while the National Youth Service Unit empowers the youth with life skills. Provinces supply housing subsidies and municipalities provide sites where houses are constructed. The provincial youth commissions mobilise youth participation in the programme.

Govan Mbeki Housing Awards

The Govan Mbeki Housing Awards were launched in 2008. It serves as the prime annual event that demonstrates the success to which the sector is collaborating regarding the delivery of quality human settlements. Receiving a trophy in a category is the highest recognition to an organisation or individual, while the certificates demonstrate acknowledgement of performance.

The awards are not limited to recognising winners or losers but set to acknowledge all role players who have gone the extra mile in delivering houses to qualifying beneficiaries.

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'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 NHRBC, NHFC, National Urban Reconstruction and Housing Agency (Nurcha), Servcon Housing Solutions, Thubelisha Homes, SHF, Rural Housing Loan Fund (RHLF) and the HDA.

National Home-Builders Registration Council

The NHRBC was established in terms of the Housing Consumers Protection Measures Act, 1998 (Act 95 of 1998), to provide regulatory control over the home-building industry and warranty protection to housing consumers against any failure of a home-builder's statutory obligations. Building activity is inspected to ensure compliance and protect housing consumers. In addition, the council is involved in evaluating new or alternative house-building technologies.

In recent years, the council has prioritised training and capacity-building to promote a

The Women's Build is an annual event organised to commemorate the historic 1956 Women's March to the Union Buildings in Pretoria. In the spirit of *letsema*, volunteers from government, the private sector, non-governmental organisations and the community are mobilised to participate in the construction of houses for beneficiaries in poor communities.

It is a partnership project of the Department of Human Settlements with sector stakeholders and is hosted in one or more provinces to commemorate Women's Month. The 2009 Women's Build was hosted by Mpumalanga in August 2009.

The Women's Build was celebrated under the theme *Together Let's Do More*.

The objectives of the event are to:

- raise consciousness about the construction sector and women's role in it
- demonstrate how cooperative governance and partner institutions support the Department of Human Settlements' Women in Housing initiatives
- promote women's access to economic opportunities within the housing sector
- promote volunteerism and partnerships.

The targeted beneficiaries of the Women's Build include among others, the elderly, female-headed households, women with disabilities and women caring for orphans and other vulnerable children.



satisfactory level of technical standards in the home-building environment. In 2008, the training programme was improved to cater for different types of geographical typologies. The council created a fund to promote training and capacity-building for women, youth and the unemployed.

During 2008, the NHBRC opened 10 new offices in the Eastern Cape (East London and George), Free State (Bethlehem), Gauteng (Pretoria), KwaZulu-Natal (Newcastle and Port Shepstone), Limpopo (Tzaneen and Bela Bela), Mpumalanga (Emalahleni) and North West (Klerksdorp).

In 2009, a further six new mobile offices were introduced in the Eastern Cape, Free State, Northern Cape, Limpopo, North West and Western Cape. Dedicated NHBRC engineers visited provinces regularly in 2009 to evaluate geotechnical and related enrolment documentation.

Over the Medium Term Expenditure Framework (MTEF) period, the council will implement e-learning for training emerging home-builders and establish accredited training centres in the provinces. Furthermore, products and services will be expanded through research and development.

During 2008, the Council Advisory Committee was appointed, as is provided for in the Housing Consumers Protection Measures Act, 1998 to advise the council on matters related to housing consumer protection, insurance, competition and construction-dispute resolution.

National Housing Finance Corporation

The NHFC is a Schedule 3A public entity. It was established in 1996 as a development finance institution to contribute to reducing South Africa's housing backlog by mobilising, raising and deploying housing finance from sources outside the public sector.

The NHFC's revenue is derived from interest and service charges for its wholesale lending and financial services.

Traditionally, the NHFC employed the model of a financial wholesaler, providing wholesale finance on an institutional level to financial intermediaries, as well as funding for social housing. However, the NHFC's mandate has been expanded to enable it to lend directly to low- and medium-income end users. A new business model for the corporation has been developed and approved for implementation.

The NHFC has disbursed R2,4 billion in funding and delivered 264 130 housing opportunities since 1996.

The NHFC will continue to act as a wholesale and project financier over the MTEF period. It will also play a major role in the social housing sector through the ongoing implementation of the recommendations of the Presidential Job Summit, thus stimulating the supply of much-needed housing stock.

National Urban Reconstruction and Housing Agency

Nurcha is the result of a partnership between the South African Government and the Open Society Institute of New York, established in 1995. The agency's strategic focus is on financing building contractors in the housing industry, specifically for subsidised, affordable housing and related community infrastructure.

Nurcha differentiates between established and emerging contractors. Finance is provided to established contractors directly, while a separate, specialised intermediaries channel is used to provide finance to emerging contractors. In this way, risks associated with this market segment by the traditional financial institutions are normalised. The intermediaries assist the emerging contractors with a range of construction support services. Partnerships between intermediaries and the agency are being reviewed on a strategic level to ensure their future commitment, secure continuity and broaden the regional presence of the institution.

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 to ensure controlled payment for material, labour and services. More established contractors and developers who do not require close management are funded directly by Nurcha.

As the agency is dependent on subsidised projects, it will continue with proposals to improve payment processes to mitigate the risk of conducting business with emerging contractors.

Expenditure is expected to increase at an average annual rate of 6,7% over the medium term, rising from R62,6 million in 2008/09 to R76,1 million in 2011/12, mainly from goods and services, and interest, dividends and rent on land.

Servcon Housing Solutions

Servcon's activities for the 2009/10 financial year included:

- finalising the Ring-Fenced Portfolio (184 properties remained uncooperative)
- normalising low-income housing portfolios
- finalising service level agreements with provinces.

Servcon ceased to exist towards the end of 2009. Some of its functions, particularly those of land and landed properties, will be transferred to the newly established HDA.

Social Housing Foundation

The SHF was established as a Section 21 company by the then 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.

Its revenue is derived from grant funding provided by the Department of Human Settlements and donor organisations.

To further strengthen rural housing development, the Department of Human Settlements, in collaboration with the Rural Housing Loan Fund (RHLF), developed an individual rural-subsidy instrument for people living in communal areas with no or limited security of tenure.

The instrument will enable beneficiaries to access building material for self-building purposes, assisted by the RHLF and the network of registered non-traditional lenders operating in these communities.



It is expected that the SHF will be consolidated under the new SHRA, as envisaged by the Social Housing Act, 2008.

Rural Housing Loan Fund

The RHLF is a Section 21 company, which was established in 1996 by the then 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 microfinance 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 also a social venture capital fund in that it takes equity in some of its intermediaries to enhance business growth. 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 its inception, the RHLF has disbursed more than 157 000 loans to the cumulative value of some R600 million.

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

The institution intends to continue with the implementation of the growth strategy, with the aim to reach "broader" and "deeper" into rural areas, through increasing the number of intermediaries supported, including community-based origination partners, while providing existing intermediaries with funding and support to grow the existing loan books. An increase in the number of end-user loans from 45 438 in 2008/09 to 60 000 in 2011/12, is projected.

During 2008, the RHLF facilitated 37 643 loans valued at R106,3 million, which significantly exceeded the budgeted R72,8 million disbursements and 30 000 individual loans. A significant portion of the loans were made in presidential rural nodes and other rural district municipalities: 9 340 loans valued at R44,7 million were dis-

bursed in rural nodes. This demonstrates the commitment of the RHLF and its intermediaries to enable access to disadvantaged rural communities.

In 2008, some R365,6 million, representing 46 489 individual loans, was disbursed by the RHLF's intermediaries from other sources of private-sector finance.

The Department of Human Settlements will transfer R50 million in 2010/11 and R50 million in 2011/12 for the recapitalisation of the RHLF.

Thubelisha Homes

Thubelisha was a Schedule 3A public entity and established as a non-profit, special purpose vehicle to create appropriate housing stock for the right-sizing of the Servcon housing portfolio.

It contributed to the BNG Strategy 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.

As with Servcon, Thubelisha ceased to exist in 2009. Its functions will be absorbed by the HDA.

International relations

Among the significant areas of activity with regard to international relations, officials of the department were tasked with providing secretariat functions for the African Ministerial Conference on Housing and Urban Development (AMCHUD).

Among the duties of the secretariat were:

- institutionalising the secretariat
- supporting the Bureau of African Ministers, elected by the conference, to run the body
- hosting the AMCHUD II Conference held in Abuja, Nigeria, in July 2008
- marketing AMCHUD and its agenda to encourage broader continental participation and stakeholder support.

Acknowledgements

A Review of the UUDP's Support to the South African Housing Sector, published by the German Technical Cooperation
BuaNews
Department of Human Settlements
Development Indicators, 2009
Estimates of National Expenditure 2009, published by National Treasury
Nurcha Annual Review, 2008
Servcon
Thubelisha Homes
Rural Housing Loan Fund
Rural Housing Loan Fund Annual Report, 2008

The Sowetan
The Star
Pretoria News
<http://allafrica.com>
<http://housingnc.ncape.gov.za>
www.eumunicipaloutreach.org.za
www.gov.za
www.housing.gov.za
www.info.gov.za
www.pmg.org.za
www.propertyscene.co.za
www.sagoodnews.co.za
www.servconhousing.co.za

Suggested reading

Berrisford, S (ed). 2008. *In Search of Land and Housing in the New South Africa: The Case of EtheMbaletu* (e-book). Washington, DC: World Bank.
Mohamed, SI. 2007. *Tenant, Landlord & Sectional Titles in South Africa: Weekly Articles, Property Law Digest Articles, 2004 – 2007; with Reference to the Rental Housing Act and Rental Housing Tribunals*. Durban: Organisation of Civic Rights.