

SOUTH AFRICA YEARBOOK 2012/13



Human Settlements

The human settlements sector in South Africa remains one of the most challenging areas in the social and economic environment. This mirrors worldwide trends as population explosions continue to create an increasing demand within the property market for well-located land and housing.

Following President Jacob Zuma's proclamation in 2009 to change the Department of Housing to the Department of Human Settlements, the focus shifted from housing being just a roof over people's heads, to providing sustainable and integrated human settlements where people can work, pray, play and have access to amenities required for their day-to-day living.

The mission of the Department of Human Settlements is therefore to facilitate the creation of sustainable human settlement and improve the quality of household life. Its functions are to determine, finance, promote, communicate and monitor the implementation of housing and sanitation programmes.

The sanitation function, previously administered by the former Department of Water Affairs and Forestry, was allocated to Human Settlements owing to the need for a more holistic focus as opposed to the mere building of houses. In 2012, the Estate Agency Affairs Board, which used to fall under the Department of Trade and Industry, was also transferred to the Department of Human Settlements.

Census 2011 results indicate that households that have flush toilets connected to the sewerage system increased to 57% in 2011 from 50% recorded in *Census 2001*.

Households with no toilets declined significantly from the 13,3% in 2001 to the 5,2% in 2011.

The proportion of households with access to piped water increased from 62,3% in 2001 to 73,4% in 2011.

Households that use electricity for lighting increased from 70,2% in 2001 to 84,7% in 2011, while households that use electricity for cooking increased from 52,2% to 73,9% over the same period. Households that use electricity for heating increased from 49,9% in 2001 to 58,8% in 2011.

The department committed itself to improving the quality of life of 400 000 households through upgrading informal settlements in 45 priority municipalities. A target was also set to stimulate growth in affordable home ownership and the rental market. To enable more integrated planning of human settlements, 27 municipalities were to be accredited to carry out the housing function.

By 2012, the Department of Human Settlements achieved 77% of its 171 targets. During the year, it created over 76 000 job opportunities. Of these, about 50 000 were direct, 5 000 indirect and 22 000 induced.

The South African Women in Construction initiative was placed in charge of relatively large projects. Their outstanding projects included China Square, where 500 houses were completed. They are also involved in the Soul City project, where they are improving 1 000 units that were badly built.

Regarding public-private partnerships, the department successfully partnered a number of stakeholders; for example, houses were built in Mazista and Skierlik in North West on land donated by a farmer.

The Vulindlela-enhanced People's Housing Process (PHP) Project was initiated in the rural Msunduzi Municipality near Pietermaritzburg, with a target of building 25 000 houses within a five-year period. By May 2012, 6 000 had been completed.

All the provincial governments have committed themselves to fight corruption and maladministration in the building industry. Limpopo is taking the lead with 24 blacklisted contractors for shoddy workmanship, non-delivery and incompetence. More than R1 million was recovered from these companies and the cases have been referred to the Special Investigating Unit for further action.

Regarding public servants in all three spheres of government who committed housing subsidy-related misconduct and fraud; more than 290 have been arrested, more than 240 have been found guilty, and more than 220 are facing internal disciplinary action. Nearly R30 million lost through corrupt activities has been recovered.

Legislation and policies

In 2012, the Department of Human Settlements had 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 Land Use Management Bill.

In February 2011, the National Assembly passed the Sectional Titles Schemes Management Bill and the Community Schemes Ombud Service Bill, which could fundamentally change the lives of people living in high-rise flats, inner-city buildings, townhouse complexes and other gated communities.

These bills will contribute to good governance and improved administration of sectional titles and community schemes. They will also minimise the negative actions of some corporate bodies.

The Sectional Titles Schemes Management Bill provides for the establishment of bodies corporate to manage and regulate common property in sectional title schemes and the establishment of an advisory council to advise the Minister.

The Community Schemes Ombud Service Bill will establish an ombud service to resolve disputes emanating from within community schemes. An increasing number of community schemes are being developed, where there is governance by the community involved, shared financial responsibility and common land and facilities. The Bill is aimed at addressing any problems and disputes among participants involving control and administration of finances, facilities and behaviour.

In line with the Home Loans and Mortgage Disclosure Act, 2000 (Act 62 of 2000), the setting up of the Office of Disclosure was completed by May 2012.

Progress around the Estate Agency Affairs Act, 1976 (Act 112 of 1976), the Finance-Linked Individual Subsidy Programme (FLISP), and the Mortgage Default Insurance

will go a long way in addressing the challenges in the upgrading of slums, access to basic services, accreditation of key municipalities and land acquisition for human settlements. The programme of improving property markets remains a major challenge.

In 2012, Gauteng approved the implementation of the FLISP. The primary objective of the FLISP is to reduce the initial mortgage loan amount to render the monthly loan repayment instalments affordable over the loan repayment term. This programme is targeted at anyone earning between R3 501 and R15 000 and who has never owned a house or benefited from any government housing subsidy programme before.

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; defines the functions of national, provincial and local government in respect of housing development; and provides for the financing of national housing programmes.

Section 2 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.

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 advance the provision of rental housing property and promotes access to adequate housing by working 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 tenants and landlords and for

More than one million homes have been built in Gauteng since the advent of democracy in 1994. While Gauteng is the smallest province geographically, it has the largest population at 12,3 million, generating an increasing demand for housing.

The mixed housing model, which includes different housing typologies for different income groups, is yielding fruits. Examples include Cosmo City, Fleurhof and Olievenhoutbosch, among others.

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 the 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.

Cabinet approved the Rental Housing Amendment Act, 2007 (Act 43 of 2007) to, among other things, further provide 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. The amendment also substitutes certain definitions, extends the application of Chapter 4 to all provinces, requires that the members of the executive council and local authorities establish rental housing tribunals and rental housing information offices respectively and extends the power of the rental housing tribunals to rescind any of its rulings.

Anglo Platinum committed to build more than 20 000 houses in the next nine years for its employees in the North West and Limpopo at a cost of R1,4 billion. This is part of its commitment to take part in the Each-One-Settle-One campaign, whose objective is to mobilise the private sector to participate in housing provision to help reduce the backlog.

Although the response from JSE-listed companies was not as forthcoming as initially anticipated, by May 2012, there had been considerable responses from private individuals and smaller companies. More than 22% of enquiries and pledges to Each-One-Settle-One are from individuals who want to build homes for their domestic workers and 15% are from individuals who wish to offer technical expertise.

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 significantly, 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 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 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 that national government, among other things, create the kind of legislative, regulatory, financial and policy frameworks that will enable the sector to grow further.

Provincial governments are given responsibilities to, among other things, approve, allocate and administer capital grants, as well as 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 also responsible for initiating 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), is, among other things, responsible for accrediting social housing institutions, administering and disbursing capital and institutional grants, and monitoring compliance with norms and standards through regular inspections.

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

In April 2011, the SHRA launched the Social Housing Accreditation Register and issued accreditation certificates to 18 social housing institutions.

The issuing of certificates and the unveiling of the accreditation register is part of the SHRA's mandate to regulate social housing institutions and manage the investment programme for social housing.

Government is committed to providing sustainable human settlements to improve the quality of household life for the poor. Such provisions entail access to quality accommodation, basic services, secure tenure and affordable mortgage finance.

By the end of March 2012, the Informal Settlements Upgrading Programme (ISUP) had delivered a total of 114 062 serviced sites. This figure represents 29,5% of the total target of 400 000 for 2014. Of the total number of 45 prioritised cities and towns, 19 of them have established upgrading programmes of informal settlements.

By the end of March 2012, over 22 000 rental units had been delivered through the Social Housing Programme. This figure includes the Institutional Subsidy, Community Residential Unit and private rental programmes. It also represents 27,6% of the 2014 target.

A total of 72 out of the 130 restructuring zones had been gazetted as provisional restructuring zones.

Human Settlements Vision 2030

Human Settlements Vision 2030: On the Road to 2050 is to no longer have poverty traps in rural and urban areas. It looks at total eradication of backlogs of more than 2,1 million housing units, which translates to about 12,5 million people.

Under Vision 2030's framework, most South Africans will have affordable access to services and quality environment; instead of living in isolation in the periphery of cities.

New developments throughout the country will break away from old patterns and significant progress will be made in retrofitting existing settlements. In rural areas, targeted investments and institutional reform will drive a revival of rural South Africa towards 2050.

The Each-One-Settle-One campaign was launched by the Minister of Human Settlements, Mr Tokyo Sexwale, in 2012 at the Johannesburg Stock Exchange in partnership with the top 200 companies. The campaign motivates stakeholders, private sector institutions, donor agencies and ordinary citizens to help the department to reduce the housing backlog.

The inefficiencies and inequalities in South Africa's settlement patterns are deeply entrenched, where townships were developed

and are still being developed in the periphery of the cities and town far from places of work, shopping and social facilities.

The Department of Human Settlements is a key player in the property market. A recent study found that of the six million registered residential properties in the Deeds Registry, 1,44 million were government subsidised houses. This represents just less than a quarter of registered residential properties and could increase to 35% if the backlog in issuing title deeds is overcome.

The obvious value of a title deed should not be underestimated. It provides the following:

- protection of rights to a property
- asset security
- facilitation of entry of ordinary South Africans as players in both the property as well as the financial markets.

What is least understood and nevertheless a major contribution to asset formation by beneficiaries, is that each time government facilitates acquisition of a house, it comes with its own land.

By May 2012, land distribution by human settlements was over 78 000 ha, hence the value of the house was no more just linked to the price of the top structure but was inclusive of the total value of the land.

Government's service delivery priorities from 2012/13 to 2013/14 were:

- eradicating housing backlogs and upgrading informal settlements
- rural housing development
- fast-tracking municipal infrastructure development through the Municipal Infrastructure Grant
- creating short-term jobs
- constructing houses and site services
- increasing jobs in plumbing, electrical fittings and bricklaying.

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.

The Social Contract for Rapid Housing Delivery aims to be a structuring device for steering interdependent activities into a new bargaining context so that all of the activities in the wider sector co-produce desirable outcomes such as:

- more sustainable human settlements for social equality
- economically efficient and effective settlements
- environmentally sensitive built environments with reduced carbon footprints.

The areas of focus broadly take account of the department's mandate. These focus areas are:

- social cohesion
- planning and development
- financing human settlements
- neighbourhood design: building communities (through spatial and physical articulation).

Inclusionary Housing Policy

The New Economic Growth Path has identified energy, transport, roads, water, communication and indeed housing as key areas in its strategy to fast-track sustainable growth, employment and equity creation.

This has been further given a boost by President Zuma's establishment of the Presidential Infrastructure Coordinating Committee (PICC). This is a major breakthrough towards reversing the system of apartheid infrastructure and its spatial planning.

More single women are buying homes in South Africa, with the number rising significantly over the last four years. According to mortgage company Ooba, the ratio of women to men in single-person home-loan applications increased from 36,53% in January 2007 to 46,94% in 2011. Indications are that this increased further in 2012. Single-person applications made up 49,65% of applications, compared to joint applications.

Effectively, the introduction of the PICC means the beginning of the end for government operating in silos.

Sanitation, which provides the most basic protection to the private dignity of citizens, is an internationalised programme through the United Nations (UN) millennium development goals (MDGs) as agreed to by all UN member states. In the PICC, this programme has been elevated into a national priority. This is also one of the key recommendations of the Ministerial Sanitation Task Team in its preliminary findings.

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

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

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

Budget

The department's budget for 2012/13 increased from R22 billion to R25,2 billion, a 10% increase from the previous budget. It was expected to grow to R30,1 billion in 2014.

The Human Settlements Development Grant for provinces was allocated R15,7 billion.

The Urban Settlements Development Grant, which allows for eight metropolitan municipalities to improve efficiency and achieve a coordinated approach to the built environment, was allocated R7,4 billion.

The Rural Households Infrastructure Programme was allocated R868,5 million to provide specific capital finance for the eradication of rural sanitation backlogs targeted at current households without access to sanitation and water.

SHRA was allocated R2,1 billion for the rental programme.

The National Urban Reconstruction and Housing Agency (Nurcha) were allocated R100 million to accelerate housing delivery.

Census 2011 figures show that 73,4% of households in South Africa has piped water inside the yards; 57% has flush toilets connected to a sewerage system; 3,1% has flush toilets connected to a septic tank; 84,7% has electricity, 0,2% has access to gas, 3% use paraffin, 11,4% use candles, and 0,4% use solar power. The number of households with a television set has increased by 20,7% since 2001.

The department will continue to support and to find better solutions to issues of affordability through social housing, affordable rental and promoting home ownership.

Subsidies and funding

Housing subsidies

A housing subsidy is a grant by government to qualifying beneficiaries for housing purposes.

The subsidy is either paid to a seller of a house or, in new developments, the subsidy is used to finance the construction of a house that complies with the ministerial minimum norms and standards. The house is then transferred to the qualifying beneficiary.

One of the Department of Human Settlements' areas of responsibility in the delivery of human settlements relates to the bottom-most end of the market, where it provides housing subsidies to the poor.

This is where the bulk of the housing backlog exists, affecting mainly those who earn below R3 500 a month.

Individual subsidies

An individual subsidy provides qualifying beneficiaries with access to housing subsidies to acquire ownership of improved residential properties (a stand or house) or to finance the acquisition of a serviced site linked to a house-building contract that is not part of an approved housing-subsidy project. The latter option is only available to beneficiaries who access housing credit.

This programme was enhanced by aligning the quantum of the grant available under the programme with the actual current delivery

cost of a house of 40 m² on a serviced stand. The new subsidy amount is R84 000. The amount comprises R6 000 for the raw land cost, R22 162 for internal municipal engineering services and R55 706 for the cost of constructing the top structure.

The revised subsidy amount was expected to improve beneficiary access to mortgage finance and is available on a first-come first-served basis.

Consolidation subsidies

This subsidy mechanism gives 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.

This is done 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.

Subsidies 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.

Discount Benefit Scheme

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

The scheme is only available to beneficiaries who took occupation of such rented houses before 15 March 1991.

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 how to use their subsidies, either for service provision, for the building of houses, or for a combination of these.

Farm resident subsidies

In 2011, a new housing-subsidy programme for farm residents was approved. The programme attempts to address the wide variety of housing needs of people working and residing on farms by providing a flexible package of housing models to suit the local context. In most instances, the programme will be applied where the farm residents are required to reside close to their employment obligations and where the farm land is distant from the nearest town, rendering the settlement of the farm residents in the town impracticable.

Farm residents will play an important role in all aspects of their housing solutions with regard to the selection of options, the design and implementation phase, as well as the ongoing management of the housing stock.

Finance-Linked Individual Subsidy Programme (FLISP)

Following consultation with banks and other financial institutions, the FLISP was introduced in the market in April 2012 to assist households earning up to R15 000. The subsidy attaches to the beneficiary and not to the property. This is used to decrease the mortgage bond and applies only to people who have never been assisted by the state. It is disbursed as a once-off subsidy.

Home Ownership Mortgage Indemnity Guarantee Fund (MDI)

The MDI assists ordinary working people and those in the middle class to obtain their

own homes outside of the gap market. It was expected to be concluded in October 2012. Beneficiaries to both these initiatives include more than two million public servants that cannot acquire mortgage loans.

National Housing Finance Corporation (NHFC)

The NHFC was established in 1996 as a development finance institution to search for new ways to mobilise finance for housing from sources outside the State.

The corporation provides wholesale finance and acts as a fund and risk manager. The organisation has been incorporated as a company with share capital in terms of the Companies Act, 1973 (Act 61 of 1973, as amended).

The NHFC supports the Breaking New Ground Strategy of the Department of Human Settlements by facilitating and funding the development of sustainable human settlements and the eradication of informal settlements.

The NHFC's function is:

- providing wholesale funding to intermediaries for small home-improvement loans to households
- funding long-term project finance to social housing and private rental landlords
- providing bridging funding in partnership with others to the development of affordable homes, particularly integrated developments
- providing retail home loans to the lower end of the housing market through various channels.

The NHFC fulfils a facilitating role by:

- implementing risk-enhancement mechanisms to encourage active participation in the low- to middle-income housing market
- promoting an enabling environment in the low- to middle-income housing market through advocacy and involvement in development
- improving access to housing finance for the low- and middle-income housing market to improve their living standards.

The NHFC has interacted with all provinces to identify pilot projects regarding the FLISP, to

reprioritise funding allocations and to conclude implementation protocols. More than 115 177 loans had been issued between April 2010 up to March 2012 by the NHFC, Nurcha and the Rural Housing Loan Fund (RHLF).

Development finance institutions

To ensure the alignment of appropriate financial instruments to achieve the human settlements mandate, the consolidation of the development finance institutions namely the RHLF, Nurcha and the NHFC was in the process of being finalised in 2012.

Rural Housing Loan Fund (RHLF)

The RHLF was established in terms of Section 21 of the Companies Act, 1973. It acts as a wholesale provider of development finance to retail financial intermediaries for the disbursement of housing credit to low-income rural households, thereby supporting government's effort to expedite housing delivery.

The Rural Households Infrastructure Programme has been allocated R868,5 million to provide specific capital finance for the eradication of rural sanitation backlogs targeted at current households without access to sanitation and water.

Role players

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 guiding the beneficiaries in building 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

In January 2013, government started constructing new low-cost houses in Lenasia, where houses that were built on illegally acquired land were demolished in November 2012. These houses were believed to have been built on state land and fraudulently sold to unsuspecting individuals. The new houses are built for people on government's housing waiting list.

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.

The PHP is a useful tool for community involvement.

Savings resulting from beneficiary participation in the building of their own homes and the material used may result in homes that are bigger and of better quality than contractor-built houses.

Stakeholder management

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 of addressing this challenge in South Africa. The Chief Directorate: Stakeholder Management's primary objective is to mobilise sector stakeholders to partner with government to fast-track housing delivery.

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

Women in housing

As a result of initiatives such as the Women's Build and the Women in Housing Indaba, women's participation in the construction industry is projected to significantly increase to reach the

According to Statistics South Africa's *Household Survey 2011*, 12,1% of South Africa's 14,75 million households lived in informal housing in 2011. This means that 1,789 million households lived in squatter camps or in informal housing in backyards compared to the 1,864 million households of 2010. The decrease shows that houses are being built faster than the increase in households.

Government is building 250 000 houses a year and the private sector 50 000. Gauteng has 20,4% households living in informal settlements, North West has 18,5% and the Western Cape has 15,1%. Limpopo has the smallest percentage with 4,5% and the Eastern Cape has 6,5%.

The survey showed that 15,3% of South Africa's households lived in state-subsidised housing in 2011, while 13,3% of the households had at least one member on a waiting list for subsidised housing. The percentage of households that owned houses decreased from 58,6% in 2010 to 53,6% in 2011. The percentage of households leasing houses in 2011 increased to 20,9% up from 20,6% in 2010.

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

National Women Build is a Letsema housing construction project, which was originally launched in 2005 in Gauteng. Since then, the project has been hosted by different provinces where houses have been built for vulnerable and marginalised women to commemorate one of the largest demonstrations in the country's history, when thousands of women marched to the Union Buildings in Pretoria in 1956 to protest against the pass laws.

National Women Build seeks to promote the spirit of volunteerism as well as public-private partnership.

The organisation, now known as Khuthaza, has been operating as Women for Housing since 1995. Khuthaza, meaning "encourage" in Zulu, is a non-profit company supporting the development of women in the housing and construction sectors.

Khuthaza encourages the entrance of women into the built environment sectors and the development of thriving careers and

businesses. It supports government initiatives relating to housing and infrastructure delivery, the maintenance and growth of the construction industry and Broad-Based Black Economic Empowerment.

In November 2012, the hand-over of 56 houses built by women as part of the Department of Human Settlements' Women's Month activities took place in the KwaMathukuza community.

The Women's Build coordinated every August and organised in different provinces every year. It is a partnership between government, private sector and communities to raise consciousness about the construction sector and the women's role in it.

The build also contributes to the creation of sustainable human settlements.

Youth Build

The Youth Build SA Programme integrates academic achievement, work experience, social action, leadership development and personal transformation in a single project. It was piloted in Ivory Park, Midrand, in Gauteng and will be rolled out to other parts of the country.

Its components include:

- education and skills development
- leadership and service
- counselling and support services
- exit opportunities.

The five-year planned project will see:

- 1 000 young people trained in various related skills
- 10 small businesses created
- 10 scholarships awarded.

The estimated cost of the project is R31 million.

Celebrating Youth Month in June 2011, the Department of Human Settlements called on the South African youth to join the department in accelerating the delivery of sustainable human settlements. The Minister of Human Settlements launched Youth Month activities in Modimolle in Limpopo. Youth volunteers constructed 76 houses in four weeks in the province.

Housing institutions

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 also facilitate the specific housing and housing-related needs of the market, in addition to the role provincial governments and municipalities play. These institutions are accountable to the Executive Authority of the Department of Human Settlements.

The institutions are the National Home-Builders Registration Council (NHBRC), NHFC, Nurcha, the Social Housing Foundation, RHLF, the Housing Development Agency (HDA), Servcon Housing Solutions, SHRA and Thubelisha Homes.

National Home-Builders Registration Council (NHBRC)

The NHBRC was established in terms of the Housing Consumers Protection Measures Act, 1998 (Act 95 of 1998, as amended), to represent the interests of housing consumers by providing warranty protection against defined defects in new homes and to regulate the home-building industry.

The council is providing training and capacity-building to promote satisfactory levels of technical standards in the home-building environment.

The NHBRC achieved a number of operating targets during 2010/11:

- registering 3 650 home builders against the target of 3 000 home builders
- enrolling 31 458 homes against a set target of 37 000
- commencing a review of the Housing Consumers Protection Measures Act, 1998 to address misalignments with other legislative prescripts, such as the Public Finance Management Act, 1999 (Act 1 of 1999) and the Consumer Protection Act, 2008 (Act 68 of 2008).

In July 2011, the NHBRC launched the Legacy Project, which aims to provide homes to the elderly, child-headed families and the disabled.

The Govan Mbeki Human Settlements Awards is a yearly event to encourage and motivate all stakeholders in the South African housing sector to improve the lives of fellow South Africans.

Each year the awards honour people who play a significant role in the sector, including contractors, bankers, the mining sector, professional associations and community-based organisations who partner with government to build sustainable human settlements.

The 2012 awards ceremony was a glittering gala dinner held in May at Gallagher Estate in Midrand. The category winners are:

- Best Priority Project – N2 Gateway Project, Western Cape
- Best Informal Settlements Upgrading Programme – Turnkey Group, Emalaheni Mpumalanga
- Best Social Housing Project – Sohco, Emerald Sky, Eastern Cape
- Best Rental Community Residential Units Project – Rathanda, Gauteng
- Best Enhanced People's Housing Process Project – Elliotdale, Mbashe Municipality, Eastern Cape
- Best Financed Linked Subsidy Project – Impala Boitekong, Rustenburg Municipality, North West
- Best Provincial Department in Performance Delivery – Limpopo.

In September 2011, the Department of Human Settlements handed over houses to some beneficiaries who were registered on provincial and city housing lists. Four areas allocated by government were set aside to build eight double-storey 60-m² homes.

The Legacy Project's achievements formed part of the 12th International Housing and Home Warranty Conference.

With the drive from the NHBRC, the department piloted the building of houses using alternative technologies, including the use of recycled materials.

National Urban Reconstruction and Housing Agency (Nurcha)

Nurcha was established as a Presidential Lead Project in 1995, in partnership with the Open Society Institute as a Section 21 company in terms of the Companies Act, 1973.

More than 2 600 families have received solar-powered geysers as part of government's programme to create better living conditions for residents of the former Joe Slovo informal settlement in Cape Town. The units have been fitted on 2 639 new homes which have been built in Joe Slovo 3A, 3B and 3C over the past 18 months to house former shack-dwellers.

Human Settlements Minister Tokyo Sexwale launched the project, which is one of the first energy-efficiency initiatives in human settlements developments, in April 2013.

The institution's strategic focus is on the financing of building contractors in the housing industry, specifically subsidised, affordable housing and related community infrastructures, differentiating between established and emerging contractors.

Finance is provided directly to established contractors while a separate, specialised intermediary channel is used for the provision of finance to emerging contractors, resulting in the normalisation of risks associated with this market segment by the traditional financial institutions. In this regard, the intermediaries assist the emerging contractors with a range of construction support services.

In 2012/13, Nurcha had been allocated R100 million to accelerate housing delivery.

Housing Development Agency (HDA)

The HDA was established in terms of the HDA Act, 2008 (Act 23 of 2008), in April 2009. Its purpose is to identify, acquire, hold, develop and release state- and privately owned land for residential and community purposes and for the creation of sustainable human settlements.

The agency is required to facilitate the acquisition of land in a way that supplements the capacities of government across all spheres.

The HDA provides project-management expertise in human-settlement projects and facilitates the development of projects through accelerated and innovative project packaging.

To accelerate human settlements, the HDA assessed more than 35 219 ha of state land for suitability. The HDA is in the process of

acquiring 1 329 ha of urban land, while an additional 500 ha of privately owned properties are being considered. A total of 111 792 ha of provincially held land were released for human settlements.

The National Human Settlements Land Inventory (NaHSLI) and Land and Property Spatial Information System are fully developed and operational. NaHSLI is a comprehensive, multidimensional catalogue of habitable land. NaHSLI presents a national tool based on the geospatial analysis of the natural, regulatory, structural and social environment context within which a habitable land profile for South Africa is being developed.

It facilitates the identification of suitable, available, accessible land that can be used to earn a livelihood, thereby demarcating non-habitable land and risk-prone areas and informing potential users where human settlements could be best located.

NaHSLI also provides insight into the development potential of habitable land and lends itself to the functions of choice, governance and sustainability.

In total, seven implementation protocols have been signed and further agreements are under negotiation with a number of municipalities and provinces.

The HDA's sole mandate is to acquire land on behalf of government for human settlement. The target is to acquire 6 025 ha by 2014. This is expected to provide for 500 000 housing units.

In 2012/13, the HDA had been allocated R100 million to accelerate housing delivery.

Servcon Housing Solutions

Servcon Housing Solutions was established in 1995 as a result of the Record of Understanding entered into between the then Department of Housing, representing government, and the Banking Council, representing participating banks.

It was established in terms of the Companies Act, 1973 and mandated to provide exclusive management services effective from April 1998, with respect to a documented ring-fenced port-

folio of 33 310 properties comprising properties in possession and non-performing loans worth R1,277 billion from April 1998 to March 2006.

In 2006, the shareholders represented by the Banking Council and the then Department of Housing parted in terms of the sale of shares and claims agreement.

During 2010/11, Servcon Housing Solutions continued with the implementation of a closure plan, as approved by the executive authority.

Resources

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,

After years of waiting, residents of Elliotdale in the Eastern Cape were finally on the receiving end of new houses that replaced the old mud structures they called home.

In September 2012, 200 houses were handed over in Phase 1 of the Rural Sustainable Human Settlements Project to beneficiaries who qualify for government's housing subsidy grant.

Phase 2 will result in another 800 house. At the end of the project, 7 000 new homes will have been built. In addition to housing, the project also provided much-needed employment opportunities, including 25 jobs for semi-skilled labourers, 22 for skilled labourers, 64 for youth, 68 for women and 90 for men.

the department has developed a framework for emerging contractor support that has resulted in a support programme that focuses initially on training emerging contractors.

In 2012, the department identified the following interventions:

- accreditation of municipalities
- professionalising skills in human settlements
- establishing a Centre of Excellence for Human Settlements Research.

Programmes and projects

Sustainable human settlements

Sustainable human settlements and improved quality of household life are defined by:

- access to adequate accommodation that is suitable, relevant, appropriately located, affordable and fiscally sustainable
- access to basic services such as water, sanitation, refuse removal and electricity
- security of tenure irrespective of ownership or rental, formal or informal structures
- access to social services and economic opportunities within reasonable distance.

In May 2012, government unveiled a plan that it expects will turn the country's major cities into sustainable economic hubs.

Part of the new strategy will be to unlock the mineral beneficiation potential in the country's mining cities, speeding up the building of new human settlements closer to where people work and building an integrated public transport system that incorporates rail, taxis and buses.

Strategic Integrated Project 7 (SIP7)

The SIP7 is part of the 17 SIPs contained in the Presidential Infrastructure Plan announced by the PICC in April 2012. They incorporate a range of economic and social infrastructure projects and cover all nine provinces with the emphasis on poorer regions. Investment in rail, water pipelines, energy generation and transmission infrastructure have been identified for Limpopo.

SIP7 focuses on 12 of the country's major cities in Gauteng, the Eastern Cape, KwaZulu-

Natal, the Free State, North West and the Western Cape.

The cities include major metros like Johannesburg, Ekurhuleni and Tshwane in Gauteng, Buffalo City and Nelson Mandela Metro in the Eastern Cape, eThekweni in Durban, Cape Town in the Western Cape and Mangaung in the Free State. The cities were chosen because of their demographic and economic significance. They are to be given implementation powers, with the PICC expected to exercise an oversight role.

In Gauteng, some of the projects that are up and running include the roll-out of the Bus Rapid Transit (BRT) System in all three of the province's metropolitan cities.

Tshwane will spend more than R1,6 billion on its BRT System.

Johannesburg finalised plans for a major rehabilitation of Diepsloot and Ivory Park townships, including the construction of clinics, schools and community libraries.

About R45 million has been set aside to turn Ekurhuleni into an aerotropolis – a new urban form where cities grow around airports, connecting workers, suppliers, executives and goods to the global marketplace.

An amount of R2 billion has been earmarked for a new rail link that connects Cape Town International Airport and the city centre while in other provinces such as the Eastern Cape and KwaZulu-Natal the focus will be on the expansion of ports and rail services.

Comprehensive Housing Plan (CHP)

The CHP for the Development of Integrated Sustainable Human Settlements (Breaking New Ground) is aimed at, among other things, the eradication of informal settlements in South Africa in the shortest possible time.

It incorporates principles such as:

- integrating subsidised, rental and bonded housing
- providing municipal engineering services at a higher level and being applied consistently throughout the township
- providing ancillary facilities such as schools, clinics and commercial opportunities

- combining different housing densities and types, ranging from single-stand units to double-storey units and row houses.

The CHP 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 is also aimed at changing spatial settlement patterns by building spatially, economically and socially integrated human settlements.

The CHP is being implemented through informal settlement-upgrading pilot projects in each province. These 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 UN MDGs to improve the lives of 100 million slum-dwellers worldwide.

The CHP focuses on:

- 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

A South African housing construction company, Moladi Housing Technology, has made it to the finals of a prestigious international competition for providing affordable houses for the poor.

The Port Elizabeth-based company was in the final six of the 2012 Hult Global Case Challenge. One of the judges was former United States President Bill Clinton, whose foundation wants to build millions of houses in Africa.

This South African company has built housing complexes in 10 African countries, South America, the Philippines and Mexico.

The Department of Human Settlements in collaboration with the Department of Higher Education and Training, and the Nelson Mandela Metropolitan University (NMMU), has established a Chair for Education in Human Settlements Development Management.

The new bachelor's degree will focus on education and training in human settlements development management to provide capacity in the sector. It will initially be offered only at NMMU in 2014, but will later also be offered by the University of Fort Hare and the University of South Africa.

- 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 CHP, government provides a 40-m² house with two bedrooms; a separate bathroom with a toilet, shower and hand basin; a combined living area and kitchen with wash basin; and a ready board electrical installation where electricity supply is available in the township, to qualifying households earning less than R3 500 a month.

The department developed and launched a number of instruments to guide the implementation of the comprehensive plan 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.

By 2012, significant progress had been made in delivering projects in all the provinces. These included

- Lakehaven, Ethekwini in KwaZulu-Natal

- a Brandfort Women's Build project in the Free State
- Mazista, Swartruggens in the North West
- Seshego, Polokwane in Limpopo
- Klarinet, Emalahleni in Mpumalanga
- China Square Project, Kimberly in the Northern Cape
- Jabulani Hostel Redevelopment in Soweto, Gauteng
- densification of the Joe Slovo settlement, Western Cape
- Southernwood Social Housing in Buffalo City, Eastern Cape; making the Eastern Cape the leader in the human settlements social housing programme.

Rental housing for the poor

The National Rental Housing Strategy, which was approved in 2008, provides 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 that has not been transferred to the households that 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 to be built for the specific purpose of accommodating low-income households in rental accommodation.

Many job seekers in urban areas require rental accommodation. There has been an increased demand for affordable and well-located rental accommodation. The Department of Human Settlements has developed a project pipeline with a mix of public-private sector rental stock, including the:

- Umlazi Community Rental Unit Programme in KwaZulu-Natal
- Brooklyn Social Housing Programme in Cape Town
- Amalinda Institutional Housing Subsidy in Buffalo City
- Cavendish Inner-City Private-Sector Rental in Johannesburg

- Zola Township Small-Scale Private Rental Stock for backyard dwellers in Gauteng.

All of these are aimed at creating 80 000 rental opportunities by 2014.

Community Residential Unit (CRU) Programme

The CRU Programme replaces the National Hostel Redevelopment Programme and the proposed Affordable Rental Housing Programme.

There are approximately 2 000 public hostels that need to be addressed by government.

There are also 200 000 residential units owned by provinces and municipalities. The programme, therefore, provides a coherent framework for dealing with the many different forms of existing public-sector residential accommodation.

The CRU Programme aims to facilitate the provision of secure, stable rental tenure for lower-income individuals.

The programme targets low-income individuals and households earning between R800 and R3 500 a month, who are unable to enter the formal private rental and social housing market.

The CRU programme covers:

- public hostels owned by provincial housing departments and municipalities
- “grey” hostels that have both private and public ownership
- public housing stock that cannot be transferred and has to be managed as rental accommodation
- post-1994 newly developed public residential accommodation owned by provincial housing departments and municipalities
- dilapidated, derelict and dysfunctional buildings.

Emergency housing

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.

Integrated Residential Development Programme (IRDP)

The IRDP provides for the acquisition of land; servicing of stands for a variety of land uses, including commercial, recreational, schools and clinics; as well as residential stands for low-, middle- and high-income groups. The land-use and income-group mix is based on local planning and needs assessment.

The IRDP can be undertaken in several phases or in one single phase. The first phase could provide serviced stands, whereas the second phase provides for housing construction for qualifying low-income beneficiaries and the sale of stands to persons who, for various reasons, don't qualify for subsidies; and/or the disposal of other stands such as those for commercial uses.

The Human Settlements Development Grant for provinces, which provides funding for human settlements development was allocated R15,7 billion for 2012/13.

The average house price in South Africa has increased by over 5% in the past year, according to bond originator Ooba. The average house price reached R894 510 in January 2013, up by 5,2% from R850 589 in January 2012.

The market was driven by first-time home buyers with more than 51% of Ooba's applicants in January being first-time buyers.

The average house price for first-time buyers was up 5,5% year-on-year to R686 452 and up 3,2% month-on-month to R665 167.

The current market conditions are supported by lower interest rates coupled with property price inflation and improved lending policies.

The Urban Settlements Development Grant, which allows for eight metropolitan municipalities to improve efficiency and achieve a coordinated approach to the built environment, was allocated R7,4 billion.

In November 2012, the first phase of the Fleurhof Integrated Human Settlement Development in Soweto was launched. Fleurhof is one of the Gauteng's largest integrated housing projects that will bridge the gap between the rich and the poor. This integrated development, situated less than 12 km from the Johannesburg city centre, will serve as a link to the formerly segregated areas of Soweto and Florida/Roodepoort, thus unlocking economic opportunities and creating direct access for both areas.

The project consists of various types of housing opportunities and forms of tenure. These include fully subsidised housing, social housing for rental, finance linked for the gap housing market and affordable bonded housing.

The project is a partnership between the Department of Human Settlements, Gauteng Local Government and Housing Department and the City of Johannesburg.

The project also provides amenities like business centres, seven crèches, five religious sites, one community centre, three school sites and parks.

Social Housing Regulatory Authority (SHRA)

The Social Housing Act, 2008 (Act 16 of 2008), provides for the establishment of the SHRA and the disbursement of three types of institutional investment grants, namely:

- project acquisition and feasibility grants
- pre-accreditation grants
- general capacity-building grants.

The main objective of the SHRA is to regulate and support the social housing sector to accelerate the delivery of social housing stock through the investment programme.

In 2012/13, the SHRA was allocated R2,1 billion for the rental programme.

Thubelisha Homes

Thubelisha Homes was established as a non-profit, special-purpose vehicle to create appropriate housing stock for the Servcon Housing Solutions portfolio.

The institution ceased operations in July 2009. In 2009/10, Thubelisha Homes began implementing a closure plan.

The project management of mega projects was transferred to the HDA and the staff offered employment opportunities with other housing institutions, provincial departments of human settlements and the Department of Human Settlements. Voluntary severance packages were offered to staff members who were not interested in the available employment offers.

During 2010/11, Thubelisha Homes continued reconciling the project accounts of outstanding contracts and resolving all outstanding legal matters. The outstanding annual reports have been compiled and produced.

International relations

There has been visible participation in the African Ministerial Conference on Housing and Urban Development (AMCHUD). South Africa was the AMCHUD Secretariat for the last six years, handing over to Kenya at AMCHUD 4 in Kenya in April 2012.

The department has a Memorandum of Understanding with the Netherlands on housing cooperation.

Conclusion

South Africa faces a growing challenge in providing all citizens with access to suitable housing. Despite significant achievements in housing projects, some challenges remain in broadening and sustaining access to the housing market, and ensuring that houses form part of integrated and sustainable human settlements.

Realising the right of every citizen to a home involves far more than the delivery of a subsidised house. Safe, secure shelter in healthy and integrated settlements is more often an immediate objective for a household than full home ownership.

The key challenge facing national housing policy has therefore shifted from a focus on building houses, although many are required, to correcting failures in the housing market that keep many South Africans from realising their rights. The long-term aim of housing policy is to enable all households to participate in the housing market in ways that meet their changing needs.

Innovations in housing finance, subsidy mechanisms and institutional arrangements is required to find appropriate responses to changing circumstances in the housing sector.

Allowing some large municipalities to experiment with alternative approaches to housing policy implementation, even if only on a medium-term pilot basis, is likely to inform and stimulate the ongoing refinement of public housing policy to meet changing market conditions and household needs.

The department's service-delivery priorities include upgrading well-located informal settlements, and providing proper services and land tenure to 500 000 households by 2014.

The department also plans to increase the rate of affordable rental housing delivery to at least 20 000 units per year. It furthermore plans to set aside 6 250 ha of well-located public land for low-income and affordable housing, accommodating approximately 400 000 units by 2014.

The department will accelerate provision and upgrading of bulk infrastructure networks to prioritised settlements by 2014, and will accommodate people whose salaries are too high to get government subsidies, but earn too little to qualify for a normal bank mortgage. It will also involve other departments in the processes.

Acknowledgements

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Servcon

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