



HUMAN SETTLEMENTS

SOUTH AFRICA
YEARBOOK

2010/11

2010/11

Government has set itself a target to making a positive impact on the quality of life of 500 000 households by 2014, by upgrading informal settlements. The upgrade will provide households with security of tenure as well as access to essential services in sites that are close to economic and other social amenities.

To meet its objective of sustainable human settlements and improved quality of household life, the Department of Human Settlements identified the following areas of priority:

- accelerated delivery of housing opportunities
- access to basic services
- more efficient land utilisation
- an improved property market.

Between 1994 and June 2010, government built over 2,7 million homes for South Africans, giving shelter to more than 13 million people.

In 2010, government planned to spend close to R15 billion on housing through the provision of housing grants, with homes being built in more than 8 000 human settlement projects across the country.

Government also upgraded many of the informal settlements, which exist alongside almost every urban and peri-urban town, to improve the conditions of those living there.

Government also planned to set aside over 6 000 ha of public land for low-income and affordable housing.

Significant strides have been made in identifying those informal settlements that can be upgraded with essential services, and work in this regard is progressing satisfactorily. All these informal settlements have been mapped countrywide, and will be receiving ongoing attention.

Government's Rural Housing Programme remains a key intervention, and new initiatives are in the pipeline to accelerate the development of high-quality rural human settlements.

In the national Budget Speech in February 2010, the Minister of Finance, Mr Pravin Gordhan, announced a new grant to support on-site water and sanitation infrastructure as part of the Rural Housing Programme. An initial R1,2 billion over three years has been made available for this purpose.

Spending on housing service delivery increased from R4,8 billion in 2004/05 to R10,9 billion in the 2009/10 financial year.

Nationally, over 570 housing projects were approved and a housing grant of R12,4 billion allocated for the 2010/11 financial year, translating into the construction of 226 000 new housing units across all nine provinces.

Sustainable human settlements

By February 2010, there were fewer than 2 700 informal settlements across South Africa, accommodating more than 1,2 million households.

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 BNG incorporates principles such as:

- integrating subsidised, rental and bonded housing
- providing engineering services at a higher level than many other townships, 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 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 also aims to change spatial settlement patterns by building spatially, economically and socially integrated human settlements.

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In April 2010, the Department of Human Settlements and the country's major banks agreed to form a joint working team to look into various aspects of housing finance, including how to generate innovative ideas around the R1-billion Government Guarantee Fund.

Those who stand to benefit from such a financial platform include nurses, teachers, police officers, prison warders, government officials, certain categories of management, and blue-collar factory and office workers.

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. 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 United Nations millennium development goals to improve the lives of 100 million slum dwellers worldwide.

By May 2010, 500 00 informal settlement dwellings were being upgraded.

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 imple-

mentation 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.

Phase One of the Housing Demand Database has been completed, resulting in an integrated national database.

The following priority projects were identified:

- 4 300 sites in the Zanemvula Housing Project and 800 units in Duncan Village in the Eastern Cape
- 4 000 units in the N2 Gateway Project in the Western Cape
- the initiation of the Lerato Park Housing Project in the Northern Cape
- 5 500 units in the Khutsong Resettlement Project in Gauteng
- infrastructure and housing in the Klarinet Housing Project in Mpumalanga
- the Emnambithi Urban Renewal Project in KwaZulu-Natal
- 6 776 units in Grassland in the Free State.

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 Scheme 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
- a new National Housing Code, which is required in terms of the Housing Act, 1997.

Housing Act, 1997

The Housing Act, 1997 provides for, among other things, facilitating a sustainable

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In February 2010, British news magazine, *The Economist*, reported that South Africa was the best-performing housing market in the world over the longer term.

South African house prices rose by a cumulative 418% between 1997 and 2009, according to the magazine's global house price index, outstripping the other 20 housing markets that were observed by the index.

In 2010, house prices in South Africa were back to their 2008 peaks.

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; 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 finances 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.

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 ensure cross-subsidisation and achieve inclusionary housing objectives.

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 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

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In October 2010, the Department of Human Settlements and the Development Bank of Southern Africa hosted Knowledge Week, a platform for knowledge-creation and -sharing around human-settlements development.

Under the theme, *South African Human Settlements 2030 – Rethinking the Spatial Development Trajectory*, the conference covered issues such as spatial trends and planning responses, institutional reconfiguration, key drivers of sustainable human settlements, environmental considerations, funding and the politics of space.

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The National Housing Code, which was published in February 2010, aligns housing policy and programmes with the Comprehensive Plan for the Development of Sustainable Human Settlements (Breaking New Ground). The code is more flexible, to cater for project-specific challenges and development conditions.

The Farm Residents' Housing Assistance Programme is incorporated in the National Housing Code. The programme provides for housing assistance to eligible farm residents who will hold rental or freehold tenure. It also includes assistance to the beneficiaries of the Department of Rural Development and Land Reform's Labour Tenants Programme. During 2009/10, the department developed a set of pro forma contracts to assist provinces and municipalities with the implementation of the programme.

housing sector. The Act provides for the facilitation of sound relations between tenants and 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, among other things, to amend the Rental Housing Act, 1999 to 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 Four to all provinces; requires the members of the executive council and local authorities to 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.

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In August 2010, the Department of Human Settlements intensified its crackdown on criminal housing contractors and drew up a shortlist of 20 problematic housing projects with a total value of R2 billion, which were under investigation.

A total of 10 246 housing projects had been assessed by investigators since the task team was appointed in November 2009.

Defaulting contractors will be placed on a restriction database once the process is complete. The Special Investigations Unit (SIU) began these investigations in 2007. By August 2010, it had arrested 1 910 government officials who were unlawful beneficiaries of housing subsidies, and successfully prosecuted 1 297 of these.

Disciplinary files had been prepared against another 1 297 officials. In addition, the SIU recovered R44 million from provincial and municipal officials, which will go back into the human settlements grants for service delivery.

Rental housing for the poor

Since the introduction of the Social Housing Programme in 1998, 42 000 rental units have been developed using the Institutional Subsidy Programme.

The National Rental Housing Strategy, which was approved in 2008, sets the delivery target of 100 000 rental housing units by 2012. These are expected to comprise 75 000 social housing and 25 000 community residential units.

The Affordable Rental Housing Programme is one of government's initiatives to address the housing backlog. The objective of this programme, which has an urban focus, is to increase the rate of affordable rental housing delivery to 300 000 units a year by 2014.

The programme 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.

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

Provincial governments are given responsibilities, among other things, to 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 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), will, among other things, be responsible for accrediting social housing institutions, administer and disburse capital and institutional grants, and 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 to take remedial steps where necessary.

In 2010/11, R377,2 million was allocated to the SHRA.

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 Min-Mec, 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 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 providing of basic municipal engineering services and temporary shelter.

Housing subsidies

A government housing subsidy is a grant by government to qualifying beneficiaries for housing purposes. The grant is not paid in cash to beneficiaries. Rather, the grant is either paid to a seller of a house, or in new developments, the grant is used to construct a house that complies with the minimum technical and environmental norms and standards, which 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 the department provides housing subsidies to the poorest of the poor. This is a critical area, as the bulk of the housing backlog exists here, and affects mainly those who earn between R0 and R3 500 a month.

The total amount allocated to grants for the poor in 20010/11 totals R15 billion, rising to R17,9 billion in 2013/14.

A large percentage of this amount is allocated to provinces in the form of housing development grants.

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 will be 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 commercial uses.

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 acquire 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 40m² 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 is expected to improve beneficiary access to mortgage finance. In addition, private-sector developers wishing to develop low-cost houses on their land may also apply to reserve individual subsidy funding for their low-income clients.

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.

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.

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.

People's Housing Process (PHP)

The PHP is a useful tool for community involvement. The homes that are built through the PHP are bigger and in many instances of better quality.

The PHP is one of the housing-delivery programmes where beneficiaries are actively involved in decision-making over the housing process and also make a contribution through savings. The PHP has undergone numerous review processes to enhance its impact on housing delivery as well as its contribution towards the creation of sustainable human settlements.

The review process has brought with it an enhanced PHP Policy Framework that outlines a plan for development of sustainable human settlements and embraces the People's Contract as the basis of delivery. The People's Contract makes a clear call to communities to partner with government in the delivery of houses.



The following are some of the Department of Human Settlements' highlights in 2010:

- provinces had spent a total of R12,2 billion, or 98,4%, of their allocation, by 21 April 2010
- increased roll-out of sanitation infrastructure programmes took place in rural areas
- significant progress was made in building local government capacity through the municipal accreditation process, whereby all six metros and four local municipalities were assessed
- the Sectional Titles Schemes Management Bill and the Community Schemes Ombuds Service Bill were introduced to Parliament
- good progress was made in the department's war on corruption.

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 towards fast-tracking 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 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 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 economy; and communication.

Women in housing

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

In 2010, National Women Build was hosted by North West. 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 Section 21 (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 therein. It supports government initiatives relating to housing and infrastructure delivery, the maintenance and growth of the construction industry and Broad Based Black Economic Empowerment.

Youth Build

In June 2010, 76 houses were built by the Youth Build Campaign. The campaign is an initiative that was started by the Department of Human Settlements and private-sector stakeholders. The initiative aims to raise awareness about the role of the youth in the construction sector, to promote youth access to economic opportunities within the housing sector and to enhance volunteerism and partnership in communities.

Govan Mbeki Housing Awards

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



In October 2010, the Minister of Human Settlements, Mr Tokyo Sexwale, launched an affordable housing project for mineworkers in Rustenburg, North West.

More than 1 500 homes have been built for workers at the Impala Platinum Mine in a joint venture between the company and government's National Housing Finance Corporation.

The houses, all two- or three-bedroom units, cost between R225 000 and R265 000. The mine owners are also building social amenities such as a school, places of worship and a clinic.

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

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. They also facilitate the specific housing and housing-related needs of the market, in addition to the role provincial governments and municipalities play.

The institutions are the National Home-Builders Registration Council (NHBRC), National Housing Finance Corporation (NHFC), National Urban Reconstruction and Housing Agency (Nurcha), Social Housing Foundation (SHF), Rural Housing Loan Fund (RHLF) and the Housing Development Agency (HDA).

Housing Development Agency

The HDA Act, 2008 (Act 23 of 2008), provides for the establishment of the HDA as a statutory body to ensure the facilitation of the delivery of housing. The objectives of the HDA, which was established in 2009, 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 purpose 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 HDA received an allocation of R69,3 million in 2010/11.

According to the Act, 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.

National Home-Builders Registration Council

The NHBRC 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 satisfactory level of technical standards in the home-building environment.

The council has also created a fund to promote training and capacity-building for women, youth and the unemployed.

The NHBRC has 10 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) and six mobile offices in the Eastern Cape, Free State, Northern Cape, Limpopo, North West and Western Cape. Dedicated NHBRC engineers visited the provinces regularly in 2009 to evaluate geotechnical and related enrolment documentation.

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

In recent years, the council had experienced volatile growth rates in the home-building industry. It recorded record-breaking numbers of home enrolments and consequently home enrolment fees in 2006/07 and 2007/08.



In July 2010, President Jacob Zuma announced that R12 million was to be spent by government to buy land for 3 700 new houses to be built for the communities of Sweetwaters, Fine Town, Thulamtwana and Wiellersfarm in Gauteng.

In 2008/09, the council's enrolment fee income declined to R478,7 million from R570,1 million in 2007/08. However, total revenue increased marginally from R774 million in 2007/08 to R780 million in 2008/09 due to increased interest earnings.

Training home builders, including emerging builders, the unemployed, the youth, women and people with disabilities, remains a critical strategic and operational focus for the council.

National Housing Finance Corporation

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

The corporation provides:

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

The NHFC:

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

The corporation disburses its funds through wholesale, commercial and retail business. The retail business, which was introduced in 2008/09, was reviewed in 2010. A total of R4,1 billion in loan finance had been provided by the corporation since 1996, which has facilitated the delivery of more than 296 000 housing opportunities.

National Urban Reconstruction and Housing Agency

Nurcha is a construction finance company that supports the national programme to house all South Africans in sustainable human settlements. It provides bridging finance to contractors and developers

involved in the construction of subsidised and affordable housing, community facilities and infrastructure.

Nurcha is a Section 21 company and is funded by government in partnership with the Soros Economic Development Foundation.

Nurcha is specifically geared to provide construction finance and support for contractors and developers who cannot access finance from conventional financial institutions.

As the development financier, Nurcha provides bridging finance to contractors and developers, manages loans and provides the support services for affordable housing.

In its 15 years of operation, Nurcha has provided loans to developers and contractors for the construction of over 240 000 homes and a large number of infrastructure projects throughout the country.

Rural Housing Loan Fund

The RHLF, a Section 21 company, was established in 1996 by the then Department of Housing, with initial grant funding from the German development bank, the *Kreditanstalt für Weiderrbau*.

The RHLF was set up as a wholesale development finance institution with the mandate of enabling low-income earners to access small loans that they could afford to repay. Borrowers use these loans to incrementally improve their housing conditions.

The RHLF facilitates housing microloans through intermediary or retail housing finance lenders. These partners borrow funds from the RHLF and on-lend to individual borrowers throughout South Africa's rural areas, including small towns and secondary cities. Its intermediary lenders enable the RHLF to reach all nine provinces.

The RHLF received an allocation of R49,5 million in 2010/11.

International relations

Among the significant areas of activity with regard to international relations, officials of



In August 2010, the Human Settlements People's Housing Process (PHP) Conference was held in Pretoria.

The PHP is a programme of the Department of Human Settlements designed to support communities that wish to maximise their housing subsidies by building their own homes.

The aim of the conference was to develop systems and tools that can assist in increasing the implementation of government's PHP Programme around the country.



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In March 2010, affordable housing in South Africa received a boost when *Agence Française de Développement* (AfD) entered into a R225-million loan agreement with the National Housing Finance Corporation (NHFC).

The funding is intended for social and private rental projects supported by the NHFC, and aims to partly or fully finance activities that have been identified by the AfD.

the department were tasked with providing secretariat functions for the African Minis-

terial 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

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Suggested reading

Berrisford, S (ed). 2008. *In search of land and housing in the new South Africa: the case of Ethebalethu*. [e-book]. Washington, DC: World Bank.
Smith, CP. 2009. *Eviction and rental claims: a practical guide*. Durban: LexisNexis.
Tshitereke, C. 2009. *There shall be houses, security and comfort*. Pretoria: Institute for Security Studies.