



South Africa **Yearbook** 2018/19

Human Settlements

Chapter 8 of the National Development Plan (NDP) envisages that, by 2030, South Africa should have spatially transformed and integrated human settlements. Outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014 – 2019 Medium-Term Strategic Framework (MTSF) gives expression to this vision by guiding the work of the Department of Human Settlements. In working towards the realisation of this vision, over the medium term, the department will focus on facilitating the provision of integrated human settlements, upgrading informal settlements, and facilitating affordable housing finance.

Over the Medium Term Expenditure Framework (MTEF) period, the department intends to focus on ensuring that poor households have access to adequate housing in better living environments, and creating a functional housing market. It will invest in catalytic projects that deliver integrated communities; upgrade informal settlements; and provide affordable rental housing, outstanding title deeds to beneficiaries of state subsidised housing, and temporary shelter to people affected by housing emergencies such as fires.

Legislation and policies

The DHS derives its core mandate and responsibilities from section 26 of the Constitution of the Republic of South Africa, 1996 and section 3 of the Housing Act, 1997 (Act 107 of 1997)). This allows the department, in collaboration with provinces and municipalities, to establish and facilitate a sustainable housing development process.

The department does this by: determining national policy and national norms and standards for housing and human settlements development, setting broad national housing delivery goals, providing funding to provinces and metropolitan municipalities, and monitoring the financial and non-financial performance of provinces and municipalities against these goals.

In executing these roles and responsibilities, the department also builds capacity for provinces and municipalities, and promotes consultation with all stakeholders in the housing delivery chain, including other sector departments, civil society and the private sector.

Further legislation guiding the mandate of the DHS include:

- The Sectional Titles Schemes Management Act, 2011 (Act 8 of 2011), which 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 (CSOS) Act, 2011 (Act 9 of 2011), which could fundamentally change the lives of people living in high-rise flats, inner-city buildings, townhouse complexes and other gated communities. The Act establishes an ombud service to resolve disputes emanating from within community schemes. The Act is aimed at addressing any problems and disputes among participants involving the control and administration of finances, facilities and behaviour.
- The Estate Agency Affairs Act, 1976 (Act 112 of 1976), the Finance-Linked Individual Subsidy Programme (FLISP) and the Mortgage Default Insurance are expected to address challenges associated with 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.
- The Housing Act of 1997 provides for, among other things, facilitating a sustainable housing development process. For this purpose, it 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.
- The Rental Housing Act, 1999 (Act 50 of 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 the proper functioning of the rental housing market. It furthermore provides for the establishment of rental housing tribunals. The Act gives tribunals the power to make rulings, which are deemed to be rulings of a magistrates' court in terms of the Magistrates' Courts Act, 1993 (Act 120 of 1993), and which are enforced in terms of the Act. The Act provides for the facilitation of sound relations between tenants and landlords and for this purpose

lays down general requirements relating to leases. 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 Rental Housing Amendment Act, 2007 (Act 43 of 2007), among other things, provides 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 Social Housing Act, 2008 (Act 16 of 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. The DHS has taken steps to assist governance and regulatory processes through the promulgation of the Social Housing Act of 2008 and the establishment of the SHRA. The Act provides for the recognition and accreditation of social housing institutions. Provincial governments are given responsibilities to approve, allocate and administer capital grants, as well as administer the Social Housing Programme. 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.

Human Settlements Vision 2030

Human Settlements Vision 2030: On the Road to 2050 aims to provide houses and services in rural and urban areas. It focuses on the 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 a quality environment; instead of living in isolation on the periphery of cities.

The DHS 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 value of a title deed 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 yet nevertheless a major contribution to asset formation by beneficiaries is that each time the government facilitates the acquisition of a house, it comes with its own land.

Nationally, the acquisition of houses were financially assisted by the National Housing Finance Corporation through FLISP, which gives all qualifying beneficiaries the certainty of being granted loans, bonds or mortgages by banks and other financial institutions.

The DHS has also been buying high-rise buildings in inner cities and refurbishing and transforming them from office space to rented family units. This form of social housing has become popular with young couples, students and single mothers.

Areas close to townships, known as "no man's land" that were used as buffer zones to separate black townships from white areas, are being eradicated. The land is being used for housing with occupants being moved closer to cities.

New non-racial towns and cities are constantly being developed to fulfil the principle of a united people in non-racial residential areas.

Towards integrated human settlements

The department's ongoing policy review seeks to reinforce the shift from housing to human settlements, as envisaged in the Breaking New Ground strategy and chapter 8 of the NDP. The emphasis is on creating integrated, mixed-use, mixed-income

developments that support densification and the development of transport-oriented corridors, and provide access to housing, and social and economic amenities. The department's operational activities, which largely enable it to develop policy and oversee programme implementation, will be funded from an operational budget that is expected to increase at an average annual rate of 9.4%, from R766.4 million in 2018/19 to R1 billion in 2021/22.

Providing integrated human settlements also entails increasing access to and delivering adequate housing and housing services in high quality living environments, providing affordable rental housing and state-subsidised units, delivering title deeds, and providing temporary shelter for housing-related emergencies, among other interventions.

Integrated Urban Development Framework (IUDF)

South Africa's grand plan to change the face of urban development is set to create vibrant spaces that are geared towards inclusive living and growth in the country's towns and cities.

South Africa adopted the IUDF to steer urban growth towards a sustainable model of "compact, connected and coordinated towns and cities".

The IUDF provides a roadmap to implement the NDP vision for spatial transformation.

It addresses issues such as densification, the delivery of basic services, infrastructure development and rural-urban linkages. Through the plan, government aims to promote urban resilience, create safe urban spaces and ensure that the needs of the most vulnerable groups are addressed. The objective is to transform urban spaces by:

- reducing travel costs and distances
- preventing further development of housing in marginal places
- increasing urban density to reduce sprawling
- improving public transport and the coordination between transport modes
- shifting jobs and investment towards dense peripheral townships
- rapid urbanisation in Africa.

According to the United Nations (UN), 54% of the world's

population lives in urban areas and this will increase to 66% by 2050.

Continuing population growth and urbanisation will add two-and-a-half billion people to the world's urban population by 2050.

The UN states that Africa is expected to be one of the fastest urbanising regions between 2020 and 2050.

Upgrading informal settlements

The upgrading of informal settlements is intended to provide households with secure tenure and access to basic services such as water and sanitation. Activities related to this are funded through the human settlements development grant to provinces and the urban settlements development grant to metropolitan cities. The target set in government's 2014 – 2019 MTSF is that 750 000 poor households have adequate housing in better living environments by 2019.

To strengthen the department's policy response to informal settlements, a dedicated Informal Settlements Upgrading Partnership Grant for provinces and metropolitan municipalities is expected to be introduced in 2020/21. The aim of the grant will be to incentivise a programmatic approach to the upgrading of informal settlements at municipal level. Funding for the grant, of R14.7 billion in 2020/21 and 2021/22, will be reprioritised from the Human Settlements Development Grant and the Urban Settlements Development Grant. These funds are expected to enable the upgrading of 231 000 households in informal settlements over the medium term. For 2019/20, funds are earmarked for informal settlements within the existing grant frameworks.

To provide an estimated 117 municipalities with technical assistance for the development of 766 settlement upgrading plans over the medium term, R150 million is allocated to the National Upgrading Support Programme in the Human Settlements Delivery Support programme. As a rapid response mechanism for the provision of temporary shelters in emergencies such as fires and floods, R1.4 billion over the medium term is allocated to the provincial and municipal emergency housing grants.

Social Contract for Rapid Housing Delivery

The Social Contract for Rapid Housing Delivery was conceptualised to support the implementation of government's Breaking New Ground strategy, which was launched in 2004 with the aim to accelerate the delivery of housing as a key strategy for poverty alleviation.

In 2014, the DHS together with private sector partners and stakeholders recommitted and signed a Social Contract for the Development of Sustainable Human Developments and Improved Quality of Household Life.

Through the contract, the partners set an ambitious target to deliver 1.5 million housing opportunities over the following five years.

The partners, including the private sector, mining sector, banking sector; as well as national, provincial and local spheres of government, signed the contract during the National Human Settlements Indaba held in Johannesburg.

The signatories of the social contract jointly undertook to work together to deliver 110 000 affordable housing opportunities for the gap market, 70 000 affordable rental opportunities, undertake 50 catalytic projects and install basic services and infrastructure in 2 000 informal settlements.

This formed part of their plan to ensure that by 2030 all South Africans live in adequate housing

Inclusionary Housing Policy

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

This was given a boost by the Presidential Infrastructure Coordinating Committee (PICC) and was a breakthrough in the effort to reverse the system of apartheid infrastructure and its spatial planning. 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 UN Millennium Development Goals (MDGs) as agreed to by all UN member states. In the PICC, this programme has been made a national priority. This is also one of the key

recommendations of the Ministerial Sanitation Task Team's preliminary findings.

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

These included housing projects in areas such as Bertrams and Cosmo City, Johannesburg; Olievenhoutbosch, Pretoria; Hlanganani, Springs; and Blythedale outside Durban. Multiple housing projects such as these that are designed as mixed-income housing developments ensure cross-subsidisation and achieve inclusive housing objectives.

Human Settlements Development Bank

The Human Settlements Development Bank supports effective transformation of the human settlements sector. This will be enabled by the provision of equity finance especially for emerging black entrants in the property industry, in line with government's transformation objectives. This would require a fundamental shift from the ordinary banking mindset.

The bank will facilitate the scaled-up delivery of FLISP to qualifying beneficiaries in the so-called gap market (an as yet unmet consumer need or a group of potential customers who are not yet purchasing a good or service, in this case buying property), including the Government Employees Housing Scheme (GEHS).

The strategic focus of the Human Settlements Development Bank will be to facilitate the increased provision of finance across the human settlements value chain, and the specific priority for the bank in this respect is the mobilisation of and the provision of finance for all planned catalytic projects.

National Housing Needs Register

The National Housing Needs Register is a database that links transparent processes of applying for a housing opportunity. It has 2.22 million records, with each record representing a household that has registered a housing need over the last seven years. This places the DHS in a stronger position to address people's needs.

The department has established a single national housing needs register (or database) that will be a single central

reference platform and assist in monitoring all housing programme planning and housing allocations. It is possible to know and prioritise all people based on which type of housing they need, in which area and what they are able to contribute.

The DHS is working together with Statistics South Africa and the Department of Science and Technology to build and govern the housing needs register.

Budget

The department's budget allocation for the 2018/19 financial year was R32.5 billion. The budget is set to increase at an average annual rate of 4.4%, from R32.2 billion in 2018/19 to R36.7 billion in 2021/22. Transfers and subsidies to grants and entities are the department's largest cost drivers, accounting for 97.3% (R102.8 billion) of its total budget over the MTEF period.

Major transfers and subsidies over the medium term include: the human settlements development grant to provinces, which funds the low-income housing programme, amounting to R50.1 billion; the urban settlements development grant to metropolitan municipalities, which is a supplementary capital grant that supports infrastructure provision for broader urban development, amounting to R31.1 billion; and transfers to entities, amounting to R4.3 billion. This spending is in the Housing Development Finance programme and is expected to increase at an average annual rate of 4.3%, from R31.5 billion in 2018/19 to R35.7 billion in 2021/22.

Through these transfers and subsidies, the department aims to support the delivery of 261 917 subsidy housing units and 27 500 self-build subsidies; and issue 891 401 title deeds, of which 412 340 form part of the historical backlog and 479 061 are for new developments.

Cabinet has approved budget reductions of R3.4 billion to the Human Settlements Development Grant and R200 million to the Urban Settlements Development Grant over the medium term. Despite these cuts, an additional R814.5 million over the medium term is allocated to the urban settlements development grant to provide electricity to households in metropolitan cities; and additional allocations to the human settlements development grant of R247 million in 2019/20 and R400 million in 2021/22 are earmarked for post-disaster relief in KwaZulu-Natal.

Subsidies and funding

Finance-Linked Individual Subsidy Programme

The South African Constitution enshrines the right of everyone to have access to adequate housing and makes it incumbent upon government to take reasonable measures to achieve this.

Among government's many programmes, FLISP is specifically intended for the market segment whose income is inadequate to qualify for a home loan, but exceeds the maximum limit applicable to access government's "free basic house" subsidy scheme. This market segment, generally known as the "affordable/gap" market, earns between R3 501 and R15 000 per month.

Households in this segment, if buying a home for the first time, may apply for a FLISP subsidy.

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 government. It is disbursed as a once-off subsidy.

An estimated 70 000 finance-linked subsidies are expected to be disbursed to qualifying beneficiaries by 2019 through funding provided in the Human Settlements Development Grant.

FLISP's allocations made to provinces by the Human Settlements Development Grant was R71.6 million.

Catalytic projects

Over the medium term, the department intends to lead the delivery of housing and human settlements through the planning and implementation of 31 catalytic projects across South Africa. These projects involve mixed use, mixed income, integrated human settlement developments, and are aimed at providing spatially, socially and economically integrated communities. The department will facilitate the delivery of various state subsidised housing units within catalytic projects through implementing agents such as provinces, metropolitan municipalities and related departmental entities. Funding for these implementing agents is provided through the Housing Development Finance programme in the form of conditional grants and transfers, which are set to increase from R32.5 billion in 2017/18 to R34.8 billion in 2020/21.

The transfer of the provincial human settlements development grant, which is expected to fund housing and human settlements programmes as stipulated in the National Housing Code, increases at an average annual rate of 0.2%, from R20 billion in 2017/18 to R20.1 billion in 2020/21. This relatively low increase is largely due to Cabinet's approved reduction in allocations to the grant of R7.2 billion over the MTEF period.

The urban settlements development grant to metropolitan municipalities supports the broader development of the built environment, with a strong emphasis on upgrading informal settlements. Grant transfers increase at an average annual rate of 3.3%, from R11.4 billion in 2017/18 to R12.5 billion in 2020/21. The below inflationary increase is due to Cabinet's approved reductions of R2.2 billion over the medium term.

Significant private partnerships and investment are also expected in catalytic projects in the form of rental units, affordable housing units and the development of economic infrastructure such as shopping centres and other commercial developments.

Affordable rental housing

Social housing provides medium density rental housing to low income households. It contributes to transforming urban spatial patterns as it promotes integration and densification in close proximity to economic and social amenities. The department's social housing programme is largely funded through the consolidated capital grant, which is transferred to the Social Housing Regulatory Authority. The grant has been augmented with an institutional subsidy, which was initially part of the human settlements development grant, to streamline the funding of social housing developments. Transfers to the authority for the consolidated capital grant are expected to decrease at an average annual rate of 2.9% over the medium term after

Cabinet approved a reduction of R1.4 billion over the same period. Despite the reduction, R2.3 billion is allocated for social housing over the MTEF period, which is expected to fund the delivery of 62 489 social housing units.

Emergency Housing

The emergency housing grant, which was expected to take effect in 2018/19, was created to respond proactively to emergencies related to housing and human settlements. This includes providing temporary shelter in emergencies such as fires in informal settlements. The grant will be funded through allocations amounting to R1.3 billion over the medium term in the Housing Development Finance programme.

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, as well as the provision of basic municipal engineering services and temporary shelter.

Housing subsidies

A housing subsidy is a grant by government to qualifying beneficiaries to be used for housing purposes. The subsidy is either paid to a seller of a house or, in new developments, it 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 DHS 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.

A total of 563 000 fully subsidised housing units were expected to be built by 2019.

Affordable housing finance

There is not sufficient provision of housing finance for individuals who earn too much to qualify for a fully subsidised house but too little to qualify for a home loan. To reduce the cost of mortgage finance, and streamline administration and the interaction

between subsidy beneficiaries and banks, the administration and funding of the FLISP will be shifted from provinces to the National Housing Finance Corporation.

In providing a targeted 18 185 households with subsidies to access mortgages over the medium term, the allocation to the programme is expected to increase from R100 million in 2019/20 to R500 million in 2021/22. To address the undersupply of affordable rental housing, the Social Housing Regulatory Authority is expected to spend R2.3 billion over the medium term to finance and regulate 30 000 affordable rental units through accredited social housing institutions.

To achieve improved efficiencies, economies of scale and a more sustainable housing finance model, the Rural Housing Loan Fund and the National Urban Reconstruction and Housing Agency merged with the National Housing Finance Corporation in October 2018. This was the first step towards establishing a new, consolidated finance institution for the development of human settlements. The institution is expected to be formally established over the medium term period, and is expected to support broader funding in the human settlements value chain.

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 with access to housing credit. The subsidy amount of R84 000 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.

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.

Housing Development Finance Programme

The grant funds the delivery of housing and human settlements programmes, and manage all matters related to improving access to housing finance and developing partnerships with the financial sector. Its objectives are to:

- manage the performance of provinces and municipalities by monitoring the expenditure and non-financial performance of human settlements development and housing programmes on a monthly and quarterly basis.
- accelerate the delivery of housing and human settlements by providing funding from the human settlements development grant, the urban settlements development grant and transfers to public entities on a scheduled ongoing basis.
- improve access to housing finance by collaborating with the private sector and related entities to develop mechanisms to increase market penetration and provide loans to low and middle income households on an ongoing basis.
- ensure equal access to housing finance through monitoring the lending practices of the financial sector by publishing an annual report on mortgage finance.

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 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.

Enhanced Extended Discount Benefit Scheme

The 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

The housing subsidy programme for farm residents addresses 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 is applied where 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 town impracticable.

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

Human Settlements Development Grant

This grant reflects the conditional allocation transferred to all provinces for the delivery of housing projects, as per the National Housing Code.

National Housing Finance Corporation

The corporation broadens and deepens access to affordable housing finance for low to middle income households by facilitating private sector lending for housing purposes. The entity's total budget for 2018/19 was R227.2 million.

Rural Housing Loan Fund

The Rural Housing Loan Fund (RHLF) is a wholesale lending institution. It is mandated to facilitate access to housing credit to low-income rural households by providing wholesale finance through a network of retail intermediaries and community-based organisations.

Role players

Enhanced People's Housing Process

The Enhanced People's Housing Process aims to support household who wish to enhance their housing subsidies by building their own homes. The Enhanced People's Housing process can be accessed through the Integrated Residential Development Programme, Project Linked Consolidation, Institutional or Rural Subsidies as well as technical and other forms of assistance in the house building process.

This subsidy is given to people who want to build or manage the building of their own homes. Unlike the Project Linked Subsidy where a contractor builds houses for a number of people, the Enhanced People's Housing Process allows people or beneficiaries to build or organise the building of their homes. People are in charge of their own house construction process in this programme and are supported by a support organisation. Additional funds are available to pay for the support functions.

Housing institutions

The DHS's support institutions play an important role in enhancing the norms and standards of housing, and 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 that provincial governments and municipalities play. These institutions are accountable to the Executive Authority of the DHS.

These institutions are the National Home Builders Registration Council (NHBRC), the National Housing Finance Corporation, the National Urban Reconstruction and Housing Agency (NURCHA), the Social Housing Regulatory Authority (SHRA), RHLF, the Housing Development Agency, the Estate

Agency Affairs Board (EAAB), and the Community Scheme Ombud Service (CSOS).

Stakeholder management

Increased operations through new partnerships would address the challenges of rapid urbanisation. The DHS 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

The DHS is working on a range of measures that are geared to support women in human settlements and emerging contractors in the housing sector.

These measures will look at addressing issues such as access to bridging finance, credit, lack of skills and lack of supportive institutional arrangements within human settlements value chain.

The NHBRC Women Empowerment Programme, which was formed in partnership with the Gordon Institute of Business Science, comprises a developed and customised programme for women entrepreneurs in the construction industry.

As part of the initiative, one hundred women who own construction-related businesses are taken through a 10-month programme that includes business skills training, mentorship, coaching, access to finance and new markets, as well as peer-learning opportunities.

Training and modules are customised based on the particular challenges and requirements of the industry. They also include practical support that facilitates application of the lessons learned throughout the programme.

National Home Builders Registration Council

The NHBRC was established in terms of the amended Housing

Consumers Protection Measures Act, 1998 (Act 95 of 1998) 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 provides training to promote and ensure compliance with technical standards in the home building environment.

In keeping with its core function of regulating quality standards in the home building industry, the council will focus on increasing home inspections and enrolments over the medium term.

The council is committed to ensuring that all housing units subsidised by government are enrolled with the council. In working towards this goal, the council is expected to enrol 409 716 subsidy homes and 167 059 non-subsidy homes over the medium term. These enrolments are expected to drive an increase in total expenditure from R843.9 million in 2017/18 to R1 billion in 2020/21, at an average annual rate of 6.5%.

To strengthen its regulatory function over the medium term, the council plans to conduct almost 1.7 million inspections in the subsidy sector and 683 831 inspections in the non-subsidy sector, and train 6 000 youth, women, disabled people and military veterans, at a projected cost of R648 million.

As the council's work is labour intensive, spending on compensation of employees is projected to increase from R470.6 million in 2017/18 to R563.3 million in 2020/21, at an average annual rate of 6.2%. The council aims to maintain its staff complement at 663 over the medium term.

The council generates revenue mainly from a combination of home enrolment fees, registration and renewal fees for homebuilders, technical services, and interest and dividends earned on the warranty fund. Total revenue is expected to increase from R1.3 billion in 2017/18 to R1.5 billion in 2020/21, at an average annual rate of 6.4%.

Rural Housing Loan Fund

The RHLF facilitates access to housing credit to low income rural households by providing wholesale finance through a network of retail intermediaries and community-based organisations. The entity's total budget for 2018/19 was R48.6 million.

National Urban Reconstruction and Housing Agency

NURCHA provides bridging finance to contractors building low to moderate income housing, infrastructure and community facilities; and provides account administration and support services. The entity's total budget for 2018/19 was R75.9 million.

Social Housing Regulatory Authority

The SHRA regulates the social housing sector, and ensures a sustainable and regulated flow of investment into the social housing sector to support the restructuring of urban spaces through capital grant provisions to accredited social housing institutions. The entity's total budget for 2018/19 was R825.8 million.

Housing Development Agency

The agency identifies, acquires, holds, develops and releases state-owned and privately owned land for residential and community purposes; and project manages housing developments for the creation of sustainable human settlements. The entity's total budget for 2018/19 was R581.5 million.

The Community Schemes Ombud Service

The CSOS provides a dispute resolution service for community schemes; monitors and controls the quality of all governance documentation relating to sectional title schemes; and takes custody of, preserves and provides public access to scheme governance documentation. The entity's total budget for 2018/19 was R144.2 million.

The CSOS is mandated to:

- provide a dispute resolution service for community schemes
- regulate, monitor and control the quality of all sectional title schemes' governance documentation; and
- take custody of, preserve and provide public access to scheme governance documentation.

In terms of the CSOS Act of 2011, any person in a community scheme may apply to the CSOS, if such a person is a party to or is materially affected by a dispute, for mediation and adjudication.

The National Human Settlements Land Inventory (NaHSLI)

The NaHSLI and the 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 located best.

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 Estate Agency Affairs Board

The EAAB regulates, maintains and promotes the conduct of estate agents, issue certificates from the Estate Agents Fidelity Fund, prescribes the standard of education and training for estate agents, investigates complaints lodged against estate agents, and manages and controls the Estate Agents Fidelity Fund. The entity's total budget for 2018/19 was R139.6 million.

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 DHS continues to assist provinces in ensuring effective and efficient implementation of the National Housing Programme. The strategy and guidelines for capacity building, and guidelines for provincial housing-capacity business plans, have been developed.

The DHS undertook 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 DHS developed a framework for emerging contractor support that resulted in a support programme that focuses on training emerging contractors.

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, and
- access to social services and economic opportunities within reasonable distance.

Strategic Integrated Project 7 (SIP7)

The SIP7 is part of the 18 SIPs contained in the Presidential Infrastructure Plan. 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 metropolitan municipalities such as Johannesburg, Ekurhuleni and Tshwane in Gauteng, Buffalo City and Nelson Mandela Metro in the Eastern Cape, eThekweni in KwaZulu-Natal, Cape Town in the Western Cape and Mangaung in the Free State.

The cities were chosen because of their demographic and economic significance. They will be given implementation powers, with the PICC expected to exercise an oversight role.

In Gauteng, some of the projects that are in operation include the implementation of the Bus Rapid Transit (BRT) System in

the province's three metropolitan cities. Tshwane is expected to 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 connecting 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 expanding ports and rail services.

Comprehensive Housing Plan (CHP)

The CHP for the Development of Integrated Sustainable Human Settlements (the Breaking New Ground strategy) is aimed at eradicating 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, applying them consistently throughout townships
- providing ancillary facilities such as schools, clinics and commercial opportunities
- combining different housing densities and types, ranging from single-stand to double-storey units and row houses.

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 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

- using housing development to break down barriers between the first-economy residential property boom and the second-economy slump
- using housing as an instrument for the development of sustainable human settlements in support of spatial restructuring
- diversifying housing products by emphasising rental stock.

The DHS 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 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.

Rental housing for the poor

The National Rental Housing Strategy provides for people in the low-income bracket and living under the following conditions:

- provisions made by previous departments
- community residential units (formerly known as hostels) for housing migratory labour in the previous dispensation
- municipal rental stock that has not been transferred to the households who inhabit the units, and which will continue to be used as rental accommodation because of the low economic status of the households
- new high-rise housing stock 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 increase in public hostels owned by provincial housing departments and municipalities including:

- “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.

Units provide secure and stable rental tenure for lower-income earners. Potential tenants are selected according to specific criteria such as: they must be a South African citizen, not an owner of any property in the municipality, earn between R1 600 and R3 500 per month (gross income), not owe the municipality any services money, pass an affordability check, and they must be a major to be able to sign the legal documents.

Government Employees Housing Scheme

The scheme is an employee benefit housing scheme that offers housing access support services to government employees.

The State as employer administers an employee housing assistance scheme to ensure that employees have access to adequate housing on a sustainable basis.

Integrated Residential Development Programme (IRDP)

The IRDP provides for the acquisition of land, servicing of stands for a variety of land uses, including commercial and recreational purposes, 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.

International relations

South Africa is party to the UN MDGs, which provide for the significant improvement in the lives of at least 100 million slum dwellers by 2020.

In addition to these conventions, South Africa adheres to the following declarations under the UN Habitat programme: the Vancouver Declaration on Human Settlements of 1976, the Istanbul Declaration on Cities and other Human Settlements of 1996 and the Habitat Agenda of 1996, the focus of which is to address the plight of people without adequate housing.

World Urban Forum

The WUF was established by the UN to ensure that member states and the world responds to ensure proper and sustainable management of urbanisation in towns and cities across the globe. The matters which receive attention include eradicating the ill effects of urbanisation such as poverty, unemployment,

inequality, and managing the negative consequences of climate change on communities.

It brings together government leaders, ministers, mayors, diplomats, members of national, regional and local government, non-governmental and community organisations, professionals, academics, grassroots leadership of women and youth to debate and propose solutions to ensure proper, working, equitable and sustainable livelihoods for households and people living in urban areas.

The forum also advises the Executive Director of UN-Habitat and UN-Habitat's Governing Council on key issues that should inform the work of UN Habitat and all key stakeholders in the field of human settlements and urban development.

