



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.

Formal housing has grown by 50% since 1994, translating to an additional 5,6 million formal homes since the country's first democratic elections.

Government and human settlements stakeholders have committed to deliver 1,5 million housing opportunities by 2019. The commitment by banks, developers, mining companies and big employers officially declared South Africa the biggest construction site in Africa and the developing world.

Housing experts at the National Settlement Indaba estimated the partnership to be worth over R250 billion over five years in affordable bonded housing investments by banks, rental accommodation developments by private sector and agencies, government subsidies, housing investments by big employers and mining companies, bulk services development for townships and human settlements, upgrading of current informal settlements infrastructure and community infrastructure such as schools, churches, business sites and other amenities.

The commitment is detailed in the Social Contract for the Development of Sustainable Human Settlements signed at the end of the National Human Settlements Indaba and Exhibition held at the Sandton Convention Centre from 16 to 17 October 2014. Government, South African Local Government Association, mining companies, government parastatals, property developers and owners, engineers, banks, mines, non-governmental organisations and big employers attended the Indaba.

The Indaba, held under the theme: "Building Partnerships for the Delivery of 1,5 million Housing Opportunities," sought to mobilise and recommit different stakeholders in the private sector to support government in its quest to provide shelter for all South Africans.

Legislation and policies

The following legislation, policies and strategies govern the Department of Human Settlements (DHS) The department derives its responsibilities from Section 3 of the Housing Act, 1997 (Act 107 of 1997). According to the Act, the department must, after consultation with provinces and municipalities, establish and facilitate a sustainable national housing development process by:

- determining national policy, including national norms and standards, in respect of housing and human settlements development

Human Settlements

- setting broad national housing delivery goals
- monitoring performance of provinces and municipalities against housing budgetary and delivery goals
- building the capacity of provinces and municipalities
- promoting consultation with all stakeholders in the housing delivery chain, including civil society and the private sector.
- 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 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, 1997 (Act 107 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

The Minister of Human Settlements hosted a National Human Settlements Youth Summit in December 2014 to discuss the active participation of youth in housing delivery and the strategy to position young people on the forefront of the implementation of the Social Contract for the Development of Human Settlements.

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 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 government facilitates the acquisition of a house, it comes with its own land.

Housing the poor was an ingredient of the department's three-part response to the State's Vision 2030 Strategy.

"Gap housing" is a term that describes the shortfall, or "gap" in the market between residential units supplied by the State and houses delivered by the private sector.

The gap housing market comprises people who typically earn between R3 500 and R15 000 per month, which is too little to enable them to participate in the private property market, yet too much to qualify for State assistance. Gap housing is another element of the State's Vision 2030 Strategy.

Gap housing is a policy that addresses the housing aspirations of people such as nurses, fire fighters, educators and members of the armed forces, who earned between R3 500 and R15 000 per month and, therefore, did not qualify for Reconstruction and Development Programme houses and did not earn enough to obtain home loans.

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

Those in the middle- to high-income groups could apply for housing bonds.

The challenges include removing racial connotations from living spaces, which more

than anything else, reflects the real evil of apartheid social engineering. Undoing this policy will require time and major resources.

As part of its strategy in this regard, the department is obliging banks to give loans to black people who want to buy properties in previously exclusively white areas.

The DHS has also been buying up 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 "non-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 being developed to fulfil the principle of a united people in non-racial residential areas. Lephalale, which is known as Joe Slovo City, in Limpopo, is an example of this policy.

Integrated Urban Development Framework

The Integrated Urban Development Framework is an ongoing consultative process aimed at encouraging members of the public and experts in the human settlements field to suggest how inclusive urban settlements should be designed, such as:

- inhabitants of sustainable human settlements, located both in urban and rural areas, must live in a safe and a secure environment
- sustainable human settlements are supportive of their communities, thus contributing towards greater social cohesion, social crime prevention, moral regeneration, support for national heritage, recognition and support of indigenous knowledge systems, and the ongoing extension of land rights.

The framework changed the apartheid legacy of urban division, which now sees many South Africans living in places that are far from their places of work, and having to bear the cost of spending most of their income on transport.

The framework tackled the call by the National Development Plan (NDP) for spatial planning of urban areas to address the main challenge of enabling job creation linked to sustainable livelihoods and to establish well-performing human settlements. This is at the heart of what municipalities do and how they function.

Planning and project implementation takes place at municipal level. Grants, such as the Urban Settlements Development Grant, is

used to ensure that the approach to national socio-economic development is integrated.

Social Contract for Rapid Housing Delivery

The Social Contract for Rapid Housing Delivery is 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 housing as key areas in its strategy to fast-track sustainable growth, employment and equity creation.

This has been given a boost by the Presidential Infrastructure Coordinating Committee (PICC) and is 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 United Nations (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 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 2014/15 budget was increased by R2,2 billion to R30,5 billion. The allocation was expected to grow over the next three years to R33,5 billion. The Urban Settlements Development Grant to municipalities received about R10,3 billion. The Human Settlements Development Grant received R17,1 billion. The Rural Household Infrastructure Grant received R47,6 million while the Municipal Human Settlements Capacity Grant was allocated R300 million.

To accelerate the delivery of housing opportunities, the department transfers funds to the Social Housing Regulatory Authority (SHRA) for the capital-restructuring grant it administers. As a result, transfers to departmental agencies and accounts are the fastest growing item in the department's budget. The Capital Restructuring Grant will contribute to the delivery of approximately 17 977 medium density rental housing units for households earning between R1 500 and R7 500 per month to contribute towards the spatial, social and economic restructuring of South African cities and towns.

To facilitate the assignment of the administration of the housing and human settlements programmes from provinces to six metropolitan municipalities in 2014, Cabinet approved an additional allocation of R900 million to create the Municipal Human Settlements Capacity Grant. In addition, Cabinet approved the introduction of a programme to accelerate the eradication of bucket toilets by expediting the delivery of suitable sanitation systems for households. As a result, the department's payments for capital assets budget are set to increase by R1,9 billion in 2014/15 and 2015/16. The budget also includes additional Cabinet approved allocations of R180 million in the Housing Development Finance subprogramme in 2014/15 to provide for rapidly urbanising mining towns, and R185 million in 2014/15 and

In June 2014, the North West provincial government set aside over R460 million for housing projects in the platinum mining area of Marikana, as South Africa looks to push through a raft of measures aimed at ensuring long-term stability in the country's mining industry.

The provincial government, in partnership with mining company Lonmin and the Rustenburg Local Municipality, will build 2 000 housing units over a period of three years. The project is called the Marikana Ext 2 Integrated Development. Government spent R47 million buying land for housing projects from private owners.

The Sunway Village Integrated Development Project in Madibeng was completed by the end of 2014. This project targeted the nearby informal settlements of Popo Molefe, Ten Room, Rietfontein and Cosmos.

R140 million in 2015/16 for disaster relief in provinces.

Subsidies and funding

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.

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.

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.

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

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.

Finance-Linked Individual Subsidy Programme

FLISP assists 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.

Human Settlements Capacity Grant

This is a new grant, the roll-out of which started

in the 2014/15 financial year, for the next three financial years.

The grant comes from the national Human Settlement Development Grant to develop capacity for municipalities and metros that have received Level 3 accreditation. Level 3 accreditation is approved by Provincial MECs of Human Settlements after municipalities and metros meet the criteria set out in the Human Settlement Code and other policies.

The grant set aside in 2014 for the six metros was R300 million. To achieve Level 3 accreditation, a municipality is required to have the following in place:

- financial systems that are compliant with national specifications
- a standard subsidy financial administration package
- reporting systems
- management information systems
- standard accounting procedures.

The total grant set aside for each of the six metros was allocated as follows:

- Nelson Mandela Metro: R37 707 000
- Ekurhuleni Metro: R52 374 000
- City of Joburg: R59 573 000
- City of Tshwane: R47 506 000
- EThekweni: R52 469 000
- City of Cape Town: R50 370 000.

In August 2014, the DHS held a workshop under its Incremental Informal Settlement Upgrading programme. The workshop was held to equip senior managers with relevant concepts, information and analysis for adopting upgrading as an effective policy while improving the management of rapidly urbanising cities.

National Housing Finance Corporation

The NHFC is a schedule 3A development finance institution that was established in 1996. Its primary mandate is to catalyse private sector funding to broaden and deepen access to affordable housing finance for middle and low-income households. To this end, it provides wholesale funding to housing development projects and partners with banks and other non-bank retail finance intermediaries to mobilise and increase lending to the target market.

The entity's strategic goals are to:

- provide effective housing finance solutions
- mobilise lending by financial institutions to the lower end of the housing market
- conduct business and lending processes on a sustainable basis.

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 DHS by facilitating and funding the development of sustainable human settlements and the eradication of informal settlements.

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 people in 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.

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, National Urban Reconstruction and Housing Agency (Nurcha) and the NHFC was in the process of being finalised in 2012.

Rural Housing Loan Fund (RHLF)

Structured loans are the primary product that the RHLF offers. They are provided to intermediaries to establish, support or develop a housing loan operation addressing the need of individual households.

The minimum loan size is R1 million, unless expressly decided otherwise by the Credit Committee.

Structured loans are made to match the intermediary's underlying product profile, and are disbursed according to the following three criteria:

- draw-downs should be structured so that the RHLF's exposure is limited (a higher risk profile should be accompanied by a slower draw-down pattern to allow the RHLF to monitor the performance of the intermediary)
- draw-downs should be matched with the intermediary's disbursement of qualifying loans and should not allow the intermediary to build up extensive surplus funding
- the size of the facility and the draw-down schedule should be in line with the historical growth pattern of the intermediary and its

In November 2014, the Deputy Minister of Human Settlements handed over 76 houses built by 100 volunteers for the indigent at Lindelani informal settlements, outside Galeshewe in Kimberley to commemorate the 1976 student uprising. The 2014 Human Settlements Youth Build project was launched by the Deputy President in June 2014.

capacity to manage growth, to avoid potential destabilising effects.

- the repayment period should match that of the end user.

A Pilot Loan is a venture-capital investment instrument designed by the RHLF to support retail lenders to explore new markets (such as informal earners or low-income households in un-served rural areas) and/or new products (such as alternative loan products with appropriate collection methodologies).

It is expected that out of a successful pilot loan, a structured loan will follow.

To enable an institution to test new ideas, the RHLF would provide loans (up to a maximum of R5 million).

The RHLF receives its funding from the DHS and Kreditanstalt für Weiderrbaufbau (KfW) Bankengruppe. KfW helps the German Federal Government to implement its goals in international cooperation with developing and emerging countries and gear our operations to their needs and those of their populations.

KfW Bankengruppe boosts the competitive strength of the German economy by offering tailor-made advisory and financing offers to companies seeking to tap new markets.

KfW Bankengruppe is a reliable partner that shows a long-term commitment to German companies and foreign partners.

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 allocated by the State and the authorities.

Unlike the project-linked subsidy, where a contractor builds houses for a number of people, the PHP allows people or beneficiaries to build or organise the building of their homes.

The PHP is a useful tool for community involvement.

Savings resulting from beneficiaries participating 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.

Housing institutions

The department'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.

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

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

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 increase significantly 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.

The project promotes the spirit of volunteerism and public-private partnership.

Khuthaza, meaning "encourage" in isiZulu, is a non-profit organisation supporting the development of women in the housing and construction sectors. It has been operating as

Women for Housing since 1995.

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 (BBBEE).

The National Women Build is a partnership between government, the private sector and communities to raise consciousness about the construction sector and women's role in it.

The project 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 is being introduced to other parts of the country such as Kirkwood in the Eastern Cape and Langa in the Western Cape. 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.

National Home-Builders Registration Council

The mandate of the NHBRC is to protect the interests of housing consumers by providing warranty protection against defined defects in new homes, and to regulate the homebuilding industry in terms of the Housing Consumers Protection Measures Act of 1998. The council provides training and capacity building to promote and ensure compliance with technical standards in the home building environment.

The council's strategic goals will be to improve stakeholder interaction and market accessibility for housing consumers, to enhance the entities position to:

- provide quality services to housing consumers and home builders
- make better use of technological building solutions
- provide training and building capacity in the home building sector.

National Human Settlements Youth Accord

In December 2014, Minister of Human Settlements, South Africa's youth organisations and the DHS's key stakeholders signed the National Human Settlements Youth Accord for active participation in sustainable human settlements development.

The youth accord is the outcome of the National Human Settlements Youth Summit held in Johannesburg, in December 2014, to discuss government housing programmes aimed at empowering young people while mobilising them to support the Government and department's priorities in the next five years. Key to the DHS priorities is the delivery of 1,5 million housing opportunities by 2019 with special focus on the elderly, child-headed households and military veterans.

In putting resolutions of the Human Settlements Youth Summit into action, the department and different stakeholders launched the National Human Settlements Youth Brigade in Midvaal in December 2014 with 100 youth participating in the actual building of houses.

The programme will see youth getting training in different construction fields and the running of small businesses while gaining experienced at catalytic projects across the country.

National Urban Reconstruction and Housing Agency

Nurcha initiates programmes and takes considered risks to ensure a sustainable flow of finance for the construction of low-income and affordable housing, community facilities and infrastructure. The corporation works in partnership with all role-players in these markets to maximise the development of sustainable human settlements.

Nurcha was established as a Presidential Lead Project in 1995, in partnership with the Open Society Institute.

The institution's strategic focus is to provide bridging finance to contractors building low to moderate income housing, infrastructure and community facilities, and provides account administration and support services.

Finance is provided directly to established contractors while a separate, specialised intermediary channel is used to provide finance to emerging contractors, resulting in the normalisation of risks associated with this market segment by the traditional financial institutions.

In this regard, intermediaries assist the emerging contractors with a range of construction support services. The agency's total expenditure for 2014/15 was R100,7 million.

Social Housing Regulatory Authority

The SHRA was established in 2010 in terms of the Social Housing Act of 2008. The entity is mandated to regulate the social housing sector, and to ensure a sustainable and regulated flow of investment into social housing by providing capital grants to accredited social housing institutions.

The entity's strategic goal is to provide a transparent and credible investment and regulatory environment for the social housing sector.

Housing Development Agency

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.

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 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 HDA is mandated 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's total expenditure for 2014/15 was R148,4 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 BEE and gender mainstreaming.

Based on extensive consultation with stake-holders in the construction and housing industry, the department 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
- access to social services and economic opportunities within reasonable distance.

Strategic Integrated Project 7 (SIP7)

The SIP7 is part of the 17 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.

Bucket Eradication Programme

The objective of the Bucket Eradication Programme is to eradicate all bucket toilets across the country. This is an indirect grant for a period of two years. The budget for the programme was R899 million for the 2014/15 financial year and R975 million for the 2015/16 financial year.

Comprehensive Housing Plan (CHP)

The CHP for the Development of Integrated Sustainable Human Settlements (Breaking New Ground) 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 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
- 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 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 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, which was approved in 2008, provides for people in the low-income bracket and living under the following conditions:

- provisions 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 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 increased demand for affordable and well-located rental accommodation. The DHS has developed a project pipeline with a mix of public-private sector rental stock.

The KwaZulu-Natal Human Settlements and Public Works Department launched the province's five-year Rental Housing Strategic Plan in Durban in May 2013. The five-year rental housing plan is informed by the National Rental Housing Strategy of which Social Housing,

Community Residential Units and Institutional Subsidy Programme are essential components.

In July 2014, government was ready to launch a public servants' housing scheme. An agreement on the scheme was reached in the last round of negotiations, and a technical working committee was set up. The groundwork on the various options, cost and models was completed, and presented to the Public Service Coordinating Bargaining Council when the negotiations got off the ground towards the end of the year.

The scheme would unlock the "gap market" – those who earn too much to qualify for government housing, and too little to obtain bank mortgages. An estimated 900 000 of the total 1,3 million public servants fall into this category. Talks had been held with private-and public-sector financial institutions and municipalities to get their support for the proposed scheme. It is important for the State to assist public servants to have reasonably affordable accommodation.

The government already has a R10-billion housing subsidy scheme, which benefits about 100 000 of its employees, but has found it to be ineffective in providing public servants with affordable housing. It provides only R900 a month, which was insufficient to acquire a home.

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. It 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.

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.

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 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.

Social Housing Regulatory Authority

Social housing is a rental or cooperative housing option, which requires institutionalised management. Social housing is provided by accredited SHIs or in accredited social housing projects in designated restructuring zones. Social housing provides good quality rental accommodation for the upper end of the low-income market (R1 500 – R7 500).

The primary objective of urban restructuring is creating sustainable human settlements. Social housing is not just about building houses; it is also about transforming residential areas and building communities.

International relations

The South African Government 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 persons without adequate housing.

Community Scheme Ombud Service (CSOS)

The CSOS provides an alternative, impartial and transparent service for the resolution of unresolved disputes in community schemes. Established in terms of the Community Scheme Ombud Service Act, 2011 (Act 9 of 2011) the CSOS regulates the conduct of parties within community schemes and ensures their good governance.

The CSOS is classified as a Schedule 3A public entity in terms of the Public Finance Management Act and its executive authority is vested in the Minister of Human Settlements. In terms of Section 38 of the CSOS Act, 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.