



**MINISTRY
HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA**

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NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 2730 (NW3093E)

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QUESTION:

Mr T I Gamede (MK) to ask the Minister of Human Settlements:

- (1) Considering the (a) persistent challenges in informal settlements and (b) growing demand for affordable housing, how is her department re-evaluating its long-term strategic objectives to ensure they are truly impactful and/or adaptable to evolving demographic and economic realities;
- (2) what key assumptions underpinning the current National Housing Code are being critically examined in light of implementation bottlenecks and unintended consequences? NW3093E

REPLY:

1. The Department has made serious considerations regarding the persistent challenge of informal settlements and growing demand for affordable housing. a. This includes consideration that about 4076 informal settlements that need to be upgraded across the country, and that the demand for housing has grown to above 2 million over the years. Accordingly, the Department has set target

of upgrading 4076 informal settlements and providing about 140 000 affordable housing units and 13 000 social housing units using its allocated budgets over the Medium-Term Development Plan (MTDP) period. Other initiatives include the development of strategy for upgrading informal settlements entailing geo-spatial mapping of unplanned settlement areas, re-blocking settlements, promote incremental upgrading of areas working together with Provinces, Municipalities, people that are residing in informal settlements supported by Civil Society Organizations. b. Currently, the informal settlements upgrading programme as articulated in the National Housing Code 2009 responds to three main objectives, namely 1) security of tenure, 2) empowerment, 3) health and safety.

The Department in collaboration with the Department of Planning, Monitoring and Evaluation and conducted two (2) evaluations of the programme of Upgrading Informal Settlements. Key findings and recommendations include that there must be a vision in upgrading informal settlements and that the objectives of the programme are to be enhanced to include job creation, respond to climate issues, including circular economy and innovative building technologies to ensure responsiveness to the evolving demographic and economic realities. The Department held discussions during the White Paper for Human Settlements development process with academia, Civil Society Organizations, sector departments, municipalities and provinces. These stakeholders have provided a revised theory of change for upgrading informal settlements to ensure that the programme becomes truly impactful.

2. The Department takes note of the implementation bottlenecks and unintended consequences against the programmes articulated in the National Housing Code, particularly the uneven application of phases of informal settlements upgrading and other programmes have a limited yield in terms of the social housing and first home finance programmes which are central for affordable housing programme. Implementation challenges include geological and geographical locations resultant in variations, uneven provision of temporary engineering services, acquisition of land and implementation of court judgements. Some of these challenges been considered as part of the revision of the White Paper for Human Settlements to give effect to crafting of the Human Settlements Bill, Regulations and key programmes of the Human Settlements Code. The approved White Paper therefore incorporates additional aspects such as recordal of rights on land for people residing in informal settlements, setting up an international partnership with United Nations (UN Habitat) to set up an Office, collaborations with the private sector and civil society organisations to set up Property Transactional Support Centers, etc. The key assumptions are: i. That the human settlements programmes will be sufficiently funded, ii. All housing programmes will be zero rated, iii. The National Treasury will make budget available for the incremental upgrading of unplanned settlements, iv. People residing in informal settlements will agree to being relocated from areas

that are not suitable for human habitation, v. Municipalities will identify suitable land, municipalities will continue engage communities and provide basic services, vi. The process will be participatory and allow empowerment of the affected people to assist government in upgrading areas and provide affordable housing where required. vii. The Minister and Members of Executive Council responsible for Provincial human settlements will agree to the proposed reforms in the Housing and Human Settlements Programmes and approve a Human Settlements Code containing the Informal Settlements Upgrading Programme that responds to formalization of unplanned settlements and include digital platforms.

Other assumptions include that the government and its stakeholders will reach consensus on the following: a. Rationalising the cost of human settlements products and reviewing the Norms and Standards to include elements that will make the sector contribute towards growing the economy. b. Changing the qualification criteria and revise the outdated income brackets of who qualifies for housing in order to move away from the current R0 - R3500 and R3501 – R22 000 that is no longer responsive to the current demographic and economic realities. c. re-brand the Housing Code to create a Human Settlements Code that will encompass new approaches, strategies, and programmes that gives effect to the delivery of integrated and sustainable human settlements working with all stakeholders. d. Allow phasing out arrangement on programmes that are no longer relevant and prioritize certain programmes and delivery approaches. e. Bring more private sector role players as the government cannot be able to provide full subsidies to everyone in need with the current shrinking budget envelope.