















human settlements

Department: Human Settlements REPUBLIC OF SOUTH AFRICA



HUMAN SETTLEMENTS MEDIUM TERM STRATEGIC FRAMEWORK:

Sustainable Human Settlements and Improved Quality of Household Life

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Outcome Number 8: Sustainable Human Settlements and Improved Quality of Household Life

1. National Development Plan (NDP) 2030 Vision and Trajectory

Our human settlements trajectory proposes that, 'by 2050 visible results from effectively coordinated spatial planning systems shall have transformed human settlements in South Africa into equitable and efficient spaces with citizens living in close proximity to work with access to social facilities and necessary infrastructure'. By 2030 we strive to achieve measurable progress towards breaking apartheid spatial patterns with significant advances made towards retrofitting existing settlements offering the majority of South Africans access to adequate housing, affordable services in better living environments, within a more equitable and functional residential property market.

In order to achieve this vision the National Development Plan directed the following actions be taken:

- Respond systematically, to entrenched spatial patterns across all geographic scales that exacerbate social inequality and economic inefficiency
- Review housing policies to better realise constitutional housing rights, ensure that the delivery of housing is used to restructure towns and cities and strengthen the livelihood prospects of households
- Develop a more coherent and inclusive approach to land i.e. develop overarching principles for spatial development
- Revise the regulations and incentives for housing and land use management
- Radically revise the housing finance regime
- Build capabilities for transforming human settlements
- Develop bolder measures to develop sustainable human settlements

















These actions should be achieved by the Department of Human Settlements within the context of fulfilling its mandate expressed in Section 26 of the South African Constitution (*Act 108, 1996*) which states:

'Everyone has the right to have access to adequate housing. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right'.

In the realisation of this right the Department of Human Settlements take into cognisance other embedded rights such as the right to an environment that is not harmful to health or well-being (Section 24), the right to clean water (Section 27) and the right to property (Section 25). In addition, South Africa, as a member of the United Nations, has an obligation to meet the agreement expressed in the Sustainable Development Goals, which states 'halve the proportion of people living in slums by 2030'. The country is also expected to continue realising the obligations in the Millennium Development Goals that state 'by 2020 a significant improvement in the lives of at least 100 million slum dwellers will be achieved'. Government should ensure access to drinking water, access to improved sanitation facilities, secure tenure, sufficient living area and durability of housing.

There is an acknowledgement that the sustainability of human settlements, our residential areas rely on good infrastructure such as public transport, water, energy sources, and public spaces and accessibility of essential community services such as schools, shops, healthcare, and facilities for families and children. Therefore a strategy for human settlements should strives for the establishment of a viable, socially and economically integrated communities, located in areas allowing convenient access to economic opportunities as well as health, educational and other social amenities.

At the core of the 2014 - 2019 Medium Term Strategic Framework is a need to lay a foundation for transforming the functioning of human settlements and the workings of the space economy by acknowledging that the fabric of human settlements consists of physical elements and services to which these elements provide the material support. Therefore the 2014 - 2019 Medium Team Strategic Framework will focus on reforms aimed at achieve the following:

- a) Ensuring that poor households have adequate housing in better living environments
- b) Supporting the development of a functionally and equitable residential property market
- c) Improving institutional capacity and coordination for better spatial targeting

















2. Constraints and strategic approach

Twenty years into democracy, towns and cities remain fragmented, imposing high costs on households and the economy. The delivery of some additional 3.8 million subsidised houses offered adequate shelter to poor people and also helped contribute to an unprecedented tenfold growth in value to a historical racially distorted property market. However the market's enormous price cliffs act as barriers for most black South Africans to progress up the property ladder and thus exclude their effective participation in the property market. This is exacerbated by the disproportionate income levels particularly of those living below the income band (gap market). The settlements locations too far from economic opportunities have also put a burden to costs related with transport and other services.

Despite the progress achieved in housing delivery, major challenges regarding sustainable human settlements development still exist. The country's human settlements patterns remain dysfunctional across the country, the housing market is fractured with inequitable access to its workings and benefits and there is still an on-going property affordability problem across various sub-markets. The weak spatial planning and governance capabilities; uncertain prospects of densely settled and historically dislocated rural-like homeland areas, the need to ensure continued provision of housing and infrastructure and social services (addressing asset poverty) to meet a complex set of housing affordability needs; and the need to reactivate strong social solidarity amongst communities in building vibrant and safe settlements and thus the building of capable and confident citizens.

To address these challenges, the 20 Year Review proposes a need to develop an urban development strategy to make urban spaces liveable, equitable, sustained, resilient and efficient as well as to support economic growth and social cohesion. To advance the human settlements development agenda, the NDP contains a series of interconnected interventions required to address economic solutions, institutional reforms, change to land management systems and infrastructure investment. It is envisaged that by 2030, measurable progress shall be made towards breaking apartheid spatial patterns, developing more coherent and inclusive approach to land and significant progress would be made in addressing the fractured housing market.

A series of steps have been identified to fulfil this intention. This begins with reviewing and evaluating the existing housing subsidy instruments to improve targeting and combining programmes to catalyse spatial, social and economic transformation and integration of settlements. Under the integrated residential subsidy programme, the transfer of all title deeds for all subsidy units over the next 5 years will be prioritised.















The informal settlement upgrading programme will be scaled up and a more coherent multi-segmented social rental housing programme which includes backyard rentals will be put in place. In addition, the affordable market will be tackled in a more determined fashion with a particular emphasis on a constructive engagement with the private sector to improve delivery. For the success of the planned housing and human settlement programme reforms, significant institutional reforms to improve the coordination of housing and human settlement development will be put in place. This includes strengthening major municipalities' capabilities, and in particular metropolitan government, to integrate the housing grants and the human settlement-making grants more robustly, given the accreditation and or assignment of the housing function to them. This will also be supported by an improved interface of the housing and human settlement planning elements with the spatial planning frameworks driven within other parts of government, to guide investment decisions so that they result in more integrated human settlements. In turn, this would result in growth in the value of the property market with a more equitable distribution of its benefits.

3. NDP output priorities to achieve the Vision

In order to achieve the vision of sustainable human settlements and improved quality of household life the DHS will drive effective programmes to achieve the following:

- 3.1 Adequate housing¹ and improved quality living environments
- 3.2 A functionally equitable residential property market
- 3.3 Enhanced institutional capabilities for effective coordination of spatial investment decisions

4. Management of Implementation

The Department of Human Settlements will manage the implementation of the MTSF and will coordinate with the Social and Economic Clusters, and monitor progress through MinMec and Technical MinMec.

¹ With secure tenure, access to basic services and within sustainable settlements.

















5. MTSF sub-outcomes and component actions, responsible ministry, indicators and targets

Sub-Outcome 01: Adequate	Sub-Outcome 01: Adequate housing and improved quality living environments					
Action	Minister	Indicator	Baseline	Target		
Evaluate, review and improve existing housing instruments and subsidy regime to better direct housing and human	ng housing DCoG, DRDLR, nd subsidy NT er direct numan	Current policies and programmes evaluated, reviewed and consolidated and suitable new policies and programmes developed:	Existing policies and programmes	By 2018 all new and revised policies and programmes will be approved to the following projected schedule:		
settlement investments, fast track delivery and ensure affordability and diversity of the product and finance options		a) Human Settlements Green Paper approved	White Paper on Housing	 a) Approved by September 2015 A review of the current policies and programmes completed by March 2015 Research papers for the development of human settlements green paper finalised by March 2015 A framework for the development of a green paper finalised by May 2015 		
	 inclusive approach for human settlem c) Evaluation of key h settlements strate thrusts as outlined. National Developm and the Manifesto d) Housing finance re framework revised e) Human Settlement Paper approved f) Housing Act amen and Human Settle 	 b) Develop a coherent and inclusive approach to land for human settlements 	Housing Development Agency Policy on land	 Policy for Coherent and inclusive approach to Land for Human Settlements developed by September 2015 and approved in December 2015 Framework on coherent and inclusive approach to land developed by March 2015 The regulations and incentives for housing and land use management revised by March 2015 		
		c) Evaluation of key human settlements strategic thrusts as outlined by the National Development Plan and the Manifesto	National Development Plan (NDP)	 Seven evaluations of key human settlements strategic thrust as outlined in the National Development Plan completed by 2017 USDG: September 2014 Assets: October 2014 Access: October 2015 UISP Baseline: February 2015 UISP 3 Year Impact Evaluation: 2017 Social Housing: September 2015 Affordable Housing: December 2015 		
		d) Housing finance regime framework revised	Housing Finance Framework	Housing Finance Framework Revision Approved by last quarter 2015/16		
		e) Human Settlements White Paper approved	White Paper on Housing	Approved by June 2016		
		f) Housing Act amended and Human Settlements Legislation approved	Housing Act	Approved by 2017		

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Action	Minister	Indicator	Baseline	Target
		 g) Housing Code revised and Human Settlements Code approved 	Housing Code	Approved by 2018
		h) Cooperatives Policy approved	DTI Policy for Coops	Approved by March 2015
		 i) Implementation guidelines for self -built housing (PHP) approved 	PHP policy	Approved by March 2015
		j) A Comprehensive Rental Policy developed	Current Rental Policy	Approved by March 2015
housing opportunities	COGTA, RDLR, increa PW, ST, SD, EA oppo house	Implementation Strategy to increase the supply of housing opportunities for affordable housing market (i.e. subsidy and gap market) developed	To be determined	Implementation Strategy to increase the supply of affordable housing by March 2015
economic and cultural needs		Institutional capacity for PHP to support informal settlement upgrading and rural housing enhanced	Policy and programme for self -built housing (PHP) cross referenced to NUSP and HDA programmes	Consolidation of the institutional capacity for self -built(PHP) and all Informal Settlement Upgrading support programmes completed by March 2015
		Programme to support community-based, cooperatives, non-profit rental and self-built housing developed	White Paper on Housing Act	Programme developed by September 2015



Sub-Outcome 01: Adequate housing and improved quality living environments					
Action	Minister	Indicator	Baseline	Target	
	HS Support: COGTA, RDLR,	Number of housing opportunities in quality living environments:	MTSF 2009-2014	1,495 million housing opportunities in quality living environments provided by 2019	
	PW, ST, SD, EA, MR	a) Number of existing Informal settlements assessed	450 (NUSP)	2 200 informal settlements assessed	
		 b) Number of households benefitting from informal settlements upgrading 	447 780 cumulative since 2010 excluding sites for new houses	750 000 households assisted through the Informal Settlements Upgrading Programme by 2019 (including mining towns)	
		 Number of housing units for subsidy housing submarket provided 	463 504 over four years at average of 125 000	563 000 individual units for subsidy housing submarket provided by 2019 (This includes units for military veterans)	
	HS Support: NT, RDLR, PW, ST, SD, EA	 Number of affordable housing loans for new houses in the affordable- gap housing submarket 	Total Banks over 4 years: 162 800 NHFC: Mortgage loans: 2 219 Wholesale: 27 891 Leverage: 89 442 NURCHA: Units 10 093	110 000 (70 000 FLISP) and 40 000 DFI supported	
		e) Number of affordable rental housing opportunities	Social: 17 337 (4 535 complete and 12 802 in construction based on 2014 POA) CRU: 15 225 Institutional: 2 249	 27 000 social housing units 10 000 CRU 35 000 affordable rental housing opportunities provided through private sector (Mine worker housing at 10 000; and private affordable rental 25 000) 27 000 state led social housing 	
		 f) A special strategy for mine worker housing 	To be determined with DMR	Draft Strategy by September 2014	
		g) Backyard rental strategy	Draft Position Paper by SALGA	Mechanism or Strategy with incentives to support increased and improved backyard rental by 2019	



































Sub-Outcome 02: A functionally equitable residential property market						
Action	Minister	Indicator	Baseline	Target		
Consolidation of the Development Finance Institutions (DFI)	HS, NT	Single Development Finance Institutions (DFI)	3 DFI's (with review of HDA and NHBRC)	September 2015		
(Develop and implement a strategy to increase the supply of affordable housing – Refer to Sub-outcome 1)	HS Support: NT, DPME	A strategy to increase the supply of affordable housing developed	Refer to Sub-outcome 1	A strategy to increase the supply of affordable housing developed by March 2015		
Diversify finance options and products for the affordable gap market in particular	DHS Support: NT, DPME	Review current finance products for the affordable housing market (e.g. existing DFI products, FLISP, MDI, etc.)	To be determined in line with Expenditure Reviews and Affordable Housing Evaluation	New State support finance products in the affordable market by March 2016		
		Increase in volume of home loans granted (over and above that which produces new houses) by private sector and DFI's to households in the affordable housing market	192 753 over four years	20% increase on (192 753 loans) or 231 304 loan transactions by 2019		
Intensify homeownership education programmes for the affordable housing market	HS	Curriculum on the property market and homeownership for the subsidy housing market reviewed and improved	Existing Current Consumer Education Programmes and that which was agreed to in the FSC	Curriculum for homeownership targeting the subsidy and the gap housing market reviewed and improved by November 2014		
		Market information for buyers and sellers in the affordable (subsidy and gap) housing market developed	To be determined	Market information for affordable housing market developed by 2014		
		Consumers in the affordable and subsidy housing market exposed to consumer education programmes	To be determined	2 million consumers reached between 2014 – 2019 400 000 consumers reached by March 2015		
		Effective housing consumer and neighbourhood education programmes targeting the affordable (subsidy and gap) housing market	To be determined	Annual Report on trends in the affordable property market (Sourced from EAAB Reports)		















Action	Minister	Indicator	Baseline	Target
Establish transactional support for affordable housing market	HS	Transactional support requirements and programmes in the affordable housing market developed	To be determined	Requirements and Programme for transactional support developed by March 2014
		Distribution of sales transactions in the affordable housing market monitored	To be determined	Distribution of sales transactions in the affordable housing market monitored quarterly from 2015
		Estate Agencies operating in the affordable housing market	To be determined	30% increase in Estate Agencies operating in the affordable housing market by 2019
Monitor and reporting transactions in the secondary housing subsidy submarket	HS	Transactions in the secondary housing subsidy submarket	To be determined	Quarterly reports on transactions in the secondary housing subsidy submarket
Collect, analyse and disseminate information on property trends and values in the affordable housing market	HS	Households in the affordable housing (particularly subsidy) market have access to biannual property valuation information	To be determined	Framework, implementation and reporting mechanism to inform households in the subsidy submarket on their property values Biannual property value information published
Develop policy and administrative systems that support individual transactions in the affordable secondary housing market	HS	Policy and administrative systems that support individual transactions in the affordable secondary housing market developed	To be determined	Policy and administrative systems that support individual transactions in the affordable secondary housing market developed by March 2015
		Sales restriction for government housing subsidy submarket reviewed	Current Clause 8 in the Housing Act	Review on sales restriction for government subsidy completed by March 2015
Issuing of title deeds form part of housing development process	HS	Title deeds issued to new homeowners in the subsidy submarket on occupation (new interim title deed for informal settlements)	To be determined based on the current 50% of processing	560 000 title deeds issued to new homeowners in the subsidy submarket (Mechanism for security of tenure record for informal settlement upgrading)
		Backlog on title deeds eradicated	To be determine (Estimated between 900 000 - 1 495m)	900 000 title deeds backlog eradicated by 2019
				Plan of action to address title deeds backlog completed by March 2015 Number of outstanding Transfers confirmed by March 2015
		All new title Deeds for subsidy submarket endorsed consistent with policy	Existing Policy and Housing Code	Policy on endorsement of title deeds for the subsidy submarket finalised by September 2014

Sub-Outcome 02: A functionally equitable residential property market











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Action	Minister	Indicator	Baseline	Target
Strengthen current mechanism to mobilise private sector to contribute to human settlements	HS	Mechanism and incentives to mobilise and increase private sector participation is developed	To be determined	Mechanisms to incentivise and mobilise private sector investment and mechanisms to track employer assisted housing developed by August 2015 including commitments in the SLP's as per the Mining Charter
development		Develop mechanism to track employer assisted housing both in the public sector and in the private sector; including commitments in the SLP's as per the Mining Charter		
Develop horizontal and vertical consultative mechanisms among spheres of government responsible for economic, environmental, social and human settlements policies	HS	Multiyear human settlements development plans are aligned with other sectorial spheres of government to increase coordination and collaboration in programme delivery (Refer to Sub-outcome 1)	To be determined	A consolidated Multiyear Human Settlements Development Plan by 2015 (Refer to Sub-outcome 1)
and programmes		Inter-sectoral collaboration agreements signed and implemented	To be determined	Enhanced consultative mechanisms in different spheres of government
Review Planning System to achieve better spatial impact		Set of overarching principles and norms for housing and human settlements spatial development completed	To be determined	Set of overarching principles and norms for human settlements spatial development completed by June 2015
		Housing Programme and related Human Settlements spatial investment framework to guide coordination of spatial investments developed	To be determined	Housing and related Human settlements spatial investment framework- to guide wider coordination of spatial investment - approved by 2015
		Integrated Housing and related Human settlements planning system developed incorporating environment, human settlement, transport, and related human settlement development functions drawing on existing National Treasury and DCOG settlement investments	To be determined	Housing and related Human Settlement planning system developed and approved December 2015

Sub-Outcome 03: Enhanced Institutional capability for effective coordination of spatial investment decisions 2019 Target

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Sub-Outcome 03: Enhanced Institutional capability for effective coordination of spatial investment decisions				2019 Target
Action	Minister	Indicator	Baseline	Target
Review Planning System to achieve better spatial impact	DHS	Housing and related Human Settlements component contributing to a National Spatial mechanism to coordinate existing grants to produce definitively targeted spatial interventions developed	To be determined	Housing and Human Settlements Grant framework restructured by October 2015
Develop an M&E system to measure effectiveness of spatial targeting in human settlements	DHS	Monitoring and Evaluation (M&E) system to track and assess the effectiveness of spatial targeting in human settlements developed and implemented	To be determined	Track progress and assess the effectiveness of spatial targeting in human settlements between 2015 – 2019



















6. Impact indicators

Impact Indicator	Minister responsible for reporting on the indicator	Baseline	2019 Target	Year 1 Targets
Number of Households living in adequate housing	Human Settlements	11.2 m	An additional 745 000 households living in adequate housing through the subsidy and state supported affordable housing segments (Market numbers still to be determined)	149 000 households living in rental and individual ownership for subsidy and affordable housing segments
Improved housing conditions for households living in informal settlements	Human Settlements	1.2 m households	750 000 households upgraded	150 000 households upgraded
Number of functional settlements that are spatially, socially and economically integrated (both new and revitalised)	Human Settlements	To be determined (including reviewing MIG, USDG, NPDG and SDBIP/IDP review by September 2014)	50 priority catalytic projects demonstrating comprehensive integrative mechanisms With 250 (approximately 50% of all projects) Projects implemented to provide relatively detailed consideration of including amenities and public transport, to address spatial, social and economic integration by 2019 (for both new and revitalised settlements) 50 (approximately 50% of all projects annually delivered by the NDHS) Projects implemented to demonstrating detailed consideration to include amenities and public transport, to address spatial, social and economic integration (for both new and revitalised settlements)	50 priority catalytic projects identified 50 (approximately 50% of all projects annually delivered by the NDHS) Projects implemented to demonstrating detailed consideration to include amenities and public transport, to address spatial, social and economic integration (for both new and revitalised settlements)

















Impact Indicator	Minister responsible for reporting on the indicator	Baseline	2019 Target	Year 1 Targets
Increase in volume of home loans granted by private sector and DFI's to households in the affordable housing market and the creation of new units	Human Settlements	485 198 transactions by DFI's and Banks (to be reappraised by September 2014)	20% increase in the volume of 485 198 or 582 238 loans to the affordable market. This includes the production of 350 934 new affordable units (to be reappraised by September 2014)	116 448 loans to be reappraised in addition to identification of the number of new stock developed for the affordable housing market
Percentage of sales transaction of properties worth less than R500 000	Human Settlements	50% of all transactions were properties worth less than R500 000 and 47% were in historically black townships	20% increase in transaction of properties worth less than R500 000	5% increase in transaction of properties worth less than R500 000
Growth and distribution of value in the residential property market	Human Settlements	To be determined	Increased number of rateable properties entering the rates roll of municipalities	184 000 rateable properties entering the rates roll (to be reappraised)
No of Metros assigned administration of housing function	Human Settlements	0 municipalities assigned the housing function by 2014	8 Metro's and 12 secondary city municipalities/district municipalities accredited or assigned the housing function.	8 metros assigned the housing function in 2015; (then approximately 3 municipalities per annum accredited to level 3 or assigned the housing function)
No of municipalities accredited with level 2 and provided with post accreditation support	Human Settlements	8 municipalities accredited to level 1 and 14 Municipalities accredited to level 2	Additional 21 municipalities accredited to level 1 and additional 8 accredited to level 2	Additional 8 municipalities accredited with level 2 and provided with post accreditation support
Investment decisions in human settlements improves spatial efficiency	Human Settlements	To be determined	Annual Reports demonstrating changes in urban efficiency	Human Settlements Spatial investment framework

