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# OVERVIEW OF SCENARIOS FOR HUMAN SETTLEMENTS POLICY AND PROGRAMMES CHOICES

*PRESENTATION TO COMMISSION 1:*

***21 SEPTEMBER 2017***



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# Presentation Overview

- Background
- Expected outcomes
- Commission objectives
- Where we are as a sector
- Contextual realities and dilemmas
- What the summit must discuss



# Background

- **The main delivery instrument since 1994:** provision capital subsidy towards a free basic house to qualifying households earning up to R3 500,00 per month through:
  - Upgrading of informal settlements (UISP)
  - Integrated Residential Development Programme (IRDP)
  - Rural Housing Subsidy Programme
  - Individual Consolidation Subsidy
- Current cost of the house is approximately R190 620 (R132 437: top structure | R52 182: services | R6 000: land)
- **Housing need is estimated at 1.8m PLUS nearly 200 000 new Households pa.**



# Expected outcomes of human settlements (2014-2019 MTSF)

**1. Improved quality of household life**

**2. Sustainable human settlements**



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# Current Human Settlements Policy priorities

1. Upgrade informal settlements
2. Deliver Affordable rental housing
3. Build additional Subsidy houses
4. Support low income earners buy homes (FLISP)
5. Transfer title deeds
6. Develop integrated human settlements
7. Revitalise distressed mining communities



# Commission Objectives

- Identify scenarios for human settlements policy and programmes choices
- Identify strategies and options
- Identify intervention logic for accelerated delivery



# What are the contextual realities?

- i. Unlocking asset value in subsidy houses is a challenge
  - ii. Disconnect between housing, living environment and transport
  - iii. Increasing demand for government assistance
  - iv. Low levels of affordability (for mortgage & services)
  - v. Informal settlements continue to grow (urbanisation)
  - vi. Increasing demand for alternative tenure
  - vii. Communities increasingly impatient (protests + unrest)
  - viii. Communities negotiate for “serviced sites” -
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# Dilemmas

- Rapid urbanisation – informal, limited spatial design
- Urban sprawl –perpetuates Apartheid spatial form
- Need to enhance the role of housing subsidies
- Economic reality (low growth, unemployment, fiscal ceiling)
- **The Comprehensive Plan for the Development of Sustainable Human Settlements (BNG) REMAINS SOLID:**
  - accelerate housing delivery;
  - improve quality of housing products & environments to ensure asset creation;
  - ensure a single efficient housing market;
  - restructure and reintegrate human settlements





# Key Recommendations going forward

- 1. Maintain BNG as the main Human Settlements Macro Policy**
- 2. Consolidate systematic response to urbanisation, Climate Change and Demographic shifts**
- 3. Strengthen Programme implementation:**
  - i. Upgrading of Informal Settlements
  - ii. Ramp up delivery of affordable rental housing in cities (high density)
  - iii. Stricter targeting of the housing subsidy for the poor (R0- R3500 pm)
  - iv. Widen support for low income households (FLISP “reloaded”)
  - v. Revive Community-driven initiatives (PHP) to increase employment
    - Prioritise and Support incremental housing
    - Municipalities to fast-track preparation of serviced sites (structure growth)
- 4. Develop integrated settlements (Catalytic projects)**

# RECOMMENDATIONS: INFORMAL SETTLEMENT UPGRADING SUMMIT WORKSHOP (1)

1. Embrace informality and improve settlements in an incremental and participatory manner. Acknowledgment that ISU is a long term process...a journey not an event
2. Develop a guideline framework for Provincial IS upgrading and management strategy
3. Establish Provincial UISP Fora for improved coordination with ALL municipalities
4. Increase capacity development & support to Provinces and municipalities for informal settlements upgrading
5. Develop a reporting and monitoring system which will enable reporting on ALL activities undertaken to improve/ service informal settlements



# RECOMMENDATIONS: INFORMAL SETTLEMENT UPGRADING SUMMIT WORKSHOP (2)

## 5. PROGRAMME & FUNDING ARRANGEMENTS

- i. Restructure and/or enhance funding and financing for UISP with clear variables based on categorization (demand side) for clear and strict monitoring of grant distribution (supply side)
- ii. Consider a more flexible and adaptable UISP to provide for a wider range of development options.
- iii. Introduce a wider range of housing typologies to support densification, relocation,

6. Monitor and ensure inclusion of Upgrading Plans in Provincial APPs, Metro BEPPs, and Municipal IDPs.

7. Municipalities should develop anti-land invasion strategies/ urban management strategies.

# Recommendations from Tenure and Asset Security Summit Workshop



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# Thanks you

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