

Accelerating Socio-Economic Opportunities for Women's Empowerment

#WomensMonth2023 #WomensDay2023



Celebrating Women In Human Settlements



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human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

HOUSES, SECURITY & COMFORT





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DEPARTMENT OF HUMAN SETTLEMENTS



IBT Summit

Budget Alignment to Upscale
Implementation of Innovative
Building Technologies

04 February 2026



human settlements

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Human Settlements
REPUBLIC OF SOUTH AFRICA

A NATION THAT WORKS FOR ALL





2026 MTEF (MEDIUM TERM EXPENDITURE FRAMEWORK) GUIDELINES

Purpose of the guidelines

- The guidelines reaffirm the government's commitment to a more disciplined, transparent, and strategically aligned budget process that supports South Africa's long-term fiscal objectives and national development priorities.
- Importantly, the guidelines outline the economic environment under which the MTEF is formulated, and incorporate lessons learned from the 2025 budget cycle, which revealed the need for **improved coordination, broader consultation and greater focus on spending efficiencies** in the budget process
- The calls for a more responsive and impactful use of public resources—from citizens, civil society, the political executive, and key oversight institutions—have been unequivocal.
- In response, these guidelines aim to embed a more credible and purposeful approach to budgeting—one that strengthens service delivery focus, enhances value for money, and secures the country's long-term fiscal sustainability

2026 MTEF(MEDIUM TERM EXPENDITURE FRAMEWORK) GUIDELINES

Macro-economic context



- As stated in the May 21 budget forecast South Africa's real GDP growth is forecast to be 1.4 per cent in 2025.
- The outlook is constrained by persistent logistics constraints, **heightened political uncertainty, and high borrowing costs**.
- Growth is projected to rise moderately to 1.6 per cent in 2026 and 1.8 per cent by the end of the MTEF period. GDP is forecast to grow at an average of 1.6 per cent between 2025 and 2027.
- Port and rail constraints and increased spending pressures could undermine investment and growth. Rapid and effective implementation of reforms is needed to accelerate growth and employment.
- The continuation of more stable power supply may also lift confidence and growth.
- Global risks have become more pronounced in recent months, with rising financial market volatility and weaker growth prospects.
- New trade barriers may raise inflation and prolong high interest rates, while tighter financial conditions heighten debt distress risks in emerging markets. Moreover, geopolitical tensions could change foreign direct investment patterns.



2026 MTEF(MEDIUM TERM EXPENDITURE FRAMEWORK) GUIDELINES

Fiscal Strategy

- Government's fiscal strategy supports the four-pillar strategy for faster real income per capita growth by
 - fostering macroeconomic stability,
 - prioritising infrastructure investment,
 - supporting state capability and
 - catalysing economic reform.

Budget Reforms

- South Africa's current budget process has not kept pace with the country's evolving fiscal, institutional, and political realities.
- Incrementalism has resulted in several inefficiencies and has failed to facilitate improved service delivery and outcomes in several sectors
- Budget reform is therefore necessary to build a budgeting system that supports South Africa's development goals while safeguarding long-term fiscal sustainability.
- Reforms aim to clarify trade-offs, reduce waste, and direct limited resources to high-impact programmes.

HUMAN SETTLEMENTS AND ITS CAPITAL GRANTS



Constitution of the Republic of South Africa Act, no. 108 of 1996

26. Housing.-(1) Everyone has the right to have access to adequate housing.

(2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

HUMAN SETTLEMENTS GRANTS

- **Strategic Goal**
 - The creation of sustainable and integrated human settlements that enable improved quality of household life
- **Purpose**
 - To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements
- **Outcome Statements**
 - The facilitation and provision of adequate housing opportunities and improved quality living environments
 - A functionally equitable and integrated residential property market
 - Enhanced institutional capabilities for effective coordination of spatial investment decisions
 - Tenure security for all recipients of government subsidised houses



HUMAN SETTLEMENTS CAPITAL GRANTS

- **The Department of Human Settlements administers 6 grants listed below:**
 - **Human Settlements Development Grant (HSDG)**
 - Conditional Grant, Schedule 5, Transferred to Provinces)
 - **Urban Settlements Development Grant (USDG)**
 - Schedule 4, Transferred to Metros
 - **Informal Settlements Upgrading Partnership Grant (ISUPG) (Provinces)**
 - Schedule 5, Transferred to Provinces
 - **Informal Settlements Upgrading Partnership Grant 9ISUPG) (Metros)**
 - Schedule 4 transferred to Metros
 - **Consolidated Capital Grant (CCG)**
 - Transfer payment to Social Housing Regulatory Authority (SHRA) for social Housing
 - **Emergency Housing Fund (EHF)**
 - Capital Fund for the immediate response after Disasters or Housing Emergencies



HUMAN SETTLEMENTS DEVELOPMENT GRANT (HSDG)

- **OUTPUTS**

- Number of residential units delivered in relevant housing programmes
- Number of serviced sites delivered in relevant housing programmes
- Number of informal settlements upgraded in situ and/or relocated
- Number of title deeds registered to beneficiaries
- Hectares of well-located land approved by the National Department and acquired and rezoned by Provinces for development of housing opportunities
- Number of socio-economic amenities delivered in human settlements

SUBSIDY QUATUM FOR A 40sqm

COST BREAKDOWN OF THE STANDARD 40 SQUARE METRE DWELLING TO BE FINANCED FROM THE NATIONAL HOUSING PROGRAMME FOR PERSONS EARNING R0 TO R3 500
IMPLEMENTATION DATE: 1 APRIL 2023

Cost element	Cost
Earthworks	R11 086
Concrete, Formwork & Reinforcement	R17 817
Brickwork	R25 665
Roof Structure	R14 598
Ceiling and insulation	R12 085
Windows	R13 360
Doors and Frames	R10 839
Finishing and paintwork	R17 582
Electrical	R16 459
Plumbing and toilet	R16 488
Subtotal A	R155 979
P & G	R14 178
Subtotal B	R170 156
Project manager	R5 957
Clerk of works	R5 105
Transfer cost	R1 568
Beneficiary administration	R470
Total	R183 256

New Additional National Elements:

Home solar system (500 W)	R20 300
Burglar Bars	R5 000
Fibre duct	R1 200

If justified the following can be added (indicative service amount):

Rainwater harvesting devices	R9 500
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SUBSIDY QUATUM FOR A 45sqm Disabled persons dependable on a wheelchair

Cost element	Cost
Foundations	R18 360
Ground floor construction	R20 485
External envelope	R41 638
Roof	R13 509
Ceilings and insulation above ceiling	R13 618
Internal divisions	R23 072
Floor finishes	R14 561
Internal wall finishes	R34 482
Plaster of internal walls	R3 004
Windows: Special Low E clear and opaque glass	R7 493
Electrical installation	R17 485
Internal plumbing	R20 007
Site clearance	R4 957
P&Gs	R20 031
Sub Total A	R252 702
Project management	R8 844
Clerk of works	R7 581
Sub Total B	R269 127
Transfer fees	R1 568
Beneficiary administration	R470
Total	R271 166
New National Elements:	
Home solar system (500 W)	R20 300
Burglar Bars only f	R5 000
Fibre duct	R1 200
If justified the following can be added (indicative service amount):	
Rainwater harvesting devices	R9 500





CONSTRUCTION OF A TEMPORARY SHELTER

30sqm

EMERGENCY ASSISTANCE PROGRAMME:

ITEM	
Roof sheeting/covering	R 10 818
Side Cladding / Wall Cladding	R 17 817
Columns and anchor bolts	R 10 564
Column footings: Concrete bases for structure posts	R 2 541
Rafters	R 4 900
Purlins	R 6 360
Door & Window posts and frames	R 4 261
Side rails to support side cladding	R 5 217
Flashings	R 1 528
Door	R 3 931
Window	R 3 801
Flooring: Concrete	R 12 730
Thermal improvement under roof	R 4 583
Sub-Total:	R 89 051
TOTAL SHELTER COST	R 89 051
GRAND TOTAL PER GRANT	R 97 684



GRANT FRAMEWORKS REQUIREMENTS ON IBT

The Final Human Settlements Development Grant Framework has as part of the conditions:

- “A **minimum** of 2% of the grant may be allocated to programmes and projects for implementation of innovative building technologies approved by Agrément South Africa, with a detailed cost analysis for the housing sector (subject to the consultation of local authorities and beneficiaries)”



Human Settlements Development Grant (MTEF ALLOCATIONS)

Human Settlements Development Grant						
Provinces	2026/27	2%	2027/28	2%	2028/29	2%
R'000						
EASTERN CAPE	R1 473 922	R29 478	R1 537 177	R30 744	R1 588 518	R31 770
FREE STATE	R777 134	R15 543	R810 486	R16 210	R837 556	R16 751
GAUTENG	R3 780 605	R75 612	R3 942 857	R78 857	R4 074 543	R81 491
KWAZULU-NATAL	R2 434 929	R48 699	R2 539 428	R50 789	R2 624 243	R52 485
LIMPOPO	R866 898	R17 338	R904 102	R18 082	R934 299	R18 686
MPUMALANGA	R883 591	R17 672	R921 511	R18 430	R952 289	R19 046
NORTHERN CAPE	R261 460	R5 229	R272 681	R5 454	R281 789	R5 636
NORTH WEST	R1 220 328	R24 407	R1 272 700	R25 454	R1 315 207	R26 304
WESTERN CAPE	R1 559 136	R31 183	R1 626 048	R32 521	R1 680 357	R33 607
Total	R13 258 003	R265 160	R13 826 990	R276 540	R14 288 801	R285 776

CONCLUSION

- **Climate Resilient**

- Structures that can withstand, recover from, and adapt to climate-related shocks like floods, heatwaves, and storms.
- Structures that enhances sustainability by embedding flexibility and redundancy, protecting lives and livelihoods while reducing economic losses from disasters.

- **Cheaper**

- Subsidy Quantum is known. Can the IBT house be cheaper?

- **Quicker/Faster.**

- Small/Simple Homes (50-100 sqm): Can often be completed in 3–5 months
- Breakdown of Construction Phases (Typical 1-Story Home):
 - Planning & Permits: 2 to 8 weeks, with local council approval times varying.
 - Site Prep & Foundation: 2–3 weeks.
 - Structure & Roofing: 6–10 weeks.
 - Interior & Finishing: 4–8 weeks.



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THANK YOU



HOUSES ■ SECURITY ■ COMFORT