

# BNG

Human Settlements Sector

# Journal

The official publication of the Department of Human Settlements | April - June 2017



## SOCIAL HOUSING SOLUTIONS

Rental housing a national priority for urbanisation and economic transformation

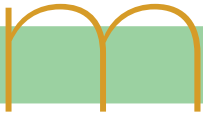


## **WESTGATE GRANGE/ ALOE RIDGE PROJECT**

---

Pietermaritzburg, KwaZulu-Natal





## Minister's Foreword



I hereby present to you the first edition of our Breaking New Ground (BNG) Human Settlements Sector Quarterly Journal. The main objective of this publication is to update you, our valued stakeholders on the implementation of our programme as we restore the dignity of our people through human settlements.

Over the past few months, we have been experiencing a number of service delivery protests around the country, mainly in big cities which include Johannesburg, Nelson Mandela Bay, Tshwane, and Cape Town. In our engagement with the affected communities it became clear that the provision of decent human settlements is an essential first step towards a solution to address most of our social ills. It is no longer only about a constitutional right, a Freedom Charter directive and the basis for dignity. It is now more than ever about the restoration of normalcy in society, where so many social ills thrive in conditions of poverty, homelessness and squalor.

In 2014, together with the private sector we signed a Social Contract for the Sustainable Human Settlements. Stemming from that contract is a commitment between ourselves to work together towards the accelerated or increased housing delivery. Government alone cannot adequately deliver without the assistance of the private sector.

Our priorities for this financial year, 2017/2018 include amongst others, the following:

- Ensure that Human Settlements Development Bank (HSDB) is fully operational by the end of this financial year. The strategic focus of the bank will be to facilitate the provision of finance across the human settlements value chain.
- Roll out of the 46 government led catalytic projects across the country
- Clear the backlog of title deeds. The transfer of title deeds to rightful owners maximises the housing programme's impact by creating assets and allowing people to build the value of their assets over time.

I invite all our stakeholders to work with us as we deliver on our mandate. Let us use this platform to profile our human settlements programmes, engage and share ideas aimed at transforming the lives of people.

**LN SISULU, MINISTER OF HUMAN SETTLEMENTS**

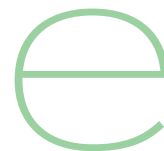


**human settlements**

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

Life and legacy of  
**OR TAMBO.**  
100 YEARS





## Editor-in-Chief

It is a great pleasure to welcome you as a first reader of the first edition of the BNG Human Settlements Sector Journal - a quarterly publication of the national Department of Human Settlements and its sector to provide a uniform understanding of the objectives, achievements and challenges of the sector. The journal will broadly feature articles and analysis from academic researchers, industry experts, journalists and reflect experiences of ordinary South Africans. The stories will reflect how the sector collaborates with other Government Departments, Provincial Departments, Institutions and other stakeholders in order to provide sustainable and integrated human settlements.

Therefore, an opportunity exists now for all industry players and stakeholders to contribute to this publication in order to afford all participants a chance to highlight their programmes and policies. The articles for the Journal are detailed in nature, solution driven and require in-depth discussion on the subject matter.

I am looking forward to working with all stakeholders on this publication. Stakeholders are requested to forward their contributions.

### **Ndivhuwo Mabaya**

Editor-in-Chief

**Publisher:** Department of Human Settlements  
**Address:** 240 Justice Mahomed Street,  
Sunnyside, Pretoria, 0002  
**Postal Address:** Private Bag 644, Pretoria, 0002  
**Call Centre (Toll-free):** 0800 146 873  
**Fraud & Corruption (Toll-free):** 0800 701 701  
**Email:** info@dhs.gov.za  
**Website:** www.dhs.gov.za

**Editor-in-Chief:** Ndivhuwo Mabaya  
**Editor:** Gwen Shole  
**Design and Layout:** DHS DTP: Clement Khoza  
**Production and Distribution:** Mandla Gumede  
**Photographer:** Simon Mofokeng, HS Library  
**Contributors:** Botshelo Selogilwe, Kelopile Tlhodi, Lebogang Mohlahlo, Teboho Montse, Thokozani Mtshali, Isaac Skhosana, Simon Mofokeng, Tuso Zibula, Prof Clinton Aig-bavboa, Jabulani Fakazi, Queen Mathebula




**Editorial Enquiries:**  
Telephone: 012 444 9130  
Email: BNGJournal@dhs.gov.za

**Copyrights 2017 ©:** BNG HS Journal is a quarterly journal of the Department of Human Settlements which is published by the Chief Directorate: Communication Services. No part of this publication may be reproduced without the written consent of the publisher.

**ISSN: 2520-9442**



### Social Media

-  humansettlements
-  @The\_DHS
-  Department of Human Settlements

# Contents

- 9** Each citizen requiring assistance from Government will have to be part of the solution
- 12** Human Settlements positioned as a catalyst for job creation
- 16** Newly appointed Ombudsman to protect your rights on Human Settlements
- 18** Human Settlements prioritises the deprived and destitute
- 20** Social housing subsidy solution to shelter and urbanisation
- 22** New legislation to improve cooperation and access to human settlements
- 25** Social Housing Institutions Accreditation
- 28** Revitalising villages, townships and small dorpias through Human Settlements partnerships

09



12



25



28





36

**36** Pragmatic benefits of beneficiary's participation in the South African Human Settlements space



40

**40** Micro-financing to address housing needs of low income households:

**44** Fast tracking housing for Military Veterans

**46** The New Urban Agenda

**48** South Africa breaking new ground at the UN Habitat III Conference



44

**52** Human Settlements Transformation Charter

**54** Human Settlements Development Bank

**56** Lessons from Johannesburg's new plan to fight sprawl



64

**61** Clayville a Human Settlements Mega Project

**64** Socio-economic value of a Title Deed



Lindiwe Sisulu Minister for Human Settlements

# Each citizen requiring assistance from Government will have to be part of the solution

Lindiwe Sisulu – Minister of Human Settlements

South Africa is an undisputed world first in its delivery of housing for the poor. However, we as a people have to rediscover the distinction between hope and expectation.

Nothing is more difficult than having to deal with the moving target of housing our people against a background of heightened expectation and anger. The agitated expectative state of mind, although very legitimate, makes it very difficult to have meaningful dialogue with our people as no further explanations are acceptable now, and yet the hard truth is, no matter the circumstances, the reality of our situation needs to be understood by all of us, because it needs all of us to work together for a meaningful solution.

Here is our reality: We have provided 4.5 million houses and subsidies and our society grows phenomenally above that. Flowing from the effects of influx control and exclusion of the past, and following from the policies of large scale evictions, we inherited a dire crisis in 1994. Currently our backlog grows as society grows. We are urbanising at 2.4% annually, in addition, count the in migration from neighbouring countries. This reality has to be at the back of everybody's minds when we deal with where we come from and what we are confronted with, so that our solutions are understood in the context of what is possible, what we have achieved. Measure us by what we have been able

to do, which no other country in the world has been able to do. Measure us by our commitment.



Fleurhof integrated housing project in Johannesburg, Gauteng

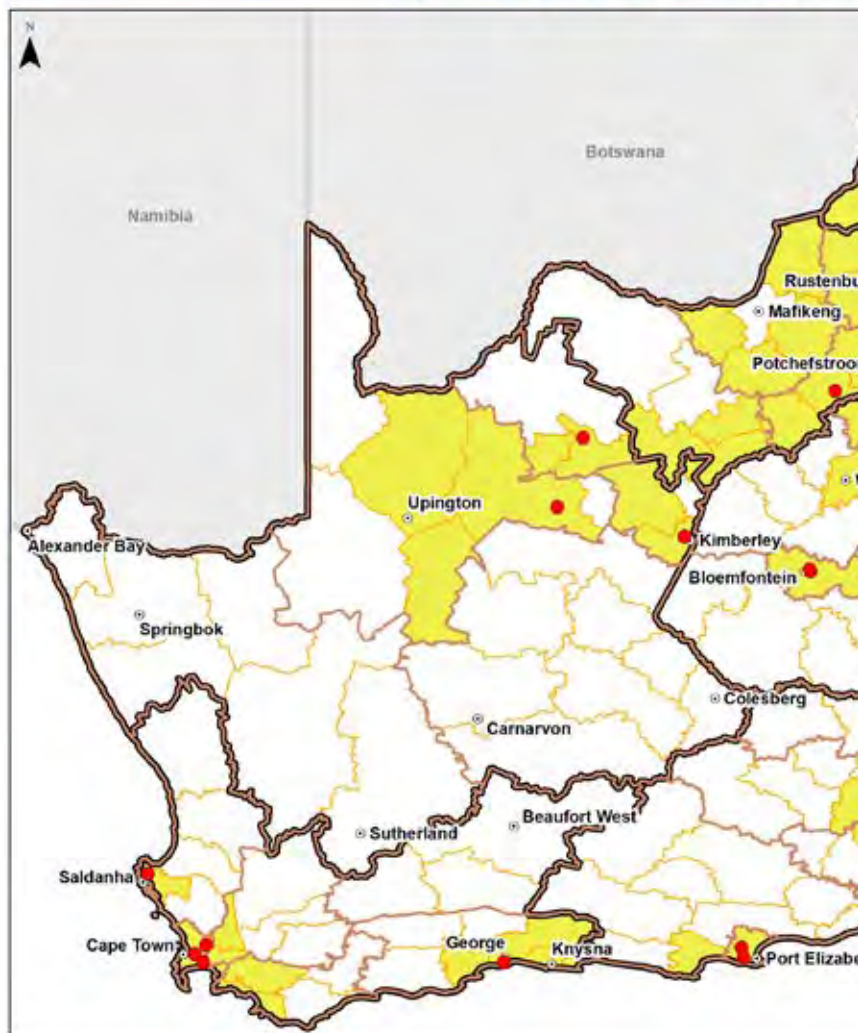
We are the only country known to man that has and continues to build free houses. We will continue to build houses for the indigent, but the rest of us will have to build houses together with government and where possible, utilise subsidy options available. Each citizen requiring assistance from government will have to be part of the solution.

Having assessed our situation, gone through the evolution of policies, and engaged with our communities, we have decided that we are going to embark on a vigorous, multi-pronged new approach to our challenge. We think that this would suit our current situation better, and it is underpinned by the following: Our people have to understand that the responsibility to shelter is the most fundamental responsibility that each has. So we start with the responsibility, thereafter we work out how each executes this intrinsic, natural responsibility. The State, on the other hand, is required to perform its duty by providing the right to access to housing. It becomes the enabler within the resources it has and within the policies that guide that right to access.

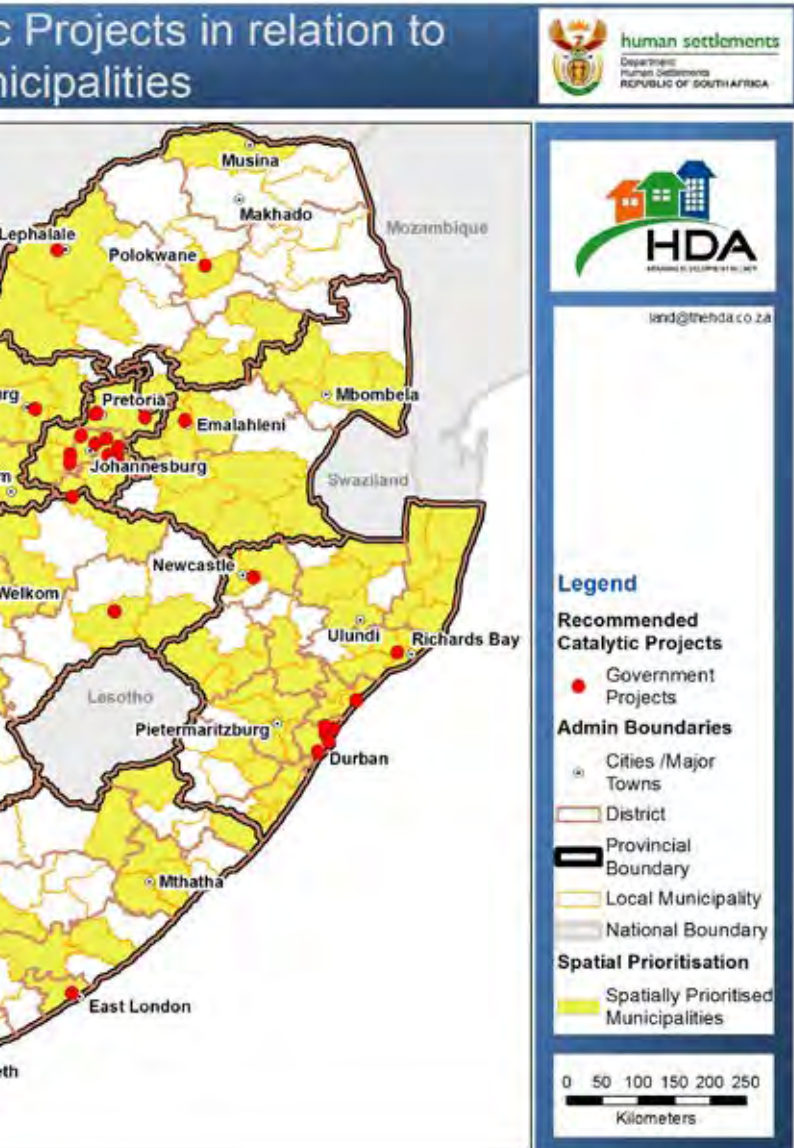
We both have a responsibility, the people and the government. Our people have to understand that their rights, of which the government is the custodian, goes with a responsibility. If so, our message will be aligned and we will go so much further.

We have now adopted a vigorous, multi-pronged strategy, based on the people's rights and government's rights and responsibilities to them. We will now concentrate on being an enabler to those who can and being a provider to those who can not. We are calling on our people to play their part in executing their responsibility together with us in delivering a right. We are accordingly shifting our focus to strengthen our strategies by provid-

## Recommended Government Catalytic Spatially Prioritised Municipalities



ing land for people to build with our assistance, coupled with our temporary shelter programme, approved by Cabinet in 2007. Working together with the Departments of Rural Development and Land Affairs and Public Works we will establish a collaboration that will release land and municipalities will be required to prioritise the provision of infrastructure. On a more urgent basis, our centralised data base will determine the allocation so that those who can and are on our database will be required to build their own houses, with our help. Further, it will be compulsory that these stands be converted into housing units within a prescribed period so that we do not end up creating more informal settlements.



The second leg of our strategy is the new 46 government led catalytic projects. As I indicated previously, in order to grow at the scale required to deal with the growing numbers, we need our yield to be far greater than we have been producing. We expect that none will yield less than 10 000 units, consisting of mixed typologies. In a situation where people live in dire circumstances, we will have a phased approach, very similar to the lessons learnt on the N2 Gateway Project in Cape Town.

These catalytic projects are located in the Eastern Cape (6), Western Cape (7), Northern Cape (3), Gauteng (14), Limpopo (2), KwaZulu-Natal (8), Free State (3), Mpumalanga (1) and North West (2). Through these we also hope to produce a transformed construction sector, a huge yield of jobs, especially for the youth and many other possibilities to change our landscape for the future.

Through the catalytic projects we have set ourselves on a path to transformation of our urban spaces as well as the industry that are key in the development of settlements.

It is worth emphasising that the government is an enabler. We call on society to work with us to create their own future and help build their own houses. A house is the most fundamental need for humanity and it requires each one to play their part.

“Our people have to understand that their rights, of which the government is the custodian, goes with a responsibility.” - Minister Lindiwe Sisulu



Zou Kota-Fredericks Deputy Minister for Human Settlements

## Human Settlements positioned as a catalyst for job creation

**D**elivering her Budget Vote Speech on 18 May 2017, at the National Assembly, Human Settlements Deputy Minister, Hon. (MP) Zou Kota-Fredericks said “job creation remains a critical focus area for the department”.

She was alluding to the work being done by the department through public private partnerships in the area of youth and women empowerment. “We are proud of the Youth Brigade that has provided voluntary community services in the construction of (100) units in Chetty in Port Elizabeth. They also took part in the reconstruction of six burnt houses in Langa, Cape Town. “I further applaud Ubizo Tours, a youth owned Tourism Company for mobilising tourists to provide support in the rebuilding of these houses,” she added.

The Deputy Minister committed to strengthening existing relations and establishing new ones to ensure that the department and all sister departments in partnership with private sector stakeholders and civil society contributed in the creation of sustainable, resilient and economically viable communities by empowering the youth and women across the board.

“This year during the Mandela Month, we aim to bring youth from Qunu to Robben Island and together with the Youth Brigade conduct a Youth Career Expo aimed at exposing them to the various opportunities that the human settlements sector in particular and government sector in general have to offer.”

She added that this particular programme would be conducted in partnership with some private sector companies such as “Yabasha Energy Solutions” and its Parent Company Tasol Solar led by its CEO David Qata. The other company is Hydraform Technology, a leading alternative building technology company specialising in brick manufacturing machinery.

Plans are already underway to recruit another batch of Youth Brigade volunteers for 2017 through the National Rural Youth Service Corps (NARYSEC), a programme spearheaded by the Department of Rural Development and Land Reform.

The Deputy Minister commended the volunteers who participated in these programmes. “In demonstrating their resilience, these young people did not ask what South Africa can do for them but what they can do for South Africa.” In Mahatma Ghandi’s words “they became the change that they wanted to see in their own communities.”

With regards to the Catalytic projects, Kota-Fredericks said both young people and women were looking forward to the set asides which will enable them to participate wholly in the human settlements value chain and contribute in the economy of their communities, eventually the country.

However, she cautioned against being complacent and urged young people to become pro-active so as to ensure that youth and women contractors in the built environment bring and are not only contractors who build houses but they must also look at being material suppliers.

She further said the department remained committed to contribute in the country’s transformation goal of non-racial, non-sexist democratic and prosperous South Africa. This in line with this year’s International Women’s Day commemorated on the 8<sup>th</sup> March under the theme: ‘Be bold for change.’ We launched the NHBRC Transformation Charter. We applaud NHBRC for taking a bold step; we urge all our housing institutions to emulate the good example of NHBRC.”said the Deputy Minister. >>



Savanna City BNG housing project in Midvaal, Gauteng

“ job creation remains a critical focus area for the department. ” - Deputy Minister Zou Kota-Fredericks

Following the Minister’s directive on the issue of women economic empowerment in the entire human settlements value chain, the Department has since developed a framework to support women. In line with the implementation of 30% quota, provinces were also to set aside 1956 units to be built every year during the women’s month.

These are positive developments in terms of economic empowerment of women; this process need close monitoring by women themselves. The Deputy Minister advised women, particularly the South African Women in Construction (SAWIC) and many other women formations to do more advocacy work in this regard. Reports from province need thorough scrutiny.

The Department, through the National Upgrading Support Programme remains a cornerstone of our delivery programme and is aimed at amongst other things to promote incremental upgrading and strengthening capacity of government and professional practitioners to implement community based upgrading.

The department has conducted a feasibility study and assessed 1106 informal settlements and at 811 plans have been completed. “We are also happy that the sustainable livelihoods programme has been main-streamed into NUSP in order to promote local economic development,” she added.

Upgrading of informal settlements in mining towns remains a critical focus of the department. The Housing Development Agency (HDA) manages NUSP in mining towns. A total of 356 informal settlements in mining towns have been assessed with 150 upgrading and relocation plans for priority informal settlements that been completed.

Similarly with other programmes aimed at creating sustainable livelihoods that are economically viable, Deputy Minister Kota-Fredericks said that the department was still committed in implementing the People’s Housing Process (PHP). This programme galvanised people’s support in building their own homes.

“Challenges in this area have to do with resolving the issue of funding as agreed in MinMEC, particularly the setting aside or ring-fencing 15% of capital budget for the People’s Housing Process, and the good news is that we do have the guidelines now. Houses built through PHP are big, of good quality and are never sold.”

She congratulated Rose Molekane from Slum Dwellers International (SDI) for her appointment in Quito at Habitat III as a co-chair of the World Urban Campaign. She said that this would help in localising the New Urban Agenda. She also applauded the Morningstar Development and Upliftment Initiative (MDUI), an NGO from Morningstar, Durbanville.

This NGO worked jointly with department and the Department of Correctional Services in renovating houses built with asbestos. These houses were a health hazard. During the 6th National Imbizo week, the Deputy Minister visited the area and handed over the 1<sup>st</sup> phase of those houses, some are newly constructed through PHP.

Showcasing and highlighting the work being done by the department and its stakeholders, the Deputy Minister handed over houses built by Lafarge South Africa in Saldanha two days before the Budget Vote. The land on which these houses are built was donated to Lafarge by Premier Fishing.

“We applaud both Lafarge and Premier Fishing for this sterling work. Our sense of gratitude goes to the Department of Minerals and the Saldanha Municipality for their co-operation and partnership in this work. Together we can do more.”

Deputy Minister Kota-Fredericks said South Africa remained a beacon of hope and a shining example in the continent as well as in the international stage. “We have adopted the New Urban Agenda in Quito during Habitat III. We were part of drafting the African Common Position which was adopted by our Heads of State in Kigali in July 2016. As we speak we are on the implementing stage of the National Urban Agenda.”

An unedited version of Deputy Minister Kota-Fredericks’s speech to Parliament can be accessed on [www.dhs.gov.za](http://www.dhs.gov.za)



Members of the Youth Brigade Programme in training

# Newly appointed Ombudsman to protect your rights on Human Settlements matters

Queen Mathebula

The Minister of Human Settlements has appointed Themba Mthethwa as an Ombudsman to deal with issues of conflicts between contractors, Provinces, Municipalities and tackle the alleged corruption in the sector.

Human Settlements Minister Lindiwe Sisulu announced the establishment of the Ombuds Office within the Department during her Budget Vote Speech in Parliament on May 18. Minister Sisulu said the establishment of the Ombudsman Office was intended to facilitate mediation among stakeholders in a bid to resolve disputes whenever they arose without the necessity to go the legal route which is often characterised by protracted court cases.

“We are setting up a structure that will mediate, work with all stakeholders to resolve disputes and cut through red tape for the best interests of the human settlements sector as a whole,” she told Parliament.

Mthethwa was previously the CEO in the Office of the Public Protector before joining the Community Scheme Ombuds Service (CSOS) which is one of the agencies of the Department of Human Settlements that deals with disputes resolutions in communal residential establishments.

He has been laterally transferred into the post of Human Settlements Ombudsman. “We will advertise for the position of a Deputy Ombudsman because of the enormity of the responsibilities. He will prioritise the complaints of our entrepreneurs that are going bankrupt because of the non-payment from the Provinces,” added the Minister.

Mthethwa is Lawyer by education and has served previously as an human rights attorney as well as the General Counsel of the Ports Authority of South Africa.



Human Settlements Ombudsman Themba Mthethwa

His knowledge of the public sector includes working in all the three spheres of government. He also served as a special advisor to former City Manager of Ethekwini, Mike Sutcliffe and as the Deputy Chief Executive Officer of South African Local Government Association. He worked in the Public Protector’s Office for six years and holds an MBA from the University of the Witwatersrand.

Mthethwa will not be a new comer in the field of dispute resolutions given that he has been pivotal in setting up CSOS and establishing offices for the agency in all nine provinces. His work included formulating policies and procedures for dispute resolution and arbitration for the community schemes ombuds service and chairing Minister Sisulu’s Advisory Council on sectional titles.

Part of the work of the community schemes ombuds service included training and educating the public and trustees about work of the agency taking charge of all community schemes governance.

As the Human Settlements Ombudsman, Mthethwa will also be responsible for providing a dispute-resolution service for all South Africans, monitor governance of sectional title schemes and provide public access to scheme’s governance documentation.

The Minister is confident that the establishment of the Ombuds Office for Human Settlements will help provide an alternative, impartial and transparent service for the resolution of dispute in community schemes and that it will promote excellence and good governance

Minister Sisulu has always raised concerns about the need to fast-tracked dispute resolutions and providing accessible and easy ways for redress in the Human Settlements Sector.

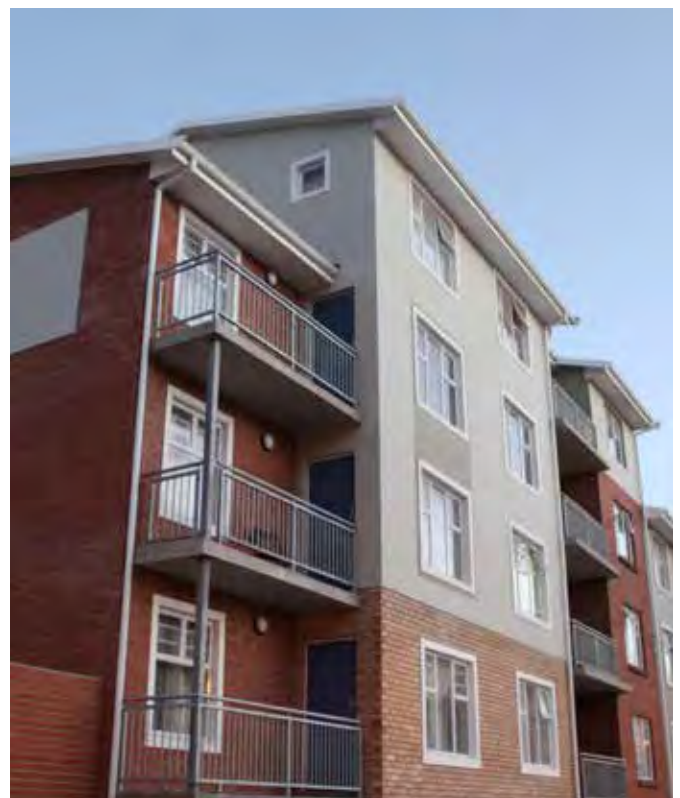
The Minister believes this will drastically help to reduce the number of human settlements related complaints directed at her Office and it will complement other works done by various spheres of Government such the Department’s own call centre which deals with public queries as well as the Presidential Hotline, the Office of the Public Protector and courts.

The new Ombuds Office will also promote constitutionally guaranteed rights of citizens to housing, and ensure that housing development is administered in a an equitable manner and officials and contractors upholds the practice of good governance in the human settlements sector. It will also

beef up efforts to promote public education and consumer protection in respect of housing development.

The target will be communities and individuals as well as service providers, municipalities and provinces. The Minister hopes that this will also be a right mechanism to settle home owners’ disputes in respect of houses provided by government, title restoration and will be able to tackle conflicts between individual home-owners and government entities.

Although the Ombudsman’s office may still require capacity but Mthethwa is confident that he is ready to kick-start with the execution of his mandate and he is certain that he will be able to fulfil the objectives set for him. “Thanks for the warm welcome, support and dedication shown by the officials during the past few weeks since I started in the office. I am certain that working together we can make a difference and do much more good things,” said Mthethwa.



Walmer Link social housing project in Port Elizabeth, Eastern Cape



Richard Maphumulo in front of his old and new house in Vulindlela, Pietermaritzburg, KwaZulu-Natal

# Human Settlements prioritises the deprived and destitute

Tuso Zibula

As South Africans celebrate the Human Rights Month, it is essential for the country to reflect on legacy and non-legacy challenges faced as a nation seeks ways and means to develop a society that cares for its entire people. Human Rights Day specifically is a moment of history that must be seized and commemorated with the work of uplifting and protecting vulnerable groups such as the elderly and children.

Growing up in the poverty that prevailed in the rural areas of KwaZulu-Natal, it was troubling to see an elderly person living in squalor, sometimes until they die without a descent shelter over their head. This was the experience in rural areas but what I have seen in urban areas made things worse. In rural areas we used to see people building their houses with mud and this continues until today. In urban areas people resort to plastics and metal sheets to build a home, a shanty that is also known as a shack or umkhukhu.

Our society has over the years been continuously robbed of its dignity. Having a decent shelter over a person's head presents a number of social and

economic benefits. These include improved quality of lives, personal and private space which is rarely experienced in a one room shack and there is a secure environment and tenure rights.

The democratic Government has delivered close to five million houses and subsidies since 1994. This has seen a number of new townships established across the country benefitting millions of South Africans and bringing transformation to the spatial disfigurement left by apartheid. All across provinces, new townships have been born. These include areas like Cosmo City in Gauteng, Klarinet in Mpumalanga, Cornubia in KwaZulu-Natal, Zanemvula in Eastern and N2 Gateway in the Western Cape, just to name a few.



In addition to this, a number of previously disadvantaged rural communities have also benefitted immensely. One of the key housing projects that have changed rural communities socially and economically is Vulindlela in Pietermaritzburg, KwaZulu-Natal which is expected to deliver over twenty thousand housing units on completion offering over 100 000 residents a decent shelter.

However, there is still more that needs to be done. Over the years, we have seen a vast number of people migrating to urban areas seeking better economic opportunities. This has put government under immense pressure to provide housing with the requisite infrastructure at an unprecedented rate to urban areas. The main places affected are the metros including Johannesburg, Tshwane, Durban, Cape Town, Ekurhuleni and Nelson Mandela Bay Metro.

The spiralling costs of building a house and lack of resources to meet this instantaneous demand compels government to re-look at its housing priorities to address the demands of rapid urbanisation. These include establishment of integrated catalytic projects across the country which will see the delivery of not less than ten thousand houses per project, providing houses for military veterans, the indigent, elderly or senior citizens, child-headed households, and people with disabilities.

The Minister of Human Settlements, Lindiwe Sisulu, said during the 2014 Budget Vote her Department would prioritise indigent people which include elderly citizens or vulnerable groups in the allocation of houses instead of the under 40s. This did not go down well with some young people in our society. It is tempting to agree with them if one has not been exposed to harsh, deplorable and squalor conditions in which some of our elderly people, disabled and child-headed households are subjected to.

The response to that pronouncement is well supported by our highly celebrated Constitution which states "everyone has a 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". The words "adequate, reasonable legislative and within its available resources" are not there by default. One should assess the current economic situation against the latter. There are competing demands the State must attend to such as education, water, sanitation, health and so on.

There are different options available for younger people such as the social housing/rental programme and Financial Linked Individually Subsidy Programme (FLISP). These options are meant for people who earn too much to qualify for a fully subsidised government house and earn little to qualify for a bonded house. Then there is government assisted employee housing for civil servants which government is hoping that other employers follow with employer-assisted housing. One of the biggest social housing projects, Westgate Grange in Pietermaritzburg is expected to provide decent shelter to over four thousand people.

Currently, a high number of elderly people remain on the housing waiting list. Some of these persons are more than 100 years old. Last year, 2016 saw the Human Settlements Department handing over houses to a number of senior citizens and people with disabilities. Seeing elderly people shedding tears as they receive houses is priceless and heartbreaking at the same time. Providing housing is all about restoring dignity of our people.



# Social housing subsidy solution to shelter and urbanisation

Kelopile Tlhodi

**S**ocial housing is a state subsidised rental housing targeted at low to medium income groups. Its purpose is to contribute to the national priority and restructuring South African society in order to address structural, economic, social and spatial dysfunctionalities. Social housing contributes to widening the range of housing options that are available to the poor.

The intended impact is that of restructuring of cities and empowering residents. Social housing aims to provide clean healthy and safe environments within proximity to services, transport routes, clinics, schools and economic opportunities.

Over the years there have been a vast number of people migrating to urban areas seeking better economic opportunities. This has put government under immense pressure to provide housing with requisite infrastructure. The spiralling costs of building a house and lack of resources to meet this rapidly rising demand compels government to re-look at its housing priorities to address the demands of rapid urbanization.



President Zuma and Minister Sisulu at Westgate Grange/Aloe Ridge in Pietermaritzburg, KwaZulu-Natal

There are different options available for younger people such as social housing which is a rental programme and the Finance Linked Individually Subsidy Programme (FLISP) which is a subsidy to help first time buyers to acquire a bonded house. Both these options are meant to assist people who earn too much to qualify for a fully subsidised government house and earn too little to qualify for a bank mortgage. There are normally referred as the gap market.

All social housing projects are 100% rental stock –that is purely for rental only. There is no rent to buy option.

The Social Housing Regulatory Authority's (SHRA) mandate is clear, social housing delivery must be scaled up in order to affect the anticipated social, economic and spatial restructuring intended of the social housing programme. The social housing programme plays a key role in contributing to the vision of the National Development Plan (NDP); the SHRA must create an enabling environment for the growth and development of social housing. The Medium Term Strategic Framework (MTSF), consisting of a five year period aligned to the electoral cycle, establishes the objectives for each period; the current MTSF period, 2014 – 2019, lays the foundation required to ensure achievement of the NDP's vision; the target for the SHRA is the delivery of 27 000 social housing units.

The delivery of social housing units and the achievement towards the MTSF target as delivered from 2014/15 is 8%, 2015/16 is 11% and anticipated delivery up to the end of 2016/17 is 13% while a total of 68% is still to be delivered between now and 2019.

The number of units approved for Restructuring Capital Grant award is lower than in the previous year. This is due to the weakened viability of the programmer's financial model. In the period under review, the Department of Human Settlements and the Department of Planning, Monitoring and Evaluation (DPME) undertook an evaluation of the National Social Housing Programme (NSHP) in order to assess the programmer's achievement of its intended goals and to produce recommendations on the future of the programme. This evaluation determined the specific constraints in the current indexing and value of the grant quantum, and given the current state of the economy, many strong Social Housing Institutions (SHIs) are unable to develop financially-viable projects and are at risk in terms of future sustainability. These challenges are hampering project packaging and addressing these is key in advancing the NSHP.

According to the SHRA annual report, the achievement towards the MTSF target of 27 000 units delivered by 2019 is 5 107 which makes up 19% of units delivered.

On 1 April 2017 President Jacob Zuma and Minister of Human Settlements, Lindiwe Sisulu launched the biggest Social Housing Project in the country in Pietermaritzburg, Kwa Zulu-Natal.

What was once a large Greenfield is now the Aloe Ridge (Westgate) Social Housing Project that promises to house about 4 000 households and families upon completion. The project which is estimated to cost R355 million sits on large hectares of land and offers 952 two bedroom units to qualifying beneficiaries earning between R1 500 and R7 500 per month. The site is approximately 14 hectares in size, allowing for large, open spaces and play areas for children.

"We are making a call to all our beneficiaries to value their houses. Do not sell your asset and your children's inheritance. Know that government gives you only one opportunity to restore your dignity," said President Jacob Zuma during his address.

# New legislation to improve cooperation and access to human settlements

Mbulelo Tshangana – Director General

**T**wo critical Bills, one aimed at transforming the property and real estate sector and another looking at broadening access to mortgage finance were published in the Government Gazette by the Minister of Human Settlements Lindiwe Sisulu on 31 March 2017.

The publication of the Property Practitioners Bill and the Home Loan and Mortgage Disclosure Amendment Bill makes the two pieces of the envisaged laws public documents and allows all South Africans and practitioners in the property sector to comment and give further inputs. The public comments are a necessary requisite to complete the work of the Department of Human Settlements that drafted the amendments following a review of the impact of current legislations and inputs from stakeholders on challenges related to fair lending practices and transformation in the property sector.

Once it becomes law, the proposed amendments in the Property Practitioners Bill will open up the property and real estate sectors to many small, black and previously disadvantaged practitioners.

It will further broaden the sector's operations and reach to historically black communities such as townships where the real estate sector and estate agents' work has still not stretched to its maximum potential in terms of access, ownership and even the training of new real estate agents in poor communities.

Officials from the Department of Human Settlements will through next month be spread across the country's nine provinces to promote the Bill and bring it to the attention of communities so people

can make their input and comments on the proposed law.

It will certainly compliment other work and programmes by the Department that seeks to transform the sector, such as the Estate Agency Affairs Board's (EAAB) One Learner-One Estate Agency" youth empowerment, which encourages employers or registered agents and real estate enterprises to place interns from previously disadvantaged groups. This is part of an intensive year-long training that equips the intern-agents and imparts the required experience and knowledge to succeed in the sector.

Once it becomes law the Property Practitioners' Bill will be an improved replacement of the Estate Agency Affairs Act of 1976, as it will supplement the regulation of pertinent areas in the sector, unlike the 1976 Act which primarily focused on the establishment of the Estate Agency Affairs Board and the Estate Agents Fidelity Fund. The proposed law encourages professionalisation, accountability and transformation of the sector. The sector is currently valued at about R7 trillion and its subsidised component is approximately R1.5 trillion. Historically disadvantaged people only account for less than five percent ownership and this new law will help ensure a more inclusive and representative sector and protect the consumer.



Mbulelo Tshangana, Director-General of Human Settlements

## Home Loan and Mortgage Disclosure Amendment Bill

Based on experience since the enactment of the Home Loan and Disclosure Act of 2000, which was aimed at ensuring fair lending practices, information disclosure by financial institutions on the provision of home loans and establishing the Office of Disclosure, the Minister of Human Settlements realised there was a need to improve the law to ensure more people enjoyed its protection and benefits.

This will ensure a more effective functioning of the housing and human settlements market, level

the playing field and effect necessary steps “to achieve equitable access for all [people] to that market” and put measures to prevent discrimination of any kind by the actors in the human settlements development process.

Some of the challenges identified with the previous Act relate to the need to deal with lending patterns and encourage banks and other financial institutions to extend loans to secondary markets. However, it is worth noting that the current law had its positive impacts, for example, all major banks



in South Africa have actively participated in extending home-loans to previously disadvantaged people. And as part of the Social Contract, an agreement between the Minister, the banking sector and other players in the human settlements development value chain, the banks have provided funding for areas that were previously not funded or were underfunded.



Savanna City housing development in Midvaal, Gauteng

The banks have also supported the Breaking New Ground policy and financed the Gap housing market in areas where Government has also invested heavily such as Cosmo City and Olivenhoutbosch in Gauteng. The banks have come to the party and some even established their own companies to generate more affordable housing, in what has turned out to be a good partnership with the Department after a Memorandum of Understanding between the Minister and the banks was signed to commit more funds into the sector. Government sees the Banks as incredible partners, in extending access to mortgage to the previously unbanked and areas that they never financed.

How do we know this, we looked at all bonds approved by banks, plans approved by municipalities, there is a good balance and the banks have done a lot but more can be done. That is why the proposed new law will tighten loopholes on areas such as disclosure so that together we can intervene and facilitate more access to bonds and also loans for those who want to enhance or upgrade Government subsidised homes such as the BNGs or RDPs as commonly referred to.

When we have open and easy access to information, our data will be accurate and reliable making it easier for Government especially the Department of Human Settlements to plan better and determine requisite interventions to ensure more people get houses. Reliable statistics will also lead to the creation of more housing opportunities. It will also allow the pulling together of resources to meet the needs where there are serious shortages and deepen the current partnership between the public and private sectors. Through such commitments to work together, we can ensure that we live up to the Constitutional directive to provide adequate and decent housing for all needy South Africans.

All South Africans and affected stakeholders can access the two amendments on [www.dhs.gov.za](http://www.dhs.gov.za). A table of all stakeholder consultation meetings will be published on [www.dhs.gov.za](http://www.dhs.gov.za) and all mass media in the coming few days.

Mbulelo Tshangana is the Director-General for the Department of Human Settlements.



# Social Housing Institutions Accreditation

Simon Mofokeng and Isaac Skhosana

In terms of the Social Housing Act 16 of 2008, accreditation of Social Housing Institutions (SHI) has to do with the screening, evaluation, provisional and final accreditation by the Regulatory Authority that will, amongst others, allow a social housing institution access to grants available under the social housing programme.

Addressing delegates at the annual Social Housing Regulatory Authority (SHRA) Consultative Forum held in March, 2017 in Johannesburg, the Deputy Minister of Human Settlements, Zou Kota-Fredericks said “Government has invested R7.6 Billion in this particular form of affordable rental housing thus far, however going forward we need to transform the sector economically, there is a necessity to make sure that everybody benefits including women and youth in this country.”

“The need for 320 000 more affordable rental housing units in urban areas presents an opportunity for more Social Housing Institutions (SHI) to work together in order to achieve this target,” said the Deputy Minister >>



Belhar social housing project in Cape Town, Western Cape

A total of 65 Housing Institutions (SHI's) were issued with long term accreditation certificates during the Forum hosted by SHRA, an agent of the Department of Human Settlements responsible for regulating the Social Housing Sector in South Africa.

In terms of the rules on long term accreditation that were gazetted in September 2016, 13 fully accredited SHIs' received certificates indicating a period of five years certification and fifty two conditionally accredited SHIs' received certificates for a period of two (2) years.

These SHIs' are required to re-apply for accreditation 6 Months prior to expiration and the conditionally accredited SHIs' will be subject to various sector development programmes to enhance their accreditation status where possible. Those conditionally accredited without any stock will also be required to bring a project to the SHRA before their two year certificates expire.

The Deputy Minister congratulated SHI's that accomplished their targeted number of rental units and encouraged under - achievers to work harder. "We want to cut the red tape to afford the new players in the industry a chance to grow and participate actively in the economy of the country," she added.

In the context of our country, social housing is aimed at contributing to the national priority of restructuring South African society in order to address structural, economic, social and spatial dysfunctionalities.



Therefore, contributing to government’s vision of sustainable Human Settlements and widening the range of housing options available to the poor.

The important role played by SHRA in ensuring that the vision of a nation housed in sustainable, descent, quality human settlements is realised through the accreditation of Social Housing Institutions, which in turn results in well maintained social housing stock in order to protect the state’s investment. The SHRA also regulates certain aspects of tenant management to ensure that tenants are well looked after and reap the intended benefits of social housing programme.

Therefore, all institutions who undertook housing developments with the benefit of an institutional subsidy and those institutions who intend to carry on the business of social housing must be accredited and regulated. SHRA must, subject to the provisions of the act, accredit institutions meeting the criteria as social housing institutions.

SHRA must promote an enabling environment for growth and development of the social housing sector which can be described as partially subsidised, privately/generally provided, rental or cooperative housing for the low-income households.

These households earn between R1, 500 to R7, 500 per month and they exceed the income threshold set for fully subsidised

housing (commonly referred as RDP/BNG houses), which is R3, 500 per month, or have not yet secured a fully subsidised home.

Social housing is tightly tied to the objective of urban restructuring aimed at providing low-income households with quality affordable housing in close proximity to major economic hubs, thereby creating more integrated South African cities and redressing spatial inequalities of the past.

The state subsidises the social housing programmes in order to ensure exceptional quality at affordable rentals. The state will only consider project applications that satisfy the investment criteria and are located in certain urban areas.

Projects that meet the set criteria can be rewarded a significant capital grant from SHRA and another from the applicable Provincial Department of Human Settlements. An accredited SHI is still required to fund (through loan funding) a portion of the costs whilst a developer would be required to provide 20 % equity.

Investment in social housing is also targeted in urban areas that require revitalisation. It is hoped that this state investment will act as a catalyst for private sector investment; therefore the overall aim of the social housing programme is one of restructuring and not just housing delivery.



Marikana social housing project in Rustenburg, North West

# Revitalising villages, townships and small dorpiés through Human Settlements partnerships

Kelopile Tlhodi



The Department of Local Government and Human Settlements in the North West held a Human Settlements Indaba under the theme effective planning to turn Bokone Bophirima into a construction site through the implementation of the Villages Townships and Small Dorpies (VTSD) approach.

The aim of the two-day Indaba was to gather all stakeholders in the Human Settlements Sector value chain in the province, to foster meaningful discussions as well as to cement partnerships with the various industry role players into turning the housing delivery around. The North West Province Housing Delivery Trend over the period 2004/05 to February 2017 reveals a decline in the delivery of houses and sites. The delivery statistics of the North West are not encouraging with the province's poorest performance being in the 2013/14 financial year.

Therefore the primary objective of the Indaba was to identify barriers that hindered sustainable and effective service delivery of housing to the poor and address issues relating to housing backlog. The gathering of thoughts created an enabling environment for Provincial Social Contract Partners to contribute towards the delivery of 1.5 million housing opportunities by 2019.

The North West Department of Human Settlements formed partnership with various stakeholders in the housing sector through the signing of a social contract for sustainable integrated human settlements. This was done in an endeavour to accelerate the delivery of housing opportunities in the platinum province.

The South African Government as a whole is committed to revitalising rural areas as well as providing adequate housing to distressed mining towns - and the North West province as a place that is the richest in minerals in the country - is seen as playing a significant and strategic role in the acceleration of providing integrated and sustainable human settlements.

The objective of the human settlements component in the Presidential Mining Towns Intervention requires the transformation of 22 mining towns in six provinces through the creation of sustainable integrated human settlements. Currently, the intervention has focused on fast-tracking and supporting existing human settlement projects in the mining town areas. >>

The North West forms part of the platinum belt which houses the world's leading platinum producer and hence mining contributes 30% of the provincial economy. This is an area that is rich endowed with mineral resources and as a result the province continues to attract people from other provinces who are seeking better economic opportunities and it is for this reason that the human settlements budget increased from just under R2bn a few years ago to the current R2.5bn.


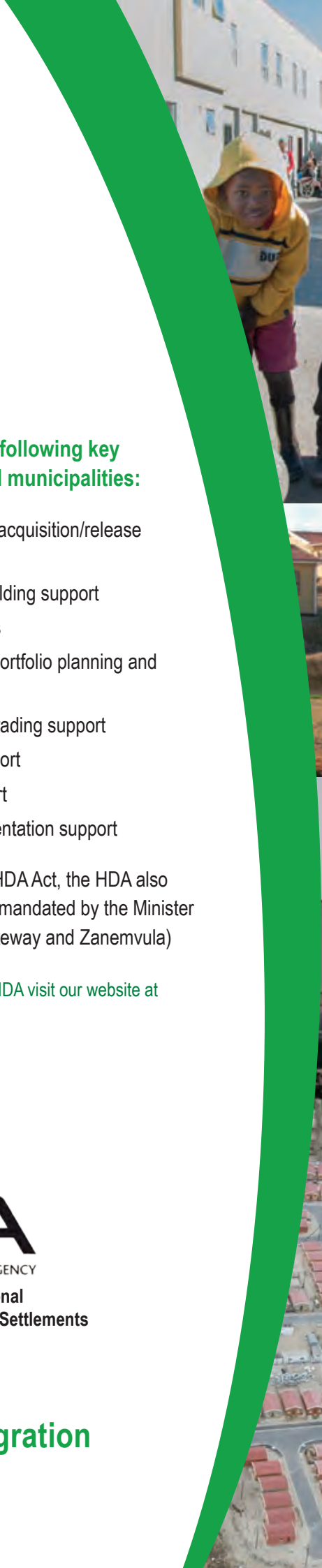
The province is also implementing the National Development Plan in the context of what they have characterised as the Villages, Townships and Small Dorpies (VTSD). The province has discovered that over the past 20 years its capital has been concentrated in the big cities. A decision was taken to revitalise the Villages, Townships and Small Dorpies in the province which are the most overwhelmed by poverty. With the total of 658 villages, 73 townships and 23 Small Dorpies the province has focused on these in order to deal with poverty and inequality as well as to curb the migration of people from rural areas to the cities.



Mixed income housing projects in the mining town of Rustenburg, North West

The overall goal of the Provincial Human Settlements Indaba was to explore creative and innovative ways of accelerating delivery of housing opportunities to qualifying beneficiaries, with particular focus on the delivery of integrated and sustainable human settlements through alternative and innovative building and sanitation methods.

The signatories of the social contract jointly undertook to work together with the provincial government for the delivery of 1.5 million housing opportunities as well as to deal with blocked projects, eradicate the backlog of title deeds for pre and post 1994 housing stock. The Department will on a continuous basis, meet with all the signatories to assess the implementation of the contents of the contract.



**The HDA can provide the following key services to provinces and municipalities:**

- Land assembly and land acquisition/release support
- Land holding and land holding support
- Land geo-spatial services
- Programme and project portfolio planning and management support
- Informal settlements upgrading support
- Emergency housing support
- Intergovernmental support
- Project technical implementation support

In terms of Section 29 of the HDA Act, the HDA also attends to special projects as mandated by the Minister from time-to-time, (e.g N2 Gateway and Zanemvula)

For more information about the HDA visit our website at [www.thehda.co.za](http://www.thehda.co.za)



**Working for integration**



01



02



03



1. Minister Lindiwe Sisulu and Deputy Minister Zou Kota-Fredericks during a visit at a local clinic at Cosmo City, Johannesburg
2. President Jacob Zuma, KZN MEC Ravi Pillay, Deputy Minister Zou Kota-Fredericks and Richard Maphumulo in Vulindlela, Pietermaritzburg
3. President Jacob Zuma and Minister Lindiwe Sisulu with one of the social housing beneficiaries in Pietermaritzburg
4. Deputy Minister Zou Kota-Fredericks handover tablets donated by Vodacom at the Du Noon Primary School Cyber lab in Cape Town
5. Deputy Minister for Military Veterans Kebby Maphatsoe with Deputy Minister Zou Kota-Fredericks and Director-General for Human Settlements Mbulelo Tshangana during the Military Veterans Dialogue in Ekurhuleni



04



05



06

08



07



6. Minister Sisulu and Deputy Minister Kota-Fredericks during the 2017 Budget Vote media briefing
7. KZN MEC Ravi Pillay, Deputy Minister Zou Kota-Fredericks during the 2017 Budget Vote exhibition
8. Nocawe Mafu, Chairperson of the Portfolio Committee on Human Settlements during the Budget Vote Breakfast
9. Minister Sisulu addressed delegates during the Budget Vote Breakfast
10. Minister's guests of honour Junaid Arendse and his aunt Felicia Le-Sueur with Anne Mnguni from the Department of Human Settlements during the Budget Vote



# Pragmatic benefits of beneficiary's participation in the South African Human Settlements space

Prof Clinton Aigbavboa

Associate Professor, University of Johannesburg

Beneficiary participation in the South African Human Settlements Sector has undergone a significant change. Prior to the present level of citizenship engagement, people were more tolerant of poor service deliveries; more patient in long queues and enduring inefficient public administration than they are now. Nowadays, citizens are expecting quality delivery of public services and are beginning to hold elected and non-elected representatives increasingly accountable, mostly when their expectations are not met. Because of this nuance, the Department of Human Settlements has taken the notion of participation as a requirement for successful Human Settlements implementation in the society. Hence, it has become a common practice to include some or other form of public participation in the implementation of Human Settlements projects within development initiatives. Although, a large amount of development work tends to focus on project specific participation which is arguably the most well-known participation framework of reference in South Africa.

Participation by the citizens in a state is a key cornerstone of good governance in the delivery of sustainable human settlements. Participation is a rich concept that varies with its application and definition. While the roots of beneficiary participation can be traced to ancient Greece and colonial New England, its significance reflects a contemporary recognition that societies are simply too remote to be truly "of, by and for the people" without their involvement in the development that affects them. The way participation is defined, depends on the

context in which it occurs. For some specialists, it is a matter of principle; for others, a matter of practice; for even more it is an end in itself. Whilst, the seminal work of Arnstein advances the idea of citizen participation to the metaphor: "little like eating spinach: no one is against it in principle because it is good for you." But there has been little analysis of the content of citizen participation, its definition, and its relationship to social imperatives such as social structure, social interaction, and the social context where it takes place. Bearing this in mind, the present work advances the concept of participation by highlighting the pragmatic benefits of beneficiary's participation in the South African Human Settlements Space.

Since 1994, the South African Government has put in place policy and legislative frameworks that promote participatory governance. The notion of beneficiary participation is embedded in the South African Constitution. Recognising the adverse impact of Apartheid on the settlement of the majority of South African citizens, the democratic government right from the outset, placed emphasis on the provision of housing, as a basic human right. The 1994 Housing White Paper detailed that the government was under a duty to take steps and create conditions which will lead to an effective right to housing for all. The constitution clearly states that all South Africans have the right to live in dignity, in habitable conditions, and that government will vigorously promote an effective right to housing for all, within the resources and other limitations applicable to it.

The principles of citizen participation was clearly



Brickmaking Corporative in Vulindlela, Pietermaritzburg, KwaZulu-Natal

articulated in the Housing White Paper and further advanced in the Development Facilitation Act of 1995, of which the policy goals were later given legal effect by the 1996 Constitution. Enshrined in the Constitution's Bill of Rights (Section 26) is the declaration that: "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."

Following this edict was the National Housing Act promulgated in 1997, committing the state, inter alia, to prioritise the needs of the low-income groups in the design and delivery of Human Settlements development programmes.

In harmony with the Reconstruction and Development Programme (RDP) emphasis on beneficiary consultation, the 1994 Housing White Paper committed the government "to a development process driven from within the communities" (Section 4.4.4.), which would promote "the participation of affected communities in the planning and implementation of new developments" (Section 4.5.1). This viewpoint was also advanced in the 1997 National Housing Act which emphasises, Section 2(1) states that national, provincial and local spheres of government must: "give priority to the needs of the poor in respect of housing development; consult meaningfully with individual and communities affected by housing development; ensure that housing development is administered in a trans-

parent and equitable manner, and upholds the practice of good governance."

The government's commitment to consultation, public participation transparency, and the adherence to agreed norms and standards is further evident in the 2008 Social Housing Act (Act No. 16 of 2008), which, in Section 2.1, states the need to: "consult with interested individuals, communities and financial institutions in all phases of social housing development. Facilitate the involvement of residents and key stakeholders through consultation, information sharing, education, training and skills transfer, thereby empowering residents..." Moreover, the South Africa constitutional requirements for beneficiary participation is found in its mandate for local government, but more specifically in Chapter 10, Section 195, which states that: "public administration must be development-oriented; people's need must be responded to, and the public must be encouraged to participate in policy making and good human resource management and career development practices must be cultivated to maximise human potential."

In principle, based on the legislatures supporting the meaningful involvement of citizens in the development that concerns them, beneficiary participation requires the involvement of local actors in the conceptualisation, implementation, monitoring and evaluation of projects. In practice it sometimes tends to be confined to specific activities. >>

As such, beneficiary participation connotes the local involvement within a continuum of possibilities where locals participate only as providers of labour, in decision-making or at all levels. The level of local involvement is most times conditional since there are no rules that prescribe the levels of involvement. In some development, beneficiary participation could be confined to the discussion of a proposed idea of building low-income houses, services to be included and the scale of allocation when the houses are ready.

For instance, the Reconstruction and Development Programme (RDP) capital subsidy low income housing constructed by the Human Settlements Department considers the involvement from the local population to a certain extent aimed at bringing them together to achieve empowerment, contribution of ideas and capacity building. Participation could be either direct or through legitimate intermediate institutions or representatives. However, it should be noted that representative democracy does not necessarily mean that the concerns of the most vulnerable in society would be taken into consideration in decision making, but it does create a platform for participation with the vulnerable in the society.

Participation needs to be informed and organised. This means freedom of association and expression on the one hand and an organised civil society on the other hand. The significance of beneficiary participation is said to draw from three main factors. Primarily, it is alleged to allow for cost reduction through the utilisation of local labour and expertise; secondly, it potentially leads to the implementation of appropriate responses through the involvement of locals in collective decision-making, through the assessment of their needs and expectations, thus guaranteeing satisfaction with the constructed human settlement.

Thirdly, it helps in directing scarce resources towards the more needy, identified by fellow locals as beneficiary participation is perceived as an undertaking that results in the empowerment of the local population. However, it also has numerous

non-benevolent political significances, a curious element in the democratic decision-making process.


Beneficiary participation generally enables interventions and development to be better adapted to local socio-cultural and environmental conditions. This enhances the rate of developed adoption and diffusion amongst beneficiary groups, and their capacity to meet local needs and priorities. Beneficiary participation make human settlements delivery more robust by providing higher quality information input for instance.

By putting local interests and concerns into account at an early stage, it is possible to inform project design with a variety of ideas and perspectives, and in this way increase the likelihood that local's needs, expectations and priorities are successfully met. Thus, giving them satisfactorily developed projects that concern them. Sound beneficiary participatory processes lead to better quality decisions, as they are based on complete information, anticipating and improving unexpected negative outcomes before they occur. Beneficiary's participation enables the establishment of common ground and trust between participants and learning to appreciate the legitimacy of each other's' viewpoints; participatory processes have the capacity to transform adversarial relationships and find new ways for participants to work together. This leads to a sense of ownership over the process and outcomes; when the participation is shared by a wide-ranging combination of beneficiary, long-term support and active implementation of decisions is enhanced. Depending on the nature of the initiative, this may significantly reduce implementation costs and eliminate rectification and other issues that surround Human Settlements development in South Africa.

#### **Social Media**

 humansettlements

 @The\_DHS

 Department of Human Settlements



Community Schemes  
Ombud Service

*Affordable Reliable Justice*

An entity of the Department of Human Settlements

## DISPUTES IN COMMUNITY SCHEMES ARE INEVITABLE AND CAN HAVE FAR-REACHING CONSEQUENCES.

The Community Schemes Ombud Service (the CSOS) was established in terms of the Community Scheme Ombud Service Act, 2011 [Act 9 of 2011] to regulate the conduct of parties within community schemes and to ensure their good governance.

The CSOS provides an alternative, impartial dispute resolution service for unresolved disputes in community schemes. Any person in a community scheme may make an application to the CSOS to have their dispute resolved through conciliation and adjudication.

### Applications can be lodged with the CSOS in respect of:

1. Financial issues
2. Behavioural issues
3. Scheme governance issues
4. The conduct of and/or resolution of association meetings
5. Management service issues
6. Works pertaining to private and common areas
7. General and other issues

### To lodge an application for dispute resolution, applicants' should

- Ensure that all internal remedies for dispute resolution have been exhausted with the respective body corporate or sectional title
- Complete the CSOS's dispute resolution application form
- Email the application with supporting documentation to [complaints@csos.org.za](mailto:complaints@csos.org.za)

**Gauteng:**

63 Wierda Road East, Sandton | Tell: 010 593 0533

**Kwa-Zulu Natal:**

7th Floor Aquasky Towers, 275 Anton Lambede Street, Durban | Tell: 031 001 4215

**Western Cape:**

8th Floor Constitution House, 124 Adderly Street, Cape Town | Tell: 021 001 2569

**Website**

[www.csos.org.za](http://www.csos.org.za)



The house of Wilson Mokoena from Ga- Malokela Village (Burgersfort), Tubatse Local Municipality, Limpopo who used the rural loan fund to build a new house

## Micro-financing to address housing needs of low income households:

Jabulani Fakazi, CEO, Rural Housing Loan Fund

**T**his article seeks to show that among various housing finance instruments in South Africa, housing micro-finance (also called incremental housing finance) is an important housing finance mechanism that is suitable for low income households. The latter find it impossible to access mortgage finance either because of low income (affordability) levels or because there is no tittle to land in rural areas.

While many low income households have benefited from the South African government delivery of more than 4.3 million Breaking New Ground (BNG) houses to low income earning people, many people still live in inadequate housing conditions. Therefore, even with such world acclaimed housing delivery by the government, the reality is that housing backlog remains huge in South Africa—both in urban and rural areas.

It is estimated that there are 9, 7 million households in South Africa earning less than R 10,000 per month, of which 6, 9 million qualify for subsi-

dised housing. For households earning between R 3,500 and R 10,000 there is limited subsidies and finance available. There are 1, 2 million households living in informal sectors including backyard rental and informal settlements. We can also add many households living in rural areas who are yearning to improve their housing conditions.

The problem of inadequate housing is well recognised by the government and is well captured under Outcome 8, which entails focusing on Sustainable Human Settlements and Improved Quality of Household Life.

## Challenges in Addressing Housing Needs of the Low Income Households

There are many challenges that low income earners face in their efforts to improve their housing conditions and these include, but are not limited to:

- The capacity of the fiscus is constrained in light of many socio-economic development challenges the country still face in addressing the legacy of many decades of apartheid;
- Low affordability levels: the cost of a very basic house is in most instances beyond what low income earners can afford.
- Traditional mortgages are unavailable or are inappropriate for the low income earners, because:
  - Low income levels, which make it difficult to qualify for a mortgage loan;
  - Variable income or undocumented income (self-employed/informally employed) makes it impossible to qualify.
  - Lack of title to land in rural areas, especially in communal land, means there is no security that can be pledged to the banks to access mortgage even for those who may earn relatively higher incomes.
- Low income earners are in most instances vulnerable to economic shocks, which often result in retrenchments, which can result in loss of income and loss of property for those who might have accessed mortgage as lenders foreclose.
- Unemployment remains high in South Africa and even during the economic boom years since the advent of democracy relatively high economic growth had very little dent on reducing unemployment.
- Rural-urban migration is a significant phenomenon in South Africa as many people are attracted to urban areas by better prospects for employment, which in many instances are not realised for a number of reasons.



Rural Project in Kwa Xolo in Port Shepstone  
Kwa Zulu-Natal

- Even with the rural-urban migration, migrant labour is still a reality in SA context as most people working in urban areas still have dependants living in rural areas and they themselves have aspirations to retire in rural areas. This simply means that there is a need to address housing needs both in rural and urban areas for such migrant labour, which is difficult to fulfil.

## Housing Micro-finance: Towards a Solution to the Housing Needs for Low Income Households

Housing Micro-finance has emerged to fill the void created by limitations of traditional housing (mortgage) finance and has increasingly become a key financing instrument to improving housing conditions for many people in rural areas. It builds on the micro-finance revolution that seriously started in South Africa during the 1990s. In other parts of the world such as South America, housing micro-finance mainly grew as an offshoot of micro-enterprise finance.

Amongst the public entities of the Department of Human Settlements are Development Finance Institutions (DFIs), which are in the process of being consolidated to form a Human Settlements Development Bank (HSDB). Two of the three DFIs, National Housing Finance Corporation (NHFC) and Rural Housing Loan Fund (RHLF), have since their establishment in 1996 facilitated access to housing micro-finance for low income people living in urban and rural areas, respectively. >>



Sophy Mkhathshwa from Buyisonto in Bushbuckridge - Mpumalanga celebrating her new house

Both NHFC and RHLF have track record in facilitating access to housing micro-finance for low income earners within their respective mandated geographic areas. Since these two DFIs were established as wholesale financial institutions, they deliver on their mandate through retail lenders who serves as intermediaries between the DFIs and the market they serve.

### Key Features of Housing Micro-finance

Housing micro-finance has a nice fit with the manner in which low-income people build, which entails building incrementally. Key features of housing micro-finance can be summarised as follows:

- Low income households are accustomed to a “progressive build” process and rarely, do they afford finance for a complete housing solution.
- Can be used to extend an existing core house according to household’s needs.
- Households accessing this housing finance product also use it to access basic services.
- Housing micro-finance or incremental housing finance is in many instances unsecured.
- “Progressive build” or “incremental housing” loans with market rates of interest rates can more easily be customised to households’ capacity to repay.
- Financing “stages” of a project with multiple repeat, shorter-term loans rather than one larger, longer-term loan reduces interest paid by the household and risk to the lender.
- Households can manage portions of the tech-

nical process on their own and still achieve an acceptable level of quality.

- Households have a strong preference to make their own design decisions. In other words housing micro-finance maximizes housing choices.
- Role of external technical expertise varies depending on the project and the household—largely consultant role.
- Access to capital for housing investment, simplicity, flexibility and speed of disbursements are the primary factors in households’ decision to borrow. Interest rates are important, but secondary. However, the strategic objective should be to enable that low income borrowers access loans on affordable rates.
- In many, though not all cases housing investment directly generate additional income for a household such as rental space, additional space for home based industries—such as spaza shops. This is commonly called “productive housing”.

In many respects, housing micro-finance is a critical finance instrument that empowers low income households to embark on self-help building process by taking loans on repeat basis that they can afford to repay, and build progressively until a desired house is completed. It is therefore important to enable this low income segment of our citizens to access loans at relatively lower rates as their active citizenry is in essence fulfilling government priority of attaining adequate housing using their low incomes rather than relying on government grants.

## Where is the Market for Housing Micro-finance in South Africa?

In South Africa the market for housing micro-finance is huge and covers both urban and rural areas.

- **Rural areas**

According to Census 2011, 40% of the country's population still live in rural areas defined as tribal land and farming areas. Many households in rural areas have low incomes or receive no incomes at all. Even those who may earn higher incomes cannot access mortgage finance to build their houses due to lack of title to land. Financing housing in rural areas could therefore be done in the following ways:

- Government subsidy for those who earn below R3 500 per month
- Using own savings to build own house, which is not easy as it can be a challenge to save when you have low income and many mouths to feed.
- Unsecured small housing loans that a household can afford and these are taken on repeat basis to complete a desired house. In addition these small loans are used for accessing other basic services such water harvesting and sanitation as well as fencing of homes to enhance security.

RHLF has, working with its approved intermediaries, served this market since inception in 1996. By end of March 2017, RHLF had delivered 540 621 loans which were on the back of R1.8 billion that the entity had disbursed to its intermediaries. Clearly, there is still more needed to facilitate access to housing finance for the rural housing market and based on the experience of RHLF, the housing micro-finance product has proven to be appropriate option for many people living in rural areas.

- **Urban areas**

Given rapid urbanisation that the country, like many others in the world, has experienced rapid urbanisation and this has put pressure on the need for housing for new urban dwellers. We can segment the housing micro-finance market in urban areas into three categories:

- **Informal Settlements**

The government is implementing a programme intended to eliminate informal settlements.

Households living in informal settlements, especially those who have been allocated service sites as part of informal settlements upgrading programme are a huge market for the unsecured housing micro-finance as most of them may not qualify for government subsidy for top structure nor afford mortgage finance. For most of these households the option to build permanent housing structure will be housing micro-finance.

- **Delivered BNG houses**

Many households who have previously benefited from the government subsidy house at some point want to extend or improve the quality of the basic asset received from government. Housing micro-finance is an ideal housing finance product for this market.

- **Pre-1994 housing stock**

Many households in the old townships live in houses that were built during the days of apartheid. The households in this market segment will also benefit immensely from accessing housing finance to improve the quality of their houses.

The housing micro-finance product present a huge opportunity for addressing the housing needs of many low income households living in both rural and urban areas. As the Minister of Human Settlements establishes a new Human Settlements Development Bank, one of the key financial products to be offered by the Bank is the housing micro-finance product. RHLF and NHFC who are being consolidated into the Bank have built expertise and track record in this field. Moreover, we have built a sound network of retail lenders and will serve as a base to scale up delivery of the housing micro-finance throughout South Africa.



# Fast tracking housing for Military Veterans

Teboho Montse

**M**ilitary Veterans in South Africa qualify for dignity honour and glory because of their past brave efforts in fighting wars and defending democracy which resulted in the freedoms and sovereignty that are enjoyed today by all citizens.

One of the most important provisions in line with the constitution of South Africa is to ensure that military veterans enjoy the right to decent housing, which comes with many added incentives such the security and comfort of having a home.

It is not just compensation but a form of honour for the bravery that in some instances resulted in permanent injuries and having a decent home enables easy counselling and treatment for mental illness and post-traumatic disorders suffered by men and women who were engaged in military combat and related activities. Having a home helps with the facilitation of employment placement and creation of business opportunities, access to health, just to mention a few of the benefits.

Some may ask, why these benefits to military veterans whereas there are also people who need them more than they do?

The truth is that soldiers go through a lot of atrocities and mayhem when executing their functions and it is only fair that they are afforded special benefits.

Military veterans, from non-statutory or liberation forces played a central role in pushing the apartheid government to start negotiating with liberation movements for the creation of a democratic state. The move ultimately led to the emancipation of the country.

These are the people that served within the liberation forces when it was not fashionable to serve. Cadres who sacrificed their families, childhood and lives for the freedom and democracy we all enjoy today.

According to the 2011 Military Veterans Act, a military veteran is any South African who rendered military service to any of the military organisations, former statutory and liberation armies, which were involved on all sides of South Africa's liberation war from 1960 to 1993; served in the then Union Defence Force before 1961 or became a member of the SANDF after 1994 and has completed his or her military training and no longer performs mili-

tary duties, and has not been dishonourably discharged from his or her respective military organisation.

A military veteran qualifies for one or more benefits provided for in the Act and these regulations if he or she meets the criteria prescribed in these regulations for the benefit applied for; and is listed in the national military veterans data base.

The law clearly stipulates that a military veteran who has been convicted of rape, murder, robbery, theft or high treason committed after 27 April 1994 and sentenced to imprisonment for a period exceeding 5 years without the option of a fine is disqualified from receiving any benefits provided for in the Act and these regulations. However a dependant of a military veteran disqualified in terms of regulations is not prohibited from receiving any benefits provided for in the Act.

As part of the Military Veterans assistance programme the Department of Human Settlements has a programme that provides military veterans with decent shelter as some of the veterans do not have places to sleep when they came back home or after serving in the armed forces.

There are more than 5 000 Military Veterans in need of decent shelter in South Africa and new applications are being assessed by the Department of Military Veterans as the custodians of the database.

Each province has been allocated share of the number of beneficiaries according to where they (veterans) reside.

The houses are meant for all military veterans irrespective of their affiliation as part of appreciating the commitment and sacrifice they made in defending South Africa and fighting for democracy.



Military veterans house in Bloemfontein, Free State

# The New Urban Agenda

BNG Editorial Team

The Minister of Human Settlements, MP Lindiwe Sisulu attended the Plenary third meeting of the Habitat III in Quito, Ecuador last year October. The aim of the meeting was to reflect back on the progress made by the human settlements value chain since 1994. Proper human settlements still remain to be one of the sensitive areas within the housing sector.

Participants included Ministers, Mayors, civil society representatives, academics and researchers from South Africa, Africa, and further afield from both developing and developed countries. Panellists were be selected, based on their expertise, giving consideration to fair balance in terms of gender, geographic region and constituency group, with assistance from UN-Habitat and the Habitat III Secretariat.

The World Summit Congress of the United Cities and Local Governments (UCLG) that was held on the 14th October 2016 elected patriot and hard-working former City of Johannesburg Mayor , Parks Tau as their President for three years.

The World Urban Campaign also appointed another hardworking community activist as its Chairperson, Rose Molokoane.

This conference only takes place after every 20 years. South Africa has subsequently been part of the consultation of the conference since 1994. To date the country has benefitted significantly. Pretoria Declaration is a product of the thematic conference on informal settlements that was held in April in South Africa. Informal settlements still remains one of the areas that require a serious upliftment. However with the introduction of Social Development Institutions (SHI'S), the world has experienced a change in terms of improvement in the informal settlements.

The past 22 years of democracy saw people benefiting over 4.4 million houses and housing opportunities provided. To date 22 million people have access to housing and basic services, an achievement that is worth being proud of. With Ecuador having only a population of 14 million, this means everyone has a quality house.



Minister Sisulu with the Head of the Cameroon delegation during the Habitat III Conference in Quito, Ecuador



Through housing programme in partnership with Government, business and the communities greatness was achieved. The poor were empowered with training that led to creation of jobs.

Since 1994, the National Department of Human Settlements has spent R10 billion on housing and human settlement development, while over R1.2 billion has been utilised by other government agencies on infrastructure projects for rejuvenating human settlements. The capital investment by the state has created 1.29 million and the operational investment further created 10 800 jobs.

More than 10 739 communities in 968 towns and cities across the country benefitted from the government Housing Programme.

Human Settlements and urbanisation are leading issues in the development of South Africa, Africa and the developing world. The challenges related to informal settlements and rapid unmanaged urbanisation cannot be ignored, and there is an urgent need to focus on sustainable human settlements and urban development if we want to see the Vision 2030 of South Africa, as articulated in the National Development Plan, realised. HABITAT I of 1976 and HABITAT II of 1996 played the leading role in defining human settlements, and developing the policy pre-scripts that have moulded South Africa's approach to progressively realising the right to adequate shelter and basic services.

The preparatory process toward Habitat III enabled the stakeholders to actively engage with new thinking around addressing human settlements and urbanisation. It provided awareness and involvement by all South African sector stakeholders in unpacking the most suitable policy and programmatic approach. It would thus galvanise parties to achieving the vision for human settlements and safer communities outlined in Chapters 8 and 9 of the National Development Plan.

South Africa wishes to take a leading role in ensuring the outcomes of Habitat III are aligned to Africa Agenda 2063 so that urbanisation, if well-managed can support the structural transformation that will unlock the continent's development potential. None of the other preparatory conferences specifically dealt with the issue of informal settlements upgrading – but that was central to addressing adequate shelter and sustainable human settlements. By hosting the Thematic Meeting on Informal Settlements, South Africa was able to ensure that those two central issues - namely informal settlements upgrading and urbanisation - are adequately dealt with in the outcomes of the 2016 UN Habitat III – and that a new agenda is now set for 2036.

# South Africa breaking new ground at the UN Habitat III Conference

BNG Journal Editorial Team



Minister Sisulu with a delegate from Afghanistan

The high demand for information, questions pouring in from delegates and the unprecedented interest to attend sessions where the South African delegation was making presentations on different papers at the United Nations Habitat III conference that took place in Quito, Ecuador from 17 – 20 October 2016 demonstrated that all UN member states recognise South Africa as a leader in human settlements policy and implementation.

Delegates also spoke highly of the progress South Africa made in providing citizens with water, sanitation, electricity and both social and economic infrastructure.

Having delivered over 4.4 million houses and other housing opportunities that benefited more than 20 million citizens since 1994, South Africa is not only a world leader in the development and implementation of human settlements policy, but had lots of practical experience and lessons to share with more than 6000 delegates from over 200 countries who gathered at the conference. The UN Conference on Housing and Sustainable Urban Development takes place every 20 years and it's clear that other countries had been monitoring South Africa's performance over the years and were ready to learn from us.

The conference confronted urbanisation, the upgrading of informal settlements and learned from experiences of different countries to shape the Agenda 2030 for sustainable development. The New Urban Agenda - the outcome document that was agreed upon during UN Habitat III conference - provided guidelines on how countries can respond to rapid urbanisation and ensure that there is sharing of space between the poor and the rich.

The South African Government hosted the Habitat III Thematic Conference on Informal Settlements in April, which adopted the Pretoria Declaration, a clarion call on governments across the world to prioritise human settlements and to put human settlements at the centre of economic development.



A Kenyan Government official explaining housing projects and programmes to Minister Sisulu

“We believe the New Urban Agenda coming out of this UN Habitat III conference must focus on skills development for young people, so they may be able to participate in housing development. The resolutions we take must also understand rural dynamics in order to propose ways to accelerate inclusive growth, expand employment and put the poor at the centre of the delivery of decent and adequate human settlements,” Sisulu said.

South Africa shared its experiences in sessions that dealt with informal settlements planning, with a presentation that focused on the challenges and successes in the implementation of priority projects launched in 2004 after the approval of the Comprehensive Plan on Development of Human Settlements Policy by Cabinet. Among the projects presented as case studies were Cosmo City Integrated Human Settlements Project in Johannesburg, the N2 Gateway Integrated Human Settlements project in Cape Town and the Marikana Integrated Human Settlements Project outside Rustenburg.

At the UN Habitat III, the Department of Human Settlements presented to the world what South Africa has achieved one of them being the successful implementation of the Breaking New Ground human settlements policy. This policy framework was tested through twelve priority projects across all provinces through engagement and involvement of different communities. >>

The South African Pavilion and Exhibition site was a hive of activity, with delegates from across the world collecting documents and interacting with officials.

"The South African Pavilion is a South African story of service delivery told through human settlements. Through the South African Pavilion the world is exposed to real delivery of human settlements and the journey we have travelled as a country since 1994, coupled with challenges we encountered, but ultimately our success that made the journey and lessons worthwhile," said Minister Sisulu.

The South African delegation led by Minister Sisulu consisted of officials from the National Department of Human Settlements, Provincial Human Settlements Departments, the South African Local Government Association (SALGA), Non-Governmental Organisations (NGOs) and municipalities.

"More than 20 million lives have been changed through the implementation of human settlements policies. We have achieved a lot as a nation and going forward we will focus on implementing catalytic projects, respond to the needs of young people who are moving to cities in search of better opportunities and most importantly, ensure that every cent spent on developing human settlements contributes to skills development and the creation of jobs," said Minister Sisulu.

"We will also put more focus on community involvement in the implementation of housing projects. Cooperatives led by women and young people must lead in manufacturing and producing building material and get involved in the actual building of houses. By involving communities in all steps of building houses we would be able to train unemployed youth, create jobs and create space for new entrants in the construction sector," she added.

"The human settlements sector also agreed that in order to respond efficiently to growing urbanisation, we must implement big catalytic projects. We believe catalytic projects will allow us to deliver in a large scale and respond to the growing need for affordable rental and gap housing. Projects like Marikana and N2 Gateway are also catalytic because they are located close to growing economic hubs, bringing poor people close to economic opportunities. We have indicated that when we count the success of the implementation of catalytic projects, we will also count how many young people have been trained and employed and how many women and disabled people have been involved in the projects," the Minister said.

The Vulindlela Rural Enhanced People's Housing Process outside Pietermaritzburg is one such good example where the people's involvement has ensured massive benefits for the local economy, skills development as well as job creation.

The great cost of implementing human settlements projects is building material. Through the implementation of catalytic projects implementation the Department of Human Settlements seeks to introduce into the



market new building material suppliers who are based in communities. The Department wants to enable them to start small and grow into local, provincial and national players. The entire sector through public and private partnerships will invest billions of in order boost to the construction sector and the economy.

The Pretoria Declaration on Human Settlements also details experiences and those of other countries on how the country has responded to the growth of informal settlements and how South Africa can plan better to prevent the further mushrooming of informal settlements and allocate well-located land for development of human settlements for the poor.



Minister Sisulu with the Deputy Secretary Housing and Urban Development in the United States at the South African Exhibition Pavillion during the UN Habitat III Conference in Ecuador

One delegate said that South Africans should be proud that they have helped the world to understand better how to respond to human settlements challenges through policies such as Breaking New Ground. Experiences and lessons learnt from implementing priority mega projects as well as the role of different partners from commercial banks to developers in building a nation one brick at a time are impressive and highly commendable.

# Human Settlements Transformation Charter

Simon Mofokeng

The Deputy Minister of Human Settlements, Zou Kota-Fredericks launched the Transformation Charter for the human settlements sector at the Cedarhood conference hall in Woodmead.

The Charter coincided with the commemoration of the International Women's Day. Although this was marking an international day, South Africa's great heroines like Lillian Ngoyi and Sophie Du Bruyn were celebrated for their contribution in advancing the socio-political and economic rights of women.



NHBRC Acting CEO Thandi Ngqobe, NHBRC Board Chairperson Julie Bayat, Deputy Minister Zou Kota Fredericks and the President of SAWIC Kile Kwinana during the launch of the NHBRC Transformation Charter

The Charter seeks to address issues of equal economic opportunities in the human settlements value chain. The main targeted groups are women, youth, people living with disability and military veterans.

The Deputy Minister emphasised that women were the key pillars of any society. She further said that women must be celebrated and be given equal economic opportunities. She added that she was quite satisfied with the fact that National Home Builders Registration Council (NHBRC) had a woman at the helm as the acting Chief Executive Officer (CEO), Thandiwe Ngqobe.

“The main aim of the Charter is to close the gap between the poor and the rich. If you teach a woman you teach the world,” said the Deputy

Minister. She encouraged collaboration amongst women in construction and also all Government departments along with their entities to join the NHBRC and the Department of Human Settlements in ensuring that this venture became a success.

The Acting CEO of the NHBRC, Thandiwe Ngqobe indicated that the number of women in construction was not yet at satisfactory level. She said that the build environment and the human settlements industry as a whole is still male dominated. Through the Charter the sector would quickly transform to reflect the demographics of the South African society and show economic benefits for all.

“The main aim of the Charter was to close the gap between the poor and the rich.”

- Deputy Minister Zou Kota-Fredericks



The NHBRC through one of its partner institution, the Gordon Institute Business for Science (GIBS) - trained 1 800 women from all walks of life who are now making huge differences in their own communities. The Agency made a further commitment that it would give 50 percent of contracts to women, 24 percent will be given to the youth and five percent to people with disability and 10 percent will go to military veterans.

# Human Settlements Development Bank

Thokozani Mtshali

The Department of Human Settlements has upped efforts to create better, sustainable and integrated residential areas by merging all its financial institutions to form its own bank that will fund projects and speed up housing delivery for qualifying people including those falling in the gap-market.



Director General Mbulelo Tshangana, Minister Lindiwe Sisulu, Deputy Minister Zou Kota-Fredericks and Gauteng Human Settlements MEC Paul Mashatile during the Budget Vote media briefing

Human Settlements Minister Lindiwe Sisulu announced the Human Settlements Development Bank (HSDB) during her Budget Vote speech in Parliament, where she delivered a staggering R34-billion budget allocated to the Department. The amalgamated financial institutions of the Department are the National Housing Finance Corporation, National Urban Reconstruction and Housing Agency and Rural Housing Loan Fund.

This would see the new bank shifting its “strategic focus to facilitate the increased provision of finance across the human settlements value chain, and the specific priority for the Bank in this respect is the mobilisation of and the provision of finance for all planned catalytic projects,” the Minister told Parliament.

It will also cater for beneficiaries that qualify for subsidies in the Finance Linked Individual Subsidy Programme (FLISP), which is one of the flagship housing programmes spearheaded by the Department in partnership with the private sector to cater for those falling in the GAP market.

The bank will beef up support for the Government Employee Housing Scheme and “would be the asset that our struggling Black entrepreneurs have been waiting for,” said Minister Sisulu.

The Bank was launched at a stakeholder breakfast meeting at the Cape Town International Convention Centre a day after the Budget Vote Speech. During the launch, Samson Moraba, the new CEO for the Bank said this was a necessary response to the massively daunting challenge of building sustainable integrated human settlements.

Moraba said the Bank would tackle amongst other things, the housing backlog faced by the country and deal with issues of affordability, sector transformation, improve on the limited private sector partnerships and attend to the limited and fragmented funding in Human Settlements.

“The bank will be the lead entity to mobilise finance for the human settlements sector.”

- HSDB CEO Samson Moraba

He added that although the housing challenge was daunting, there were also positives, as human settlements was the most employment intensive sector and it contained powerful potential social capital that was currently under-utilised.

The rationale behind the formation of the HSDB went beyond just the consolidation of the three financial institutions of the Department, he said.

Among the four key elements underlying the purpose of the Bank is that it will serve as catalyst for change in the funding of human settlements and aimed to redefine the financing role. This will help enhance integration and coherence of human settlements grants with other sources of funding to create more housing opportunities and finance activities across the human settlements value chain such as land, serviced stand and putting up of top structures

This will also make the Bank, the lead entity to mobilise finance for the human settlements sector. HSDB will increase support for the effective transformation of the human settlements sector and put more focus in addressing market failure through innovative financing and effective risk mitigation instruments.

In addition, Moraba said this would unlock the secondary market and champion innovation such as provision of finance instruments for the informal market.

The Bank will also focus on addressing market failures through innovative financing and effective risk mitigation including de-risking projects or giving guarantees to developers and mobilising end-user savings

Support expected from the Bank would include dealing with issues of household levels of affordability and facilitating solution and providing options for those over-indebted and ensure funding reaches even the deep rural markets. The Bank will play a complete role as a financial services provider in all aspects such as being a lender, investor, facilitator and adviser.

Among its guiding principles are undertaking retail with private sector or other partnerships and collaborating with like-minded resourced entities to achieve non-financial goals to make the secondary markets functional. It will also compete on pricing in support in support of strategic developmental and transformational outcomes, said Moraba



# Lessons from Johannesburg's new plan to fight sprawl

A paper presented by Brendon Bosworth during the UN Habitat III conference in Quito, Ecuador

# A new plan aims to guide more compact, transit-oriented development of Johannesburg through 2040.

Johannesburg is South Africa's biggest city and its economic powerhouse. It is known as the "City of Gold," due to the gold mines that surround it. But it is not a land of riches for many of its inhabitants.

Burdened by the legacy of apartheid-era urban planning, which resulted in poor, mainly black residents living on the city outskirts, Johannesburg shows symptoms of spatial inequality. Most of the city's poor continue to live on the urban edge, far removed from economic opportunities, and are stuck with long and expensive commutes to work and schools.

The city aims to change that. It has plans to re-engineer the urban fabric over the long-term, based on its Spatial Development Framework 2040. The document was released in July, and was presented this week at the United Nations' Habitat III conference on cities.

The framework envisages a city that is "spatially just, efficient, resilient and sustainable." It lays the groundwork for reversing the trends of sprawling low-density development, and predominance of car based transport. It aims for more compact development and more mixing of land uses, while directing future urban growth toward the urban core. It also plots the way for concentrating new development around transit stations.

"We consider this a global example," says Rogier van den Berg, project leader of the Urban Planning and Design LAB at UN-Habitat, which collaborated with city government on the framework. "It is very strategic, and the process we went through lasted only a year."

Johannesburg's experience in plotting a new urban future has lessons for other cities that are looking to transform the urban space. Here are five of them.

## 1. Get the data

Before deciding on how to intervene in certain areas it was key for city planners to have a clear understanding of what conditions on the ground they were working with, explains Herman Pienaar, director of the city's transformation and spatial planning unit. It's important to get data that doesn't come from official channels like the census, he says.

"You need to tap into the informal sector and at least have people there that understand the dynamics of things," said Pienaar. The city also used data and research from universities and civil society groups. >>

“City leaders maintain that this political shift will not disrupt the 2040 vision.” - Brendon Bosworth

## 2. Participatory planning is key

When devising the framework, city officials met with various stakeholders, holding a series of working sessions. Stakeholders included planners, bankers, developers, environmental groups, provincial government departments, and other city departments.

“When you plan for a whole metropolitan area it’s difficult to do participation at a very detailed level,” said Pienaar. “But we put together reference groups from very different people in society. Not only people with a development interest, but also artists and writers to come in and represent various parts of the community, and also people that represent homeless communities.” It also held a public participation process to get comments on a draft.

## 3. Do a few things and do them well

While the new framework aims to overhaul the urban system, it strategically targets certain, well-defined urban areas. Or, as van den Berg says, it must require a “radical shift” from the way things are done now while still being realistic. When developing such a plan, it’s key to have a “sound, principle-based idea of how you want to develop the city,” and then make sure those principles translate at an individual project level in targeted neighbourhoods, explains Herman Pienaar, director of the city’s transformation and spatial planning unit.



Fleurhof Integrated Housing Project in Johannesburg, Gauteng



#### 4. Align the budget

Encouraging growth in certain areas requires investments in parks, sports grounds, libraries and transit systems. But financing urban interventions is always tough for Local Governments. For capital investment, one-third of the funding for the framework's implementation comes from intergovernmental grants. The rest comes from the city's cash reserves or loans, according to Pienaar.

"There are so many cities that have really good plans but the budget gets decided by the Chief Financial Officer, who's a bean counter, with all due respect," Pienaar says. "If you don't have a strong enough planning department within your set-up that can dictate, in some instances, and really lead other departments that need to contribute to the urban environment, then you've got a problem."

#### 5. Political continuity matters

Johannesburg's Local Government is in transition, as former Mayor Parks Tau lost a re-election bid in August. (Tau, who was elected to lead the global association United Cities and Local Governments last week, remains on the city council.) The opposition party, the Democratic Alliance, took control of the city under the leadership of a new Mayor, Herman Mashaba.

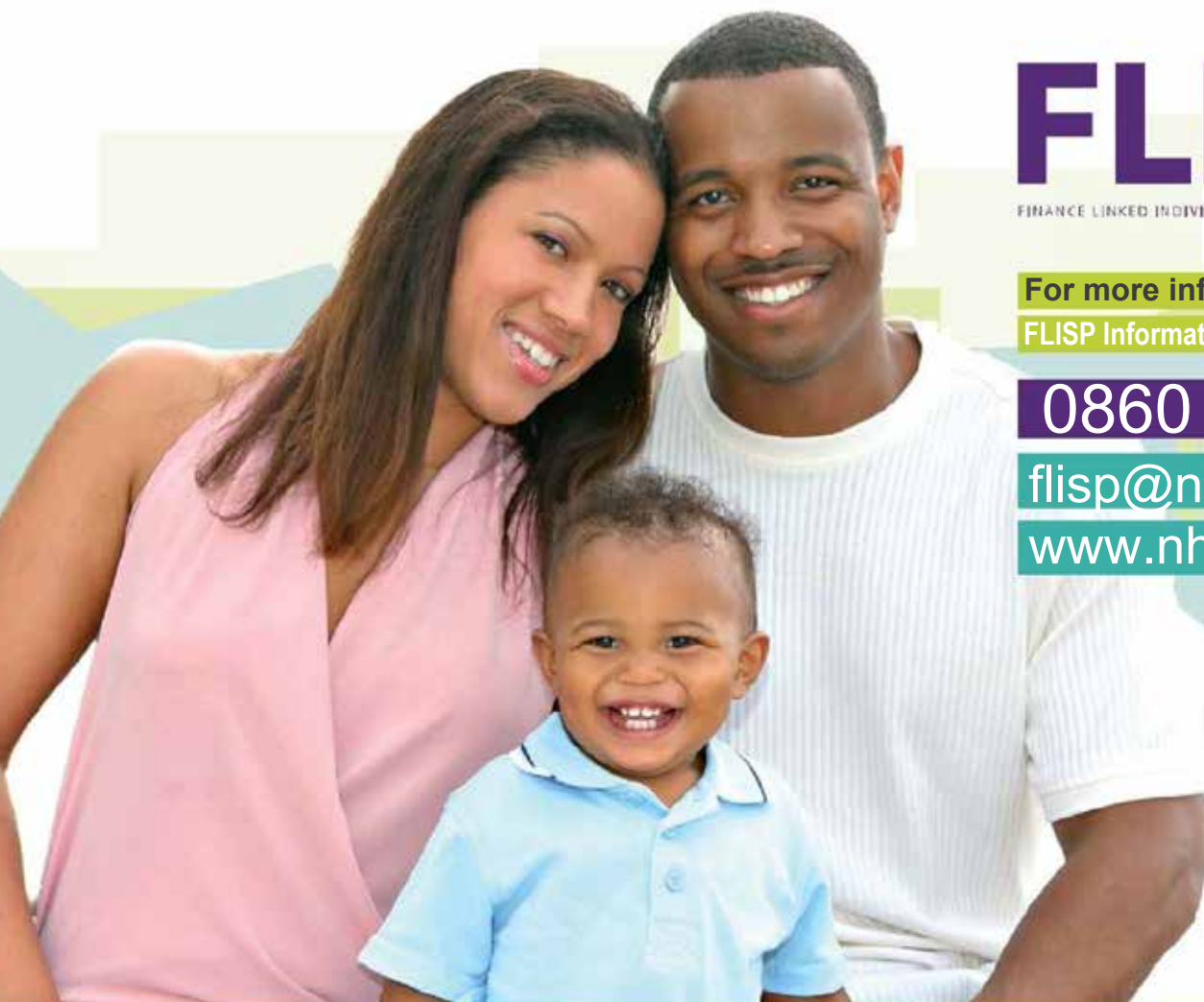
City leaders maintain that this political shift will not disrupt the 2040 vision. "If you look at the new political manifesto, it has the same kind of language," says Pienaar. "There is maybe a bit more emphasis on economic growth, but that's the way we wanted to go anyway."

While Johannesburg's spatial development framework offers a comprehensive vision for sustainable urban development, some are concerned that the city will not be able to say no when private developers offer competing plans.

# Are you a first-time homebuyer?

Government offers you a housing subsidy to reduce or supplement your approved home loan, making it possible for you to afford your own home! To be considered for a FLISP subsidy, you must:

- have pre-approved home loan from a South African lender
- have a monthly household income of between R3 501 and R15 000 (Single/Joint)
- never have benefitted from a government housing subsidy scheme before
- be a South African citizen or legal permanent resident with a SA barcoded ID
- be at least 18 years old and competent to legally contract
- married/divorced/co-habiting/single with financial dependants
- First time property owner



## FLISP

FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME

For more information contact  
FLISP Information Centre:

0860 011 011

[flisp@nhfc.co.za](mailto:flisp@nhfc.co.za)

[www.nhfc.co.za](http://www.nhfc.co.za)





# Clayville a Human Settlements Mega Project

Lebogang Mohlahlo

**T**he Clayville Housing Project is situated on the remaining portion of the farm Olifantsfontein 410 J R (Clayville Ext. 45) next to the Tembisa Township in the Ekurhuleni Northern Sub Region. The project has been identified as one of the Mega Projects in Gauteng which seeks to eradicate the Madelakufa Informal Settlements 1 & 2, Freedom Square as well as the Tembisa 1996/97 waiting list.

The Clayville development commenced in 2009 as one of the key projects identified by government to change the landscape of housing delivery by introducing Integrated Human Settlements where people of different income categories would live together. Building onto this outcome of creating a sustainable and integrated human settlements, the Gauteng Department of Human Settlements, Ekurhuleni Metropolitan Municipality and Valumax and Tamwoorth - Project Developers - identified and acquired portions of land for the expansion of other Clayville Extensions which are currently at planning stages. >>

Clayville is an Integrated Residential Development Project, consisting of BNG houses, bonded houses (FLISP), rental stock and BNG flats. The development consists of a total of 14 000 residential units. The project includes infrastructure development of internal roads and the Urban Settlement Development Grant (USDG) from Ekurhuleni Metropolitan Municipality (EMM) is utilised to fund Bulk Water and Electricity. The Gauteng Department of Human Settlements is to spend R6 billion rand in the Clayville as one of its human settlements mega projects.

Recently the Gauteng MEC of Cooperative Governance and Traditional Affairs and Human Settlements, Paul Mashatile handed over more than 70 houses and title deeds to beneficiaries. MEC Paul Mashatile said, "Title deeds are very important and a valuable proof of ownership. This is your home and no one can take it away from you."

The MEC also pleaded with the community not to sell their houses. "Our commitment as government is to build decent homes for you and contribute to bettering your lives, so take care of your homes. Only one approved list is used to allocate houses to people, there will be no second list allocation."

One of the beneficiaries of the Clayville mega project is Martha Mahlangu (72). Mahlangu applied for a house in 1996, and in April 2017 she received a house and a title deed. She explained her frustrations of waiting for a house for a long time, "I am 72 years old and only getting my house now. I thank the Government for my house and those who are still staying in shacks must patiently wait for their opportunity," concluded Mahlangu.

**“I thank the Government for my house and those who are still staying in shacks must also get the opportunity.”**

- Martha Mahlangu

**“ This is your home and no one can take it away.”**

- MEC Paul Mashatile



Another beneficiary, who expressed her joy after receiving her title deed was Mamoyahabo Mashau (83). She had been waiting for a house for more than 21 years. She sung praises in TshiVenda when she received her title deed from the MEC Mashatile.

MEC encouraged the community to apply for houses, and those who want to check their housing status, to visit their municipalities. The allocation of houses is prioritised according to those who applied in 1996, the elderly people and people with disabilities.

Another beneficiary was Hombose Khoma (89) who is originally from Thulamahashe, Bushbuckridge and came to Gauteng in 1960 seeking employment. She lived in Madelakufa 2 an informal settlement on the outskirts of Tembisa. She is now a resident of Clayville and a recipient of title deed. She expressed her delight and gratitude when she was moving into her new home. She said her life will be changed for the better.



ESTATE AGENCY AFFAIRS BOARD  
OF SOUTH AFRICA

**Tel: 087 285 3222**

**[www.eaab.org.za](http://www.eaab.org.za)**



**Encouraging professional practitioners  
to enhance their levels of service by  
keeping abreast of developments in  
the real estate sector**



# Socio-economic value of a Title Deed

Botshelo Selogilwe

Owniing a house brings joy to an individual. This is because having a place that one calls home makes everyone feel safe and secure. During the past several years a new home-owner, Ramafisa August Joale wished to have a document that proves that he owns a property.

His dream came true when the Portfolio Committee on Human Settlements from Parliament and Provincial Officials in the Free State visited the Joale family in Phase 5 in Bloemfontein to handover their title deed.

“I lived on the farms for a long time before I moved to my new house. I am very excited and thankful to our government,” Said Joale.

“I will die peacefully knowing that my children will not be kicked out of their house and live on the street,” said a partially blind Joale.

As part of the constitutional mandate to do oversight visits to provinces, Earlier in February 2017 the Portfolio Committee on Human Settlements visited Free State province, where they assessed the coordination of beneficiary list and incorporation of backyard dwellers into the provincial housing database.

The aim of the visits to all provinces is to assess the progress made in the overall provision on Human Settlements projects, with focus on provision of title deeds.

“A coherent, inter-governmental response is necessary if we are to return dignity to the people. It is for this reason that the committee has called for the redoubling of efforts to ensure that people receives their dignity,” said the Chairperson of Portfolio Committee on Human Settlements Ncawu Mafu, highlighting the importance of fast-tracking the Title Deed Restoration Project

In a spirit of accelerating the number of title deeds allocated to beneficiaries who receives houses, National Department of Human Settlements has title deeds restoration programme to ensure the process of issuing title deeds moves swiftly.

Core to the objectives of the restoration programme is to reverse the legacy of apartheid spatial planning, which was hesitant to allow black people to own the land.

The restoration programme intends to empower people economically as the title deeds can also be used as collateral when applying for a loan at the bank.

The programme also seeks to bring awareness to home owners about the value of receiving the title deed. Every owner of the property needs to understand that this piece of paper protects title to a property, proof that needs to be recorded and used to facilitate the financial transactions of the property.

Although the handing over of title deeds is meant for a good course, there are several problems hindering the speedy roll out of the programme, like the issue of township establishment, which is a prerequisite for title deeds to be granted. Most municipalities have not registered their townships with the deeds office; this becomes a problem when people have to be given their title deeds.

The other obstacle is the incorrect or insufficient information provided in the papers when applying for a title deed.

A total of 117 116 title deeds have been delivered to beneficiaries of government’s low cost housing programme over the past two financial years.

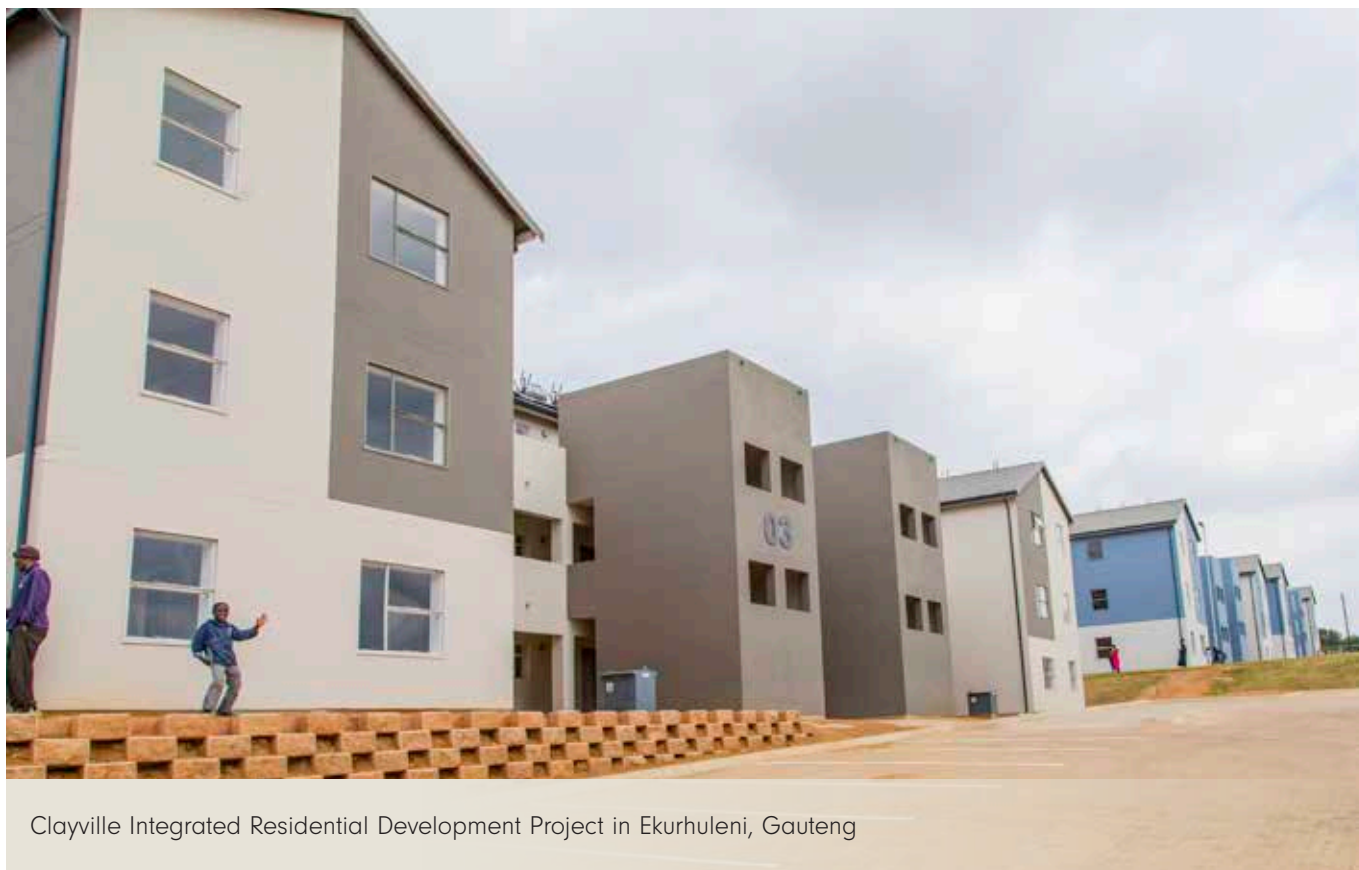


Martha Mahlangu (72) from Clayville happy to receive her Title Deed

Human Settlements Department through the Estate Agency Affairs Board (EAAB) will in the next two years accelerate the issuing of title deeds. The EAAB is expected to deliver 271 048 title deeds by the end of March 2017. This is made up of the backlog as at July 2014 and projects delivered thereafter.

The EAAB title deeds programme is divided into two that is the pre-1994 stock and the post 1994-stock. The pre-1994 stock - which has been prioritised for eradication by 2017 - was made up of a backlog that totalled 83 628 title deeds whilst the post 1994 stock was 734 429, bringing the total backlog to 818 075.





Clayville Integrated Residential Development Project in Ekurhuleni, Gauteng

The question may arise on what does having the security of title deed mean to the receiver. In response to this issue, owner's title gives him an indisputable right on the land and also access to financial markets, worth noting is that the title deed can only be cancelled by a High Court.

The deeds registry is open to any member of the public to access information on matters such as interdicts and contracts involving the property, rules on sectional title scheme, the registered owner of the property and information on the registration process of the property.

The recognition that comes with the title deed the owner is also able to pass on to family members in the event of death. Advisably the owner of a property should do a will as this gives peace to the family members living on the property.

## **ACQUISITION OF A TITLE DEED FROM THE DEED OFFICE**

1. Go to any deeds office - deeds registries may not give out information acting on a letter or a telephone call
2. Go to the information desk, where an official will help you complete a prescribed form and explain the procedure.
3. Request a data typist to do a search on the property, pay the required fee at the cashier's office and take the receipt back to the official at the information desk.
4. The receipt number will be allocated to your copy of title.

# **PROPERTY PRACTITIONERS BILL: PUBLIC PARTICIPATION HEARINGS**

The Property Practitioners Bill is intended to repeal the current Estate Agency Affairs Act, 1976 (Act No. 112 of 1976). Its objective is to respond to the changing market conditions which over the years increasingly saw the property transaction processes gaining momentum, importance and value.

As part of this law making activity, public participation hearings will be held across the country. The process is promoting and encouraging an all inclusive and meaningful engagements that will assist the Department of Human Settlements in fulfilling its constitutional obligation, which requires that all interested parties or institution that will be affected by the Bill must make or submit written comments.

**Public participation hearings dates and venues will be available on the DHS and EAAB websites and announcements will also be made in the media**

**For more information: [www.dhs.gov.za](http://www.dhs.gov.za) or [www.eeab.org.za](http://www.eeab.org.za)**



**human settlements**

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA





Be sure to watch  
**BREAKING NEW GROUND**  
television series every Saturday  
at 13:00 on **SABC 2!**

TALK WITH **RAMS** ON METRO FM

Tune in and empower yourself with knowledge

Every **MONDAY**  
@ 20:00



Human Settlements Discussions



human settlements

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

HOUSES • SECURITY • COMFORT