



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

**MEDIA STATEMENT: ANNUAL MEDIA BRIEFING LED BY HUMAN
SETTLEMENTS MINISTER MMAMOLOKO KUBAYI
28 MARCH 2024**

Today marks the third annual media briefing of the Department of Human Settlements after we took a conscious decision in 2022 that just before the end of the financial, we will provide an update to the public on the strides we have made to execute our constitutional obligation, openly highlight the challenges that have delayed our progress, and identify areas of intervention.

I am joined by the Deputy Minister Pam Tshwete, and the Director-General, Dr Alec Moemi who joined the team Human Settlements in January 2024.

Our task is clearly stipulated in our Constitution: “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 realization of this right”.

For the past three years, we put all our efforts into the following areas:

- Increasing the delivery of houses by identifying priority areas and monitoring them i.e. removal of asbestos roofs, unblocking blocked projects, eradication of Mud houses, 40% set aside for women, delivery of houses to Military Veterans
- Responding to the housing needs of the missing middle through affordable housing
- Stabilising the portfolio both in the department and our State-owned Companies
- Improving our response to emergency housing needs
- Upgrading of Informal Settlements and
- Digitization of our beneficiary list

As we celebrate 30 years of democracy, it is an opportunity for us to reflect on the work that has been done over the years. Census 2022, published by Statistics South Africa reflected the following:

- Recorded a steady increase in the number of households between 1996 and 2022, from approximately 9,1 million in 1996 to 17,8 million in 2022.
- The number of households who reside in informal dwellings has declined from 13,6% in 2011 to 8,1% in 2022.
- Households residing in formal dwelling units increased to 88,5%, an increase from the 65,1% recorded in 1996.

These statistics are indicative of the impact of various human settlements grants, amongst others, in the provision of basic services.

Our government has also been able to make progress on our MSTF targets and as we wrap up this administration, we believe these numbers will continue to increase. We have been able to achieve the following against our targets:

- 75,8% of BNG houses built against our target
- 75,4% of Serviced Sites against our target
- 92,6% of our target to rezone our acquired land
- 47,2% of Communal Residential Units
- 73,8% of Rental units in Priority Developmental areas delivered
- 104,3% of Integrated Projects achieved

We will elaborate on more achievements as we deal with various areas.

EMERGENCY HOUSING

In March 2023, we announced at this media briefing that we had established the Emergency Housing Centre and that the Emergency Housing had become the responsibility of the National Department of Human Settlements. Before this change, the National Department of Human Settlements had been historically providing the Provincial Emergency Housing Grant (**PEHG**) and Municipal Emergency Housing Grant (**MEHG**) to provinces and municipalities respectively, on condition that such an application is endorsed by the MEC within 14 days after a disaster has occurred. In the 2023/24 financial year, the Department responded to multiple disaster incidences in various provinces. The Provinces that were affected by disasters over the past twelve months were KwaZulu-Natal, Eastern Cape, Western Cape, Free State, Gauteng and Mpumalanga.

Since we centralised the Emergency Housing function at national, we have noted several improvements. These include shortened time for accessing emergency funding, the introduction of other emergency interventions such as the provision of building material packages to beneficiaries, and the introduction of a voucher system to enable affected households to collect building materials from nearby hardware stores.

We have also brought on board our agencies, the National Home Builders Registration Council (NHBC), to assist with the technical assessment of the damaged properties and the Housing Development Agency (HDA) to acquire land parcels and facilities that can be immediately utilised as Temporary Relocation Areas (TRAs).

We have drawn some lessons over the past few months. We intend to use these lessons to sharpen our response to disasters going forward. Accordingly, we are introducing an Emergency Housing Monitoring System (EHMS), that will enable our officials to report a disaster incident and upload the beneficiary list as quickly as possible and we are also deploying officials to be stationed at the Provincial offices of our entities, the HDA or NHBC.

UPGRADING OF INFORMAL SETTLEMENTS

Since 2019, we have provided the Informal Settlements Upgrading Partnership Grant (ISUPG) to provinces and metropolitan municipalities. This has resulted in the delivery of bulk infrastructure and municipal engineering services to 197 informal settlements and the delivery of 156,949 serviced sites. Overall, 46,6% of informal settlements are on Phase 1 of upgrading, we achieved 47,4% of informal settlements target to Phase 2, and for Phase 3 upgrading we achieved 25,4 %.

The MinMEC that sat on the 26th of March 2024 has also resolved that the **2024/25 ISUPG Business Plans** will prioritise informal settlements that were established before 2005 and must be upgraded in-situ or relocated out of disaster-prone zones.

The ultimate objective, as we do all of these, is to improve the living conditions of informal settlement households by formalising settlements located on suitable land by installing basic services and allocating permanent serviced sites to enable the construction of a top structure/house.

A phased in approach to relocating those in disaster-prone areas will extend beyond securing suitable land for relocation to obtaining a court order to prevent land invasion to facilitate evictions. While the provision of free housing will continue, more efforts will be put towards providing people with serviced sites to build for themselves, as budget cuts will drastically lead to the reduction of the number of housing units to be delivered by the sector.

ERADICATION OF MUD HOUSES

Immediately when I joined the portfolio, we put the eradication of mud houses as one of our priorities, following my visit to all the provinces. I am happy that several

households who lived in mud structures have since been provided quality houses and now have a place called home. In the outgoing financial year, we delivered 11 972 out of 12 046 housing units, a target we had set for ourselves to restore the dignity of those who live in those structures.

TITLE DEEDS RESTORATION PROGRAMME

Recognizing that the backlog in the registration and issuing of title deeds must be addressed, we have initiated several interventions to support the implementation of the Title Deeds Restoration Project.

We have agreed that 30% of the Human Settlements Development Grant may now be utilised to install bulk services that prevent the conclusion of township formalisation processes, required for individual property transfer. While this funding may not be sufficient, the Urban Settlements Development Grant (USDG) appropriated to metropolitan municipalities, will also aid in alleviating the pressure around bulk services provision.

Furthermore, together with Provincial MECs, we approved the “Title Deeds Friday” Campaign. This campaign has seen the distribution of title deeds to beneficiaries every Friday from 6 October 2023. Since the start of the campaign, over **27 842** title deeds have been issued to beneficiaries in 97 municipalities across all 9 provinces.

As part of ensuring the security of tenure, MinMEC resolved on a deadline of 31 March 2025 for the devolution of all pre-1994 stock units to beneficiaries and land to municipalities.

ERADICATION OF ASBESTOS ROOFS

In 2022, we reported that we had removed 3600 asbestos roofs in Limpopo and Mpumalanga. In this financial year, Eastern Cape, Free State and KwaZulu-Natal Provinces have removed 815 asbestos roofs and this work will continue with Free State intensifying this project across the province as previously committed.

UNBLOCKING BLOCKED PROJECTS

In 2022, we announced that we had 3 445 projects that were blocked and MinMEC agreed to work tirelessly to unblock these projects as beneficiaries remain in waiting. We have been able to unblock 3 150 projects and are at various stages across the country with 295 projects remaining to be unblocked.

MILITARY VETERANS HOUSING ASSISTANCE PROGRAMME

The Department is moving with urgency to allocate housing to Military Veterans confirmed by the Department of Military Veterans (DMV). There are 4560 beneficiaries approved on the HSS which will be allocated houses in their respective provinces. In responding to the plight of Military Veterans so that we do not have a situation where they are homeless, we have agreed to engage all formations to agree for us to provide the normal BNG while awaiting their verification, and once this is done by DMV, their top-up subsidy to be provided to them. More importantly, is to adjust based on their needs. We agreed as MinMEC that, we must implement and conclude this programme so that it is not open-ended.

ON RECTIFICATION PROGRAMME

MinMEC received a report on houses that need rectification across the country. I have visited areas such as Motherwell in Eastern Cape, Umlazi and KwaMashu in KwaZulu-Natal where the community showed me their houses that are about to collapse. We have agreed that this project will be implemented in a phased in approach, with ring-fencing budgets to ensure this work is done. The NHBRC is conducting an evaluation of those that fall within the Warranty Fund to be rectified and where contractors should be held accountable and fix those houses they will assist with. In the Eastern Cape alone, the assessment report done by the NHBRC gives us almost 14 000 units that need to be fixed. Going forward, the asbestos roof removal will be part of the rectification programme.

TRANSFORMATION INITIATIVES OF THE SECTOR

ON SET-ASIDES

Overall, 163 companies owned by designated groups were supported economically through the allocation of various human settlements projects. The total awarded by the sector amounts to R4. 7 billion, with each category awarded as follows:

- Women R3.1billion (65%)
- Youth R1.6billion (33%)
- Persons with Disability R71 million
- Military Veterans R26million (0.5%).

As part of ensuring that these milestones achieved are sustainable, we signed a social compact with women in our sector during the International Women's Day Celebration in East London. This will see more implementation of the set aside for women in the Sector, expansion of the incubation programme and training of women in working with our partners through our entities, amongst other things. We will use the lessons

learned and strides made working with women to do the same for other vulnerable groups.

PROPERTY PRACTITIONERS REGULATORY AUTHORITY

On the 6th of March 2024, the PPRA entered into a transformative partnership in association with Eskom, Claremart and the Property Sector Charter Council, where 229 young black Property Practitioners (learners) and 37 property mentorship employers were granted an opportunity to dispose of Eskom properties across the country. This partnership brought the much-needed relief of access to property stock for the effective mentorship programme.

The PPRA has also secured funding from SETA for 750 unemployed previously disadvantaged individual learners and finalising the recruitment process. This programme places young property practitioners under the mentorship of the employer to acquire practical and theoretical training.

To ensure the transformation is realised in the industry, PPRA also implemented a Principalisation programme that seeks to ensure progress and retention of the Previously Disadvantaged Individuals (PDIs) that are already active in the industry. Under this programme, a total of 1145 black principals have been enrolled, amongst those, 431 black women have been assisted.

The PPRA is also funding 25 SMMEs who will be offered financial and non-financial assistance to upscale their businesses. The programme is expected to kick off on the 1st of April 2024.

I am happy to announce that the PPRA has partnered with Rawson Property Group which has awarded 9 franchises to Historically Disadvantaged Individuals. These recipients will receive comprehensive training, ongoing support and mentoring from the franchisor to ensure that their businesses succeed.

Again, during the 2024/25 the Transformation Fund has been allocated R7.5 million which will be utilised to provide grant funding to the 25 SMMEs that will be assisted by the PPRA to upscale their businesses. We are happy that PPRA has embraced the use of technology to make the lives of our Property Practitioners easy and seamless. The PPRA has introduced a Portal or Website (online) for applicants to able to apply and receive their certificates. In February, the PPRA was able to onboard the registration or certification process of the new category of Managing Agents and they are now able to apply online and receive their certificates.

Financial Action Task Force and what is expected of Property Practitioners.

One of the key recommendations for improvement for South Africa and in particular supervisors' regulators like PPRA - based on the Financial Action Task Force (FATF) - was to improve risk-based supervision. You will note that Estate Agents, as defined in Item 3 of Schedule 1 of the FIC Act, are accountable institutions in terms of the Financial Intelligence Centre Act, no 38 of 2001, and have to comply with all the relevant obligations.

Property Practitioners are required to provide the FIC with information relating to their money-laundering/terrorist financing risks. This will enable the FIC to better apply a risk-based approach to anti-money laundering/combating the financing of terrorism supervision.

Property Practitioners must ensure that they play their part in ensuring South Africa is removed from greylisting. A major issue that still needs to be addressed is the disclosures and transparency of Trust Accounts. We appeal to those who are practitioners and previous practitioners to reach out to PPRA for verification of their status.

COMMUNITY SCHEMES OMBUD SERVICES

As we previously committed that we would ensure the accessibility of our services across the country, the Community Schemes Ombudsman Services (CSOS) has been able to establish regional offices as mandated. More work needs to be done by CSOS to transform the work in this area and ensure that regulations are in place for equal opportunities, especially for previously disadvantaged individuals living in gated communities.

SOCIAL HOUSING REGULATORY AUTHORITY

The Social Housing Regulatory Authority (SHRA) has 93 delivery agents of which 79 are majority black-owned. The SHRA further embarked on road shows in less represented provinces such as Free State as well as virtual stakeholder engagements with Provincial and other stakeholders on the Social Housing Programme. More work needs to be done at SHRA to ensure the sustainability of our Social Housing Institutions and pay attention, especially to the Consolidated Capital Grant.

NATIONAL HOUSING FINANCE CORPORATION AND FIRST HOME FINANCE

In this MTSF, we have already achieved 128% of our target for first home financing and this can be attributed to the rebranding and marketing of the product, where many people became aware of this support by the government.

In the current financial year, the National Housing Finance Corporation (NHFC), has assisted **2 717 women** to the value of **R244,2 million** through First Home Finance to buy their first homes. This has leveraged private sector funding of **R1,2 billion** in the affordable housing market. Women beneficiaries constitute 68% of the total recipients of the approved subsidies for the FY 2023/2024.

To sustain transformation interventions for emerging developers, the NHFC is in the process of establishing an Incubator Programme to help unblock technical capacity and financial hurdles experienced by previously disadvantaged groups who are property developers.

NATIONAL HOME BUILDERS REGISTRATION COUNCIL

The National Home Builders Registration Council (NHBRC) currently runs a women empowerment programme in partnership with the Gordons Institute of Business Science (GIBS) to assist female entrepreneurs in the sector through coaching and mentoring. This programme has seen over 500 women grow their businesses and contribute to the value chain.

We expect the National Council of Provinces (NCOP) to finalise and approve the Housing Consumer Bill in the coming weeks. This means this piece of legislation that is critical will be implemented in the coming financial year. This is critical to protect housing consumers against scrupulous builders and contractors but also helps us even more in ensuring the quality of houses provided by both the public and private sectors.

ON WHITE PAPER POLICY

Urbanization is one of the most impactful human activities affecting human settlements locally and across the globe, with a greater effect on the achievement of sustainable development and the quality of life. The role of sustainable human settlements development as an enabler to a holistic improved quality of life of low- and middle-income households, is underscored not only in our legislative reviews but also through international declarations such as the United Nations.

It is with this consideration that we embarked on a process to review the Housing Act of 1997. Approved for public comments by the Cabinet in December 2023, the Draft White Paper has undergone a public consultation process.

Among the proposals of the White Paper is the revisit of the role of spheres of government to promote integration, beneficiary qualification criteria, and the role of non-government institutions in human settlement delivery.

The White Paper also proposes approaches that include rent-to-buy options for affordable housing, and incremental housing development which includes incorporating Peoples Housing Process and Cooperatives. These different approaches will further be strengthened by the adoption of Alternative Building Technologies (IBT), which can further enable economic opportunities across the different provinces, while accelerating service delivery. This will be supported by the IBT Norms and Standards approved in the current financial year for all Provinces to implement. The IBT Summit, which we intend to convene in the upcoming weeks, will emphasize on urgently taking advantage of innovation for quicker turnaround in meeting the housing demand and thus restoring the dignity of the vulnerable in society.

To ensure that we have considered all views and that our policy represents all South Africans, we conducted a round of consultations with Provincial stakeholders supported by Provinces and the South African Local Government Association. We also extended the deadline for submission twice with the last date being the 15th of March 2024.

Going forward, the Department will compile all inputs received and rework the White Paper policy based on the inputs received. We have further agreed to establish a reference group Chaired by the DDG responsible for policy, Dr Mhlongo, with the participation of key stakeholders including Academia and Civil Society.

Our intention is not only to conclude the work by the end of this administration but to ensure this new White Paper Policy is the policy that the 7th Administration will implement. Failure to do that means that these proposals and new ways of doing things will not direct the new MTSF focus and targets of the Department and the Sector.

SUBSIDY QUANTUM

The current subsidy quantum announced for implementation from 1st April 2023 remains in place without changes. Going forward, consideration is given for CPI increases which will be factored in with the National Treasury allocations, when budgets are done.

We started deliberations at MinMEC on giving meaning to the partnership we must build with all role players. Provinces and Metros were urged to consider setting aside 2% of each grant allocation for meaningful participation of Civil Society and Cooperatives in the sector. We believe this will give the People's Housing Programme the necessary oxygen it deserves. We will report once this has been institutionalised within our grants framework.

In conclusion, I must extend my sincerest gratitude to all the stakeholders who have been on our side to implement our mandate. It has not been easy, but we continue to

make strides in responding to the housing needs of our people. What we have achieved is a result of a relationship we have built over the years with all stakeholders in government and outside government. It has been teamwork at national level, working with our provinces led by MECs and Municipalities through SALGA and mainly Metros. As we wrap up the 6th Administration and prepare for the 7th Administration, we will continue to improve on our targets and service offerings to communities.