



MINISTRY
HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA

**MEDIA STATEMENT BY MINISTER OF HUMAN SETTLEMENTS, THEMBI SIMELANE,
MP, ON THE NHBRC'S FINAL REPORT INTO THE GEORGE BUILDING COLLAPSE, 09
APRIL 2025**

Chairperson and Board Members of the NHBRC, Ms Noxolo Kiewit
Director-General of the Department of Human Settlements, Dr Alec Moemi,
NHBRC Acting CEO, Tamlyn Bouller

Members of the media

Good day,

A few weeks ago, we committed that we were going to take the nation into confidence about the findings of the National Home Builders Registration Council's (NHBRC) investigation into a building that collapsed in George in 2024. We did this with the understanding that this matter is of great public interest.

One of the three strategic priorities of the 7th administration is to build a capable ethical and developmental state. It is for this reason that we brief the nation on the findings of our investigation because we believe in transparency and are committed to addressing the shortcomings within the Human Settlements sector we are overseeing.

On the 6th of May 2024, we learned with shock that Neo Victoria project, a residential building that was still under construction, had collapsed in George, Western Cape. The George Building Collapse constitute a historic and horrific Disaster which remains fresh in the memory of many South Africans. This terrible disaster will live forever linger in the memories of the survivors, their families, and friends. Sadly, it claimed 34 lives, and some of the survivors are still recovering from a devastating day that changed their lives.

As a caring government, we want to promise the families and friends of the departed workers, who got befallen by this tragic incident during that fateful day in the hands of negligence which could have been avoided, that their lives are in not in vain.

In line with its mandate to regulate South Africa's home building industry, the NHBRC initiated its investigation to understand the factors that led to the collapse of the building.

In doing this, it acquired a service provider to conduct a forensic investigation into the reported allegations and to make necessary recommendations informed by its findings.

Accordingly, the investigation has led to several findings covering areas such as *the homebuilder certification and homebuilder grading process, enrolment certification process, inspection model, technical manager appointment, role and certification, including technical test, supervision or value chain supervision, inspection and structural defects, skills adequacy of non-technical engineering persons, validity of certification of internal and external competent persons, architects, with professional bodies, municipal building approval process, material quality and structural deficiencies, validity of geo-tech report, engineering, and soil classification of site and adherence to Occupational Health and Safety Act.*

While all findings remain critical, I would like to draw your attention to some of them as follows:

- **Homebuilder certification and homebuilder grading process**

The investigation into the certification process revealed significant irregularities in their registration. The company in question inaccurately presented its capabilities during the registration phase. It failed to declare its intention to construct a multi-story building. This omission breached NHBRC's policies, which require transparency regarding a home builder's intended project scope in technical capacity. By bypassing this rigorous process, a company in question compromised its registration and certification of the project.

- **Enrolment certification process**

The enrollment process demonstrated significant non-compliance with the NHBRC's enrollment procedures, resulting in critical regulatory breaches and unauthorized approvals. For example, the enrollment forms were processed on the 11th of July 2023 even though the construction start date was scheduled for the 19th of June 2023. Again, the official did not verify that a homebuilder was registered to construct despite the building plans showing that this was indeed a multistorey enrolment. Thus, a contractor

was allowed to proceed with the construction of a multi-storey building without the proper enrollment. Even more disturbing was the unlawful use of other official's credentials to enroll the first phase of the project. This demonstrated the breakdown in the NHBRC's internal control system.

- **Inspection model**

The inspections carried out by the NBC personnel on the project were marked by several lapses and failures that significantly compromised the regulatory oversight required for such a large-scale project. This included an official conducting an initial inspection eight working days after the project enrollment, exceeding the five-day window period in line with the NHBRC's inspection protocol. More worrying was that the inspection reports included units which were yet to be constructed.

- **Site Occupational Health and Safety adherence**

The investigation revealed several breaches of OHS standards on the construction. These include failure to address safety concerns, resignation of safety consultant, and absence of OHS provisions in the NHBRC procedures. The NHBRC's Inspection Homes Procedures lack clear guidelines for addressing OHS violations, leaving inspectors without the mandate to enforce safety compliance on construction sites.

- **Competency of artisans and other staff on site**

There were gaps in the competency of key personnel. This included unqualified personnel who lacked formal qualifications in engineering or quantity surveying playing critical roles such as inspections.

- **Technical Manager Competency**

The competency of a Technical Manager was found wanting. The investigation revealed significant deficiencies in the oversight and assessment of the manager's qualifications as the latter were not thoroughly re-assessed at the time of appointment. According to the report, this played a major role in the technical missteps observed during the construction.

- **Geotechnical and Engineering Assessment deficiencies**

The geotechnical report provided did not include crucial information such as trial pit locations, Dynamic Cone Penetrometer (DCP) test results and geological maps. This information is essential for foundation design and site preparation.

- **Municipal Building Approval**

The investigation uncovered that the George Municipality approved the plans when the construction was already underway. This means the work on site started before approvals were finalised.

In summary, the investigation concluded that the collapse of a building was a result of systematic failures across multiple levels of oversight, non-compliance with regulatory standards, and mismanagement by both NHBRC and the project's personnel. These failures included irregular status upliftment, late enrolment, inspection lapses, material quality issues, and safety violations. The report points largely on the failures of Inspectors and internal controls in as far as NHBRC is concerned.

Based on these findings, the investigation report made several recommendations to enable NHBRC to improve its processes, thus ensuring enhanced quality assurance, transparency, and enforcement efficiency, mainly for high-risk projects.

The recommendations included that NHBRC registration certificate must state clearly the types of buildings a homebuilder is registered to construct, that NHBRC establishes a dedicated or ad-hoc peer review team to independently review high risk projects such as multi-storey buildings, conducts a comprehensive competency skills audit of inspectors, and develops a thorough due diligence process to evaluate all information submitted during the registration phase. The report went further to recommend that technical managers be full-time onsite during critical stages of construction, that inspection be conducted within five days and that NHBRC staff must not be allowed to use another staff member's login credentials.

The outcome of the investigation has also made recommendations that implicated officials be held accountable for their actions. The charges that will be levelled against them include dereliction of duty, misconduct, negligence, dishonesty, and misrepresentation in official inspection reports. We will continue to monitor that this is done by following due process.

Based on the outcome of the investigation, the NHBRC has since suspended the officials who have been mentioned in the report. To enable more investigation into the matter, we since handed the report to the law enforcement agencies. We take further cognisance that our investigation had only looked at the responsibilities and role of the NHBRC, We fully

appreciate the fact that other Organs of State are conducting their own investigations and believe that ours will contribute towards their own investigations.

The collapse of a building led to the loss of life. It tarnished the NHBRC's reputation that has been built over the years. Therefore, we shall not hesitate to act against those who bring and have brought shame to our institution, including our own. The Department had on a proactive basis reviewed the applicable processes and regime that was under operation relative to the NHBRC and found the need to strengthen the regulatory environment. The Department together with entity commenced with the work of drafting a new Bill to address the deficiencies most of which mirror the findings contained in the report and the accompanying recommendations.

President Cyril Ramaphosa recently signed the **Housing Consumer Protection Act (Act No. 25 of 2024)** into law and was published in the Government Gazette on 29 January 2025. The law introduces significant changes to the legislative framework of South Africa's home building industry. It establishes enforcement tools and prescribes appropriate penalties or sanctions to deter non-compliance by homebuilders. This includes provisions addressing the personal liability of members and directors or trustees of a homebuilder.

To elaborate on this point, the new law provides emphasis the professionalisation of Inspectors (section 69 and 70 below)

Section 23 provides that Council must establish and maintain a register of homebuilders and developers. The purpose is to facilitate the following: -

- risk management in the tendering process in relation to the building of a home;
- facilitate the assessment of the performance of a homebuilder or developer in the execution of home building contracts; and
- provide performance record of a homebuilder or developers.

Furthermore, Section 24 deals with the contents of a register of homebuilders and developers. Amongst others, it will include the grading category of homebuilder or developer as well as limitations placed on the homebuilder. This is significant in preventing contractors capable only to deliver a single storey building from undertaking multi-storey building projects.

In addition, Home builders and Developers will be required to undergo a more stringent training and grading before being registered with the NHBRC - Sec 26 provides that a system

and requirements will be prescribed for the registration of a home builder and a developer proving a grade that reflects the level of competence (taking into account the financial, technical, construction and management requirements necessary to build a home). Our current work is geared at formulating a criterion that will be fairly and objectively determinable.

The Act also prescribes the information system that will link the register of home builders and developers with the register of enrolments as well as disciplinary records of home builders & developers.

The Act also in Section 28 provides that a failure by a person to register or to retain status as homebuilder or developer does not affect that person's liability and obligations in terms of the law. In the same breath, Section 30 provides for a homebuilder or developer who fails to enrol a home and found having started with construction should immediately stop the construction until given approval by the entity Council to proceed (upon satisfied that the home complies with Technical Requirements).

The law further provides for greater platform for whistleblowing. Section 62 indicates that any person may now file a complaint in writing in respect of any person who is suspected of not complying with the Act. In addition, the new law also provides for more transgressions and penalties on both administrative and substantive non-compliance as outlined in terms of section 63 and 64 of the Act. The Act further empowers the Minister to prescribe a stiffer penalty amount threshold that the entity Council may impose in instances of administrative non-compliance. Accordingly, Section 65(5) provides that the Minister is allowed to prescribe the maximum amount of an administrative fine up to R1m. This is a sharp rise as the old Act provided for an amount of R25 000.00, which in the building industry is not a good deterrent.

The Act also provides for the establishment of a statutory Compliance and Enforcement Committee in terms of section 60 of the Act to adjudicate on objections for both administrative and substantive non-compliances. Further this Committee has the power to impose administrative fines in relation to substantive non compliances. We believe that this will aid the processes to me expedited efficiently and cost-effectively

In addition section 42(4) provides that in the case where there are reasonable grounds to believe that the cause underlying the dispute or claim can be attributed to any action or omission by the developer or organ of state concerned, or the certification body or competent person, the entity Council may hold that developer or organ of state or the certification body or competent person accountable for the rectification, or the cost of rectification, of that home.

Of great importance is that the new law provides for the Appointment of Inspectors. This addresses one of the major findings of the report, as the old Act does not elaborate on the type of people that need to be appointed. Section 69 requires the entity Council to approve the qualifications of the inspectors and that they must be issued with appointment certificates as well as identification cards. The Act implies the grading of the Inspectors by granting the entity Council to have the power to limit the powers of inspector following his/her qualifications or experience. Additionally, Section 70 prevents Inspectors and employees of the Council from receiving gratification or engaging in any activity that may undermine the integrity of the Council. The law provides for an enforcement and penalty clause, as Section 78 prescribes penalties of criminal offence that may be a fine not exceeding R1.5m or imprisonment not exceeding 10 years. We firmly believe that this will serve as a deterrent.

We are also aware of other incidents that have taken place in other parts of the country. Our team has been instructed to conduct necessary investigations into those structural collapses and that appropriate actions be undertaken.

In closing, the law only works when it's enforced. We shall endeavour to do our part. However, we will not succeed on our own. We need all stakeholders in the built environment to come on board. It's only through cooperation by all that we will effectively enforce the recently accented Housing Consumer Protection Act.

I thank you.