



HUMAN SETTLEMENTS  
REPUBLIC OF SOUTH AFRICA

**NATIONAL COUNCIL OF PROVINCES  
2026 BUDGET VOTE SPEECH BY MINISTER THEMBI SIMELANE,  
PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA, CAPE TOWN  
VOTE 33, HUMAN SETTLEMENTS  
27 MAY 2026**

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Chairperson of the National Council of Provinces

Deputy Chairperson of the National Council of Provinces

Honourable Chairperson of the Select Committee on Human Settlements, Hon Mxolisi Kaunda

Deputy Minister of Human Settlements, Hon Tandi Mahambehlala

Honourable Members

Fellow Cabinet Members

Members of the Provincial Executive Committees

Director-General of the Department of Human Settlements, Dr Alec Moemi and

Deputy-Directors General

Chairpersons and Members of Boards and Councils of the Entities of Human Settlements

Chief Executive Officers of the Entities of Human Settlements

Fellow South Africans and Ladies and Gentlemen

Good afternoon,

It is an honour and privilege to stand before this august House to present Budget Vote 33 of the Department of Human Settlements. I deliver this Budget Vote Speech under the theme: **“Restoring dignity through sustainable human settlements”**. The restoration of the people’s dignity is central in the implementation of our Constitutional mandate as a department.

We do this mindful of the fact that this year, the country is commemorating the 30 years anniversary of the adoption of the Constitution of the Republic of South Africa.

Section 26 the Constitution enjoins us, as the State, to take reasonable legislative and other measures, within our available resources, to achieve the progressive realisation of the right of the citizens for adequate housing.

We have carried this mandate for years as a democratic state founded on the will of the people in ensuring we achieve the progressive realisation of the right of the citizens for adequate housing, amidst the complex and multi-layered challenges of the human settlements' sector characterised by rapid urbanisation and housing backlog.

We remain steadfast in our task to restoring the dignity of our people through the delivery of sustainable and integrated human settlements.

The recent release of 2025 General Household Survey by Statistics South Africa indicate that the proportion of households living in formal dwellings increased from 73,5% in 2002 to 84,2% in 2025 demonstrating improvements in living standards.

Honourable Chairperson,

We are mindful of the fact that a lot still needs to be done to fundamentally address the challenges of the human settlements sector in our quest to house the nation adequately and restore the people's dignity.

Notwithstanding challenges we face such as availability of land, natural disasters, and lack of resources, we remain resolute in achieving our targets as contained in the 2024-2029 Medium Term Development Plan (MTDP).

The targets are not optional. They are a Constitutional obligation which compels us to:

- "Heal the divisions of the past and establish a society based on democratic values, social justice, and fundamental human rights.
- Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;
- Improve the quality of life of all citizens and free the potential of each person; and
- Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations"

In pursuit of these objectives, we set ourselves the following targets for the current financial year:

- Delivery of 2878 social housing units with 2000 units fully tenanted
- Registration of 21 918 title deeds
- Delivery of 39 058 housing units
- Completion of 25,186 serviced sites across programmes

- Unblocking 195 projects with a budget
- Ensure 11 358 First Home Finance subsidy applications are approved, and 9231 subsidies disbursed to the qualifying beneficiaries
- Eradication of 6950 mud houses
- Delivery of 744 military veterans housing units
- 11,215 solar installations to advance energy resilience and sustainability

Honourable Chairperson,

Despite several challenges we encountered in the previous financial year, we are comforted by the significant strides we made in some of our programmes. These include achieving 48% of MTDP targets in the delivery of title deeds, eradicating 8176 uninhabitable mud houses, and unblocking 85 stalled housing projects.

We will take decisive actions against underperforming contractors, and officials who fail to conclude procurement processes within the prescribed timeframes.

We know budget constraints is another contributing factor to us not meeting our targets. However, we must also send a strong message to some in our communities who often cause unnecessary delays in our projects. Anarchy and lawlessness have no place in a democratic South Africa. A right to one person cannot be an infringement to other person's right.

In our concerted efforts to expand first time home ownership, we managed to deliver **10 856** units through First Home Finance. In addition, we disbursed **5195** of the **8183** subsidy approved applications to enable rural households to have access to formal housing.

We are responding to the clarion call for stronger collaboration with traditional leaders, we are happy to report that many traditional leaders are actively driving local development initiatives in their communities.

We are partnering with traditional leaders in ensuring rural communities benefit from First Home Finance rural housing programme.

Additionally, there are measures in place including efforts to expedite township establishment and layout approvals, mobilisation of additional funding support through COGTA, municipalities and National Treasury and interventions to secure land for decanting processes. We are also strengthening local governance and coordination mechanisms through Project Steering Committees (PSCs), councillor engagement and collaboration with traditional and community leadership structures to support implementation and improve stakeholder coordination.

Honourable Chairperson,

It is equally encouraging that the programme has primarily benefited women and young people, the backbone and future of our nation. comforting that the First Home Finance has benefited mainly women and youth.

In line with one of the MTDP priorities, Inclusive Growth and Job Creation, more than **4000** jobs have been created through the construction of houses and administration of the programme. Local building suppliers have also experienced an increase in economic activities. This has contributed positively to the local economy.

Honourable Chairperson,

Through the Housing Development Agency (HDA) we exceeded our land-related targets by acquiring **2 447** hectares of well-located land for human settlements development against a target of **1 000** hectares. In addition, just over a thousand hectares of land were rezoned for human settlements development, surpassing the annual target of **850** hectares. We also completed five integrated implementation programmes for Priority Development Areas (PDAs), through enhanced collaboration with municipalities.

For services sites, provinces delivered **24 251** against a combined annual business plan target of **13 995** for 2025/26, achieving approximately **173%** of the planned target, indicating a significant aggregate performance in service site delivery.

These achievements are critical in advancing spatial transformation, improving access to strategically located land, and strengthening the pipeline for sustainable human settlements development.

Honourable Chairperson,

The demand for affordable rental housing, particularly in the big Cities, remains very high.

I am happy to report to this august House that, yesterday, we handed over some units at Somerlife Social Housing Project here in the City of Cape Town. We were informed that a project expected to yield 1200 units has received over 15 000 enquiries for phase one alone.

This clearly demonstrates the urgent need for increased collaboration between private and public sectors. It is for this reason that through HDA, we are hosting an Investment Networking Session to showcase strategic investment opportunities within the sector. The session will be attended by potential investors, development finance executives and private sector equity leaders amongst others to deliberate on commercially viable and socially transformative projects positioned for capital participation.

Despite challenges, the Social Housing Regulatory Authority (SHRA), an entity of the department continues to make meaningful progress. During the previous financial year, SHRA delivered 3 031 social housing units, exceeding its annual target.

Furthermore, nearly 2800 units were successfully tenanted, reflecting the sustained demand for well-located rental accommodation.

The implementation of social housing projects across the country resulted in the creation of 12 022 job opportunities, highlighting the programme's role in supporting economic activity and employment.

Honourable Chairperson,

Working with provinces, we continue to make significant progress in advancing transformation, skills development, and participation of the previously disadvantaged within the property sector through PPRA.

In line with our 2025/2026 Budget Vote theme: "Leveraging technologies for resilient sustainable human settlements", we hosted a successful Summit on Innovative Building Technologies (IBT).

Importantly, the Summit was not merely a discussion platform. It produced concrete outcomes, including the already approved Consolidated IBT Implementation Plan that establishes a national roadmap with clear responsibilities and reporting lines.

The plan ensures that IBTs are institutionalised within existing housing programmes in all the nine (9) provinces, rather than standing as a parallel initiative. This has been confirmed by MECs of Human Settlements across the country.

We are also engaging development finance institutions, the banking sector, and National Treasury to ensure IBTs are integrated into existing subsidy and funding frameworks, rather than creating unfunded mandates. As a department and government, we have also resolved that at least 2% of the Human Settlements Development Grant (HSDG) may be allocated to IBT-related housing projects in provinces.

As we forge ahead with the implementation of the IBTs, we have underscored that it must prioritise local manufactures, emerging contractors, youth, women, and township-based enterprises, ensuring IBTs drive inclusive economic participation and job creation.

To show our commitment to the IBTs, we have ensured that the 2024 White Paper on Human Settlements provides the policy foundation for innovation and alternative building typologies. Work is already underway to embed IBTs within the Housing Code, norms and standards, and implementation guidelines, ensuring they can be delivered through existing subsidy programmes, not special or ad hoc arrangements. IBTs are being institutionalised into the core business of human settlements delivery.

The IBT Summit marked the end of experimentation and the beginning of implementation.

Honourable Chairperson,

During the 2025/26 financial year, the department identified 212 blocked housing projects nationally. Of these, 85 projects were successfully unblocked, resulting in the delivery of 1 136 housing units in Gauteng, the Free State, Northwest, KwaZulu-Natal, Mpumalanga and Limpopo.

We are sharpening our accountability ecosystem such that where contractors and officials of government fail to deliver, there must be consequences. People must be held accountable for their actions.

Honourable Chairperson,

We are proud to announce that Rental Housing Tribunals are now active and functional in all nine provinces. These tribunals provide free and efficient dispute resolution services to tenants using and landlords operating in both public and private rental housing markets.

Honourable Chairperson,

We are ramping up our efforts to address the challenges of illegal land invasion and occupation.

Thus, as the department we have drafted and published the PIE Amendment Bill in the Government Gazette for public comments over a period of 60 days. Parallel to this we are also conducting nationwide public information sessions to solicit inputs from various stakeholders. The closing date for public comments is on, 16 June 2026, and we would have covered all the provinces in terms of public information session.

Our target is to table the Bill before this august house during August 2026.

Honourable Chairperson,

Unfortunately, our budget is not increasing.

Our baseline has been reduced by R20.6 billion over the Medium-Term Expenditure Framework (MTEF). This has resulted in the reduction of Urban Settlement Development Grant (USDG) by R19.7 billion over the MTEF with R5.7 billion in 2026/27, R6.4 billion in 2027/28 and R7.1 billion in 2028/29) to fund the metro trading services.

Notably, Informal Settlements Upgrading Partnership Grant (ISUPG) Municipalities has also been reduced by R490.8 million in 2026/27 financial year. We have also

reallocated R2.9 billion over the MTEF from HSDG to ISUPG to support non-Metro provinces to upgrade informal settlements. We urge all provinces to use these resources to better the living conditions of people living in informal settlements.

The allocation for the 2026 MTEF period, which will support the implementation of the sector's Medium-Term Development Plan (MTDP) targets, including conditional grants, amounts to R81.364 billion, with R26.972 billion allocated in the current financial year.

Conditional grant funding for the current financial year totals **R23.679 billion**, representing 87 per cent of the annual allocation. These funds are distributed as follows:

- Provincial Departments will receive **R15.183 billion**, constituting 64 per cent of the total grant allocation; and
- Metropolitan Municipalities (Metros) will receive **R8.486 billion**, accounting for 36 per cent of the total grant allocation.

Honourable Chairperson,

As I table this budget before this August house, let us remember that this budget is not merely about allocation. It is about delivery, dignity, and transformation. Through these investments we must ensure they translate into real change in the lives of South Africans.

The commemoration of the 30<sup>th</sup> anniversary of our constitution is a significant milestone, and we must continue to double our collective efforts in making sure that we meet the housing expectations of the people through the delivery of adequate, safe, durable, climate-resilient, and sustainable typologies of houses.

I present to you the people's budget.

This is an instrument aimed at facilitating the creation of sustainable, integrated, climate-resilient, and dignified human settlements, aiming to improve the quality of household life and provide secure tenure.

I thank you.