



**MINISTRY  
HUMAN SETTLEMENTS  
REPUBLIC OF SOUTH AFRICA**

**REMARKS BY THE MINISTER OF HUMAN SETTLEMENTS, MMAMOLOKO  
KUBAYI, HUMAN SETTLEMENTS INDABA AND EXHIBITION, DURBAN  
EXHIBITION CENTRE 04 SEPTEMBER 2022**

**Programme Director**

**MECs of Human Settlements**

**Executive Mayor of eThekweni, Cllr Mxolisi Kaunda**

**Deputy Mayor of eThekweni, Cllr Philani Mavundla**

**Members of the Portfolio Committee on Human Settlements present**

**Members of the Select Committee on Cooperative Governance and Traditional  
Affairs, Water and Sanitation and Human Settlements**

**Amakhosi neziNduna**

**Councilors present**

**Captains of industry**

**Distinguished Participants,**

**Ladies and Gentlemen,**

Let me welcome you once again to the Human Settlements Indaba and Exhibitions. As you know, our country is facing considerable housing challenges, especially for the low income households and poor and indigent households. This gathering that brings together local governments, parliamentarians, civil society, local communities, the private sector, professionals and practitioners, the scientific and academic community and other relevant stakeholders, is an important intervention in our quest to find solutions to these housing challenges.

In the midst of these the challenges, the Department of Human Settlements has been making attempts to streamline the housing delivery processes. Over time, changes have been introduced in policies, grant frameworks and implementation methodologies so that the housing delivery system could be more responsive to changing demand patterns of the housing market. Most significantly, there has been a noticeable increase in the demand for affordable rental and social housing market. There has also been an increase in the number of people who are yearning for government to provide them with serviced stands so that they can build for themselves.

Indeed, the diversity of the housing market requires a differentiated market approach. Such an approach demands a solution that maximises efficiency in the allocation of resources and the utilisation of technical capacity. Beyond the obligation for the provision of Breaking New Ground (BNG) houses, government has a responsibility to crowd-in resources for the provision for other markets that fall outside the funding solutions of the commercial property funders. Progress has been made in forging relationships with the private sector and other funding institutions for the satisfaction of the demand in this market.

However, the current backlogs in the provision of housing in South Africa requires an urgent review to realise upscaled delivery targets. Left to run its course, the current plan will perpetuate the backlogs and the only way that this will change is through a review of policy, funding mechanisms, implementation plans, targets and outputs. The review we are proposing is required across income categories, regions, and provinces. This is because there is a realization that the scale of delivery required to effect the desired development outcomes will not be achieved with the current project pipeline and funding trajectory.

The affordable housing sector, including rental and social housing has been identified as a key opportunity based on the available plans and documentation in place. The Affordable Rental and Social Rental Housing programme should serve as a case for good practice implementation. Lessons learnt from these programmes should then be transferred to other priority programmes in the sector and includes, the human settlements Bulk and Link Infrastructure Programme (BLP), the Informal Settlements Upgrading Programme (ISUP) and the Integrated Residential Development Programme (IRDP).

Available resources, disposal policy, legislative and regulatory instruments, financial and technical resources need to be leveraged to plan and implemented to realise the required developmental outcomes. This can only be achieved by ensuring that investments in the housing sector that dispersed in different institutions in the public and the private sector are brought together in a collaborative framework that will ensure increased impact. As government, we are utilising all the available resources to create a conducive environment for partners in the private sector and Development Finance Institutions to invest in the sector.

Within government, the Department of Human Settlements (DHS), Social Housing Regulatory Agency (SHRA) and the National Housing Finance Corporation (NHFC) have initiated a collaborative relationship with the Infrastructure Fund (IF) to create a framework for large scale financing proposals for catalysing the implementation of the social housing projects (SHP). This has potential to increase investment into the sector from R1 billion and 3 000 units per year currently to about R15 billion and up to 45 000 units per year by 2025. This would be a positive step in reducing the estimated investment gap of R144 billion and a backlog of 320 000 units in the social housing sector.

In its plans, the NHFC has budgeted debt transaction approvals of R1 Billion over the three-year period, which is an average of R362 million per annum. Given that the Loan to Value in Social Housing is 30%, this debt approval would necessitate consolidated capital grant (CCG) Approvals of R2.3 Billion in the same period, or R760 Million CCG approvals per annum. This is in line with the SHRA's MTSF allocation of R 4 Billion, which is an average of R800 Million allocation per annum.

In this financial year, the Department will implement its affordable housing programme in mining communities in partnership with mining companies. To strengthen our partnership with mining companies, we are currently developing a partnership framework between the Government and mining companies that will guide the joint design and implementation of partnership projects in identified municipalities.

A total ring-fenced budget of R 548 million has been allocated to provinces in the 2022 DORA Framework, to support the implementation of bulk infrastructure projects in mining communities.

In the context of competing developmental priorities and funding constraints, a revision of policies, grant architecture and funding mechanisms is required improve funding sources within state housing programmes. Necessarily this undertaking will require an analysis of the Grant Architecture and Project Pipeline.

An analysis of the current grant architecture, funding streams spend and allocation. will reveal to what extent existing grants are being utilised, underutilised, and optimally used. The mapping of allocation and spend patterns will provide valuable insights into identifying specific intervention areas. In addition, the analysis can provide insight into whether the relevant grant frameworks need amendments or improvements, or overhaul of the entire housing and human settlement government grant and funding structure. We have already kick-started this process.

There is a need to significantly improve the quality of the current project pipeline to address the existing housing backlog. An analysis of the pipeline is necessary in determining how the quality of projects in different stages can be improved. Through this analysis projects in planning, shovel ready projects and projects in implementation can be identified for targeted interventions and improvements. This will also provide insight into areas where institutional arrangements can be strengthened to accelerate delivery. The Department of Human Settlements and its entities are working closely with the Infrastructure Fund and the Development Bank of South Africa to improve the quality of the pipe line and this work already yielding results.

The Integrated Residential Development Programme (IRDP) is challenged with the bulk infrastructure constraints and attracting private sector funding, and it is only when a project matures that it is able to overcome these challenges. One of the Interventions identified for accelerating delivery within this programme is to fast-track the implementation of the bulk infrastructure required by these developments at scale. The Bulk Infrastructure Funding and Financing intervention can be developed and implemented in the short term, 6 months to 1 year.

The reality is that the rapidly rising rate of urbanisation will continue to put pressure on the housing delivery system in cities and also lead to the increasing number of informal settlements. Our Informal Settlements Upgrading Programme is currently underperforming and there is a need to think about better ways to implement this programme. Beyond the pressing need for the provision of basic services in a manner and speed that does not violate human rights is the rising need for urban land for human settlement.

To respond to the rising need to urban land for human settlements, there is a need to accelerate the transfer of DPWI strategic land to the Housing Development Agency (HDA). Within the portfolio of properties already transferred, the HDA is in the process of further identifying properties suitable for social and student rental housing as well as large scale human settlement development. Further insight and research is currently being sought with respect to the cost of development and the repurposing of current properties and land parcels, as well as the potential targets and outcomes to be unlocked.

I would also like to reaffirm our commitment to increased partnership with communities in the delivery of services. The People's Housing Process (PHP) Programme will help us to strengthen community participation and to encourage community project ownership. This is in line with Government's broad vision which emphasizes the need to "adopt a people-centered" service delivery approach". The aim of this approach is to create a more responsive and accountable communities that participate in the development of their own communities. As part of the engagements in this Indaba, we should seek to find innovative ways to structure community participation so that we can accelerate the delivery of sustainable settlements.

The transformation of the Human Settlements sector will remain a guiding objective that will help us to structure the partnerships with the private sector. The sector has a responsibility to transform our cities by disrupting the apartheid spatial development and also increasing the participation of the previously disadvantaged in the sector. We all have a responsibility to create a new socio-economic reality that is not a replication of the economic realities of our apartheid past. We will continue to emphasize, the implementation of the national sector wide programmatic approach on set asides for provinces, metropolitan municipalities, accredited municipalities for human

settlements grants. The approach dictates that there should be 40% set aside for women on the procurement budget on all grants.

The coming into operation of the Property Practitioners Regulatory Authority (PPRA) presents an opportunity to transform the property management sector and empower Black, and African, in particular women, youth and persons with disabilities.

The entire rental property development and management chain to develop small and medium enterprises to support property management in particular including maintenance, refurbishment and rental management.

I am pleased that the deliberations in this Indaba will include the following:

- Project planning – our project planning needs to improve in terms of coordination amongst the various stakeholders so that we can be able to crowd-in private sector investments.
- Project financing – we need to find innovative funding mechanisms so that we can efficiently allocate the resources we have to attain maximum impact
- The regulatory framework - we need to discuss how to ensure our plans and funding are linked to a responsive regulatory and compliance framework.
- Transformation of the sector – we have to ensure that our plans and deliverables consider transformation and empowerment.
- Community participation – we need to explore better ways of maximising community participation in our work.

We are gathered under the theme, “Transforming Human Settlements environment through accelerated planning, implementation and public-private partnership” and this a reflection of our urgent intent to change the housing delivery trajectory. I am quite confident that with the brain power that will participate in this gathering, we will come out of this Indaba with a concrete plan on taking the sector forward, strengthening the public/private partnerships and increasing its economic output of the sector.

I wish you well in your deliberations.

I thank you