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**Contents**

<i>No.</i>		<i>Gazette No.</i>	<i>Page No.</i>
<b>GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS</b>			
	<b>Human Settlements, Department of / Menslike Nedersettings, Departement van</b>		
4206	Housing Act, 1997, as amended: Request for comments on the draft White Paper for Human Settlements .....	49895	3

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**GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS**

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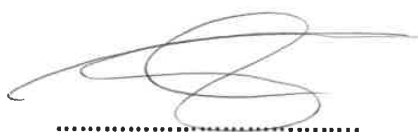
**DEPARTMENT OF HUMAN SETTLEMENTS**

NO. 4206

18 December 2023

**REQUEST FOR COMMENTS ON THE DRAFT WHITE PAPER FOR HUMAN SETTLEMENTS**

1. I, Mmamoloko T. Kubayi, acting in my capacity as Minister of Human Settlements, in terms of sections 2, 3(1), and 3(2)(f) and (g) of the Housing Act of 1997 as amended, hereby gives notice of the publication of the draft White Paper for Human Settlements, and request written public comments.
2. The comments on White Paper for Human Settlements may be submitted via
  - a. **Email:** [Mypolicy@dhs.gov.za](mailto:Mypolicy@dhs.gov.za)
  - b. **Hand:** delivered at 240 Justice Mohammed, Sunnyside Pretoria, 0001
  - c. **Post:** The Director-General, Department of Human Settlements, Private Bag x 644, Pretoria, 0001.
3. Comments should be submitted not later than 31 January 2024.
4. For further information contact:
  - a. Dr Nana Mhlongo: Deputy Director-General: Research, Policy, Strategy and Planning on 082 346 9070.
  - b. Ms Nonhlanhla Buthelezi: Chief Director Policy Development on 082 735 8260.
5. The Department will publish a schedule of consultations to engage with stakeholders in public venues.



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**Ms. M.T. KUBAYI (MP)****Date:** 30/11/2023



**human settlements**

Department:  
Human Settlements  
**REPUBLIC OF SOUTH AFRICA**

# **WHITE PAPER FOR HUMAN SETTLEMENTS**

**NOVEMBER VER. 2023**

## Table of Contents

<b>DEFINITIONS .....</b>	<b>3</b>
<b>1. PREFACE .....</b>	<b>5</b>
1.1. General Principles .....	5
1.2. History of Housing in South Africa Pre-1994 .....	6
1.3. Context and Background .....	8
1.4. Problem Statement .....	13
1.5. Policy Vision, Objectives and Impact Statement .....	16
1.5.1 Policy Vision .....	16
1.5.2 Objectives .....	16
1.5.3 Impact Statement .....	16
1.6 Theory of Change .....	17
1.7 Scope of Application .....	18
<b>2 POLICY ANCHORS.....</b>	<b>19</b>
<b>2.1 Introduction .....</b>	<b>19</b>
2.2 Housing Subsidy Programme .....	19
2.3 Policy and Legislation .....	21
2.4 International and Regional Treaties and Declarations .....	29
2.5 Macro economy, housing and human settlements .....	30
2.6 Approaches to Housing and Human Settlements .....	37
<b>3 PART 2 – POLICY OPTIONS .....</b>	<b>39</b>
3.1 Introduction .....	39
3.2 Spatial Planning and Demand Management .....	40
3.3 Land for Housing and Human Settlements .....	43
3.4 Informal Settlements Upgrading .....	47
3.5 Affordable Rental Housing .....	50
3.6 Affordable Housing .....	54
<b>4 PART 3 – POLICY ENABLERS.....</b>	<b>57</b>
4.1 Introduction .....	57
4.2 Funding Models and Financing .....	57
4.3 Market Support and Facilitation .....	62
4.4 Contributing to the Economy .....	63
4.5 Climate change, climate resilience and innovative systems .....	66
4.6 Empowerment and Transformation .....	67
4.7 Capacity Development .....	68
4.8 Expansion of Local Government Role: Municipal Accreditation Programme 70	
<b>5 PART 4 – GOVERNANCE.....</b>	<b>72</b>
5.1 Introduction .....	72
5.2 Monitoring and Reporting Systems .....	72
5.3 Institutional Arrangements and Instruments .....	73
<b>6 POLICY IMPLEMENTATION.....</b>	<b>81</b>

**DEFINITIONS**

Adequate housing	Measured in terms of the fulfilment of the following elements- security of tenure; availability of services, materials, facilities and infrastructure; affordability; habitability; accessibility; location; and, cultural adequacy.
Affordable housing	Housing options that are financially accessible for low-to-middle income households, facilitated by means-tested government assistance, and cover both traditional low-income and 'Gap-market' housing. The acquisition often requires a personal financial contribution, with the intent of providing dwellings with better construction specifications and finishes.
Capability	Is an umbrella term to define resources; capacity and ability; knowledge, skills, expertise and competence; financial and capital.
Capacity development	Capacity development is the process of developing the abilities of individuals, organisations, and societies to perform functions, solve problems, set and achieve objectives in a sustainable manner.
Emergency housing	Temporary assistance designed to alleviate the exceptional housing needs of individuals or households in emergency situations. This must entail the provision of secure access to land, basic municipal engineering services, and/or shelter through grants allocated to municipalities. The aid that is provided is intended for rapid response to emergencies including natural disasters, dangerous living conditions, threats of eviction or demolition, displacement due to civil conflict, and conditions posing immediate threats to life, health, and safety.
Evidence-based policy making	Is the process that assists policy makers to make better decisions and achieve better outcomes.
Housing	Is both a physical structure and social structure. In terms of physical structure (dwelling) the key elements includes- the design; material qualities; spatial place; and, ecological interactions. Social structure defines residence-based activities; the character; the people; social qualities; socio-economic interactions in spaces within the dwelling's land and building use, and between it and immediate communities and wider society.
Housing opportunity	This includes the proposed or actual delivery of secure tenure; energy, water and other basic network services for residential use; a serviced site; a serviced site including and one or more dwellings.

Human settlements	<p>Refers to the totality of human settlements, including social, community, environmental, infrastructural (above and below ground), economic, technological, cultural and other functions that ensure that people enjoy physical and mental health and live in a safe place in peace and dignity. Human rights are indivisible and interdependent, so the right to human settlements cannot be separated from the other rights.</p> <p>The totality of any organized human community- whether a city, town or a village- with all social, public and economic amenities and infrastructure, built with sustainable environmentally friendly material, characterized by historic, spiritual and cultural elements.</p>
Land assembly	<p>Land assembly in this policy is viewed in its broadest sense. It includes identifying and acquiring land for housing development; cadastral preparation of that land; planning and planning approvals; and, the necessary township proclamation and/or subdivision procedures. These elements of land assembly support all the different housing delivery interventions by different stakeholders, both inside and outside of the formal legal process.</p>
Sustainable human settlements	<p>Sustainable human settlements and improved quality of household life is defined by:</p> <ul style="list-style-type: none"> <li>• access to adequate accommodation that is suitable, relevant, appropriately located, affordable and fiscally sustainable.</li> <li>• access to basic services such as water, sanitation, refuse removal and electricity.</li> <li>• security of tenure irrespective of ownership or rental, formal or informal structures; and</li> <li>• access to social services and economic opportunities within reasonable distance.</li> </ul>
Theory of change	<p>A tool that describes a process of planned change, from the assumptions that guide its design, the planned outputs and outcomes, to the long-term impacts it seeks to achieve.</p>

## 1. PREFACE

The general principles below provide context in respect of this policy foundation by drawing key Constitutional insights and provisions as a preface.

### 1.1. General Principles

In arriving at the Human Settlement Policy and Strategy Principles, Section 26 of the Constitution of the Republic of South Africa states:

- 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.
- No one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.

Therefore, in this policy, 'adequate housing' is defined as having the following key elements:

- Security of Tenure
- Availability of services, materials, facilities and infrastructure
- Affordability
- Habitability
- Accessibility
- Location
- Cultural adequacy

These elements may be packaged as separate housing opportunities as defined above -- proposed or actual delivery of secure tenure; energy, water and other basic network services for residential use; a serviced site; a serviced site including and one or more dwellings -- as household circumstances differ. It is therefore important that the provision of access to land should be understood as the provision of adequate housing for those individuals who are only in need of land. For households who only need access to land and building material, the provision of these should also be understood as the provision of adequate housing, while provision of access to finance for those who are in need of it should be interpreted as the provision of adequate



shelter. Some households may only need services such as water, sewage, electricity and roads and in some cases it may not be possible to deliver all elements of an housing opportunity given financial or other constraints. Provision of these services to those who only need these should also be interpreted as the provision of adequate housing.

Moreover, the 'progressive realisation' of this right is predicated on Government's obligation to show that it is not only taking appropriate steps to implement housing rights, but that there is a continuous improvement of conditions towards the realisation of human settlements, and that housing is made available to a wider range of people as time progresses.

To that end, in confirming the Constitutional mandate, this Policy asserts that the development of sustainable human settlements is a spatial assertion premised on the integration of 4 key elements: physical elements (infrastructure, services and housing); land use patterns; operational and governance relations; and, socio-economic patterns. The realisation of this endeavour is preceded by available and conducive fiscal arrangements.

## **1.2. History of Housing in South Africa Pre-1994**

The right to better housing is the right of every South African and is recognized globally by the International Human Rights Law and International Covenant on Economic, Social and Cultural Rights. This is also endorsed by the United Nations' rights for everyone to an adequate housing and living standards (United Nations publication, 2012). Despite the international recognition of proper and adequate housing and living conditions, adequate was a real threat to South African social development (Hargreaves et al., 1985). The housing problem in South Africa started in the 19th century after gold and diamond mines were established in the urban centres. These came with the extraction of mineral resources and the development of relevant infrastructure such as roads, railways and other basic infrastructure that led to the recruitment of workers from both rural and urban centres and the British colonies within the country (Vestbro and Emer, 2012). The housing history in South Africa before 1994 was plagued with unprecedented and enormous inequality. The complex racial

discrimination experienced by some sections of the populace was laced with unfavourable apartheid policies. Below is an overview of the policies:

**Colonial Era:** During these periods, housing in SA was subjected to racial and economic divide, with the black South Africans made to live in extremely substandard conditions in an overcrowded environments and this goes against the International Human Rights Law (Beavon, 1992).

**The Natives Land Act of 1913:** Through this law, 7.5% of the country's land was allocated to black South Africans and the rest of the fertile and major parts of the land were allocated to white South Africans. In the 1936 Appropriation, the land allocation was increased to 13 percent for black South Africans. This law pushed the blacks into designated homeland housing infrastructure with aggravated poor living conditions with little or no access to basic infrastructure and public services (Lewis, 1966).

**Group Areas Act of 1950:** This law further propagated racial segregation in land allocation. Designated lands were allocated to people of the same country but different racial groups. the enforcement of the non-white racial group from white-designated areas was common. This subjected the black-designated areas to substandard living conditions since most infrastructure and amenities are in the white-designated neighbourhoods and regions across the country (Lewis, 1966).

**Township Development:** Furthermore, the township was formed to accommodate the black South African growing population in the country. This lead to gross overcrowding and substandard living conditions since most infrastructure and amenities are in white-designated neighbourhoods and regions across the country (Lewis, 1966).

**Bantu Building Workers Act of 1951:** This law also prevented black South Africans from owning homes, and lands and living in the developed urban centres without proper permission by the authority. This has resulted in making land, and home ownership an illusion for black South Africans (Vestro and Emer, 1999).

**The 1970s and 1980s:** The 1970s and 1980s were marred with aggravated protest and civil unrest that was centred along housing issues amongst other things. The response from the government of the day was rather harsh, cause it led to the destruction of illegal dwellings by the other side of the racial divide (Nkambule, 2015).

**The End of Apartheid 1994:** At the end of apartheid, the new government flagged the housing deficit amongst the oppressed South Africans, through policies such as the Reconstruction and Development Programme (RDP), and the provisions of basic infrastructure to boost the living and economic conditions of all South Africans and not just one portion of the population. so far, despite the efforts to mitigate housing backlog South Africa continues to be plagued by an affordable housing backlog, informal settlements and equal land redistribution among the general population to properly eliminate inequality and foster socio-economic development (Hodkinson, 2012).

### 1.3. Context and Background

The evolution of the housing and human settlement policy spanned over three waves of development. The first wave, 1992 to 2003 was characterised by the theme of building houses for integration premised on policy formulation and private sector developer driven delivery of houses. In this regard there was a focus on a developmentalist, welfarist policy approach to redressing housing provision. This was underpinned with the National Programmes- Reconstruction and Development Programme and Growth, Employment and Redistribution Strategy. The National Housing Forum and Botshabelo Accord launched the New Housing Policy and Strategy for South Africa (1994), the National Subsidy Programme (1994) and the Housing Code (2001).

The policy was implemented through seven key strategies: 1) stabilising the housing environment by creating a stable and effective public environment, lowering perceived risk in the low income sector of the housing market, by ensuring that contracts were upheld and applied, and all parties understood and fulfilled their roles and responsibilities, and ensuring good quality housing; 2) mobilising housing credit by encouraging lending to the low income sector at scale by managing and cushioning commercial risk and sharing it between a range of players including the individual,

the private sector, and government; 3) providing subsidy assistance through the National Housing Subsidy Scheme, the Discount Benefit Scheme and the Public Sector Hostels Redevelopment Programme; 4) supporting the People's Housing Process focused on supporting and facilitating the process of home building by individuals, families or communities; 5) rationalising institutional capacity through creating a single and transparent housing funding process and institutional system in terms of the government sector; 6) the speedy release and servicing of land primarily through the Development Facilitation Act, 1997 (Act No. 67 of 1997), currently with SPLUMA; and, 7) co-ordinating Government investment in Development through for example the Urban Development Framework, the Rural Development Framework, and Integrated Development Plans.

The key programme implemented during this period was the RDP Housing Programme, the Social Housing Programme, the People's Housing Process, the Discount Benefit Scheme and the Public Sector Hostels Redevelopment Programme. The second wave of policy evolution happened between 2003 and 2012 and had as a basis the National Programmes of New Growth Path; Outcome 8 Delivery Agreements: Sustainable Human Settlements and Improved Quality of Household Life and the National Spatial Development Perspective. There was a distinct trajectory shift towards the creation of sustainable human settlements premised on a move from quantity to the development of quality human settlements. The package of services on offer expanded to become inclusive of human settlements deliverables. This period saw a focus on public sector driven delivery of human settlements. Spatial Planning and Land Use (SPLUMA ACT) was developed to fastrack spatial development at land at municipal level.

These were underpinned by the Breaking New Ground-Comprehensive Plan for the Development of Sustainable Human Settlements (BNG) (2004) and the Social Contract for Rapid Housing Delivery (2005). The key strategies to achieve the new housing vision as espoused in the BNG included:

- 1) the expansion of the mandate of the then Housing Department to encompass the entire residential housing market. This expanded scope was required to address increased integration between the primary and secondary housing market. The impact of this expanded mandate is reflected throughout the plan but is

- manifested most strongly through the expansion of the existing state-assisted housing scheme to support lower middle-income groups (this was to become the Finance Linked Individual Subsidy Scheme (FLISP));
- 2) Shifting from product uniformity to demand responsiveness so as to address the multidimensional needs of sustainable human settlements. This approach is intended to provide maximum flexibility and ultimately to enhance the mobility of households. The mechanics of this approach were implemented through the Social Housing Programme and the Informal Settlement Upgrading Programme;
  - 3) Enhancing the role of the private sector in particular through the collapsing of the subsidy bands into a uniform subsidy amount, the provision of housing finance through the Financial Sector Charter and project management support;
  - 4) Creating linkages between the primary and secondary residential property market through the introduction of the FLISP, amending the Housing Act (1997) so as to reduce the prohibition of the sale of subsidy house period following occupation to five years, municipalities taking the lead role in negotiating the location of housing supply to facilitate spatial restructuring and enhancing access to title;
  - 5) Introducing a new informal settlement upgrading instrument to support the focused eradication of informal settlements;
  - 6) Promoting densification and integration through the development of a densification policy, fiscal incentives and enhancing spatial planning;
  - 7) Enhancing the location of new housing projects through accessing well-located state-owned and parastatal land, acquisition of well-located private land for housing development, funding for land acquisition and fiscal incentives;
  - 8) Supporting Urban Renewal and Inner-City Regeneration through the Social Housing programme and FLISP; and,
  - 9) Developing social and economic infrastructure.

The Housing Code (2009) was revised to reflect the changes emanating from BNG. The programmes undertaken during this period were as follows: Integrated Residential Development Programme, Upgrading of Informal Settlements Programme, Provision of Social and Economic Facilities, Housing Assistance in Emergency Circumstances, Social Housing Programme, Institutional Subsidies. Community Residential Units (CRU) Programme, Individual Subsidy Programme, the Rural Subsidy: Communal Land Rights Programme, the Consolidation Subsidy Programme, Enhanced Extended Discount Benefit Scheme, Rectification of Residential Properties programme, Housing Chapters

of an Integrated Development Plan, Operational Capital Budget, Enhanced People's Housing Process and the Farm Residents Housing Assistance Programme.

However, factors such as population increase, rapid urbanisation, significant regional differences, increasing spatial concentration, increased unemployment and increasing costs of building material and construction, saw the housing backlog increase and the nature of demand for housing change significantly.

The third wave, from 2012 has as a foundation the National Programme: the National Development Plan 2030 (NDP) (2012), the Integrated Urban Development Framework (IUDF) (2014), the Medium Term Strategic Framework (MTSF) 2014-2019, the Spatial and Land Use Management Act (SPLUMA) (2013) and the Towards a policy foundation for the development of human settlements policy document (2015). This period also saw the move of the Urban Settlement Development Grant (USDG) move from the Department of Cooperative Governance and Traditional Affairs (COGTA) to NDoHS.

The NDP recommended that for human settlements development the state should gradually shift its role from a direct housing provider of last resort to a housing facilitator ensuring adequate shelter and greater access to a wider choice of housing options. It should ensure optimal settlement performances by developing public. Goods through investment in public transport, other economic and social infrastructure, quality public spaces and sustainable jobs. Where housing is provided, greater emphasis should be on rental housing as many individuals do not settle permanently in towns and cities or require interim accommodation before they do so. The Integrated Urban Development Framework (2016) as defined by COGTA provides for cities and towns become more inclusive, resource efficient and good places to live, work, shop and play in, as per the vision outlined in the National Development Plan. The accreditation process for municipalities has not been without challenges. There has been little effort from many municipalities to get accredited due to lack of information and the complexity of the process itself.

The MTSF is a building block of the NDP and is used as a planning instrument that sets forth targets to be achieved within a 5-year period. The MTSF 2014 to 2019 (DPME, 2014) indicates the following targets for the human settlement sector: 1.4 million more households living in new or improved housing conditions by 2019, 110 000 new housing

units delivered in the affordable gap market by 2019, 49 municipalities assigned or accredited with the housing function, a multi-segmented social-rental housing programme, which includes backyard rentals.

The MTSF 2014-2019 indicated that there were formidable challenges facing human settlement development that slowed progress up the property ladder that included the 2008-2009 recession, dysfunctional settlement patterns, well-located land was expensive, urban planning and processes were overridden by political imperatives, limited middle income housing stock-'gap market'- for households that had incomes that were above the thresholds for subsidised housing but insufficient to be able to access commercial bank loans.

The MTSF 2019-2024 focuses on three interrelated outcomes:

- 1) Spatial transformation through multiplicity of programmes and integration in priority development areas;
- 2) Adequate housing and improved quality living environments; and,
- 3) Security of tenure. In this regard the focus for housing and human settlements developments is a distinct shift from reactive to proactive mode incorporating budgeting, inter-departmental coordination and planning, monitoring and efficient policy implementation. The role of municipalities as the coal-face for human settlements and the built environment development and management is emphasised.

One of the valuable lessons learned that is often underscored is the complexities that surround housing and human settlements developments. The state-market housing provision dualism in housing research and housing policy choice is riddled with unintended consequences. Housing is a complex adaptive system due to its character of being both an economic and a social process, both a consumption good and an asset, both a welfare benefit and a market commodity, graduated from being a physical good to a money good with time, and the multiplicity of actors and sectors of the economy involved in its delivery process.



#### 1.4. Problem Statement

Since 2014, various investigations, research, reviews and evaluations on human settlements policy and programmes have been conducted. These include, those conducted by the National Planning Commission, National Treasury, Financial and Fiscal Commission, Department of Performance Monitoring and Evaluation, Department of Cooperative Governance, Statistics South Africa and the Department of Human Settlements, as well as research organisations identified numerous shortcomings related to gaps in policy and divergence in programme implementation.

Intrinsically evolutionary growth of people, processes and technologies has determined that the current housing policies and legislation is lacking in its endeavour to provide sustainable human settlements. A responsive Human Settlement Policy must be able to address the following identified challenges as highlighted from the NDP:

- Political imperatives weaken urban and rural development resulting with weakened spatial planning, and resulting in planning that is not aligned to the National Development plan long term vision.
- Disjuncture between political agenda, governance and ethical standards and the need for service provision
- Inadequate integration of communities spatially. Uncertain prospects of densely settled and historically dislocated rural areas;
- A need to ensure continued provision of housing, infrastructure and social services;
- A demand to meet a complex set of housing affordability needs; and
- The need to reactivate strong social solidarity amongst communities in building vibrant and safe settlements and thus the building of capable and confident citizens.

Further, despite the existence of a strategy in the form of a Comprehensive Plan for the Development of Sustainable Human Settlements approved by Cabinet in 2004, the absence of a policy and legislative framework on human settlements has been identified as a main hindrance in the development of human settlements. The policies



and programmes that directs the functioning of the NDoHS remain grounded in one aspect of human settlements namely, housing.

The absence of clear directives of what constitutes human settlements and a lack of role clarification, responsibility and accountability continue to hinder the development of human settlements. There has been no clarity in both the Comprehensive Plan and subsequent Housing Code about what human settlements entail and what performance target variables are used to most effectively meet the outcomes. Lack of forward planning result with expensive developments, massive encroaching of roads and haphazard development.

Additionally, in recent times the NDoHS has been struggling with the extent to which Government should respond to the Constitutional Mandate arising from Section 26 – the right of access to adequate housing. Therefore, the main subject of contention has been the appropriate strategies and tools in responding to both the Constitutional mandate and the accountability for the development of human settlements assigned to the Department as a Government administrative mandate. There are generally three main challenges that confront the current interpretation of the Constitutional mandate and the related role that subsidies should play:

- How far the right of access to housing should go in terms of the progressive nature of the right and whether or not the state can and should provide everyone who is poor with a 'free' house, including also who gets prioritised and whether or not such provision is for individuals or households who are most vulnerable?
- What purposes housing subsidies should serve in terms of different strategic objectives such as immediate poverty reduction versus long term spatial change, including also the relationship between the provision of housing without access to public transport and economic opportunities?
- What role should be executed by the three spheres of government and the entities in the development of human settlements?

Despite all the achievements since the promulgation of progressive legislation (e.g. PIE Act), establishment of entities (e.g. SHRA, NHFC, HDA, CSOS) and, planning instruments (SPLUMA) the following challenges persist:

- Numerous Constitutional Court jurisprudence not implemented properly
- Various strategies used to undermine the Act and court jurisprudence
- Hefty costs of eviction and relocation and resettlement have often discouraged both the landowners and the authorities from effecting the relocation
- Lack of synergy in approach and instruments for human settlements, economic development and transport. Key elements of Intergovernmental Relations is missing or ignored. Institutional arrangements are complex with the planning function located at local level, as the housing function is at provincial level, both municipalities and provinces have inadequate capacity, though to different extents, and the responsibility for water and electricity provision is split between those responsible for bulk services and reticulation. Dealing with situations where municipalities or provinces do not align with the National Government's vision to prioritize the enhancement of townships poses a significant governance challenge. It requires a harmonious interplay of policy coordination and accountability mechanisms, including project monitoring, transparent reporting systems, and mechanisms for public participation.
- Limitation to integration of infrastructure planning and development and an absence of long-term plans for infrastructure and services for human settlements.
- Inability for policy development to harvest and learn from outcomes of community research.
- The undermining of spatial planning and governance has made human settlements dysfunctional.
- The high cost of well-located land for human settlements development drive development to the periphery.
- Inability to adequately respond to the diverse needs of low-middle income households.
- Dysfunctional property market and inability of poor household to participate
- Narrow focus of performance management
- Escalating cost of development for government, including cost of building materials and costs associated with construction such as growth of construction mafia.
- Poor quality of construction

- Inadequate stakeholder engagement and mapping including targeted programmes involvement.
- Lack of community and civil society engagement and involvement including a lack of social cohesion deepened by mistrust amongst most communities of governments ability to deliver.
- Lack of a shared vision and beliefs.

## 1.5. Policy Vision, Objectives and Impact Statement

### 1.5.1 Policy Vision

Transformed housing and human settlements dispensation for sustainable socio-economic growth and improved livelihoods.

### 1.5.2 Objectives

The following broad and overarching objectives will be pursued towards ensuring that the new vision is addressed:

- Contextualisation of **policy anchors** in line with the lessons learnt hitherto,
- Determination of key **policy options** for adequate housing and integrated sustainable human settlements,
- Redefinition of **policy enablers** towards ensuring a range of choices for different contexts,
- Re-imagining the **governance** basics for housing and human settlements in the new wave, and
- Packaging a new dispensation of housing and human settlements **policy implementation**

### 1.5.3 Impact Statement

A nation housed in sustainable human settlements and environments (as in b below)

This statement recognises that:

- a) An integrative, collaborative, inclusive and participatory approach will be the primary framework towards the realisation of adequate housing for all South African citizens.
- b) There is a need for regularising principles that will create habitation spaces that are liveable, equitable, sustainable, resilient and efficient, and support economic opportunities as well as social cohesion in South Africa.
- c) A fundamental shift from housing to human settlements is premised on changing the entire methodology and measurements for the delivery of housing in human settlements and this is interpreted as considering a number of variables and options such as serviced stands, higher density developments, and making efficient use of infill sites;
- d) Prioritisation will be given to vulnerable people: the elderly, women- and child-headed families, and people living with disabilities- who will benefit most from fully subsidised housing units.

### 1.6 Theory of Change

The ToC presented has the following components:

- **Inputs:** the inputs into the policy are communities, government funding, human capacity, public housing finance and support institutions, private financial institutions and private contractors and developers
- **Activities:** Government develops a range of housing support programmes identified in the Housing Code. Funding for the housing support programmes is transferred to the provinces. Project identification and packaging is undertaken by municipalities or provinces and approved by Council, in the case of an assignment to a municipality, or the MEC. Project identification should be undertaken in a manner that ensures integration into the built environment. Project implementation and performance monitoring is undertaken either by the municipality or province.
- **Outputs:** The outputs are: (i) fully subsidised housing products for ownership and upgraded informal settlements for targeted, vulnerable households; (ii) package housing opportunities for households; (iii) subsidised rental housing products for low and middle income households, (iv) affordable housing products for ownership for middle income households, (v) serviced land,

including in these the provision of basic services (water, sanitation and electricity) and health, education and social amenities.

- **Immediate outcomes:** Increased access to shelter with secure tenure, access to basic services, access to social and community services, economic opportunities for contractors and job creation.
- **Intermediate outcomes:** The intermediate outcomes are growth in the residential property market, stabilisation of households and communities, improved health of households living in informal settlements, improved access to economic opportunities, the stabilisation of the housing environment, the provision of secure tenure to households, the mobilisation of private household savings into housing products, private sector investment into the low-middle income human settlements sector, contribution to economic growth, and the availability of housing credit at scale.
- **Long term outcomes:** A functional housing market offering households choice, equitable distribution of value in the property market, integration of low-to middle income households in the city, contribution to economic growth and households living in a safe and healthy environment with access to economic, health, education and social amenities.
- **Impact:** Establishment of viable, socially and economically integrated communities, situated in areas allowing convenient access to economic opportunities as well as health, educational and social amenities.

### 1.7 Scope of Application

This White Paper provides an overarching framework to inform policies, legislation and programmes, practices involving housing and human settlements development in South Africa.

The White Paper provides policy certainty and guidance in housing and human settlements developments towards the progressive realisation of adequate housing in sustainable human settlements and improved quality of life to South African citizens.

The responsibility to give effect to the intent in this White Paper rests with a range of stakeholders, including, but not limited to, the three spheres of government, traditional

leaders, civil society organisations, non-governmental organisations, communities, academia, private sector, financial institutions, and, landowners.

## 2 POLICY ANCHORS

### 2.1 Introduction

The policy anchors for the White Paper presents the foundation and contextual statements that government is moving from. The section presents statements on the progression of the subsidy programme; policy and legislation; international and regional context; macro-economy, housing and human settlements; and, approaches to housing and human settlement development.

### 2.2 Housing Subsidy Programme

**Problem statement:** The disparity between the subsidy amount provided by the government Housing Subsidy Scheme (HSS) and the actual costs of housing and human settlement products presents a significant challenge in housing delivery. The HSS has undergone incremental changes over time, resulting in a real-value reduction of the subsidy amount and the implementation of stepped subsidy bands. Despite efforts to adjust the subsidy amount to keep pace with the escalation of building costs and the introduction of a housing allocation formula, there remains a lack of alignment between the subsidy amount and the actual costs, gazetted professional fees, land cost and real housing costs. This disconnect may be attributed to factors such as the regularity and methodology of adjusting the subsidy amount. This has resulted in a reduced number of subsidised housing units being delivered.

Research conducted since 2014 indicates that the South African housing subsidy program has made some progress in providing affordable housing to low-income households. However, it faces several challenges that hinder its effectiveness. These challenges include insufficient funding, bureaucratic delays in delivering subsidies, poor coordination, limited availability of land which is also costly in urban areas, inadequate housing quality, and limited access to additional financing for beneficiaries.

While efforts have been made to address discrepancies between the subsidy amount provided by the HSS and the actual costs of housing and settlement products, there

is still a significant discrepancy that needs attention. Failure to address this properly may result in a further shortages of subsidised housing units for low-income earners.

**Policy position:** The policy position on housing subsidies is to ensure accessibility, equity, and affordability in providing subsidies to low-income households. Government is committed to allocating adequate funding, streamlining administrative processes, and implementing transparent criteria for subsidy allocation. It emphasises the importance of quality assurance in housing units, promoting safety and durability.

### **Policy pillars**

*Accessibility:* Practical measures will be established to make housing subsidies accessible to eligible low-income households nationwide. This includes simplifying application processes, expanding outreach efforts to inform and educate eligible households, and providing support to those who face barriers to accessing subsidies.

*Equity:* The policy prioritises the allocation of subsidies based on transparent and objective criteria, giving special consideration to vulnerable groups, such as women-headed households, persons with disabilities, and the elderly. The aim is to reduce social disparities and promote inclusive housing opportunities.

*Affordability:* Adequate funding and a variety of support options will be allocated as subsidy instruments to address the financial burden impacting low-income households. This policy statement emphasises the development of funding and financing models, that secures public and private sector partnerships, meaningful strategic partnerships and strengthened IGR will empower beneficiaries to acquire an affordable dwelling of good quality, standards and finishes in well-located neighbourhoods, close to public transport and amenities.

*Administrative efficiency:* Administrative processes are streamlined to ensure timely and efficient subsidy allocation. This includes developing clear guidelines and procedures, enhancing coordination among government departments involved with

housing subsidy processes, and leveraging digital technologies to seamlessly manage the entire value chain of beneficiary administration.

*Quality assurance:* Quality assurance is prioritised to guarantee that housing units provided through subsidies meet minimum standards for safety, durability, and liveability.

The policy statement underscores the role of the National Home Builders Registration Council (NHBRC) in enforcing compliance with these standards and promoting the overall well-being of subsidy beneficiaries. Its role is to protect the housing consumer and to regulate the home building environment, it has a critical role in ensuring compliance and in promoting its visibility. Much interaction needs to take place between the NHBRC and its stakeholders. Sustainable human settlements cannot be realised without due compliance.

This policy statement reaffirms the commitment to accessible, equitable, and affordable housing subsidies for low-income households. By implementing these measures, the aim is to effectively address housing needs, reduce inequality, and provide safe and sustainable housing solutions for all eligible beneficiaries in South Africa.

### **2.3 Policy and Legislation**

The shifts in policy and legislation within the complex system of housing and human settlements underwent significant changes. The Housing Act, 1997 (Act No. 107 of 1997) has been superseded by notable normative developments on both international and local levels. In addition, constitutional case-law, including influential court judgments and subsequent legal and policy instruments, played a pivotal role in giving effect to section 26 of the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996).

**Policy mandate:** The origin of South Africa's first housing policy was driven by three main processes, viz. (a) the socio-political consensus-building of the National Housing Forum (NHF) from 1992 to 1994; (b) the rights commitment embodied in the new Constitution, and (c) the economic strategy of the Reconstruction and Development



Programme (RDP). These provided the basis for the first democratic policy formulation in the housing market in South Africa.

The development of the new Constitution and its relation to housing and security of tenure was affirmed by the 1994 Botshabelo Housing Accord, which secured formal support from a broad range of key stakeholders for the new housing policy and strategy. The decision of the Accord was that government would provide the framework for housing provision and facilitate delivery, while the private sector would apply for subsidies on behalf of communities, identify and service land and construct structures where possible. The National Housing Forum and Botshabelo Accord launched the New Housing Policy and Strategy for South Africa (1994), the National Subsidy Programme (1994) and the Housing Code (2001).

A second policy shift saw the implementation of the Breaking New Ground-Comprehensive Plan for the Development of Sustainable Human Settlements (BNG) (2004) and the Social Contract for Rapid Housing Delivery (2005) policy documents. It was a decided trajectory shift from housing provision to the creation of sustainable human settlements. The Housing Code (2009) was revised to reflect the changes emanating from BNG.

The most recent policy shift proposal was a 2015 draft policy, entitled, 'Towards a policy foundation for the development of human settlements', which focused on an increased responsibility by the household for developing the house and a focus by government on the public space.

Furthermore, the National Spatial Development Perspective (2006), the National Development Plan (NDP) (2013), Integrated Urban Development Framework (IUDF) (2016), Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA), and the High Level Panel on the Assessment of Key Legislation and Acceleration of Fundamental Change in 2017 contain commitments and directives that are relevant to housing and human settlements. The most recent (2022) National Spatial Development Framework reiterates the imperative of integrating low income housing into the urban fabric by removing the apartheid spatial barriers.

**Legislative mandate:** Government remains steadfast in its commitment to safeguarding the right to adequate housing, which includes preventing homelessness, prohibiting illegal ~~forced~~ evictions, addressing discrimination, and prioritising the most vulnerable and marginalised groups within the constraints available resources.

The governments' disposition and posture is envisioned on transformation intended to address the historical imbalances in South Africa. The political and economic order is the basis of introducing legislative reforms and programmes as guided by the Freedom Chapter principles.

The Housing Act, 1997 (Act No. 107 of 1997), serves as the core legislation that outlines the mandate and operational imperatives of the National and Provincial Departments of Human Settlements, municipalities and all stakeholders. This legislation is derived from the guidance provided by section 26 of the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996).

The Housing Act, 1997 (Act No. 107 of 1997), and amendments, not only establishes the connection between human settlements and integrated planning but it also recognises the importance of social integration, the role of the market and public environment, institutional capacity and public participation. It provides a solid foundation upon which to build a robust framework.

Subsequent supporting legislation has been enacted to actualise the government's committed position on housing. This includes the Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 (Act No.19 of 1998), the Housing Consumer Protection Measures Act, 1998 (Act No. 95 of 1998), the Rental Housing Act, 1999 (Act No. 50 of 1999), the Home Loan and Mortgage Disclosure Act, 2000 (Act No. 63 of 2000), the Social Housing Act, 2008 (Act No. 16 of 2008) and the Housing Development Agency Act, 2008 (Act No. 23 of 2008).

Several pertinent legislative instruments impact the housing sector and on its alignment to the broader goals of human settlements development and includes, the Extension of Security of Tenure Act, 1997 (Act No. 62 of 1997), the Public Finance Management Act, 1999 (Act No.1 of 1999), the Municipal Systems Act, 2000 (Act No.

2 of 2000), the Local Government Planning and Performance Regulations of 2001, the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), Co-operatives Act, 2005 (Act No. 14 of 2005), the National Credit Act, 2005 (Act No. 35 of 2005), the Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007), the Consumer Protection Act, 2008 (Act No. 68 of 2008), the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011), Share Blocks Control Act 59 of 1980, the Community Schemes Ombud Services Act, 2011 (Act No. 9 of 2011), and SPLUMA.

**Case-law:** The most important judicial decision pertaining to the right of access to adequate housing in Section 26 of the Constitution, in terms of its impact on the housing sector, remains *Grootboom*. *Grootboom*'s main contribution to South African law lies in its establishment of the 'reasonableness yardstick'. This yardstick serves as a guide that legislative and other measures, aimed at progressively realising any of the socio-economic rights outlined in the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996) must adhere.

Several court rulings have impacted the human settlements sector. A few notable cases are mentioned here:

- *Minister of Public Works v Kyalami Ridge Environmental Association and Others (Mukwevho Intervening)*: This case involved a classic NIMBY-type challenge to the construction of a temporary residential area for Alexandra flood victims on the (state-owned) Leeuwkop Prison site. Kyalami Ridge residents objected on numerous procedural legal and social grounds. The Court found legal authority for the erection of the camp in section 26(2) of the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996) read with its *Grootboom* court judgement on emergency needs of the most vulnerable.
- *Port Elizabeth Municipality v Various Occupiers*: The Constitutional Court for the first time applied the Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 (Act No.19 of 1998). It ruled that '[i]n general terms, however, a court should be reluctant to grant an eviction against relatively settled occupiers unless it is satisfied that a reasonable alternative is available, even if only as an interim measure pending ultimate access to housing in the formal housing programme.' The Court opined that 'section 26(3) [of the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996)] evinces special

constitutional regard for a person's place of abode. It acknowledges that a home is more than just a shelter from the elements. It is a zone of personal intimacy and family security.' Hence, an eviction that is being sought by a municipality or private landowner must also respond to the immediate housing needs of those who are supposed to be evicted in order to avoid intolerable hardship.

- *President of the Republic of South Africa and Another v Modderklip Boerdery (Pty) Ltd*: With regards to evictions emanating from owners of privately-owned land, the Constitutional Court ruled that the State is obligated to enforce the eviction order to avoid the deprivation and infringement of the property rights of private land owners. In addition, care must be taken in executing the eviction order to prevent social upheaval.
- *Maphango and Others v Aengus Lifestyle Properties (Pty) Ltd*: The respondent - a property developer who purchased a residential building in Braamfontein called Lowliebenhof which was occupied by the appellants - terminated the appellants' leases in order to increase their rentals in excess of the amounts permitted by the escalation clauses contained in the agreements themselves.
- On 22 June 2011, the appellants launched an application for leave to appeal to the Constitutional Court against the SCA judgment. They sought a declaration that the termination of their leases was unlawful because they were terminated with the express intention of more than doubling the rent, in violation of clear contractual and legislative provisions governing the procedure and conditions under which the landlord can do so. In a majority judgment the court found that that the High Court and SCA failed to give adequate weight to the Rental Housing Act and that the landlord's conduct may have amounted to an 'unfair practice'. The Rental Housing Tribunal is empowered to determine whether a landlord committed an unfair practice, and it might accordingly have ruled in the tenants' favour. The applicants were directed to lodge a complaint with the Gauteng Rental Housing Tribunal.
- *The Residents of Joe Slovo Community, Western Cape v Thubelisha Homes (2009)*: case is more relevant for its effects than its jurisprudential content. Aspects of the judgment lament shortcomings in the engagement process that preceded the eviction, while others suggest that the living conditions in informal settlements are sometimes poor as to require state intervention, even

where this results in displacement. Ultimately, *Joe Slovo's* most important lessons lie in the facts of its aftermath, where poor intergovernmental relations between city, province and national government meant that the eviction order was ultimately not executed and that the upgrading programme stalled in various respects. What was generally agreed in the judgment is the importance of community participation in the upgrading process.

- The *Abahlali base Mjondolo Movement SA v. Premier of the Province of KwaZulu-Natal (2009) Others*: case declared unconstitutional the KZN Elimination and Prevention of the Re-emergence of Slums Act, for falling foul of the constitutional prohibition on arbitrary evictions as operationalised by the Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 (Act No.19 of 1998). The eviction of residents from an informal settlement in Durban was contested in the case. The court held that evictions could only be conducted in exceptional circumstances and with proper procedural safeguards in place. The judgment emphasised that alternative accommodation must be provided to evicted residents and that evictions should be a last resort. It also recognised the need for participatory processes and community involvement in decisions affecting informal settlements.

**Policy position:**

Governmentll initiates legislative reforms to realise the rights of adequate access to housing. The Housing Act is repealed and replaced by a new instrument, The Human Settlements Act which is connected with the broader goal of establishing sustainable human settlements and improved quality of households including principles from applicable normative instruments, policy documents and constitutional case law.

The Human Settlements Act provides for an understanding of “adequate housing” that encompasses a link to equitable access to land and the responsibility on municipalities to not only regulate building standards, health and safety, but to properly plan for human settlements as a whole. The instrument requires the totality of human settlements policy to progressively realise the rights of access to housing and equitable access to land, differentiates between diversified needs of different people, with the aim to eventually enable self-realisation of the rights for all, embody a commitment to avoid/minimise homelessness (through evictions or otherwise),

embody a commitment to meaningful engagement solutions with communities and stakeholders, embody a commitment to improving living conditions, at a minimum through ensuring health and safety, and embody a commitment to overcoming apartheid legacy through pursuing spatial justice principles such as those in SPLUMA. The instrument allocates responsibilities between the different spheres of government (with specific provisions for oversight, support and interventions by national government). When it comes to municipalities, there is a need to distinguish the duties of all municipalities in terms of section 26 of the Constitution from those of municipalities who will play an active role in housing development.

The Human Settlements Act entail major features that will impact housing and human settlements development in South Africa. These are: 1) the preamble and title will be inclusive of housing delivery in South Africa that serves the broader goal of sustainable human settlements creation; 2) accreditation and assignment of the housing function to local government will be explicitly detailed and defined as per the Accreditation and Assignment Framework for Municipalities to administer National Housing Programmes (2017); 3) tangible obligations on organs of state to ensure sustainable human settlements that will include: a) obliging municipalities to adopt policies and bylaws that promote densification, b) mixed-use living and inclusionary housing, c) obligation to identify, acquire and use well-located land from all spheres of government, as well as expropriating land and buildings owned by the private sector and other bodies where such land is underutilised and is well located for the development of human settlements, and d) making use of the opportunities provided by new expropriation legislation; and 4) appropriate tenure forms will be developed in the Human Settlements Code.

Further, 5) section 10A and 10B lifting or significantly relaxing the restriction on voluntary and involuntary sales of state-subsidised housing. Two legal opinions were sought by the NDoHS on these provisions. They first looked at section 10A and concluded that, given its purpose, the provision was not in conflict with section 25 of the Constitution. The second opinion, relating to the Finance Linked Individual Subsidy Programme (FLISP), concluded that financial institutions that repossess properties owing to defaults were not bound by the eight year prohibition on resale. While it is necessary to acknowledge the importance of the purpose they serve, sections 10A

and B should not be retained in their current form. A new solution needs to be arrived at in relation to the resale restrictions. The options include, a) simply repealing the provisions and accepting the risk of downward-raiding that this implies, b) reducing the time period for which the prohibition applies, c) obliging provincial departments to acquire houses offered for resale, d) prescribing a rate for resale to provincial departments or generally, tied to, for instance, inflation and the time that had elapsed since beneficiaries took occupation, and e) crafting more exceptions to section 10B in relation to credit-linked subsidies.

Further, 6) incorporating the Housing Development Agency. The authority that the HDA has in terms of section 6 of the HDA Act to acquire land be shifted, and that the Minister be given the authority to acquire land that can then be released to the HDA for development projects. And further, the NDoHS requires that the decision-making authority in respect of the approval of projects to be undertaken by the HDA must vest in the Minister. This indicates that the current set up of the two acts needs restructuring. There appear to be three options in this regard- Option 1: That the HDA Act be repealed and its current provisions be subsumed in (and aligned with the remainder of the provisions of) a chapter of the proposed new housing instrument. Option 2: That the establishment, objects, role, mandate, powers and functions of the HDA be subsumed into the new housing instrument, with reference to the remainder of the HDA Act, which can continue to regulate its board, its staff and its funds. Option 3: That the HDA be designated in the new instrument as principal housing delivery agency, be explicitly subjected to the principles pertaining to housing development as set out in the new instrument, and then remain to be regulated in its entirety by the HDA Act.

Further, 7) the establishment and regulation of the Office of the Human Settlements Ombudsman- To further address the need for appropriate oversight and dispute resolution mechanisms, as well as the related needs to ensure compliance with the constitutional principles of cooperative government and to foster intergovernmental relations that are conducive to meeting the aims and objectives of the legislation, the new instrument will establish and regulate an ombud with the specific mandate of overseeing the entire machinery of human settlements development; 8) norms and standards- A provision in the framework legislation will enable the prescription of



different norms and standards and to provide substantive guidelines for their content which will be expressed in the Code; and, 9) monitoring and Evaluation- Coupled with norms and standards, the establishment of mechanisms that provide for effective monitoring and evaluation will be prescribed.

#### **2.4 International and Regional Treaties and Declarations**

South Africa is a participant and signatory to several international treaties and policy instruments that are applicable in defining the obligations of Governments to protect of the rights of their population in relation to human settlements. The following instruments have been ratified by the government and parliament:

- The International Covenant on Economic, Social and Cultural Rights (1976)
- Vancouver Declaration on Human Settlements (1976)
- Agenda 21 (1992)
- Istanbul Declaration on Human Settlements (1996)
- Sustainable Development Goals (SDGs) (2030) and UNFCCC Climate Change commitments
- New Urban Agenda (2016)
- Agenda 2063 (2015)

**Policy position:** Government recognises that there is global, regional, political, legislative and policy convergence on the critical need to intervene in the provision of housing to vulnerable groups within human settlements premised on the goal of establishing integrated, safe, inclusive, resilient and sustainable human settlements. The 'progressive realisation' of the right to housing is predicated on government's commitment to demonstrate that it is not only taking appropriate steps to implement housing rights, but that there is a continuous improvement of living conditions, and that housing and housing opportunities is made available to a wider range of people as time progresses. This progressive realisation is constantly defined by the resources available to undertake housing, housing opportunities and the creation of sustainable human settlements.

In affirming the Constitutional mandate, this Policy emphasises that the development of sustainable human settlements must be based on the integration of 4 key elements: *physical elements* (infrastructure, services and housing), *land use patterns*,



*operational patterns, and, social and environmental patterns.* The realisation of this endeavour is contingent upon the presence of suitable fiscal arrangements.

To that end, government will undertake reasonable legislative, policy and programme reforms to ensure alignment and synergy with the broader goals of human settlements development.

## **2.5 Macro economy, housing and human settlements**

**South African Population:** The StatsSA 2022 census shows that South Africa's population is over 62 million, a growth since 2011 of some 10,3 million people or almost 20%. The largest provinces are: Gauteng (GP) population of 15,1 million, KwaZulu-Natal (KZN) population of 12,4 million, Western Cape (WC) population of 7,4 million and Eastern Cape (EC) population of 7,2 million, with GP/KZN/WC accounting for 64% of the total population growth since 2011.

The population age structure reveals that children and youth amount to nearly almost 38 million in South Africa. Children (0-14 years) account for 16,3 million (26%), youth (15-34 years) account for 21,6 million (34%), adults (35-59 years) account for 17,9 million (29%) while the elderly (60+ years) account for 6,1 million (10%).

As of 2022, some 49,6 percent of household in South Africa are female headed. Provinces with larger portions of rural areas, such as KZN (53,1 percent) and the Eastern Cape (51,9 percent) had a larger share of female headed households. Child-headed households are estimated at about 111 471, based on 2022 estimates as the census 2022 figures in this regard have not as yet been published. Child-headed households are commonly defined as households where all members including the main caregiver are under 18 years.

Census 2022 indicates that a bout 88% of households live in formal dwellings while 8% are in informal dwellings and 3% are in traditional dwellings.

**Rapid Urbanisation** South Africa has been experiencing rapid urbanisation, particularly in the major municipalities such as the Category A (metropolitan), Category B1 (Intermediate City municipalities) and Category B2 municipalities. These

53 municipalities represent only 25% of the category A and B municipalities and 18% of the land surface, yet they contain 63% of the population of South Africa. Importantly, over 80% of the population of South Africa lives on around 2% of the land and in that sense South Africa is more urban than the global average. Importantly, such rapid population growth means the demand for social, infrastructural, economic, environmental and other services has increased with concomitant impacts on governmental resources.

**Economic factors:** The South African economy has faced a series of global and local disruptions, including slowing global growth, geopolitical tensions and wars and the pandemic amongst others. The economy is expected to struggle should these challenges persist. Stats SA reported that between 2011 and 2021 the Gross Domestic Product (GDP) averaged 1,2%. The South African economy has expanded by 2,0% between 2021 and 2022, from R4,50 trillion to R4,60 trillion.

Overall, the South African economic expansion has been slow since the outbreak of the pandemic (i.e. between 2019 and 2022). Although GDP reached an all-time high in 2022, the economy has only grown by 0,3% from the 2019 pre-pandemic reading of R4,58 trillion. This lags behind the 3,5% rise in the country's population over the same period. Notably, six industries have yet to recover to their pre-pandemic levels of production. These are construction (-23,1%), mining & quarry (-8,1%), electricity, gas & water (-6,3%), transport, storage and communication (-3,8%) and trade, catering and accommodation (-3,6%).

According to National Treasury forecasts, South Africa's economy is expected to grow by 0,9% in 2023 and will recover slowly to 1,8% by 2025. This rate of economic expansion is below the pace required to generate significant employment growth and support national development. This has resulted in increasing dependency on government intervention as many households in rural areas and urban areas are living in increasing abject poverty. The affordability of citizens to purchase a house valued at more than R500 000 has decreased as house prices, inflation, and income have affected the affordability levels. Low-income earners have found it increasingly difficult to enter the property market because of stringent lending regulations, practices and declining levels of disposable income arising from economic pressures

such as increasing interest rates, below-inflation salary increases and a persistent cost of living crisis

**High Rate of unemployment:** Statistics South Africa (2022) reported that of the 40,2 million people of working age in South Africa (15-64 years), 16,6 million are economically inactive population with only 15,6 million people employed while 8,0 million people are unemployed. South Africa's official unemployment rate stands at 33,9%. The unemployment rate among the Black African (37,8%) population group remains higher than the national average and other population groups. Youth unemployment was at 59,6%. Black African women are the most vulnerable with an unemployment rate of 39,3%. This is 3,8 percentage points higher than the national average for women at 35,5%. It is important to note that the expanded unemployment rate which include the official unemployed, the discouraged work seekers and people with other reasons for not searching for work is 44,1%. As a consequence, South Africa is confronted with a shrinking tax base and a widening national expenditure as well as increasing numbers of people dependent on government for housing assistance and the provision of basic services.

**Poverty:** Stats SA states that as of 2022 18,2 million people in South Africa were living under 1,9 U.S. dollars per day which is the international poverty threshold defined by the World Bank. It also mentions that South Africa has the highest income Gini index globally at 63% as of 2018.

Social grants remain a vital safety net. Grants are the main source of income for almost one-quarter of households nationally. In 2021, households that received at least one social grant constituted 50,6% of total households while individuals who benefited from social grants constituted 35,7% of the population. From the year 2003, as access to grants increased, vulnerability to hunger at an individual and household level has declined until 2019 although since 2020, the vulnerability to hunger has increased slightly. A recent 2022 study indicates that 20,4% of South Africans are food insecure.

The rollout of the special COVID-19 Social Relief of Distress (SRD) grant in 2020 has played a central role in protecting individuals and households against the loss of income during this period. Due to the high uptake of the R350 per month grant, the

percentage of individuals who accessed grants increased to 35,7% in 2021. Nationally, 5,8% of individuals accessed the COVID-19 SRD grants in 2021. Individual access to the SRD grant was notably higher in metros at 25,2%. Nationally, around 3,6 million households registered as indigent, this equates to approximately 19,9% of households.

**Factors related to housing:** Census 2022 reported that there are some 17,8 million households, with the average size of households being 3,5 persons. But there are marked variations in household size across our provinces: Gauteng has the smallest number of people per household (2,8 persons per household); followed by Western Cape and North West with some 3,3 persons per household. And in KwaZulu-Natal 53% of households are headed by a woman compared with on 46% in Gauteng. What this means is that in our major economic centres of Gauteng, Cape Town, eThekweni and other major economic municipalities, there are disproportionately high numbers of, usually male, single-person households, more than likely single persons seeking out jobs.

Indeed, even the measure of what constitutes a household in human settlements and housing opportunity terms must be carefully analysed as some people may be living in an informal settlement (and measured as a household of one person), may have a formal house relatively nearby (such as a housing subsidy house) which may be rented out and yet also be part of a larger household living in an area as a result of apartheid spatial patterns. This creates a significant challenge in that government must plan for different possibilities such as that they could be persons who will remain as migrants remitting income to families in other areas or their families will relocate putting an additional strain on existing resources.

The human settlements sector has delivered over 3 431 382 housing opportunities made up of stand-alone houses and units in multiple storey/multi-unit buildings by 2022. In addition, 375 949 Enhanced Extended Discount Benefit Scheme (EEDBS) subsidies were granted and title deeds transferred to qualifying occupants of the pre-1994 government rental houses in order to promote home ownership. Provinces and municipalities have also reported the delivery of 1 282 123 serviced sites that have been completed by end February 2022.

The improvement in the delivery of basic services since the 2011 census is significant as shown by the following:

- 91,3% of households have access to piped water, with a significant increase in the number now getting water inside their house;
- 71% of households now have access to flush toilets compared with 60% in 2011. In addition, the installation of pit toilets with ventilation pipes played an important part in achieving large improvements in sanitation.
- 88,5% of households live in formal dwellings in 2022 compared with 77,6% in 2011;
- 94,7% of households now have access to electricity compared with 84,7% in 2011. This has resulted in a significant reduction in the use of wood and paraffin for cooking purposes;
- Only 7,9% of households live in informal dwellings compared with 13,6% in 2011; and Regarding
- Only 21% of households now do not have access to the internet compared with 64,8% in 2011.

The demand for adequate housing is still huge and it includes households in informal settlements and backyard shacks. These households are dependent on the intervention of government for housing. A total of 2 345 006 people have registered in the National Housing Needs Register of the Department of Human Settlements and are still to be assisted.

Stats SA (2022) reported that the average annual household income was R138 168, with male-headed households (R165 853) earning significantly more than female-headed households (R98 911). White-headed households (R350 937) spent five times more than black African-headed households (R67 828) and three times more than the national average. The average household income levels are not sufficient for households to be able to house themselves adequately without state intervention. Households with incomes between R3 501 and R15 000 per month do not qualify for full government subsidy.

Given the current interest rate environment and cost of living crisis, households with a monthly income of between R3 500 and R7 500 are not able to qualify for a mortgage

loan of between R140 000 and R300 000, because the supply of stock is limited and mortgage finance for households with a monthly income below R7 500 is almost non-existent. This means, there is an increasing number of households that do not qualify for a government subsidy or mortgage finance due to a number of reasons that include non-availability of stock and inability to access mortgage finance.

Three-fifths (62,9%) of households in South Africa had their refuse removed weekly or less regularly in 2021. It is notable that refuse removal was much more common in urban than in rural areas (85,4% compared to 11,8%), while 86,3% of households in metropolitan areas had access to these services.

Our human settlements landscape is significantly differentiated across our country. The following table shows a selection of municipalities and comparing Census 2011 with Census 2022 we find that many are faced with massive increases in households and whilst others do have decreases in HH, in all we find significant increases in formal households and decreases in informal households and in all except for Matlosana we find increases in the numbers of households with access to flush toilets. In terms of energy sources (electricity or in some cases gas), we find significantly high numbers of households with access to energy.

Municipality	2022 Total Pop	22 Total HH	% HH Increase	2022 Ave HH size	%Ch Formal HH	%Ch Informal HH	%Ch Flush Toilets	2022% Access Energy
Buffalo City	975255	268438	16,3	3,6	13,7	-10,9	7,4	94,7
Cape Town	4772846	1452845	36,0	3,3	9,2	-8,8	1,6	98,3
Johannesburg	4803262	1841917	28,4	2,6	8,4	-7,7	3,2	95,9
Tshwane	4040315	1322252	45,1	3,1	5,7	-4,9	2,3	93,5
Ekurhuleni	4066691	1421003	39,9	2,9	10,8	-10,3	4,3	93,8
eThekweni	4239901	1122738	16,6	3,8	10,4	-6,6	12,0	98,6
Mangaung	811431	229426	-4,7	3,5	6,4	-5,7	6,9	95,9
NMB	1190496	307931	-5,0	3,9	4,9	-4,6	3,4	96,8
Makana	97815	29239	36,7	3,3	4,2	-1,3	13,7	96,8
Enoch Mjijima	297055	96791	41,6	3,1	8,3	-1,2	6,9	96,4
Kopanong	51832	14578	-6,8	3,6	3,3	-3,2	7,1	97,6
Matjhabeng	439034	126068	2,2	3,5	9,7	-8,6	4,6	96,0
Maluti a Phofung	398459	115151	14,9	3,5	7,7	-1,5	10,0	96,2
Emfuleni	945650	297910	35,3	3,2	4,8	-4,5	4,6	95,9
Umdoni	156443	33084	-3,2	4,7	18,7	-1,6	10,6	87,1

Municipality	2022 Total Pop	22 Total HH	% HH Increase	2022 Ave HH size	%Ch Formal HH	%Ch Informal HH	%Ch Flush Toilets	2022% Access Energy
Msunduzi	817725	213727	29,7	3,8	17,0	-3,4	5,5	98,6
Newcastle	507710	116763	38,6	4,3	4,9	-3,6	17,3	96,7
uMhlathuze	412075	100441	6,8	4,1	9,6	-2,1	9,6	98,7
Thulamela	575929	142527	25,0	4	4,9	-0,4	14,2	49,8
Polokwane	843459	249443	22,5	3,4	4,8	-4,8	9,1	88,3
Mogalakwena	378198	109294	39,0	3,5	3,3	-2,4	14,3	75,2
Govan Mbeki	310117	103864	23,8	3	15,4	-15,8	0,9	93,8
Dr JS Moroka	324855	74581	20,0	4,4	4,0	-4,1	15,7	84,0
Mbombela	818925	215004	18,2	3,8	4,5	-3,4	8,1	97,3
Sol Plaatje	270078	68314	13,3	4	4,5	-4,0	1,0	95,8
Madibeng	522566	173188	8,2	3	17,4	-17,2	17,8	91,5
Rustenburg	562315	203658	2,3	2,8	17,2	-16,5	15,4	94,7
Mahikeng	354504	104648	24,2	3,4	6,2	-4,8	17,4	95,8
Ditsobotla	164176	42416	-4,7	3,9	15,8	-9,1	15,3	92,6
Matlosana	431231	128359	6,6	3,4	8,2	-7,4	-2,3	92,7

Whilst these reductions are significant, service delivery, infrastructure renewal, maintenance and repairs, as well as ensuring equitable access to all aspects of the human settlements environment remains an important priority. Improved access also means we must ensure we both conserve scarce resources and ensure there are long-term plans in place to also increase the supply of resources such as water, energy, etc. to meet future demand.

**Policy position:** Government acknowledges that this policy will need to address a quandary of issues that include the current policy discourse, which argues that the approach adopted in the current human settlements programmes is unsustainable and has resulted in an escalating growth of government expenditure. In contrast, the UN-Habitat indicated that market based strategies cannot satisfactorily respond to the housing needs of the poor, therefore government subsidies are increasingly becoming indispensable in providing access to adequate housing.

**Policy pillar:** Government will review and intends to enhance current programmes to facilitate better housing circumstances for the poor which may include direct provision of housing stock, financial instruments to stimulate supply and demand for housing, and tenure; and service interventions which may involve, or be directed by, government to varying degrees.



## 2.6 Approaches to Housing and Human Settlements

**Introduction:** With the dawn of democracy, South Africa had to confront many challenges created by the iniquitous policies inherited from the apartheid era. These included poverty, social inequalities, a dysfunctional housing market and slow economic growth. The State had an urgent need to grow the economy and to address social conditions essential for the continued relevance of the developmental State. Housing was elevated to the sector that would simultaneously stimulate economic growth, create jobs and meet the increasing demand for housing.

The low-income homeownership market in South Africa is dominated by the government's subsidised delivery instruments. The State views direct property ownership as a cornerstone not only to promote prestige, security and comfort but to alleviate poverty and create household wealth. The government recognises that property ownership is one of the leading wealth-building vehicles and that introducing policy and legislative reforms with deepening impact is the overarching principle of servicing the underserved markets.

**Problem statement:** While there are a number of critiques of the current housing programme, they generally fall into three main categories, those that are concerned with *technical issues*, others concerns revolves around about the *market* and the rest on *inadequate servicedelivery*. Some of the general issues often raised are as follows: 1) *inability for policy development to harvest and learn from outcomes of research*: It is often argued that housing policy shifts are not rooted in a rigorous interrogation of the needs of poor households – lack of understanding of livelihoods strategies of poor households, such as the impact of housing programmes on livelihoods and economic activity of the poor beneficiaries. Secondly, is a lack of a common understanding of how backlogs are estimated which makes targeting difficult.

Lastly, the housing policy process evolution does not appear to be underpinned and supported by a rigorous conceptual framework; 2) *policies directing human settlements development are cumbersome, complex and fragmented*: While housing policy may have been relatively progressive, the urban policy, Integrated Development Plan (IDP) processes and land management practices have lagged in terms of not aggressively transforming the urban and rural landscapes; 3) *government*



*housing programmes distorted the property market:* Many critics argue that the increased standards set in the policy have resulted in a product gap. The rising cost of new government-subsidised housing units is cited as a key factor that has negatively impacted property values in the next tier of the housing ladder. The cost has reached a level that is not only beyond the affordability of the government's target group but also for households earning above the R3500 per month threshold. This situation exacerbates creation of passive beneficiaries who find it more rational to wait for subsidised houses rather than improve their current housing situation.

In addition, beneficiaries of subsidised houses tend to undervalue their properties for various reasons. Marketable housing products from private developers have to be significantly superior to subsidised houses, but the prices of such products start at around R250,000, making them unaffordable for households in the gap market; 4) *unsustainability of government housing programme:* A key concern of the current housing programme revolves around its financial sustainability and approach. The main argument is that despite significant delivery, the number of people demanding full government subsidies appears to be increasing rather than decreasing. As a result, there have been various suggestions, including proposals for the State to withdraw from the housing sector and let the market take over or, at the very least, explore the provision of different types of housing products; 5) *inadequate access to land and property markets for poor households:* Although South Africa has a functional land market, the poor households are excluded from the residential market, although even in informal settlements there is a flourishing market in the sale of shacks, renting and the like. The end result has meant that people end up living in situations of informality which has material consequences in terms of access to services and vulnerability to evictions.

**Theoretical grounding:** A number of theoretical foundations were researched to provide an understanding of the approaches towards housing and human settlements development. The theoretical premise led to defining the role that government will play in the provision of housing and human settlements within a complex and dualistic system. Ultimately, government plays a significant role in social spending, and specifically, the housing sector contributes to the advancement of the economy and provision of employment opportunities. Therefore, the approach taken

by government policy towards housing and human settlements development must be able to ensure the following; *Elimination of market failure* to ensure that housing market functions more efficiently; *Distribution of housing consumption* to ensure affordable housing for all income groups; *Provision of multiple tenure options* that include homeownership and both social and private rental; *Participation* of the state, private sector, and, civil society organisations; and, *Affordability and accessibility* of housing opportunities.

**Policy position:** Government acknowledges the complexity of housing and human settlements development and endeavours to create enablers that are holistic and effective and innovative. This is premised on continuance of targeted pro-poor agenda and government takes cognisance of the endeavours of the poor households towards self-reliance and the creation of sustainable livelihoods.

**Policy pillars:** Government's approach will be premised on providing levers and instruments that most benefit identified vulnerable groups. Government will create mechanisms that will unlock the potentiality of economic growth and employment opportunities through human settlement development. Government will foster strategic partnerships with identified stakeholders in the whole value chain of human settlement development through a concerted effort at collaboration, consensus-building and coordination.

### 3 PART 2 – POLICY OPTIONS

#### 3.1 Introduction

This section of the White Paper presents the policy options through a programmatic focus that underpins Governments' interventions in the human settlements sector especially the residential property market. The policy options present the following:

- (i) Spatial Planning and Demand Management;
- (ii) Land for Housing and Human Settlements;
- (iii) Informal Settlements Upgrading;
- (iv) Affordable Rental Housing; and
- (v) Affordable Housing.

These are anchored within a framework that demonstrates the intention to incrementally realise the right to adequate housing targeted at poor households and generally for low-income to medium income households.

### **3.2 Spatial Planning and Demand Management**

**Problem statement:** The human settlement pattern in South Africa continues to reflect the spatial legacy of the apartheid era. This is despite fundamental changes to the spatial planning and policy framework and associated implementation tools since the onset of democracy in 1994. Spatial transformation in South Africa continues to be hampered by a legacy of racial segregation, poverty, and exclusion from social and economic opportunities.

Attempts to dismantle apartheid era residential patterns have not been adequately achieved. Government initiatives have been impacted by mainly a myriad of political and often corruptive activities including the insufficient municipal will to improve service delivery. Lack of suitable land to areas of economic impact and employment, acquisition to finance the political imperatives that often undermines spatial and land planning leads to the ineffectiveness of municipalities to improve services including housing delivery.

Large parts of South Africa, particularly those hitherto developed for occupation by black and largely poor people (townships and rural settlements), are still defined by huge service delivery backlogs, lack of access to public facilities and amenities, lack of economic opportunities, and absence of desirable public spaces. These areas are often located at the periphery of cities and towns, many in the former homeland areas some distance away from economic opportunity areas. They generate multiple and costly long-distance travelling, often by private car (mostly taxis), which increases pollution from carbon dioxide emissions and road congestions. Residents live far from places of work to higher order commercial hubs, tertiary public facilities, and other government services. This has significant added financial implications placed on the poor.

Predominant spatial patterns at a settlements level include low-density development (house on a site model), mono-functionality, land use separation, and sprawl.

Settlements occupy large tracks of land, and their development often happen at the cost of ecologically important and/or high-potential agricultural land. They generate multiple and costly long-distance travelling, often by private car, which increases pollution from carbon dioxide emissions. High levels of spatial inefficiency and wasteful use of scarce resources (especially land and infrastructure networks) are evident in most of the country's rural and urban settlements.

Strategic planning related to the management and development of sustainable human settlements often lacks adequate forward planning tools and mechanisms for municipalities to effectively accommodate and address pressures exerted by urbanisation on urban land and infrastructure. Furthermore, there is a lack of standards and norms for settlement planning as well as restrictive schemes and by-laws that inevitably leads to more challenges for human settlement developments. This is exacerbated by lack of law enforcement in enforcing zoning laws, municipal bylaws, building regulations, etc. This anomaly leads to lawlessness which disintegrates the socio-economic, spatial and environmental landscapes.

**Implications for the future:** While the development of sustainable human settlements seeks to respond to the housing challenge facing many poor South Africans, it has a potential to contribute markedly to spatial transformation and restructuring at different scales of planning. This must be achieved through carefully considered location and design (structure) of future settlements, and reorganisation of space in the existing settlements to improve access to economic and social opportunities and to create liveable environments. However, the attainment of sustainable human settlements is dependent on appropriate integration of spatial planning, budgeting, and prioritisation of projects with different stakeholders involved in the development of human settlements.

**Policy position:** The transformation of existing townships, and other areas which have been established since the 1980s, into sustainable human settlements is prioritised and supported. Government will finalise township establishment processes (where there are significant delays or capacity problems), identify areas for redevelopment (in-fill and brownfield developments including buffer zones of the past), unlock land for social and economic development (especially State-owned land), improve transport

systems, and strengthen functional linkages with the associated central business districts. The focus will be on the elimination of spatial monotony and the general character of these areas as low-income dormitory suburbs, improving quality of the living environments (including greening the environment), and unlocking township residential property market (through streamlined land transfer processes). This will also apply to areas which have not been covered by formal planning and building regulation processes, as well as the re-development of inner-CBD areas requiring urban renewal. Areas close to public sector transport networks will be prioritised and where necessary densified.

Similarly, densely populated rural settlements located around economic development nodes and along development corridors will be prioritised for spatial planning to give them structure and guide their growth and expansion (the planning, design, funding and construction of alternative transport routes to prevent congestion in existing rural towns). Most rural settlements have not benefited from spatial planning, yet population density continues to increase. Outwards expansion of some of these settlements occurs at huge costs to their ecological integrity and the already scarce agricultural land. Some even encroach onto road reserves and unsuitable ecological areas. Municipalities have demonstrated an inability to enforce bylaws leading to unguided illegal encroachments which mitigate against planned developments .

**Policy statements:** Government commits to intensify spatial transformation and spatial justice with an understanding that creating sustainable human settlements is not simply about building houses and rental stock, but includes the provision of social, public, and economic and environmental facilities. This will be premised on differentiated norms and standards that will go beyond engineering services, to include social facilities, public spaces, and green infrastructure and pedestrian networks.

Government will endeavour to ensure that human settlement projects are contained within the urban edge of development nodes and at strategic locations along the development corridors to curb sprawl. Compact cities, towns, and settlements that

have high population densities and a mix of land uses, and where land use and public transportation are integrated, are desirable.

Future investments in human settlements (both brownfield and greenfield) will be focused on mass transit corridors and existing/emerging economic nodes, applying Transit Orientated Development (TOD) principles.

Government will strive to enhance institutional arrangements and support to local government that will include review and enhancement of the Social Housing Accreditation Programme.

Government will prioritise renewal and (re)development of inner cities because they play an important role as 'arrival areas', offering access to employment, informal economies, and reduced transport costs (even the ability to walk to economic opportunities and thereby reducing household expenses).

The areas in which the vast majority of black South Africans are settled, such as in former townships, informal settlements, inner CBD buildings, backyard shacks and other such areas must be prioritised with an emphasis being placed on settlement design principles that produce safe, liveable, and inclusive spaces, resulting in an improved quality of life for all citizens.

Government will facilitate intergovernmental collaboration among key stakeholders to align and coordinate spatial planning for human settlement projects with economic and social (provision of public facilities and amenities) development programmes.

### **3.3 Land for Housing and Human Settlements**

**Problem statement:** The operation of the land market has entrenched the legacy of apartheid, resulting in uneven and skewed distribution of land for low cost housing. Past state interventions failed to achieve a more equitable distribution of urban residential land and in many cases may have exacerbated these patterns. Current housing delivery systems operate effectively in meeting the housing needs of

households in the higher end conventional market segments. However, delivery in these markets is not socially inclusive.

Substantial well-located urban land held both by the private and public sectors remains undeveloped after decades of targeting for human settlements transformation objectives, due to complexities in assembling public land and the costs of acquiring private land.

Unlawful occupation of land and proliferation of informal settlements remains a challenge. The demand driven process to land and housing does not always elicit effective responses from Government as it does not necessarily lead to the supply of land or housing to would-be beneficiaries. This lack of inclusion often leads to the community expressing the demand in the form of land grabs and invasions, which have a negative effect on the planned development.

Current practice relating to land release and land assembly for housing delivery is increasing spatial inequality and worsening long-term municipal financial sustainability. To date the main tool developed to promote inclusivity in housing land markets are the inclusionary housing policies developed and being developed in some metros. However, these policies are inadequate because, firstly they only deliver a relatively small number of housing units to lower income households and, secondly, they do not alter the current underlying patterns of racially skewed urban land ownership.

**Implications for future:** Current practices relating to land release assembly for housing delivery are exacerbating spatial inequality and, are negatively impacting long-term municipal financial sustainability. This is particularly true for peripheral land locations, which restrict access to economic and social opportunities for the poor and contribute to ongoing urban sprawl. Such sprawl increases municipal operating costs and limits revenue generation. To promote inclusivity in housing land markets, some metropolitan municipalities have inclusionary housing policies. However, these policies have limitations. Firstly, they only provide a relatively small number of housing units for lower income households. Secondly, they do not address the underlying



patterns of racially skewed urban land ownership, which perpetuates existing disparities.

**Policy position:** The government remains committed to developing mechanisms to increase access to affordable well-located land. This is to be achieved by implementing measures such as transit-oriented development, identifying suitable idle-land, facilitating the rapid release of public land, and implementing inclusionary zoning thereby promoting diverse housing options. In addition, in strengthening policy and programme implementation, government will prioritise the registration of land for human settlements in rural areas and explore simpler and affordable approaches to provide legal security of tenure, particularly for low-income households in both urban and rural areas. Efforts to curb unlawful occupation of land will also be undertaken. Furthermore, the government will continue to explore, when feasible and justifiable, expropriation of land for human settlement development.

**Policy statements:** Access to suitable land for human settlements development shall be improved through 1) a coherent approach to the acquisition and development of land for human settlements. The NDoHS will use the National Plan to chart a horizon of about 10 – 15 years to plan for the entire infrastructure required including land; 2) government will expedite land assembly in respect of the full range of delivery interventions to support scaled-up and more efficient housing delivery. The National Land Acquisition and Assembly strategy will be developed and periodically reviewed to guide the development of human settlements; 3) government shall explore the feasibility of extending the mandate of the HDA so that it can directly support municipalities to develop their land assembly strategies as well as acquiring land and buildings; and, 4) the identification and assessment of well-located land, planning, and development thereof must be achieved within a collaborative and participatory framework that balances short-term value against longer-term developmental objectives of the different role players. The key elements to achieving this collaboration include intergovernmental cooperation, empowerment of communities, households and individuals, as well as private-sector participation. Focussed efforts towards collaboration between the private sector and public sector as well as between provinces, including municipalities and the cross transfer of skills

and targeted recruitment of skills in the built and planning environment requires urgent attention.

Provision of tenure security and collaborative review of the current land administration will entail collaboration with sector department to identify:

- 1) the development and exploration of a quicker, simplified, and less costly process of registration and transfer of land for poor households. This will include registration and transfer of government-subsidised housing.
- 2) security of tenure in rural land ownership.
- 3) the empowerment of women to access land and land titles; 4) the promotion of secure residential tenure broadly, based on incremental improvements, especially tenure security to occupiers including unlawful occupiers of land not ownership rights; and
- 5) choice of tenure in farming communities.

Mechanisms shall be developed to ensure that local government plays an important role in the administration and regulation of communal land in rural areas in respect of human settlements and service provision to communities including addressing all processes regarding the acquisition and registration of communal land under Traditional Leaders or Community Trusts. There is no doubt that tribal land is more accessible to most South Africans who are at the bottom strata of the economy. Land ownership in the form of a title deed is not feasible therefore individuals cannot own land, owners of such land do not have ownership and they also cannot secure loans, bonds and mechanisms of ensuring security. Therefore, their ability to transact must be investigated.

There is a need for a transparent and legally recognised system of land ownership in rural South Africa. This reform would involve elevating Permission to Occupy to the status of title deeds or deeds of grants, thus affording holders enhanced security of tenure and the ability to access the financial benefits of land ownership. These measures are seen as essential to promoting equitable development and asset ownership in South Africa's rural regions.

Mechanisms shall be developed to curb the prevalence of unlawful occupation of land through appropriate strategies which shall include amongst others pro-land

development initiatives by both public and private landowners as well as site and service schemes/rapid land release projects so as to pre-empt unlawful occupation of land.

Expropriation of land and buildings for human settlements where feasible and justifiable shall include the following:

- 1) public authority or state expropriation of privately owned land for development of human settlements;
- 2) public authority expropriation of land from the state (visa-versa) for human settlements development provided it is done within the prescripts of the Intergovernmental Relations Framework Act, 2005 ; and
- 3) vacant, dilapidated or underutilised land or buildings owned by non-state entities or individuals.

### **3.4 Informal Settlements Upgrading**

**Problem statement:** South Africa has over 3 200 informal settlements across the country with 8% of the population living in informal settlements. Over 70% of the informal settlements are located in 15 municipalities although all municipalities do have some informal dwellings.

The mushrooming of informal settlements in the various municipalities in South Africa have become ubiquitous, a permanent feature of the urban landscape, and requires integrated efforts and approaches. Municipalities are facing daily challenges of curbing random unlawful land occupation which is responsible for the growth of informal settlements in the country.

Informal settlements cannot be considered as temporary transit settlements of individuals seeking opportunities in urban areas. They are home to an important part of the urban poor who neither have access to subsidised housing nor to the private rental market, which remain beyond their reach.

There is a need for a collaborative effort between the Department of Human Settlements and the Department of Home Affairs in addressing the multifaceted challenges faced by the South African government, including the provision of

housing, managing fiscal resources, and dealing with illegal immigrants in informal settlements. It is important to underscore that such collaboration should be underpinned by respect for human rights, ensuring that the dignity and well-being of all residents, including vulnerable populations and foreign nationals, are upheld.

Informal settlements are characterised by dwellings made of substandard materials and lack essential amenities like running water, electricity, and sanitation facilities. Inadequate infrastructure exacerbates the risk of diseases, crime, and fires, posing significant health and safety risks to residents. The absence of secure land tenure in informal settlements leads to vulnerability and the constant threat of eviction. Insecure land tenure also hampers residents' ability to access credit, upgrade their dwelling, leave their property to their heirs and participate in the formal economy. Social and economic challenges are prevalent in informal settlements.

Informal settlements often face socio-economic challenges, including elevated levels of unemployment, limited access to education and healthcare, and insufficient opportunities for social mobility. These challenges perpetuate cycles of poverty and inequality, impeding the overall development of individuals and communities. It should be noted too, that these informal settlements and backyard shacks also have an economic dimension. There is significant differentiation within and between municipalities in terms of the character of informal settlements, including the degree to which they could or should be upgraded or should simply be provided with emergency basic services.

**Implications for the future:** Many informal settlement upgrading projects now prioritise participatory planning and implementation and the signing of social compacts with affected communities. Engaging residents in decision-making processes has ensured that interventions are tailored to their needs and aspirations. Participatory approaches should be used in future upgrading initiatives to foster a sense of ownership and empowerment among residents thereby contributing to sustainable outcomes. There is an increasing focus on integrated development strategies because of the recognition of the multifaceted nature of informal settlements. This involves linking housing interventions with improved access to basic services, livelihood opportunities, education, and healthcare. Integrated approaches address

the underlying causes of informality and facilitate the social and economic integration of settlements. This approach is expected to continue. Capacity development programmes has been provided mainly through the National Upgrading Support Programme for priority municipalities. The National Upgrading Support Programme (NUSP) was designed to support the NDoHS to build the capacity for the implementation of the UISP with the objective of eventually upgrading all informal settlements in the country.

**Policy position:** Government will continue to prioritise informal settlement upgrading as a key instrument for improving the quality of life of residents in informal settlements and strive to integrate informal settlements into the broader urban fabric. Government will promote *in-situ*, incremental upgrading of informal settlements while considering relocation as a last resort. Government shall focus its efforts to curb the mushrooming of informal settlements including illegal and dangerous Eskom connection. In this regard Government shall extend support to municipalities who are at the receiving end of this proliferation of informal settlements.

**Policy statements:** The current informal settlements upgrading instrument shall continue to be utilised by government as a proactive attempt to manage informality. The objective in this regard is to transform informal settlements in South Africa to be inclusive, liveable and sustainable neighbourhoods that have adequate services, secure tenure and address urban poverty, livelihoods and spatial inequality.

Greater resources shall be shifted to support informal settlements upgrading on condition that they are in suitable areas which are close to jobs or economic activities. Therefore, the upgrading of informal settlements shall remain one of the vital instruments in achieving this objective. Given the resource and capacity constraints, it is considered appropriate to prioritise security of tenure and provision of infrastructure in informal settlements. In the development of infrastructure, an area-based approach will be adopted. Some requirements might include bulk water and sanitation, informal trading places, community centres, parks, safety and security, emergency services, community structures, sport and recreation, skills development, environment management, welfare, street lighting, and institutional facilities.

Upgrading initiatives shall promote higher densities in informal settlements due to land scarcity. In this regard, there is a level beyond which density creates social and environmental congestion and undermines sustainability, therefore, the level of densities shall depend on local circumstances or context specific and may be subject to a disaster risk assessment to ensure the protection of life and property.

Social Compacts shall be entered into between communities and government in all informal settlements upgrading initiatives. Mechanisms shall be put in place to ensure consistency of participation as well as engagement and participation in decision making. The rights of the vulnerable groups shall be safeguarded in this regard.

Government will proactively take all necessary measures to curb the mushrooming of informal settlements and the management of informal settlements growth. For example: a) in instances where unlawful occupation of land is imminent or in process, the authorities must proactively take all necessary legal measures to protect both private and public property. Unlawful occupation of land is undesirable as it promotes queue jumping for housing assistance and unplanned utilisation of land earmarked for other uses, including housing. All spheres of government shall deal with unlawful occupation of land decisively. Support to municipalities shall be extended in this regard: a) a concerted effort of making sufficient land available in time, connected to tenure security is imperative. In this regard, it is imperative that the underlying reasons for informal settlement and unlawful occupation be dissolved, resolved and attended to vigorously instead of focusing on the manifestation of informal settlements. The lack of technical skills and political willingness at municipal level if not addressed will undermine the above intentions.

### **3.5 Affordable Rental Housing**

**The affordable rental housing spectrum:** The rental property market works based on tenants being in employment and having a consistent stream of income from which to pay their rent. The rental housing sector consists of private and public rental housing categories and within these categories, there are various subsectors. In addition, the informal rental sector (such as is found in backyard shacks and informal settlements), has arisen not only as a result of the shortage of housing, but as a result of the

apartheid spatial reality, compounded by distances between homes and work places and the high costs of transport.

The total number of units in both categories is 4,7 million. Of these 4,3 million (or ninety-two per cent) are private sector units whilst eight per cent or 370 818 units are public sector units. These are categorised as follows:

- Public Sector Rental Housing:
  - Social housing subsector (37 517 units, or one percent of the total rental housing market; primary target market – R1 850-R6 700; secondary target market – R6 701- R22 000)
  - Community Residential Units (CRU) subsector (30 000 units or one percent of the total rental housing market; including public hostels; targeted mainly at individuals and households with monthly incomes under R3 500.)
  - Municipal rental housing subsector (300 000 units or six percent of the total rental market; targeted mainly at individuals and households with monthly incomes under R3 500.)
  - Subsidised special needs rental housing subsector catering for mostly the aged.
- Private Sector Rental Housing:
  - Established private rental housing subsector (3,1 million units or 66 percent of the total rental market; targeted mainly at individuals and households with monthly incomes of R10 000 and above).
  - Emerging private rental housing subsector (approximately 500 000 units or 11 percent of the total rental market; targeted mainly at individuals and households with monthly incomes under R15 000; new market; located in previously segregated black townships; consists of formally constructed rooms and flatlets built on the property of the landlords, or elsewhere in previously segregated townships and newer areas dominated by government-built housing)
  - Informal backyard rental housing subsector (approximately 560 000 or 13 percent of the total rental housing market; targeted mainly at individuals and households with monthly incomes under R3 500)



- Unsubsidised special needs rental housing subsector (students and the elderly).

**Problem statement:** Currently, the Rental Housing Act together with its amendments provides for the rights and obligations of landlords and tenants in the entire rental housing sector as well as regulatory guidance and mechanisms to resolve conflicts between them. In addition, the social housing subsector has been governed by a social housing policy expressed through the Social Housing Act, 16 of 2008 and its regulations. There is no dedicated policy for the rest of the rental housing sector, and therefore no legislation that shapes the rest of the sector, although there is a specified CRU funding programme in the National Housing Code 2009. The CRU programme facilitates the provision of secure, stable rental tenure for lower-income individuals. The programme is targeted at low-income individuals and households in low income category and are unable to enter the formal private rental and social housing market.

Challenges regarding the regulation of rental housing include: the institutional and financial delivery of rental stock, increases in rentals (often unaffordable and contributing to rental defaults and disputes), maintenance of rental stock (poorly managed particularly with respect to public hostels, CRUs and backyard dwellings), inadequate rules for private (for profit) entities participating with government subsidies and a lack of intergovernmental cooperation in the release of public land and buildings. Recently, pressure for policy changes arose from a fiscal crisis resulting from the economic impact of the pandemic on the rental housing sector.

**Implications for the future:** Rental housing's share of the total housing market is less than one third but is growing due to the demand for affordable accommodation in urban areas where there are opportunities for work, access to services and amenities, and the prospect of sustainable livelihoods.

The demand for affordable rental housing is expected to continue unabated as the population increases and urbanises.

It is estimated that the majority of the population will live in urban centres by 2050. Therefore there will be an increased demand for rental accommodation in 2030.

The implication is that smaller units in higher density developments will cater to these needs, in addition to the cohort of households that require larger family units. Further, the dynamic of movement is likely to be slower up the housing ladder (towards ownership), and potentially greater movement horizontally in respect of different rental typologies and locations.

**Policy position:** In an endeavour to realise the Constitutional right to adequate housing, Government recognises the whole spectrum of the rental housing market and subsectors as important contributors to the provision of housing. Rental housing should be affordable, accessible, safe and contribute to socio-economic, community and individual growth whilst effectively addressing demand and contributing to spatial restructuring.

**Policy statements:** Government will ensure an availability of a range of differentiated rental housing products to suit affordability to ensure opportunities for equal access. In addition, the relevant spheres of government will develop its priorities on these rental products based on reducing the cost (in time and cash) to persons in employment.

There must be equitable access to rental housing development services and support for delivery agents specifically focused on providing rental accommodation to poorer and vulnerable households.

Government is to create alignment and harmonisation of policies, laws and programmes within the human settlements' subsectors responsible for rental housing, within the context of the national rental housing policy to ensure a nationally coherent and synergised rental housing market.

The gazetting of the Rental Housing Regulations (2022) and through the institutional instruments of Rental Housing Tribunals there will be continued support and focus on amicable dispute resolution mechanisms between landowners and tenants.

To that end, Government will develop a comprehensive legislative, policy and programme framework to realise rental housing market potentiality.

### 3.6 Affordable Housing

**Defining affordable housing:** Housing may be segmented in terms of house size, tenure status or household income. Government segments housing in terms of household income. It sees this as necessary to ensure that it remains true to the principles of pro-poor targeting, and “the bigger the need, the bigger the support”. This approach is constitutionally valid and falls under fair discrimination.

Any housing system may thus be conveniently divided into three household income categories: high; middle; and, low. It is necessary to annually set only the upper limit and lower limit of the middle-income household category. Then, any household with an income that is above that upper limit will automatically fall into the high-income category; and, any household with an income that is under that lower limit will automatically fall into the low income category. Setting them every year does not mean that these upper and lower limits necessarily must change every year.

High income households in South Africa are catered for by private housing delivery arrangements. Their housing is wholly market-linked. Generally, these households require or seek support from the private sector (e.g. banks, builders) but not the public sector (government).

Low-income households in South Africa are catered for by public housing delivery arrangements. Their housing is wholly subsidy-linked. Generally, these households require or seek support from the public sector (government) but not the private sector (e.g. banks, builders).

Middle income households in South Africa include those that require and seek support: only from the private sector; and, from both the private sector and public sector. Informally called gap housing or housing for the missing middle, the public-private delivery arrangements for the last-mentioned sub-category of middle-income households is formally called Affordable Housing.

**Problem statement:** Delivery of affordable housing in formal townships is persistently weak in relation to the need and demand. Far too many households struggle to access adequate housing for ownership primarily due to the unavailability of houses within their affordability range.

The supply of affordable housing to meet demand is stymied by various factors which include high land input costs, limited or depleted municipal bulk infrastructure capacity and numerous barriers faced by households in accessing housing finance.

**Implications for the future:** It has also become clear that better performance is possible when Government and the private sector developers collaborate in the planning and funding the development of affordable housing. As such a deliberate and collaborative programme to ramp up delivery of affordable housing will be implemented. A bold implementation of the Integrated Residential Development Programme (IRDP) offers enormous opportunity to increase supply of mixed income housing within functionally diverse typologies.

**Policy statement:** Increased delivery of affordable housing presents strong potential for increased residential property market performance, contribute to economic growth as well as reduce prevalence of harmful practices adopted by households desperate to access home ownership.

**Policy position:** It is necessary for affordable housing to be both vertically and horizontally flexible. In terms of vertical flexibility, it must be able to provide for low-income households that upgrade their housing arrangements as well as high income households that downgrade their housing arrangements. In terms of horizontal flexibility, it must enable middle income households to change their tenure status but remain in affordable housing. Hence, affordable housing must, therefore, provide programmatic support for: 1) ownership through public-private arrangements; and 2) transitional housing through public-private arrangements (rent-to-buy, instalment sales).

The demand and supply of affordable housing require robust policy and legal underpinnings. Robust does not mean being overly prescriptive or onerous: that will

lead to exclusionary arrangements. The certainty provided by this will eliminate or prevent *carte blanche* and *laissez-faire* impulses. The three demand-side dependencies on which housing, including affordable housing, stands are: 1) housing policy, 2) housing construction and 3) housing finance. Government will facilitate that these dependencies work coherently and synchronistical to 'push' affordable housing forward.

Government will develop an affordable housing policy that ensures that the selling price is affordable to the household so that: 1) the cost of constructing the house is made reasonable; and, 2) the cost of taking out a home loan is made reasonable.

Primarily, land for construction must be affordable and available. 'First mover' incentives (e.g. exemption from Capital Gains Tax (CGT)) can be offered to holders of large and suitably located land parcels.

Where land is too costly or unavailable, the following will be targeted for affordable housing:

- 1) inner city commercial-to-residential conversions.
- 2) upgrading of RDP or Discount Benefit Scheme houses.
- 3) densification of areas from medium density to high density and from low density to medium density.
- 4) a proportion of informal settlement upgrading and gated estates in terms of inclusionary housing; and,
- 5) 'one stand, second house' (including but not limited to 'backyard shack' upgrading).

Economies of scale (big or mega projects and bulk procurement of materials); speed of erection; and more cost-effective construction methods, materials, and technologies can all be incentivised within a policy framework.

The three supply-side dependencies on which housing, including affordable housing, stands are: 1) policy support, 2) institutional support, and 3) product support. Government will facilitate these dependencies to work coherently and synchronistical to 'pull' affordable housing forward. The centrality of a broad coalition between public and private housing stakeholders, remains apposite for institutional support.

## 4 PART 3 – POLICY ENABLERS

### 4.1 Introduction

In an endeavour to create an enabling environment for the delivery of sustainable human settlements, Government acknowledges that a number of policy enablers must be encouraged and supported. The policy enablers are derived from the strategy and include Funding Models and Financing; Market Support and Facilitation; Contributing to the Economy; The Natural Environment, Climate Change, Climate Resilience and Innovative Systems; Empowerment and Transformation and Capacity Development which are transversal themes across the policy options and entrench Government's commitment to support the residential property market.

### 4.2 Funding Models and Financing

**Introduction:** The current funding architecture for housing and human settlements is premised on the distribution of grants many of which are described in the Housing Code 2009. These have changed over time and require systematisation. Current grants include the HSDG, Urban Settlements Development Grant (USDG), Upgrading of Informal Settlements Partnership Grant (UISPG) and the Municipal Human Settlements Capacity Grant (MHSCG).

**Problem statement:** The NDoHS has faced a few challenges regarding linking expenditure incurred with various milestones or achievement in the delivery of human settlements. These include shifting funds in between spheres, funding other costs that are associated with the delivery of human settlement opportunities specifically housing opportunities, deviations from existing norms and standards to fund demand driven strategies and court rulings that enjoin the various spheres of government in the delivery of basic human rights that are linked to the provision of human settlement opportunities including housing and basic services.

There has been a lack of alignment in planning between the HSDG and USDG which is hampering the delivery of housing opportunities and some provinces have not performed their constitutional role to support municipalities (including capacity development) or to undertake monitoring and oversight. Provinces need to shift in

paradigm from housing to human settlements, and to accept that control for implementation vests in metros.

In summary, inadequate and or lack of planning, coordination, project management and a lack of alignment of delivery agreements and plans across the three spheres of Government are contributing to poor expenditure of financial resources. Monitoring and evaluation of provinces and municipalities must be strengthened, early warning signs must be actioned failure to perform as required by Provinces and Municipalities must be considered a breach of duty enabling the Minister in consultation with the Minister of Cogta to withdraw and deliver on the function .

**Policy statements:** Targeted Systems Approach: Government will emphasise the importance of adopting a targeted and strategic systems approach in exploring alternative fiscal resource allocation supported by systems thinking, computation and data science techniques. This system needs to focus on providing evidence for, and monitoring and evaluation of, the totality of human settlements. In addition to the important roles played by national and provincial spheres of government in the delivery of human settlements, municipalities have the responsibility for a wide range of human settlements functions, such as:

- **Community and Social Services:** Aged Care, Agricultural, Animal Care and Diseases, Cemeteries, Funeral Parlours and Crematoriums, Child Care Facilities, Community Halls and Facilities, Consumer Protection, Cultural Matters, Disaster Management, Education, Indigenous and Customary Law, Industrial Promotion, Libraries and Archives, Literacy Programmes, Media Services, Museums and Art Galleries, Population Development, Provincial Cultural Matters, Theatres, Zoo's
- **Energy Sources:** Electricity, Nonelectric Energy, Street Lighting and Signal Systems
- **Environmental Protection:** Biodiversity and Landscape, Coastal Protection, Indigenous Forests Nature Conservation, Pollution Control, Soil Conservation.
- **Health:** Ambulance, Chemical Safety, Food Control, Health Services, Health Surveillance and Prevention of Communicable Diseases including immunizations, Laboratory Services, Vector Control



- **Housing:** Housing, Informal Settlements, Beneficiaries
- **Other:** Abattoirs, Air Transport, Forestry, Licensing and Regulation, Markets, Tourism
- **Planning and Development:** Billboards, Improvement District, Corporate Wide Strategic Planning (IDPs, LEDs), Development Facilitation, Economic Development/Planning, Project Management Units, Provincial Planning, Regional Planning and Development, Land assembly and management, Support to Local Municipalities, Town Planning, Building Regulations and Enforcement, and City Engineer
- **Public Safety:** Civil Defence, Cleansing, Control of Public Nuisances, Fencing and Fences, Fire Fighting and Protection, Licensing and Control of Animals
- **Road Transport:** Police Forces, Traffic and Street Parking Control, Pounds, Public Transport, Road and Traffic Regulation, Roads, Taxi Ranks
- **Sport and Recreation:** Beaches and Jetties, Casinos, Racing, Gambling, Wagering, Community Parks (including Nurseries), Recreational Facilities, Sports Grounds and Stadiums
- **Waste Management:** Recycling, Solid Waste Disposal (Landfill Sites), Solid Waste Removal, Street Cleaning
- **Waste Water Management:** Public Toilets, Sewerage, Storm Water Management, Waste Water Treatment
- **Water Management:** Water Distribution, Water Storage, Water Treatment

Multi-Level Governance: Government recognises the importance of involving provincial and local governments in the decision-making process of fiscal resource allocation. Government will foster multi-level governance, that includes the DDM and ensure that the needs and priorities of local communities are considered. This approach enhances local ownership, promote effective planning, and strengthen the alignment of fiscal resource allocations with the developmental aspirations of provinces.

Infrastructure Development: Government recognises the critical role of infrastructure in stimulating economic growth and improving connectivity in underdeveloped agglomeration economies. Government pledges to prioritise infrastructure development projects in fiscal resource allocations, focusing on transportation

networks, utilities, and communication systems to bridge the infrastructure gap, attract investments, and foster sustainable economic development in these areas.

**Geographical Disparities:** Government acknowledges the higher costs of service delivery faced by provinces with scattered populations and vast travel distances. Government commits to allocating fiscal resources based on factors beyond population size or density, considering geographic size, travel distances, and service delivery costs to ensure equitable development and address the unique challenges faced by the municipalities.

**Evaluation and Adjustment:** Government will emphasise the need for regular evaluation and adjustment of fiscal resource allocation strategies. Government commits to monitoring the effectiveness of allocation decisions, assessing their impact on addressing geographical disparities and promoting infrastructure development. By incorporating feedback and data-driven insights, Government will refine the allocation approach to achieve optimal outcomes and ensure efficient and equitable resource distribution.

**Public Finance Funding Reforms:** Reforms in finance and governance that will complement the development of sustainable human settlements will be introduced in collaboration with National Treasury: These include: 1) infrastructure grant: This must fund the building of infrastructure, public spaces and services, including land costs, investment in public spaces, and the like. The grant is not a household directed grant but is area based. With the assistance of the National Treasury, and the Department of Cooperative Governance, the infrastructure grant will support the implementation of coordinated area-based plans that includes a range of departments. Its objective is to address specific spatial restructuring objectives; 2) housing grant: This must fund the housing subsidies for households, construction of a housing unit or the purchasing of a house or self-built initiatives; 3) capacity grant: This must fund professional services and capacity acquisition and development. This includes capacity for scoping land, environmental impact assessment, and related capabilities; 4) social facilities: It must be acknowledged that funding for other physical aspects of human settlements such as schools, health, safety & security, and the like, must be coordinated with the responsible Departments through planning and budgeting instruments. Municipalities

must use Area Based Planning Approach and the District Development Model (DDM) to identify infrastructure investment priorities that are funded through a consolidated grant framework; 5) funding for human settlements will be differentiated in terms of a rural and urban package and support arrangements required. For example, the rural package may include various typologies and infrastructure that residents in the rural areas may choose from. Creating a dedicated forum or structure to provide chiefs with essential technical advice on spatial planning and town planning within their areas is not only a necessary step but a highly beneficial one; 6) while funds for the development of sustainable human settlements are allocated through Parliament, the transfer will be dependent on approval of plans and successful implementation of programmes. The Director General may withhold or reallocate or centrally manage funds on failure to submit credible plans including poor performance by a provincial department. In the case of municipalities, funding might be reallocated to another municipality or delivered through another development agency (such as the Housing Development Agency (HDA) within the municipality where a municipality fails to perform; 7) programmes for funding the development of sustainable human settlements must be outlined in the Human Settlements Code.

Facilitating Access to End-User Finance will include: 1) provision of subsidies: subsidies will continue to be utilised as a financial instrument for intervening at both household level and institutional level. The provision of these subsidies will be differentiated based on an assessment of needs and will include subsidy ranges from full service; build a structure; or partial subsidy; 2) establish a housing savings fund: In order to encourage households to participate in their housing provision, the NDoHS through its Development Finance Institutions and negotiations with the Banking Sector will promote individual savings towards a housing fund. Alternatively, voluntary employee-employer monthly contribution of a share of workers' salaries may be used. These savings may be used to gain access to credit in order to gear government subsidy assistance and own equity in acquiring housing; and, 3) facilitate increased access to credit: lack of affordable finance and insufficient appropriately priced housing stock continue to be the impediments.

To that end, Government envisages that the funding model for funding and financing human settlements shall satisfy the key priorities of human settlements development

in South Africa by promoting spatial transformation and balanced urban development, providing affordable housing, creating integrated and sustainable communities, upgrading informal settlements, fostering job creation and economic development, and ensuring access to basic services.

### **4.3 Market Support and Facilitation**

**Introduction:** Government has established various institutions and developed mechanisms to address housing consumer issues and safeguard consumer satisfaction. These can be categorised as follows: 1) support services through the Rental Housing Tribunals dealing with housing consumer complaints and resolution of conflict mainly between tenants and landlords; 2) quality assurance and structural integrity of housing units; 3) community participation focusing mainly on community representation during planning and construction; 4) municipal support and consumer education provided by the provincial departments of human settlements; and, 5) housing consumer support provided by local municipalities in their offices and/or through customer service centres.

**Problem statement:** The realisation of a right to adequate housing continues to elude many low-income housing consumers who face a myriad of challenges that threaten the realisation of right to adequate housing. These include: 1) poor access to information on government housing support and programmes; 2) title deed backlog; 3) informal property transactions; 4) self-built housing which does not meet the building norms and standards; and, 6) inability to leverage finance using state subsidised and self-built housing

**Policy statements:** Government will initiate a programme on property Transactional Support Centres (TSC) as vehicles for the provision of transactional support services. The TSC will strengthen the link between housing consumers and government institutions that renders a range of property related services and broaden access to housing products and services. It will focus on the formalisation of informal transactions between home buyers and sellers. It will provide support across the housing products/programmes in a manner that transcends the housing value chain and contribute to the development of a vibrant residential housing market.

The TSC will institutionalise the provision of continuous and sustained support to housing consumers. This includes the provision of improved and expanded training and technical support to housing consumers from planning through construction to post-occupation phases. Primary focus should be on improving access to information on housing opportunities, financing options, and technical support; effective participation in housing projects; house construction skills (targeting small and emerging contractors); enhancement of land tenure; property transactional support; and post-occupation support.

The programme should be sensitive to variations in the support needs of housing consumers, unique area and community dynamics, project related nuances, and locational factors. Therefore, the intervention should be anchored on a versatile yet comprehensive approach. This creates an opportunity to intervene beyond the confines of projects, and address housing support issues facing both beneficiaries of state subsidised housing and those operating outside the current human settlement programme.

The success and effectiveness of this intervention depends on structured cooperation among a range of stakeholders including the three spheres of government, NGOs, CBOs, financial institutions, traditional leaders, and others. It must address the multi-dimensional issues affecting housing consumers and create an enabling environment necessary to support self-build initiatives, informal property transactions, and general guidance to housing consumers on property matters.

#### **4.4 Contributing to the Economy**

**Problem statement:** The sourcing of materials at high cost and the limited adoption of innovative building technologies in low-income housing pose challenges related to cost, time, and product quality. Housing construction is often considered the least preferred option for material supply in the construction industry due to factors like low volumes and delayed payments. There is a notable shortage in contractor capacity, skills, and building materials, further exacerbating the situation. These challenges hinder efforts to maintain low construction costs while meeting the required standards. The potential consequences include material shortages, price fluctuations, and delays in completing housing projects.

Despite their potential benefits, research findings have highlighted the low uptake of innovative building technologies (IBTs) in low-income housing projects. Factors such as limited awareness, resistance to change, and the initial high costs associated with implementing IBTs have hindered their widespread adoption. As a result, the opportunities for achieving cost savings, improved energy efficiency, and enhanced durability through IBTs have not been fully realized in past low-income housing practices.

Challenges have also been observed in accessing credit finance for material sourcing and adopting IBTs. Limited financial resources and stringent lending requirements have made it difficult for low-income housing developers to secure funds for purchasing quality materials and implementing innovative technologies. This financing barrier has hindered the potential for improving material quality and hindered the adoption of cost-saving IBTs in low-income housing projects.

A comprehensive approach is required to address the challenges related to material sourcing, costs and the uptake of IBTs. Strategies will be needed to enhance the availability and affordability of construction materials specific to low-income housing. Financial inclusion efforts will be necessary to develop specialised credit facilities tailored to the unique needs of low-income housing initiatives. Awareness campaigns, training programs, and targeted incentives will also need to be implemented to increase the uptake of IBTs, promoting their integration into future low-income housing projects and addressing the pressing housing needs of vulnerable communities. By taking proactive measures, the future of low-income housing can witness significant improvements in material access, cost-effectiveness, and the adoption of innovative technologies, leading to more sustainable and inclusive housing solutions for those in need.

**Policy statements:** Government will focus on enhancing material accessibility and affordability, fostering innovation in building technologies and facilitating inclusive financing options. It aims to ensure that affordable construction materials are available through initiatives such as bulk-buying facilities and local sourcing. Further interventions are:

1) *enhance material accessibility and affordability*- Develop strategies to increase the availability of affordable construction materials including initiatives such as bulk-buying facilities and local sourcing programs. Implement quality control measures to ensure that the materials meet the required standards and specifications for safe and durable construction. Foster partnerships between the public and private sector to invest in material production and supply chains, promoting competitive pricing and sustainable sourcing practices;

2) *foster innovation in building technologies*- Incentivise research and development into IBTs that improve the efficiency, durability, and affordability of low-income housing. Facilitate collaboration between industry stakeholders, academia, and government agencies to promote knowledge sharing and the adoption of proven IBTs. Support capacity-building programs and training initiatives to enhance awareness, technical skills, and understanding of IBTs among professionals and end-users;

3) *facilitate inclusive financing options*- Establish innovative financial instruments tailored to the unique needs of low-income housing initiatives, provide accessible and affordable financing options for material sourcing and IBTs. Collaborate with financial institutions to develop innovative financing models, such as microfinance, community-based financing, and public-private partnerships, to overcome the barriers in accessing credit for material sourcing;

4) *promote collaboration and capacity development*- Encourage collaboration among relevant stakeholders, including housing entities, construction industry professionals, research institutions, and community organisations, to foster knowledge sharing in addressing housing challenges. Implement capacity-building programs and training initiatives to enhance technical skills, promote innovation, and create a skilled workforce capable of delivering quality low-income housing projects. Facilitate partnerships between academia and industry to ensure the transfer of research and innovation into practical applications; and,

5) *monitoring and evaluation*- Establish a robust monitoring and evaluation framework to track the implementation. Regularly assess the progress made in enhancing material accessibility, fostering IBTs and facilitating inclusive financing options for low-income housing. Use the findings from monitoring and evaluation to inform policy adjustments and improvements, ensuring the continuous optimisation of low-income housing initiatives.



#### 4.5 Climate change, climate resilience and innovative systems

**Problem statement:** The impact of human settlements on the natural environment including climate change and climate resilience increases with population growth, unmanaged or poorly managed expansion of both urban and rural settlements, economic development, and the associated increased consumption. Cities, towns, and rural settlements occupy large tracks of land. However, the relatively low density, mono-functional and sprawling settlement structure is unsustainable from an environmental perspective.

Climate change has become one of the most critical developmental risks to South Africa with potential devastating economic, social, and ecological dimensions. Large parts of South Africa are already experiencing occurrences of unprecedented extreme weather events, ranging from severe storms, floods, fire, and drought. This is expected to accelerate over time. It affects both urban and rural settlements.

Settlements characterised by massive poverty, service backlogs, underdevelopment and often located in areas that are not suitable for human habitation (such as informal and some rural settlements) are typically the most vulnerable.

Increasingly, natural disasters, such as flooding, fires and drought are having a devastating effect on communities and there is an urgent need to address this and integrate climate-resilient and sustainable development approaches in human settlements.

**Policy statements:** Government will endeavour to integrate climate resilience and sustainable development approaches into the planning, design, construction, and operation of human settlements in an effort to avoid the devastating impacts of climate change. Integration will also ensure that valuable social, economic and environmental benefits from new technologies and approaches can be harnessed to support sustainable development.

Government will commit to the development of a Human Settlements Climate Change Response Strategy and implementation plan to ensure that human

settlements policies, regulatory framework, and practice respond to the prevailing consequences arising from climate change. The strategy will contain both adaptation and mitigation measures and enable a process toward a just transition to a low carbon and climate resilient society currently underway in South Africa.

#### **4.6 Empowerment and Transformation**

**Problem statement:** South Africa remains a deeply divided society with unequal access to employment, education and housing. In particular, women, youth and people with disabilities do not enjoy equitable access to economic opportunities and social infrastructure. High levels of inequality are associated with a wide range of social and economic problems including increased crime, reduced educational attainment, lower life expectancy, disease and reduced social mobility. Inclusive development that reduces inequality and empowers marginalised groups is, therefore, an important priority in enabling South Africa to become a more sustainable, equitable and prosperous society.

**Policy position:** A transformative approach is required to address discrimination and promote inclusion. This requires plans and actions that integrate inclusion into organisational structures, strategies, processes and projects. To support an inclusive approach, government will develop an internal and external focus to ensure it becomes more responsive to the needs of marginal groups and ensure they are equally included. The internal focus will address the transformation of the NDoHS and its entities. The external focus will address the transformation of services provided to the public, and the human settlement projects developed.

**Policy statements:** Government will develop a Transformation and Empowerment Plan to support inclusion. This will set inclusion targets and outline actions to achieve this. The plan will include an internal focus on ensuring that organisational structures, policy, practices and human resources within the NDoHS and its entities are aligned with inclusion best practices. It will also include an external focus that ensures that service delivery and human settlement and housing projects are inclusive. The plan will align with the requirements for an equality plan in POEPUDA and will be developed in partnership with the Department of Women, Youth and Persons with Disabilities.

Awareness and capacity development programmes will improve awareness and understanding of inclusion principles and enable Departmental staff to apply them in their work. There will also be a focus on inclusive recruitment and capacity development programmes to ensure that women, youth and people with disabilities are well-represented within the workforce of the Department and its entities.

To address inequality and marginalised groups, the NDoHS, in discussion with development partners, will prioritise projects that address this. This will include a focus on addressing spatial fragmentation and improving inclusive access to housing and economic opportunities and social infrastructure.

To ensure human settlement projects are inclusive, best practice technical guidelines and standards will be developed. These will cover universal design of housing and human settlements. These will be incorporated into professional and contractor appointments, and audited to ensure these are achieved.

Inclusion targets in the procurement of services and products for human settlement projects will be used to ensure women, youth and people with disabilities can access opportunities. Targets will be informed by best practice benchmarks and guidance from the Department of Women, Youth and Persons with Disabilities. The achievement of targets will be supported through capacity development programmes with partners such as the SETAs, the NHBRC, TVET colleges and universities.

Regular reviews will be carried out to monitor and evaluate transformation progress and refine and improve performance against targets and indicators. Evidence-based approaches will build on successes to create momentum in achieving a more inclusive sustainable human settlements sector.

#### **4.7 Capacity Development**

**Problem statement:** The NDP indicates that capability is a broad concept which includes institutional architecture, processes and resources required, as well as the required knowledge sets, skills, learning networks, innovation capacity and leadership. It calls for the building of a “capable state” that achieves developmental objectives including the promotion of active citizenry and faster economic growth, focusing on

the key capabilities of people and the state, strong leadership and working together to solve problems.

Currently, there is insufficient capability to address growing housing backlogs and develop and improve human settlements. There is a need for capacity development programmes that review existing institutional structure, processes and skills and uses this as a foundation to build the required capability. Government, organisations, communities and individuals must have the capabilities to eliminate backlogs and build sustainable human settlements. There are issues that require further interrogation which are key to maximisation of housing development. (1) In building capacity at local level, the NDoHS must simplify the information packs and information for the marginalised in order to improve the understanding of programs and procedures. (2) The government must encourage long term and advanced planning to alleviate shortage of stands and mushrooming of informal settlements. Unlawful development must be discouraged severely. This entails reviewal of the PIE Act which requires alternative accommodation for illegal occupation of land. (3)

**Policy statements:** Developing the capabilities of government, built environment professionals, construction contractors and communities, is an essential prerequisite for scaling up the construction of housing and creating sustainable human settlements in South Africa.

To develop the required capabilities in the sector, Government will enhance capacity development structures and forums within the human settlement sectors.

Capacity development in the human settlement sector will be driven through the Human Settlement Capacity Development Strategy.

Government will provide model capacity development plans and reporting, model organisational structures, minimum competence standards, training programmes and material, to support the development of capacity development programmes.

Government will work with human settlement capacity development forums, to develop tailored programmes that build the required capabilities.

Communities and households wishing to upgrade their settlements and build housing must be able to access construction guidance, financial and consumer education to improve the uptake of suitable finance. By supporting the establishment of construction and building product manufacturing by small enterprises and cooperatives, government will ensure that human settlement projects contribute to the local economy and create local sustainable jobs.

A coordination and monitoring role by the NDoHS must ensure that training programmes and best practices are shared between sectors. Project planning, management, procurement, and contract management capacity development programmes must ensure that government works with built environment professionals and contractors to deliver human settlement projects on time and within budget. Technical programmes on best practice construction methods, sustainable and off-grid technologies, and alternative building products and materials will ensure that government, built environment professionals, contractors and communities understand the potential of these approaches and can integrate them into projects.

#### **4.8 Expansion of Local Government Role: Municipal Accreditation Programme**

**Problem statement:** There has been a challenge of limited capacity in local government to adequately participate in housing and human settlements development beyond the planning mandate through the IDP as directed by the Housing Act. The reason for this is because housing and human settlements are unfunded mandates to local government. Planning for human settlements in local government has been uncoordinated especially because of the lack of or the out datedness of human settlements sector plan in most local government units. Where human settlements sector plans exist, they are not updated on annual basis altogether with IDP reviews. This is notwithstanding the fact a human settlements sector plan is a housing and human settlements chapter of a municipal IDP document.

Poor governance and institutional instabilities in local government continue to undermine the important mandate of developmental local government which requires local government to be in control of key responsibilities which will allow local economic growth and development to take place locally. The housing function has

been considered as one of the key functions that allows local government to address its developmental local government mandate. The delegation of the administrative responsibilities on the housing and human settlements' function has been implemented through the Accreditation Programme. The Programme has been divided into two (2) levels wherein level one is mainly beneficiary management and administration whereas level 2 is about the function for level one added with programme and project management responsibilities for human settlements delivery.

The implementation of the Accreditation Programme has been affected by variety of challenges spanning from administrative, capacity, political, and institutional related challenges (Mathonsi, 2020). This made it had for the Programme to achieve its objectives of horizontal and vertical integration as conceived in the Municipal Accreditation Framework (2012).

Among other practical signs of the challenges that affected the Programme was the reluctance by the Provinces to delegate the administrative function of programmes and projects to the municipalities as per the expectation of the policy leading to some municipalities not performing the function they were accredited for.

At the end of the day, poor citizens that are located in municipalities are the worst affected stakeholders in the housing and human settlements delivery value chain. Them being the worst affected stakeholders is visible through protests they participate in wherein their priority demand to government is housing and shelter.

**Policy statements:** This housing and human settlements policy foundation recognises the review of the Municipal Accreditation Framework and the 2023 adopted framework of the same. The accreditation programme seeks to ensure that the notion of vertical and horizontal integration on planning, funding and implementation in human settlements delivery processes is given meaning at the local level as well as improve state capacity deliver at speed.

Among the key salient features of the Municipal Accreditation Framework (2023) are the improvement and enhancements on the implementation of the Accreditation Programme through: (i) the centrality of the human settlements sector plan as the key

document in the municipal accreditation process and implementation of delegated responsibility, (ii) recognition of the important role of local government in spatial planning, spatial transformation, and spatial governance and development, and (iii) strategic location for the implementation of urban policies in local government (iv) Introduction of the turnaround times on the accreditation process , (v) Intergovernmental consequence management, amongst others .

The revised MAF (2023) recognises the need for a staggered approach to capacity building and delegation of through the accreditation vehicle in a differentiated approach to Category A Municipalities, Category B Municipalities (general, intermediate, and secondary cities), and category C municipalities. Different human settlements capacity support packages should be adopted to assist these municipalities in terms of what is expected of them in terms of their formation mandates, and also, in consideration of socio-economic pressures that the municipalities face in respect of urbanisation.

The Revised MAF (2023) provides for the variety of capacity support strategies reflected above and provides for key support initiatives that can be utilised in line with the new approach to the implementation of the Accreditation Programme. The MAF allows for the development of practice note, implementation tools, and development of additional guidelines towards the improvement of its implementation and guiding towards sustained enhancement in the implementation of the Accreditation Programme.

## **5 PART 4 – GOVERNANCE**

### **5.1 Introduction**

Underpinning the progression and realisation of adequate housing is a set of governance conduits that will guide all processes. The governance themes encapsulate the Monitoring and Reporting Systems and Institutional Arrangements.

### **5.2 Monitoring and Reporting Systems**

**Problem statement:** Monitoring involves collecting, analysing, and reporting data on inputs, activities, outputs, outcomes and impacts as well as external factors, in a way that supports effective management of the implementation of programmes. An agile



and robust monitoring and evaluation system for housing and human settlements policy and programmes is indispensable for ensuring precision in the application of policy in the ever-shifting socio-economic context.

Challenges facing the sector includes: 1) the narrow reporting on top structures and serviced sites delivered as the key measure of success is limiting as it is target driven based; 2) the absence of a relationship between what is measured and the envisaged outcomes remains a setback that must be addressed; 3) the absence of comprehensive cross government integrated information on human settlements makes the utilisation of the current databases severely limited for decision-making; 4) unreliable, incomplete and inconsistent data and statistical information (e.g., the HSS data on beneficiaries); and, 5) the absence of a comprehensive integrated database on human settlements.

**Policy statements:** Government will embark on a comprehensive process of digitalisation (technology for business process enhancement), digitisation (process methodology to move to paper-less environment) and automation (use technology to undertake repetitive tasks) that will be contextualised by human systems, social systems, residential systems and support systems, ultimately permeating the entire value chain of human settlements development. The paperless system would enable the department to streamline business processes and thus save money for the department.

Government monitoring and reporting systems will be premised on comprehensive and consolidated performance information with variables that are clear and concise. Data management will be cornerstone factors; real management of performance based on the following factors; real-time, locality, issue specific, and, quality and consistency.

### **5.3 Institutional Arrangements and Instruments**

The following section of the Constitution provides the legislative framework for the institutional arrangements in the development of sustainable human settlements:

- Part A of Schedule 4, Chapter 14 lists housing, urban and rural development and regional planning and development, as functional areas of concurrent National and Provincial legislative competence while,
- Section 154(4) further provides for the delegation of powers and functions to local government by agreement and it must promote the District Development Model. If municipalities have the necessary capacity and are regarded as the most effective site for development to take place, there can only be positive spinoffs.
- Section 125(3) provides that National Government, by legislative and other measures must assist provinces to develop their administrative capacity required for the effective exercise of their powers and performance of their functions.

The detailed institutional arrangements will find expression in the Human Settlements Code and this will be defined programmatically. Below reflects the overall roles, responsibilities and accountabilities of the various stakeholders.

### **5.3.1 Role and responsibilities of the NDoHS**

The Minister for Human Settlements will, in consultation with the relevant national departments, provincial and local government, as well as other stakeholders fulfil the following functions:

- Develop Policy, Legislation and National Norms and Standards
- Ensure the availability of funding and efficient expenditure.
- Develop mechanisms to strengthen and improve policy and programme implementation.
- Enhance and regularly maintain the Human Settlements Code.

In collaboration with other sector departments:

- Promote and facilitate the registration of land in rural areas.
- Investigate simple and affordable ways of providing legal security of tenure particularly for poor households.

Strengthen the existing or establish entities or institutions to regulate and support the implement various aspects of the human settlements mandate. In this regard the Minister will:

- Clearly articulate the mandate of the entity.
- Regularly review the mandate of the entity or entities, and may, after the review take any appropriate steps may deem necessary.
- Ascertain or develop the funding mechanism in performance of duties and responsibilities.
- Monitor and evaluate their performance including reporting mechanisms. Where under or non-performance or maladministration is detected, remedial steps must be taken.

Entities (CSOS, SHRA, HDA, EAAB, NHBRC)

Each institution has primary regulatory functions that no other institution can exercise. Each regulatory institution plays a distinct and crucial role in the South African human settlement landscape. Although the primary functions are mostly mutually exclusive, elements of convergence and collaboration could yield positive outcomes, not only for the NDoHS and the individual institutions, but ultimately the citizens of South Africa. This can be achieved through a redefined organisational culture that instils trust and confidence as well as improved information and knowledge management.

Provide support to provinces and municipalities in the execution of the human settlements mandate. In this regard the NDoHS shall:

- Render any assistance to the province and municipalities as required for the performance of their duties in relation to human settlements programmes.
- Assist the provinces and municipalities to develop technical and administrative capacity and capabilities required for the effective exercise of their powers and performance of their duties in respect of human settlements development.
- Support and strengthen the capacity of provinces to manage their own affairs, to exercise their powers and perform their duties in respect of human settlements development.
- Do whatever is legally necessary to address underperformance and maladministration.
- Manage Performance Reporting, Monitoring and Evaluation:
  - Track, monitor and evaluate, performance of human settlements against national delivery goals, targets and budget expenditure of the:
    - National department.
    - Provincial Departments of Human Settlements.

- Local governments / Municipalities; and
- Departmental Entities.
- Account to national parliament for the performance of the sector against set targets utilising efficiency and effectiveness parameters.
- Track, monitor, and evaluate performance against the agreed delivery goals of the private sector, non-governmental organisations and other relevant stakeholders.
- Oversee and direct the activities of national statutory advisory and facilitative institutions and account to national parliament in this regard.
- Evaluate performance towards the achievement of identified outcomes of human settlements, policies and legislation.

The Minister will establish the following institutional instruments:

#### **5.3.1.1 The Human Settlements Ombudsman**

The core rationale resides in the investigation and resolution of complaints and grievances about housing matters and the observance of the fundamental right of access to adequate housing, within the area of responsibility of the Department at National, Provincial and Local government level, including the Department's entities.

The Human Settlements Ombudsman will be established through the proposed Human Settlements Amendment Act. The Human Settlements Amendment Act will entail a chapter on Human Settlements Ombudsman as a public entity.

#### **5.3.1.2 Advisory Panel**

Establish a panel of persons to advise the Minister on any matter relating to housing and human settlements development. A member of a panel is appointed for the period determined by the Minister at his or her appointment.

#### **5.3.2 Role of Provincial Government**

Provincial government has a critical role to play in ensuring effective and sustained delivery of human settlements programmes. The Member of the Executive Council (MEC) for human settlements will in consultation with the Minister of Human

Settlements, other provincial departments, local government as well as other stakeholders fulfil the following functions:

- Manage an effective and efficient delivery of human settlements programmes by ensuring alignment of plans and budget with national goals and targets
- Ensure implementation and adherence to national policy, legislation, norms and standards
- Ensure the Minister has approved any deviations to national norms and standards in respect of human settlements programme and projects
- Provide support to municipalities in the implementation of human settlements policy and programmes.
- Report, monitor, and evaluate provincial and municipal performance.

### **5.3.3 Role of Local Government/Municipalities**

Housing is a functional area of concurrent national and provincial legislative competence in terms of Schedule 4, Part A of the Constitution. The principle of subsidiarity is introduced in terms of Section 156(4) of the Constitution, which determines that a national and provincial government must assign to a municipality, by agreement and subject to any conditions, the administration of a matter listed in Part A of Schedule 4 or Part A of Schedule 5 if the principle of subsidiarity applies, and the municipality has the capacity to perform the function.

The constitutional caselaw indicates that, even though housing falls within the legislative competence of national and provincial governments, all municipalities are constitutionally obliged to respect, protect, promote and fulfil the right of access to housing by using the resources executive and administrative authority at their disposal.

But over and above this, near all high-level policy documents and decisions subsequent to the Housing Act 1998, including BNG and the IUDF 2014, express a commitment to actively involve municipalities in housing delivery by adequately devolving the housing function in accordance with section 156(4). Such assignment would also be in line with the aims of international instruments such as the New Urban Agenda.

Accordingly, the Accreditation and Assignment Framework for Municipalities to Administer National Housing Programmes was adopted by MINMEC in 2012. It provided a guideline for enabling the administration of national housing programmes by municipalities.

Therefore, every municipality must as part of their process of integrated development planning take all reasonable and necessary steps within the framework of national and provincial human settlements policy to:

- Work with national and provincial government as well as departmental entities in their respective areas of jurisdiction, to enhance the effectiveness of national and provincial human settlements programmes.
- Set local human settlements delivery goals.
- Develop strategies for the establishment of liveable cities, towns and rural areas.
- Participate in the development of national and provincial National Plan for the Development of Human Settlements and ensure that multiyear plans are congruent with the municipal plans including Integrated Development Plans.
- Ensure municipalities use their integrated development plans to articulate a vision for urban and or rural environment where citizens wish to live, and translate that vision into reality through the combined exercise of land-use planning and other considerations.
- Liaise and consult with the Minister and the MEC in respect of:
  - Fiscal transfers for human settlements programmes to the municipality.
  - Municipal priority status in respect of national facilitative programmes for human settlements, and
  - Any deviation to national human settlements policy and programmes.
  - Any prospective intervention when a municipality is unable to execute its obligation in terms of human settlements policies, programmes, and targets.
  - Inform the Minister of Human Settlements of any dispute that may arise in the execution of its functions.
- Ensure adherence to SPLUMA and municipalities should utilise land-use planning functions to promote integrated spatial and socio-economic development.

- Establish and implement mechanisms and procedures to ensure the achievement of human settlements outcomes, goals, and targets outlined in this policy.
- Ensure the availability of funding for various aspects of human settlements development.
- Manage the human settlements fund:
- Develop mechanisms to improve programme implementation and monitoring.
- Report to the Minister and the MEC, progress towards the achievement of set targets.

#### **5.3.4 Role and responsibilities of Traditional Leaders**

The National House of Traditional Leaders shall as far as it relates to the development of sustainable human settlements provide a mechanism for structured interface with national government, provincial and municipalities to:

- Advise government and participate in the development of national human settlements legislation, policies and programmes affecting on rural communities or their areas of jurisdiction.
- Make recommendations on appropriate interventions to government to bring about sustainable human settlement development.
- Advise on the development and provision of the sustainable human settlements package such as the requisite infrastructure and services for rural areas.
- Advise municipalities on the development of regulations and / or by-laws impacting for rural areas.
- Support municipalities by facilitating community involvement in the planning processes for human settlement developments;
- Advise national government on the customary interests of traditional communities, such as housing typologies, design, materials, and the like.
- Participate in national initiatives meant to monitor, review and evaluate human settlements programmes in rural communities.
- Communicate community needs relating to human settlements to municipalities and other spheres of government.

#### **5.3.5 Role and responsibilities of National Treasury**



The National Treasury will:

- In consultation with the Minister of Human Settlements provide the necessary funding for the development of human settlements programmes, policy and legislation.
- Provide necessary funding for the implementation of human settlements legislation, policies and programmes.
- Ensure the efficiency and manage the department's expenditure and monitor the performance thereof; and
- Support and share best practices to enable the department to perform its functions.
- Provide oversight in the management of the housing fund and advise the Minister of Human Settlements accordingly.

### **5.3.6 Roles and responsibilities of other government departments**

Chapter 3 of the Constitution s 41(1)(h)(iii) and (iv) provide for all spheres of government and all organs of state to consult, collaborate and coordinate with each other. Therefore sector departments will:

- Ensure adherence to the SPLUMA Regulations with regard to planning and development of human settlements.
- Ensure alignment and synchronisation of their plans by participating in the development of a mechanism to align and implement projects and budgets.
- Set aside funding for the achievement of the human settlements delivery goals in respect of their competencies.
- Plan and implement in line with the DDM.

### **5.3.7 Roles and responsibilities of other stakeholders**

The State cannot address the enormous challenge of human settlements development without the mobilisation of the collective resources, capacity, knowledge and skills of other partners outside government.

Government has committed itself through the social contract to work together with various sectors

for co-production of Sustainable Human Settlements and Improved Quality of Household Life, which includes the achievement of the 2030 towards the 2050 vision for human settlements.

## **6 POLICY IMPLEMENTATION**

The translation of policy vision and goals into action is highly complex, involving many players inside and outside government. It also operates at multiple levels and requires various actions across many fronts. Key factors that must be considered include the ability for policymakers to: 1) Clarify mandate, goals and measure progress; 2) Creating appropriate decision making structures and feedback loops; 3) Ensure that there are right skills and expertise to deliver; 4) Provide clarity and certainty about where and how decisions are made; 5) Frame issues to get people on their side and to support and understand the new policy and programmes; and 6) Use the existing assets (that is, human resources) in the system and make long implementation programmes resilient to the political cycle, personnel churn and external events.

Although the three spheres of government are distinctive, they are also interdependent and interrelated. The development of sustainable human settlements is located across national, provincial and local governments and also spread amongst different sector departments. Therefore, there is a need for a range of consultations and agreements that should take place within the spheres and amongst the sectors, with the sole purpose of directing the realisation the mandate of developing sustainable human settlements and improve quality of household life.

The priority is to improve policy implementation by ensuring institutionalisation of policy and programmes. This will be achieved through: 1) Staying close to the implementers; 2) Ensuring clear goals and clarity of purpose; 3) Investing in the right capacity and capabilities; 4) Support local capacity and pursue their commitment; 5) Develop a system-wide monitoring and accountability mechanism; 6) Mobilising communities, business, civil society, professional bodies, non-governmental organisation; 7) Utilising political officers at various levels to drive change and progress.







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