

**DEPARTMENT OF HUMAN SETTLEMENTS**


NO. 5801

31 January 2025

**GOVERNMENT NOTICE FOR THE PUBLICATION OF 2024 WHITE PAPER FOR HUMAN SETTLEMENTS**

1. On 29 November 2023 the Cabinet approved the publication of the draft White Paper for Human Settlements in the government Gazette for public comment.
2. The White Paper for Human Settlements was then published in the government Gazette, No. 49895, Vol. 702, 2024 with 31 January as the closing date for the submission of public comments.
3. On 24 January 2024 the Minister of Human Settlements approved the extension of public comments submission from 31 January 2024 to 28 February 2024 following requests from various organisations and stakeholders.
4. The draft White Paper for Human Settlements was subsequently published in the government Gazette, No. 50205, Vol. 704, 2024 with 28 February as the closing date for the submission of public comments.
5. This was on the basis that the Department considers public consultations as key feature of an effective policy development process as they provide an opportunity for stakeholders and strategic partners to engage openly and robustly.
6. The White Paper was also accessible through platforms and channels, i.e. DHS website, Urban Knowledge Exchange of South Africa, Dear SA, Twitter, Facebook as well as WhatsApp and hard copies were available at the DHS Offices.
7. The 2024 White Paper for Human Settlements is an outcome of an inclusive public participation which sought to maximise collective efforts and expansive participation.
8. The consultations included Civil Society groups, namely, the Development Action Group, Isandla Institute, Women Stakeholders representing various Organizations; South African Local Government Association, Academic Institutions, sector departments which include the National Treasury, Cooperative Governance and Traditional Affairs Mineral Resources and Energy, Social Development; Agriculture, Land Reform and Rural

- Development; Forestry and Fisheries, Science and Innovation; Water and Sanitation; Public Works and Infrastructure; Higher Education and Training; Basic Education and Environmental Affairs and Statistics South Africa.
9. Consultative Workshop was also hosted with the National Policy and Research Task Team (NPRTT) mainly comprising of middle and senior officials from Provinces, Metropolitan Municipalities, SALGA, Chapter Nine Institutions, Entities, Government Departments.
  10. The White Paper was also approved by the TWG-SPCHD and FOSAD-SPCHD following Human Settlements Technical MinMec and MinMec approval.
  11. The White Paper was also granted SEIAS Final Phase certification by Presidency allowing the Department to proceed with the submission of the Draft White Paper on Human Settlements to Cabinet.
  12. The National Department of Human Settlements had considered stakeholder's inputs, comments, and advisory notes by classifying, examining, and cross-referencing them accordingly with the intent of enriching the White Paper policy.
  13. Cabinet approved the 2024 White Paper on Human Settlements on Wednesday, 04 December 2024.
  14. Accordingly, the 2024 White Paper for Human Settlements has now fulfilled all the required procedural guidelines and statutory requirements.
  15. I would like to take this opportunity to thank all the stakeholders and partners for their invaluable contribution to this significant policy development process aimed towards the enabling the delivery of human settlements in South Africa.



**MS T. SIMELANE (MP)**

**MINISTER OF HUMAN SETTLEMENTS**

DATE: 13/01/2025



**human settlements**

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

**WHITE PAPER  
FOR  
HUMAN SETTLEMENTS**

**December 2024**

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## FOREWORD BY THE MINISTER

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The Freedom Charter adopted by the Congress of the People in Kliptown on 26 June 1955 advocated that there shall be houses, security and comfort. All people shall have the right to live where they choose, be decently settled, and to bring up their families in comfort and security. The elderly, the orphans, the disabled and the sick shall be the priority of the state. Rest leisure and recreation shall be the right of all. Fenced locations and ghettos shall be abolished and laws which break up families shall be repealed.

Accordingly, the 1996 South African Constitution codified what had been envisioned in the Freedom Charter which states that: **“There Shall be Houses, Security and Comfort!”**. Adjoining this, the Constitution states in Section 26 that: “(1) Everyone has the right to have access to adequate housing, (2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right”. The 1994 Housing White Paper, which was preceded by the work done by the then National Housing Forum, and the consensus reached at the 1994 National Housing Summit in Botshabelo, has been the policy framework that has guided the fulfilment of Section 26 of the Constitution.

Thirty years later after the adoption of the 1994 White Paper on Housing, South Africa requires an updated policy framework focusing on human settlements primarily for three reasons: Firstly, the new White Paper is necessary in recognition of the fact that despite the significant progress made in the provision of shelter to poor and vulnerable South Africans, there are still numerous citizens who do not have access to adequate housing or housing opportunities. Secondly, the apartheid spatial development which was premised on the exclusion of the majority from sustainable human settlements and promotion of inequality remains entrenched in South Africa’s landscape. Thus far, state interventions have been unsuccessful to realise achievement of a more equitable distribution of urban residential land, and in many cases have exacerbated these spatial inequality patterns. Resultant to this is that majority of poor households have poor access to social amenities such as transport, education and health, thus resulting in an uneven and skewed distribution of land for low-cost housing. Thirdly, various investigations, research, reviews and evaluations on human settlements policy and programmes have identified numerous shortcomings related to gaps in policy and programme implementation. This is attributable to significant shifts in societal needs that require an updated, innovative and responsive policy environment. These shifts include, population growth, rapid urbanisation, the emergence of innovative technology, climate change and changing human settlements demand patterns.

This White Paper is therefore a product of extensive consultative process which included the public and private sectors, civil society, academia, and communities. Central to the new White Paper, is the development of a policy and legislative framework for the development of Integrated and Sustainable Human Settlements, with a vision to provide housing, safety, and comfort for all, with emphasis on vulnerable, poor and missing middle of our society. This Policy anchors that the development of sustainable human settlements is a spatial assertion premised on the integration of (four) 4 key elements: namely, 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 favourable fiscal arrangements. Since its inception the National Housing Subsidy Scheme has been crucial in offering affordable housing to eligible low- and middle-income households in South Africa. Critical to the implementation of human settlements programmes is the provision of subsidies, referred to as the subsidy quantum, to low- and middle-income households, facilitating channels for home purchase, rental, or construction and provision of socio-economic amenities.

The implementation of the proposals contained in this 2024 White Paper for Human Settlements will be made possible by harnessing the skills, resources, and energy that the nation has in abundance, as well as strengthening of intergovernmental collaboration. To ensure efficiency and effectiveness of its reform measures and implementation, there must be an ongoing review of our grant funding frameworks, subsidy instruments and Human Settlements Department institutional structure. As a sector, we endeavour to embrace novelty in our planning and delivery system approaches and innovativeness without which the sector performance indicators will be rendered ineffective and unsustainable.

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**T. Simelane, MP**

**Minister of Human Settlements**

**Date:**



## EXECUTIVE SUMMARY

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The purpose of the 2024 White Paper for Human Settlements is to set a long-term policy direction for the South African government to create an enabling environment for the development of integrated and sustainable human settlements. It focuses on the whole-of-society approach which includes the relevant government agencies (e.g., national, provincial department, and local authorities), public sector entities (e.g., HDA, NHBRC). The private sector (e.g., real estate developers, financial institutions), civil society organisations (e.g., NGOs focusing on housing and urban development and environmental issues), academic and research institutions, international organisations (e.g., UN-Habitat, AfDB). The professional bodies (e.g. Councils under the Council for the Built Environment, South African Council for Planners and other Statutory and Non-Statutory bodies), local communities and residents, as well as media and communication entities. This is to advocate for the creation of sustainable human settlements with a view to provide housing, safety, and comfort for all with an emphasis on vulnerable, poor and missing middle those households who earn too much to qualify for government-subsidised housing but not enough to afford market-rate housing in our society.

Thirty years later after the adoption of the 1994 White Paper on Housing, South Africa requires a contemporary policy on human settlements development framework primarily for three reasons. Firstly, the revision of the White Paper is essential because apart from significant progress made in the provision of shelter to poor and vulnerable South Africans, there are still many South Africans who do not have access to adequate housing or housing opportunities. This recognises the fact that since 1994, government has provided about 5.2 million housing opportunities. This is substantiated by the Census Report 2022 which establishes that 82,4% of households have access to piped water inside their yards in 2022 as compared to 73,4% in 2011; 71% of households have access to flush toilets compared with 60% in 2011; 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; and only 7,9% of households live in informal dwellings compared with 13,6% in 2011.

While the above progress is noted, there are still more than 3.4 million South Africans on the housing needs register which represents the backlog. Worth noting is that the rate at which government has been providing housing has rather been on the decline, which implies that it will take much longer to meet the housing demand, at the current rate of supply.

The human settlements backlog manifests itself through the rapid sprouting of informal settlements, poor quality of the physical environment, lack of access to social and economic amenities which are

primarily affecting the urban areas and emergence of urban slums mainly in the form of dilapidated, overcrowded and hijacked inner-city buildings.

The unintended outcomes are poor promotion of spatial integration, as envisaged in the policy, such developments have exacerbated inequality and spatial segregation by race and class. This therefore perpetuates the apartheid-era spatial construct that segregated black populations, denying them equal access to economic opportunities, housing, and essential services. To effect reforms and address comprehensively the challenges and opportunities outlined above, the White Paper for Human Settlements proposes several policy shifts.

Secondly, the apartheid spatial development remains entrenched in South Africa. This manifests through the structuring of cities, towns, and homelands along fragmented racial and ethnic lines have endured, with significant and lasting impacts on the current challenges facing human settlements and urban centres. To date, government interventions, considering the many competing yet equally important demands, such as providing universal access to healthcare and education, have made minimal achievement towards a more equitable distribution of urban residential land and this has exacerbated these patterns. The direct impact of these shortcomings is that majority of poor households still lack access to social amenities such as transport, education and health and there remains an uneven and skewed distribution of land for low-cost housing. Beyond the challenge of integrating the middle- and lower-income groups into sustainable human settlements, access to housing finance for the previously disadvantaged group remains one of the key challenges of enabling access to adequate housing. This is attributed to various factors including higher property prices, high level of indebtedness and limited supply of affordable housing stock. This by extension restricts access to certain geographic areas, while slowing down progress of reducing poverty and inequalities:

Thus, policy proposals articulated in this White Paper seek to advance the creation of spatially integrated communities that bring together all citizens regardless of class, gender, race and religion. Furthermore, the proposals seek to heed South Africa's government's call of the Constitutional injunction that says, "The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right [right to adequate housing]".

Lastly, various investigations, research, reviews and evaluations on human settlements policy and programmes have identified numerous shortcomings related to gaps in policy and programme implementation. Such demonstrates significant shifts in society that demand critical interventions and responsive policy. These shifts include, population growth, rapid urbanisation, migration patterns, the

emergence of innovative technology, climate change and changing human settlements demand patterns.

While acknowledging the existence of the Breaking New Ground- Comprehensive Plan for the Development of Sustainable Human Settlements approved by Cabinet in 2004, the absence of a policy and legislative framework focusing human settlements remains a barrier in driving development of integrated and sustainable human settlements. With this consideration, the policies and programmes that guide the operation of the Department, are inconsistent with the aspect of delivering human settlements in South Africa are narrowly grounded on one aspect of human settlements, which is housing.

The absence of legislative directive of what constitutes human settlements, lack of role clarification, responsibility and accountability continue to hinder effective planning and development of human settlements. Moreover, lack of clarity in both the Comprehensive Plan, and subsequent 2009 Housing Code about what constitutes human settlements development and management as well as what performance variables are used to meet the intended outcomes most effectively. Resultant to this is absence of forward planning which often results in costly developments and uncoordinated development plans that exacerbate spatial inequalities.

The progressive realisation of the right of access to adequate housing as espoused in Section 26 of the Constitution is predicated on Government's obligation to demonstrate taking appropriate steps to ensure citizen's rights to adequate housing and to ensure continuous improvement of conditions through human settlements developments, while progressively promoting wider access to housing. Therefore, this White Paper for Human Settlements for the Republic of South Africa falls within the policy continuum that seeks to create an enabling environment for the development of integrated and sustainable human settlements.

This White Paper was developed within an era of range of complexities that have an impact on the speed and scale which human settlements are developed. These complexities range from external factors such as the impact of macro-economic trends and pandemics such as COVID -19; and within South Africa there are a range of factors that contributes to human settlements performance which includes the shrinking fiscus, unavailability and/or slow land release processes, rapid urbanisation, escalating costs of material, fiscal leakage and in some instances capacity constraints.

The development of this White Paper also recognised the importance of international benchmarks regarding housing subsidy schemes. Focusing on subsidies provided to the low-middle income earners to acquire a house in developing countries is key.

Since 1994, a strong foundation has been established, upon which the ambitious proposals that are made in this White Paper will be implemented. To this 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. Since its inception the National Housing Subsidy Scheme has been crucial in offering affordable housing to eligible low-middle income households in South Africa. Central to the implementation of programmes is the provision of subsidies, referred to as the subsidy quantum, to low-and middle-income households, facilitating avenues for home purchase, rental, or construction.

Government will continue with the subsidisation of human settlements, and this will be undertaken by reforming governance and institutional architecture to enable appropriate realisation of integrated and sustainable human settlements. The HSS will be refined on an ongoing basis according to the findings from emerging research, monitoring, and evaluation. Digitilisation of the human settlements value chain will be pursued and targeting of vulnerable households in particular women, older persons, persons living with disabilities, special groups, and other vulnerable groups, will be prioritised. Government will implement interventions to foreclose all opportunities for fraud and corruption. Government's subsidy investment will be coupled with mechanisms for the ongoing maintenance of this investment, particularly where beneficiaries are not financially capable of ensuring this themselves and where government investment is in the form of apartments buildings. Instruments towards improved approaches of blending state funding with private sector finance and savings to maximise the capacity for access to decent housing, particularly to the gap market are proposed. These include affordable rental, rent to own, and bonded units. Importantly, interventions are proposed that will ensure state-subsidised programmes contribute to sustainable and inclusive economic growth.

Government commits to adequate emergency responsiveness with well managed temporary facilities and a state-provided, -managed and -subsidised rental sector in suitable locations for carefully targeted households tying tenants to economic opportunities, as a strategy towards preventing homelessness. Moreover, there is acknowledgment and support mechanisms proposed for the entire rental housing sector.

In terms of priority policy interventions, Government will develop optimal institutional, technical, planning, tenure and procedural mechanisms for participatory and incremental informal settlement upgrading that will be implemented in-situ wherever possible.

A focus on developing participatory, incremental, and in-situ mechanisms for the upgrading of temporary relocation areas that can no longer be deemed to be temporary will be pursued. Develop participatory, incremental, and in-situ mechanisms for the upgrading of apartheid-era hostels and inner city occupied buildings, with innovative redevelopment and densification where appropriate. A National Stakeholder Forum will be developed that is inclusive of the private sector, academia, civil society, and communities to instil collaboration and co-production of initiatives.

Government will create conditions for self-provisioning of housing by low-income households and policy statements reflect interventions that will enable households to build for themselves or with their own resources wherever possible, including through managed land settlement as well as the release of serviced stands/ land in locations that tie households into the economy. Mechanisms are proposed that protect against harmful downward raiding while allowing a market to develop. Conditions are created for a non-exploitative and fairly regulated rental sector to thrive and ensure that a thriving subsidised social housing sector contributes towards this. Interventions and levers are proposed that prioritise sustainability in all its facets, including climate resilience, as a cross-cutting commitment.

This White Paper is not an implementation plan. Flowing from the proposals in this White Paper, the Housing Code will be reviewed and re-labelled to encompass new approaches, strategies, and programmes to give effect to the delivery of integrated and sustainable human settlements. The policy actions proposed here will be implemented according to 5 yearly strategies with continuous consultation with all implementation partners (across government, business, academia and civil society) to ensure policy coherence and certainty. The reviewed Housing Code will inform the strategic plans and detail the focus areas, programmes to be initiated, institutional arrangements and funding required for these programmes, and ways to evaluate their performance. They will be reviewed and updated every five years.

The achievement of the policy statements in this White Paper is premised on the whole of government approach focusing on refining alignment with spatial justice, sustainability, good governance, spatial resilience commitments made in the IUDF, NDP and in SPLUMA-related plans at all levels, including across the urban-rural continuum. Embark on ongoing participatory engagement around policy and implementation.

Creating comprehensive systems of monitoring all elements of the human settlements value chain and build multi-stakeholder engagement forums at national, provincial, and municipal level. Complimenting rigorous technical monitoring and evaluation and ensure ongoing refinement of programmes and implementation.

The White Paper is divided into five parts, namely:

- ▶ **PART ONE:** Covers the policy context, vision, purpose, objectives, and principles that ground the White Paper for the entire value chain of human settlements delivery.
- ▶ **PART TWO:** Outlines the essential anchors for the White Paper including constitutional imperatives, international benchmarks, legislation, policies, international instruments, the macro economy, population and income dynamics influencing human settlements, and further gives consideration to the evolution of the housing programmes, budget allocations, performance of the sector, and key shifts informing the position of government.
- ▶ **PART THREE:** Details key issues, policy positions and statements in relation to demand management and qualification criteria, spatial planning and transformation, land for human settlements, informal settlements and informal settlements upgrading, affordable rental, affordable housing, and the affordable housing market.
- ▶ **PART FOUR:** Outlines key policy statements on creating the enabling environment, and covers the funding models and financing, funding and taxation incentives, market support and facilitation, innovation and sustainable human settlements, climate change, climate resilience and innovative systems, infrastructure and amenities, empowerment, transformation and gender mainstreaming, capacity and capability and professional practice, and expansion of the local government role through the Municipal Accreditation Programme.
- ▶ **PART FIVE:** Defines the governance imperatives and details monitoring and reporting systems, institutional arrangements, addressing fraud, corruption and maladministration and policy implementation statements.

One of the valuable lessons learned that is often underscored is the complexities that surround the development and management of human settlements, the role that has been played by state-market led housing provision, the contradictions that goes with planning for growing the economy and development of human settlements and the choices that often lead to unintended consequences which in large part is due to the complex human settlements system. This system has a 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 the delivery process.

## PART 1

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### 1. Introduction

Development of integrated and sustainable human settlements remains one of South Africa's area of priority. This recognises that access to adequate housing is a Constitutional right, but importantly it serves as a key instrument to address features of apartheid regime which sought to promote spatial segregation and inequality. The Department of Human Settlements is entrusted with the mandate of the realisation of the Constitutional right of access to adequate housing. South Africa's housing challenges largely exhibit through the ever-growing housing backlog presenting through mushrooming of informal settlements, poor quality of physical environment as well as lack of access to social and economic amenities, prevalent in the urban areas. In the recent years, the country has experienced growing effects of climate change manifesting through heavy downpours and flooding resulting in various emergencies and disasters which often negatively impact the most vulnerable communities.

The White Paper for Human Settlements (herein referred to as the White Paper) seeks to reposition the function of the Department, and to ensure a comprehensive response to the need for shelter that focuses not only on the provision of housing units, but the development of settlements that are sustainable human environment, thereby contributing to improved quality of life. The White Paper further seeks to drive and ensure that the sector profoundly contributes to government's strategic goals including the 2030 National Development Plan (NDP). It further pursues alignment with South Africa's commitment to international Treaties on matters relating to sustainable human settlements.

#### 1.1. The Policy Context

##### 1.1.1. Socio-Economic landscape

- **Population Growth:** Statistics South Africa Census 2022 revealed that South Africa's population has grown rapidly from 1996 to 2022, establishing that there are over 62 million people living in South Africa (Figure 1). The Provincial breakdown is that Gauteng and KwaZulu-Natal are a home to about 44% of the population, with both provinces having experienced growth between 2011 and 2022 by over 20% of their population.

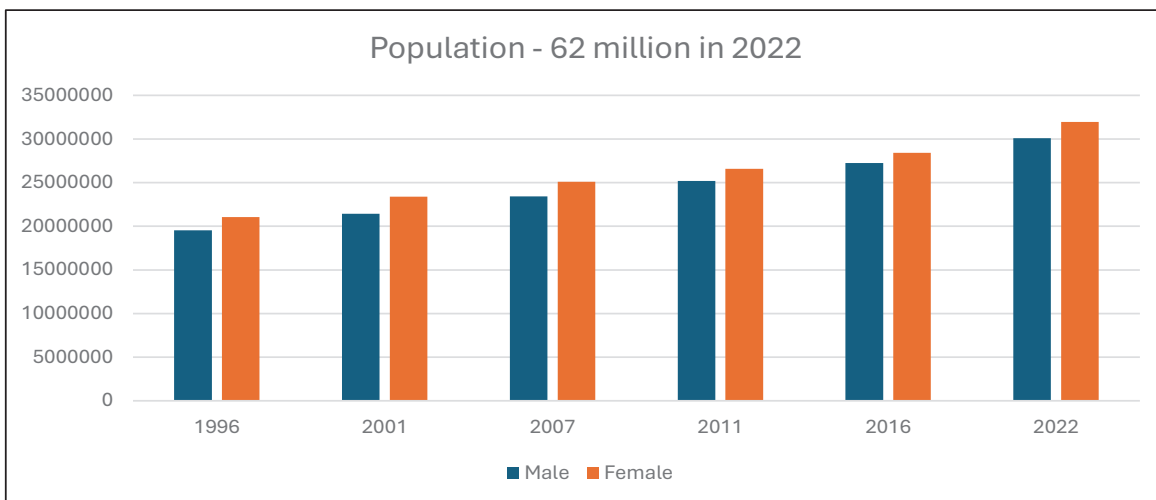


Figure 1: Statistics South Africa Census Report (2023)  
Source: Stats SA Census 2022 Report

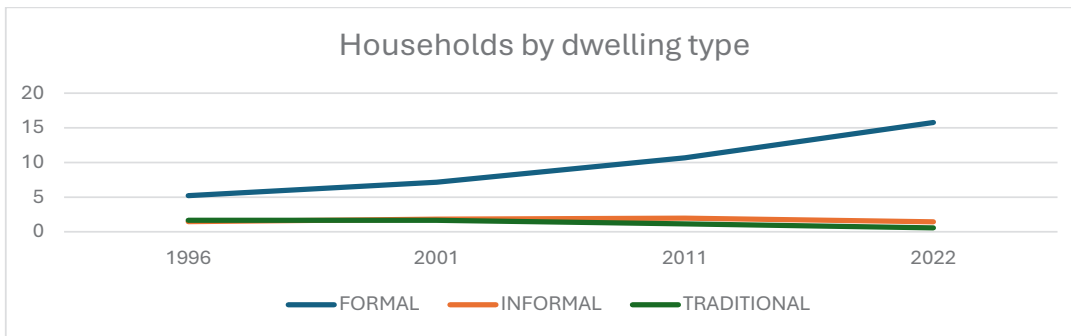
- Household formation, gender, and age dynamics:** As of 2024, South Africa recorded 17.8 million households, with an average size of households of 3.5 persons, with notable variations across the nine Provinces. Worth noting is that about forty nine percent (49.6%) of households in the country, are headed by females. Meanwhile, the population structure indicates a rather young population, with many persons being below the age of 34 as illustrated in Table 1.

| Category Age structure    | Number       | Percentage |
|---------------------------|--------------|------------|
| Children (0-14 years)     | 16,3 million | 26%        |
| Youth (15-34 years)       | 21,6 million | 34%        |
| Adults (35-59 years)      | 17,9 million | 29%        |
| Older persons (60+ years) | 6,1 million  | 10%.       |

Table 1: South African population classified by age structure.  
Source: Stats SA Census 2022 Report

- Rate of Urbanisation:** Census 2022 further reveals that South Africa is highly urbanising, even though not everyone has access to urban services. Rapid urbanisation has been seen in major municipalities such as the Category A (metropolitan), Category B1 (intermediate city municipalities) and Category B2 municipalities. These municipalities contain 63% of the population of South Africa. The implication of rapid population growth is the growing demand for social, infrastructural, economic, environmental, and while the government resources remain constrained in a declining economic climate. Statistics also show a significant increase in the formalisation of housing between the 1996-2022 period, with more than 10.2 million formal households being added to the overall housing stock, thus contributing to reduction of informal and traditional housing.



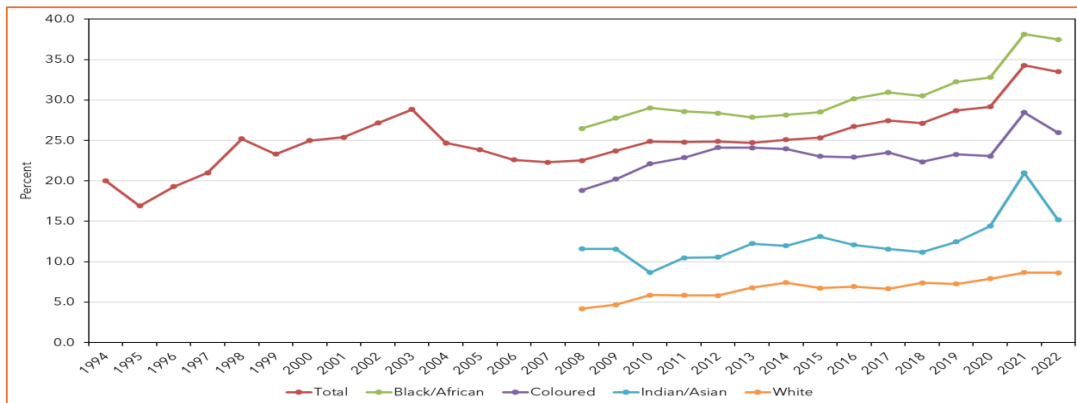


**Figure 2: Stats SA Census figures of households by dwelling type**  
Source: Stats SA Census 2022

- **Access to basic services:**

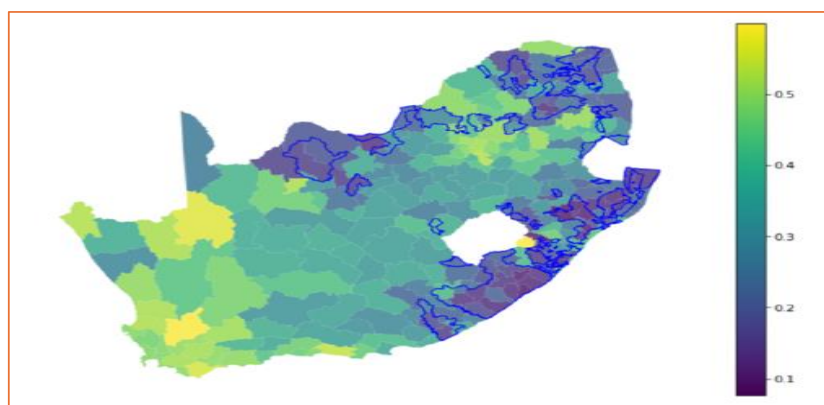
Regarding access to basic services, statistics shows that:

- 82.4% of households have access to piped water inside their yards in 2022 compared with 73.4% in 2011;
  - 71% of households now have access to flush toilets compared with 60% in 2011;
  - 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;
  - Only 7.9% of households live in informal dwellings compared with 13.6% in 2011; and
  - Only 21% of households now do not have access to the internet compared with 64.8% in 2011.
- **Employment:** As at Quarter 1 of 2024, the official unemployment rate stood at 32.9 %, which is an increase of 0.8 of a percentage point in first quarter of 2024 (Q1: 2024) compared to the fourth quarter of 2023 (Q4: 2023) (Statistics South Africa, 2024). On average, unemployment has been increasing by 0.5 percentage points per year since the end of the apartheid, reaching 33.5% in 2022 (from 20% in 1994). Youth unemployment reached more than 61.5% in 2022, according to Stats SA. Black South Africans -women in particular - are the population group with the highest level of unemployment. The number of individuals not engaged in education, employment, or training (known as “NEETs”) has also been on the rise.



**Figure 3: Unemployment rate total and by population group**  
 Source: Harvard lab Report based on SARB and Stats SA.

- The spatial divide correlates with South Africa's high unemployment rate, mostly affecting the previously disadvantaged groups, with the former homelands being the most affected. Notable is that the areas outside of non-metro former homelands (i.e., excluding Pretoria and Durban), where 63% of the working-age population lives, the employment rate is estimated to be around 46%. Inside the non-metro former homelands, the employment rate of the working-age population is recorded around 26%. While in municipalities located within the former homeland boundaries, unemployment is recorded below 10%. Within the non-metro former homelands, the problem is concentrated in the rural areas, which comprises of 80% of the resident population and the unemployment rate is at 21%. In these places, the employment rate is barely 21%, while it is 42%, twice as high, in the urban areas of the former homelands.
- The map presented below represents employment rates by municipality in 2011. The colouring goes from blue (lowest employment rates) to yellow (highest employment rates). The blue lines in the map outline the borders of the former homelands.



**Figure 4: Employment rates per Municipality**  
 Source: Lochmann (2022)

- **Income:** Income per capita has been falling for over a decade. Unemployment rates at over 33% is one of the world's highest, and youth unemployment exceeds 60%. Poverty has risen to 55.5% based on the national poverty line,<sup>1</sup> yet many more households depend on government transfers to sustain livelihoods. Most cities are failing to adequately connect people to productive opportunities and are failing to innovate, grow, and drive inclusion. Rural areas in former homelands, where almost 30% of South Africans live, exhibit dismally low employment rates and remain exceptionally poor. Individuals living in these areas need to leave for an equal chance to earn a decent living.

### 1.1.2. Supply Constraints

- **Land Availability:** One of the challenges of land availability for human settlements is the misalignment between the three spheres of government informed by legislative frameworks, operational imperatives, ownership, and asset management fragmentation. This is further complicated by the complexities around division of powers and functions resulting to acquire well-located or habitable state-owned land to develop sustainable human settlements. Going forward, land availability for sustainable human settlements should include clear processes of, among others, land suitability, accessibility, habitability, livelihood indexes. These will seek to establish habitable and non-habitable land, risk prone areas and inform development of well-located and habitable land.

The availability of well-located suitable land for human settlements purposes is one of the major constraints to the provision of housing. Municipalities are responsible for the identification of land and provinces have acquired land at exorbitant prices. The 2017 Land Audit report by the Department of Agriculture, Land Reform and Rural Development highlights that land inequality by race and gender remained high in South Africa. Importantly, 80% of the population of South Africa lives on around 2% of the land making South Africa more urban than the global average.

- **Financial and regulatory support:** Statistics show that the supply of government subsidised housing from 1994 until 31 January 2024, a total of 5,2 million housing units were delivered with the following breakdown: Hostel/CRU Units (74075); Social/Rental/Institutional housing (141634); FLISP (36607); RDP/BNG Houses (3261428); Services sites completed (1345346); and EEDBS (pre 1994 housing converted to ownership) (372474).

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<sup>1</sup> Poverty figure corresponds to 2014, the latest official value.

Notable is that during this period, the cost of providing housing increased greater than in proportion to the increases to subsidies, leading to fewer state housing units being provided. The programme has been affected by high construction cost building material, cost of transactions, legal taxes, and professional fees.

- Economic growth and Budget cuts:** When the programme started the economy was projected to grow and budgets were to be increased. However, the economy has faced a series of global and local disruptions, including slowing global growth, geopolitical tensions and wars and the COVID-19 pandemic amongst others. South Africa’s annual Gross Domestic Product (GDP) growth averaged 3.6% per year from 1994 through 2008, or 2.0% in per capita terms, lower than that of upper-middle income countries and Sub-Saharan Africa on average (Figure 5). Statistics South Africa reported that between 2011 and 2021 the GDP averaged at 1,2%. This highlights that the South African GDP is projected to continue to stagnate without returning to its pre-pandemic level. The figure below provides the details of Real GDP Growth of South Africa in relation to Sub-Saharan Africa

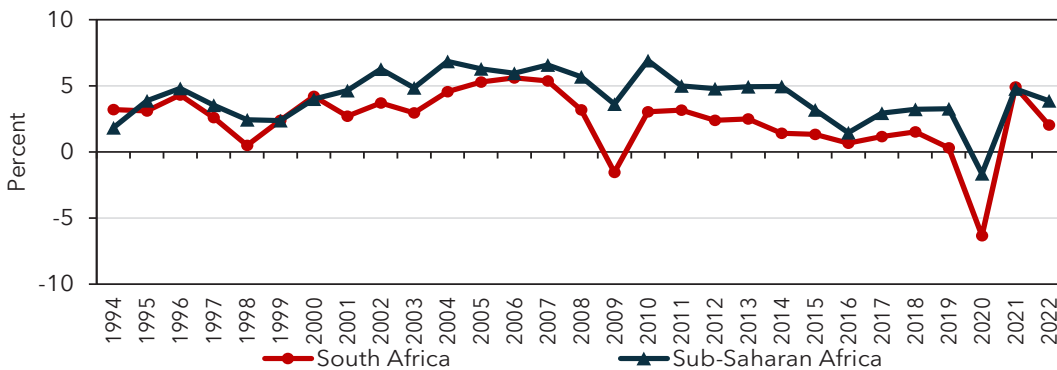


Figure 5: Real GDP growth of South Africa in relation to Sub-Saharan Africa  
 Source: Growth Harvard report, 2023

**Policy Statement – Demand Imperatives and Supply Constraints**

- Government will regularly conduct reviews of human settlements operating models to enhance programmes and facilitate better human settlements circumstances for the poor and vulnerable. These may involve or be directed by government to varying degrees and include direct provision of housing stock, financial instruments to stimulate supply and demand for housing, interventions for securing tenure, and support service interventions.

### 1.1.3. The Evolution of the Housing Policy

- South Africa's Housing Subsidy System (HSS) has been a cornerstone of government's efforts to alleviate housing shortages and rectify historical injustices since 1994.

This however recognises that the housing challenge can be traced back to colonialism and subsequent eras of land dispossession and industrialisation linked to mining and development of railway and other infrastructure. The White Paper recognises that apartheid systems disempowered and dehumanised majority of the citizens, owing to unfavourable apartheid legislation and policies.

- The historical apartheid legislative framework that sought to racially segregate citizens still have a persistent negative impact on human settlements development in South Africa. This manifests through people living far from economic centres, and areas of habitation characterised by overcrowded townships; backyard housing – a symptom of expanding housing demand and continuous advent of informal settlements across the country. All these contribute to the vulnerable groups experience of immense hardship, insecurity, indignity, squalor, and ill-health.
- Prior to 1994, South Africa had a variety of housing schemes for the different racial groups. In the democratic regime, the schemes were consolidated into one housing subsidy scheme. The consolidation required that some of the entities that were providing housing and housing related products, ceased to operate together with the respective housing stock. As part of this process, the Department had to merge and maintain datasets and on certain cases, the stock remained the responsibility of Provinces.

### 1.1.4. Legislation, Policies, and International Frameworks influencing Human Settlements

South Africa legislative and policy landscape provides for various instruments that seek to promote creation of equitable, safe, integrated, and sustainable human settlements. While there are some successes recorded in the implementation of these instruments, the need exists to embark on review of some of these to ensure responsiveness to delivery of integrated and sustainable human settlements.

The list of current policies includes the following:

- i. **Comprehensive Plan for the Creation of Sustainable Human Settlements, 2004:** Formalises the shift in the Department's approach from providing housing into developing sustainable human settlements and further outlines a plan for the development of sustainable human settlements.
- ii. **Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework:** Provides a framework for enabling a gender responsive contribution to enable South Africa to realise its Constitutional vision of a non-sexist society, gender equality, empowerment and to ensure allocation of adequate resources for Women Empowerment and Gender Equality.
- iii. **Housing Code Version 2000:** Sets out the National Housing Policy and procedural guidelines for effective implementation; reiterating that housing provision must be sustainable and avail a range of choices to contribute positively to a non-racial, democratic, and integrated society.
- iv. **Housing Code Version, 2009:** provides for prescripts enabling the delivery of inclusive, sustainable, and well-planned housing solutions for people.
- v. **Human Settlements Vision 2030:** On the Road to 2050 aims to provide houses and services in rural and urban areas to address rapid urbanisation challenges and the transformation of rural areas into urban centres.
- vi. **Inclusionary Housing Policy:** Creates affordable housing opportunities for low- or moderate-income households and requires developers to sell or rent a percentage of new residential units to lower-income residents.
- vii. **Integrated Urban Development Framework (IUDF), 2016:** Provides a framework enabling spatial transformation by steering urban growth towards a sustainable growth model of compact, connected and coordinated cities and towns.
- viii. **National Development Plan (NDP), 2012:** provides a long-term perspective, defines the desired destination of the country, and identifies the role of different sectors in eliminating poverty and reducing inequality by 2030.
- ix. **National Spatial Development Framework (NSDF), 2020:** Aims to ensure equal access for all to services, amenities, and opportunities that well-planned, well-functioning and well-managed urban and rural settlements offer.
- x. **National Spatial Development Perspective (NSDP), 2006:** Provides a framework for a focused intervention by the State in equitable and sustainable development, guides infrastructure investment and represents a key instrument in the State's drive towards ensuring greater economic growth, buoyant and sustained job creation, and the eradication of poverty.
- xi. **National Youth Policy, 2020 – 2030:** Provides for a framework to strengthen the capacity of key youth development institutions and effects positive youth development outcomes at local, provincial, and national levels.

- xii. ***Procedural and Unfair Practices Regulations under the Rental Housing Act, 50 of 1999 (as amended)***: To provide standards and norms for private and public rental practices.
- xiii. ***Record of understanding with Association of Mortgage Lenders (AML) in 1995***: Commits parties to the national development agenda of promoting and scaling up housing delivery, based on legislative and compliance framework.
- xiv. ***Revised Subsidy Quantum, 2023***: The revised quantum takes into consideration additional elements such as rainwater harvesting devices and solar kits in some programmes.
- xv. ***Social Contract for the Development of Sustainable Human Settlements, 2014***: A framework for partnerships and resource mobilisation recommitting stakeholders to accelerating the delivery of integrated human settlements as a key strategy for poverty alleviation.
- xvi. ***Social Housing Policy, 2005***: Creates an enabling environment for the social housing sector to develop, grow, and deliver at scale.
- xvii. ***The Accreditation Framework for Municipalities to Administer National Housing Programmes 2023***: Provides for a programme based incremental approach and revised procedures and processes for implementing the accreditation programme.
- xviii. ***White Paper on Housing, 1994***: To provide a macro policy that creates an enabling environment for housing delivery.
- xix. ***White Paper on the rights of persons with disabilities, 2016***: To provide the framework for a uniform and coordinated approach by all government departments and institutions in mainstreaming disability across all planning, design, budgeting, implementation and monitoring of services and development programmes.

#### 1.1.5. Legislation

- Human settlements development is guided by legislative prescripts and the following have a direct impact on the creation of sustainable human settlements:
  - i. ***Broad-Based Black Economic Empowerment (B-BBEE) Act 53 of 2003***: establishes a legislative framework for the promotion of Black Economic Empowerment and empowers the relevant Minister to issue codes of good practice and to publish transformation charters for key sectors.
  - ii. ***Community Schemes Ombud Service (CSOS) Act 9 of 2011***: provides for the establishment of the CSOS and articulates the mandate and functions of the CSOS; regulates quality assurance and provides a dispute resolution mechanism for community schemes.
  - iii. ***Deeds Registries Amendment Act 47 of 1937 (as amended)***: regulates the transactions involving land, such as buying, selling, mortgaging, or leasing, and requires them to be registered in a Deeds Registry. The Act also applies to sectional titles, which are units of land within a larger property, such as apartments or townhouses.

- iv. ***Disaster Management Act 57 of 2002***: provides for an integrated and co-ordinated disaster management process, focussing on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery.
- v. ***Dis-establishment of South African Housing Trust Limited Act 26 of 2002***: dis-established the South African Housing Trust Limited; transferred its rights and assets to the National Housing Finance Corporation and vested its obligations and liabilities in the Government of the Republic of South Africa.
- vi. ***Government Immovable Asset Management Act 19 of 2007 (GIAMA)***: provides for a uniform framework for the management of an immovable asset that is held or used by a national or provincial department; to ensure the coordination of the use of an immovable asset with the service delivery objectives of a national or provincial department; to provide for issuing of guidelines and minimum standards in respect of immovable asset management by a national or provincial department.
- vii. ***Home Loan and Mortgage Disclosure Act (HLAMDA) 63 of 2000***: promotes fair lending practices, which require disclosure by financial institutions of information regarding the provision of home loans.
- viii. ***Housing Act 107 of 1997 (as amended)***: recognises the constitutional right to housing and define the roles and responsibilities of national, provincial, and local government in relation to housing.
- ix. ***Housing Consumer Protection Measures Act 95 of 1998***: makes provision for the protection of housing consumers.
- x. ***Housing Consumer Protection Measures, Bill 2023***: provides for the protection of housing consumers, the continuation of the National Home Builders Registration Council as the National Home Building Regulatory Authority that deals with amongst others, the registration of home builders, enrolment of homes to be covered by the home warranty fund, etc.
- xi. ***Housing Development Agency Act 23 of 2008***: provides for the establishment of an agency that facilitates the acquisition of land and landed property for purposes of creating sustainable human settlements.
- xii. ***Housing Development Agency Act Regulations, 2014***: Regulates processes for the declaration of priority housing development areas (PHDA); steps in creating a priority housing development plan; funding considerations; implementation of the protocol; and the implementation of the housing development and cooperation between the different State Departments.



- xiii. **Infrastructure Development Act 23 of 2014:** To provide for the facilitation and coordination of public infrastructure development which is of significant economic or social importance to the Republic; to ensure that infrastructure development in the Republic is given priority in planning, approval and implementation; to ensure that the development goals of the state are promoted through infrastructure development; to improve the management of such infrastructure during all life-cycle phases, including planning, approval, implementation and operations.
- xiv. **Intergovernmental Relations Framework Act 13 of 2005:** establishes a framework for the national, provincial, and local governments to promote and facilitate intergovernmental relations; to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and matters connected therewith.
- xv. **Less Formal Township Establishment Act 113 of 1991 (as amended):** provides for shortened procedures for the designation, provision, and development of land and for the establishment of township for less formal forms of residential settlement and to regulate the use of land by tribal communities for communal forms of residential settlement.
- xvi. **Local Government: Municipal Systems Act 32 of 2000 (as amended):** provides for mechanisms and processes necessary for municipalities to move progressively towards the social and economic upliftment of local communities and ensures universal access to essential services affordable to all.
- xvii. **Municipal Finance Management Act 56 of 2003 (as amended):** Promotes a sound municipal financial management and for other institutions in the local sphere of government to ensure that all revenue, expenditure, assets, and liabilities are managed efficiently and effectively and establishes treasury norms and standards for local government.
- xviii. **National Environmental Management Act 107 of 1998 (NEMA):** makes provision for cooperative environmental governance by establishing principles for decision making on matters affecting the environment, institutions that promote cooperative governance and procedures for coordinating environmental functions exercised by organs of state.
- xix. **National Health Act 61 of 2003:** to provide a framework for a structured uniform health system, considerate of the obligations imposed by the Constitution and other laws on the national, provincial, and local governments regarding health services.
- xx. **National Water Act 36 of 1998:** ensures that South Africa's water resources are protected, used, developed, conserved, managed, and controlled in a sustainable and equitable manner, for the benefit of the people.
- xxi. **Prevention of Illegal Eviction and Unlawful Occupation of Land Act 19 of 1998 (PIE):** provides for the prohibition of unlawful eviction and further provides procedures for the eviction of unlawful occupiers.

- xxii. **Property Practitioners Regulatory Act 22 of 2019:** provides for the regulation of property practitioners; regulates the continuation of the Estate Agency Affairs Board (EAAB) in the new form of Property Practitioners Regulatory Authority (PPRA); and further provides for transformation of the property practitioners sector through the establishment of a transformation fund and a research centre on transformation.
- xxiii. **Property Practitioners Regulations, 2022:** regulates the affairs of property practitioners regarding transformation, regularisation, compliance, enforcement, and dispute resolution; training, conduct and consumer protection measures.
- xxiv. **Public Finance Management Act 1 of 1999 (as amended):** regulates financial management in the national and provincial governments; to ensure that all revenue, expenditure, assets, and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments.
- xxv. **Rental Housing Act 50 of 1999 (as amended):** regulates the relationship between landlords and tenants and provide for dispute resolution; provides norms and standards related to rental housing; introduces changes that impact the relationship between tenant and the landlord; requires all municipalities to have a rental office and expands the powers of the Rental Housing Tribunal.
- xxvi. **Restitution of Land Rights Act 22 of 1994 (as amended):** provides for the restitution of rights in land to persons or communities dispossessed of such rights in land after 19 June 1913 because of past racially discriminatory laws or practices and establishes a Commission on Restitution of Land Rights.
- xxvii. **Sectional Titles Schemes Management Act 8 of 2011:** provides for the establishment of body corporates to manage and regulate common property in sectional title schemes and the establishment of an advisory council to advise the Minister.
- xxviii. **Social Housing Act 16 of 2008:** provides for the establishment of the Social Regulatory Authority, to regulate social housing institutions and other Delivery Agents.
- xxix. **Social Housing Regulations, 2011:** guides the accreditation of Social Housing Institutions; provide a clear qualification criterion, compliance monitoring, and the investment criteria applicable in the sector.
- xxx. **Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA):** provides a framework for spatial planning and land use management, ensuring the system promotes social and economic inclusion.
- xxxi. **The Annual Division of Revenue Act:** provides for equitable division of revenue raised nationally among the national, provincial, and local spheres of government for the financial year.

- xxxii. **The Expropriation Act 63 of 1975:** provides for the expropriation of land and other property for public good and other purposes.
- xxxiii. **The Land Surveys Act 8 of 1997:** regulates the survey of land in the Republic of South Africa and establishes the office of the surveyor general.
- xxxiv. **Traditional Leadership and Governance Framework Act 41 of 2003:** regulates the institution of traditional leadership and its relationship with the state; provides for the establishment and recognition of traditional councils, and the role of traditional leaders in governance and development.
- xxxv. **Unemployment Insurance Act 30 of 1996:** establishes the Unemployment Insurance Fund and provides for the imposition and collection of contributions for the benefit of the Unemployment Insurance Fund.
- xxxvi. **Water Services Act 108 of 1997:** regulates water boards as important water service providers and gives the executive authority and responsibility to the Minister of Human Settlements, Water and Sanitation to support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.

#### 1.1.6. International Conventions/Treaties

- South Africa ratified several conventions and treaties, and these have a bearing on human settlements.
  - i. **Africa Model Law Harmonised New Urban Agenda Framework for Africa:** The framework guides member states to adapt their plans to the existing context at various levels; encouraging coherence and harmonised implementation of human settlement commitments along the urban-rural continuum, aligning with African priorities and multiple global commitments.
  - ii. **Agenda 2063: The Africa We Want (2015):** is a Masterplan for African transformation into a global powerhouse able to deliver inclusive growth and sustainable development over the next 50 years.
  - iii. **Cities Alliance:** Supports cities to intensify the fight against urban poverty, hunger and deliver sustainable development.
  - iv. **Convention on the Rights of Persons with Disabilities (CRPD) (2006):** provides a broad categorisation of persons with disabilities and reaffirms that such persons must enjoy all human rights and fundamental freedoms. It clarifies and qualifies how all categories of rights apply to such persons and identifies areas where adaptations must be made.
  - v. **International Covenant on Economic, Social and Cultural Rights (ICESCR) (1966):** commits parties to work toward granting economic, social, and cultural rights (ESCR) to all individuals, which include labour, health, education, and the right to an adequate standard of living to alleviate poverty and ensure social justice for all.

- vi. ***New Urban Agenda (2016)***: Provides a shared vision for a better and more sustainable future in which all people have equal rights and access to benefits and opportunities that cities offer.
- vii. ***Sendai Framework for Disaster Risk Reduction (2015-2030)***: provides a roadmap to make communities safer and more resilient to disasters. It provides Member States with concrete actions on how to protect development gains from the risk of disaster.
- viii. ***Sustainable Development Goals (2030), Goal 11***: Framework for a universal call to action to end poverty through the implementation of inclusive and sustainable urban development policies and practices that prioritise access to basic services, affordable housing, efficient transportation, and green spaces for all.
- ix. ***United Nations Convention Relating to the Status of Refugees (1951)***: and its 1967 Protocol highlights the work of the United Nations on Refugees; outlines their rights and international standards for their protection.
- x. ***United Nations Framework Convention on Climate Change (UNFCCC) (1992)***: is an international treaty among countries to create an interference with the climate systems and seeks to create interventions for stabilising greenhouse as concentrations in the atmosphere.
- xi. ***Universal Declaration of Human Rights (1948)***: The Universal Declaration of Human Rights is about the inherent dignity of all members of the human family, which is the foundation of freedom, justice, and peace in the world.
- xii. ***Vancouver Declaration on Human Settlements (1976)***: recognises that shelter and urbanisation are global issues to be addressed; laying the groundwork for subsequent efforts to promote sustainable and equitable human settlements worldwide.

#### **1.1.7. Case Law Considerations**

To date, the Department has experienced multitude of legal challenges relating to the extent to which Government responds to Sections 26 of the Constitution with regard to realisation of the right of access to adequate housing.

- The most notable judicial decision pertaining to the right of access to adequate housing 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 must be adhered to.
- Several Constitutional Court rulings impacted the human settlements sector indicating that jurisprudence is not being implemented effectively and various strategies are being used to undermine the Act and court jurisprudence. A few noteworthy cases are the following:

- i. ***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 construction of the camp to provide for the emergency needs of the most vulnerable 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.
- ii. ***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 to avoid intolerable hardship.
- iii. ***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 landowners. In addition, care must be taken in executing the eviction order to prevent social upheaval.
- iv. ***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 to increase their rentals more than the amounts permitted by the escalation clauses contained in the agreements themselves. The appellants launched an application for leave to appeal to the Constitutional Court against the SCA judgment. The appellants 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.

- v. ***The Residents of Joe Slovo Community, Western Cape v Thubelisha Homes (2009)***: this 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. 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 not executed and that the upgrading programme stalled in various respects. What was agreed in the judgment is the importance of community participation in the upgrading process.
- vi. ***The Abahlali base Mjondolo Movement SA v. Premier of the Province of KwaZulu-Natal (2009) Others***: The case declared unconstitutional the KwaZulu Natal 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.
- Broadly, the legal challenges demand for the Department to reflect and consider the following aspects:
  - The extent to which the right of access to adequate housing in terms of the progressive premise of the right, and whether government can afford to provide everyone who is poor with a 'free' house.
  - The actual purpose for which housing subsidies in terms of addressing different strategic objectives of government such as immediate poverty reduction versus long term spatial change, as well as the relationship between the provision of housing without access to public transport and economic opportunities.
  - The role of the three spheres of government, together with the entities in the development of integrated and sustainable human settlements.

- Mechanisms to ensure enforceability of District Development Model (DDM) as a government strategy to enhance integration in the delivery of sustainable human settlements. This includes speeding up delivery processes as well as enable capacitation of the smaller municipalities and traditional settlement areas.

## 1.2. The Need for White Paper Revision

- Various investigations, research, reviews and evaluations on human settlements policy and programmes have identified numerous shortcomings related to gaps in policy and divergence in programme implementation. Among the influencing factors is the increasing rate of population growth, evolving housing environment, the prevailing effects of climate change, and technological advancement which continuously bring to light the shortcomings of the current human settlements policies, regulations, and legislation to provide an enabling environment for the development of the integrated and sustainable human settlements.
- While acknowledging the existence of a strategy which is the Breaking New Ground-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 remains a gap in the development of human settlements. With this consideration, the policies and programmes that guide the operation of the Department, are narrowly grounded on one aspect of human settlements namely, housing.
- These and other profound changes require moving beyond the previous state-centred paradigm of new housing delivery towards more of an enabling, supporting, coordinating and regulating role in creating and sustaining viable and vibrant human settlements, where government recognises its limitations and actively seeks to harness the energy, expertise and capabilities of many other actors in ambitious and pragmatic ways.

## 1.3. Purpose, Vision, Objectives and Principles

### 1.3.1. Purpose

The purpose of the policy is to provide an enabling overarching policy framework for the delivery of sustainable human settlements that are spatially integrated, inclusive, and equitable through a synergistic and holistic approach involving robust stakeholder engagement and coordinated action across sectors and districts.

### 1.3.2. Vision

Human settlements development premised on inclusive, sustainable, integrated, and equitable urban and rural environments.

### 1.3.3. Objectives

The White Paper seeks to respond to the following objectives:

- To contextualise policy anchors to respond to lessons learnt to date.
- To determine key policy options to enable development of adequate housing and integrated sustainable human settlements.
- To redefine policy enablers that give effect to provision of human settlement options relevant to different contexts.
- To provide for necessary institutional governance enablers for achieving integrated and sustainable human settlements.
- To give effect to the review of current legislative framework and establish a new dispensation of human settlements policy implementation.

### 1.3.4. Principles

The principles espoused in this White Paper aim to achieve an enabling environment for human settlements development, while emphasising clear human settlement delivery value chain as detailed in Figure 6.



*Figure 6: Summary of the Principles underpinning the White Paper*

## 1.4. Implementation of the White Paper for Human Settlements

Upon the adoption of the White Paper, the Housing Code will be reviewed and re-labelled to encompass new approaches, strategies, and programmes to give effect to the delivery of integrated and sustainable human settlements.



The implementation of the White Paper will be directed through successive five-year strategic plans, which should guide development of human settlements master plans. The five-year strategic plans will be informed by analysis, foresight, and government's priority outcomes as captured in the NDP and the Medium-term Development Plan (MDTP).

The implementation elevates the role of the three spheres of government while recognising that these spheres of government are distinctive, interdependent, and interrelated. The responsibility of development of sustainable human settlements traverses across national, provincial, and local governments distribute and spans through different sector departments. The implementation of the White Paper will take into consideration among others, the prescripts of the Inter-Governmental Relations Act 13 of 2005 as amended, the District Development Model to promote effective consultations and commitments from planning to implementation of integrated and sustainable human settlements in South Africa.

## PART 2

### 2. Introduction

The Constitution of the Republic of South Africa (1996) is the supreme law and serves as the foundation of policies since 1994. This White Paper is founded on the **Constitutional right to adequate housing** – considered fundamental to human well-being and development – along with protections against eviction. The right to housing was translated into a national priority to provide universal access to decent accommodation. The government took responsibility for producing stand-alone dwelling units as the main solution, acting as the primary provider on behalf of citizens and without expecting other sectors of society to contribute. The focus on rapid delivery of free mass housing through a capital subsidy captured the imagination of many poor people and helped them to gain some stability and dignity in their lives.

#### 2.1. Human Settlements Mandate

- The foundational basis of the human settlements mandate is that South Africa is a signatory to the 1976 Vancouver Declaration on Human Settlements which defines human settlements as the totality of the human community – “whether city, town, or village – with all the social, material, organisational, spiritual, and cultural elements that sustain it”, as depicted in Figure 7.



*Figure 7: Diagrammatic presentation of the Human Settlements Paradigm*

- For South Africa to achieve sustainable human settlements, it requires a multi-departmental, inter-sphere and multistakeholder approach that responds to key foundational rights relating to human dignity, equality and freedom and the full range of economic, social and cultural rights (ESCR).

This further includes the rights to adequate housing, water and sanitation, education, health,

social security, and to take part in cultural life.

- Other rights include environmental rights, property rights and the right of access to adequate housing as espoused in the Constitution of the Republic of South Africa which sets out the key imperatives that must be responded to that address issues of sustainable human settlement development and management.

#### **Policy Statements – Human Settlements Mandate**

- 1) Government will continue to advance and protect key foundational rights relating to human dignity, equality, and freedom, and take cognisance of the full range of socio-economic rights. Regulatory framework to enable restriction of the right of access to adequate housing and benefits to certain categories of citizens and non-South African citizens will be developed and justified in line with the Constitutional provisions.
- 2) Government will establish governance and institutional architecture to respond to Human Settlements and enable appropriate realisation of integrated and sustainable human settlements. This will enable participation, transparency and accountability as key elements underpinning the governance of human settlements development. The reforms will include re-evaluating the functional areas of the Department, embracing technological capability such as digitising the National Needs Register, setting up a register of buildings, implementing stringent rules to address the unlawful sale and occupation of government subsidised houses, establishing a programme of inner-city buildings which will be managed in partnership with the private sector and elevating participation of non-governmental or civil society organisations in human settlements development.
- 3) In line with Section 26 of the Constitution, which prescribes that government must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of the right to adequate housing. Government will embrace moving beyond the previous state-centred paradigm of housing unit delivery, into a more of an enabling, supporting, coordinating, and regulating role in creating and sustaining viable and vibrant human settlements. This recognises various limitations and thus seeks to actively harness the strengths, expertise and capabilities of various actors in ambitious and pragmatic ways to achieve integrated and sustainable human settlements.
- 4) Government will prioritise the most vulnerable of society (including the elderly, child-headed families, and other vulnerable citizens), determine frameworks to coordinate all spheres of government, sector Departments and non-government role-players; and facilitate for the effective planning and implementation; and capacitation of responsible institutions.

## **2.2. Human Settlements Development - International Benchmark**

- In a global context where housing affordability posed a significant challenge, governments worldwide have recognised the imperative of ensuring accessible housing for all, particularly for low- and middle-income earners.
- The White Paper development recognises the importance of international benchmarks

regarding housing subsidy schemes, focusing on subsidies provided to the low- and middle-income households to acquire a house in developing countries is key. Further, several countries do provide housing subsidy schemes, cutting across developing countries and developed economies. Benchmarking with Malaysia, Brazil, Ecuador, Peru, Thailand, India, and African was undertaken based on the comparative characteristics to South Africa in relation to urbanisation trends, socio-economic challenges, and global recognition for innovative practices in housing subsidy schemes implementation.

#### Policy Statements

- 1) The Government affirms its support to international and regional cooperation, best practice benchmarking, and will continuously pursue opportunities for international and regional capacity support on issues of promoting integrated sustainable human settlements in South Africa. Government will strengthen its partnership with UN-Habitat and other key international role players.
- 2) Government will further explore opportunities for reforming governance and institutional architecture to enable appropriate realisation of integrated and sustainable human settlements. The reforms will amongst others include revisiting the functional areas of the Department, digitising the Needs Register, setting up a registrar of inner-city buildings, implementing stringent rules to address the illegal sale of RDP houses, and establishing a programme of inner-city buildings which will be managed in partnership with the private sector.

### 2.3. Housing programme interventions since 1994

The housing subsidy scheme plays a vital role in alleviating the country's housing shortage and crisis, whilst benefiting millions of low-middle income households through provision of affordable and adequate housing. Government has implemented various housing subsidy programmes to address the right of access to adequate housing. These programmes find expression in the Housing Code that represents Governments programmatic interventions. These include:

**2.3.1. A-Grade and B-Grade services:** The level of the internal municipal engineering services to be provided will be determined by the nature and location of the envisaged development. Typically, A-Grade level of services will be required in new greenfield developments to finance the development to ensure the establishment of a holistic, all-inclusive, and integrated township that provides access to the variety of housing, business, and institutional land use needs. B-Grade level of services will on the other hand be feasible in informal settlement upgrading areas and infill schemes in areas where such services are the current norm etc. Funding for internal municipal engineering services will include Water, Sanitation, Roads, Sidewalks and Stormwater.

**2.3.2. Community Residential Unit Programme (CRU):** The programme targets households who do

not qualify for government housing subsidies but cannot afford to rent or purchase a house on the open market. The CRU programme is implemented by municipalities and non-profit entities, who are responsible for developing and managing the rental units. These entities receive funding from the government to build new rental units or to refurbish existing ones. However, like other housing subsidy programmes in South Africa, the CRU programme faces various challenges which includes insufficient funding, inability of beneficiaries to pay market related rental, poor maintenance of the units, and inadequate management of the rental stock.

**2.3.3. Consolidation Subsidy Programme:** This subsidy is available to beneficiaries who would have already received assistance from the government to acquire a serviced residential site under the pre-1994 housing scheme. It is applicable to serviced sites obtained based on ownership, leasehold, or deed of grant and must be used to construct or upgrade a top structure on the relevant property.

**2.3.4. Enhanced Extended Discount Benefit Scheme (EEDBS) Programme:** The policy framework was specifically formulated and to implemented and support decisions made regarding the transfer of pre-1994 housing stock and is intended to stimulate and facilitate the transfer of public housing stock to qualifying occupants. The aim of the EEDBS is to ensure that many of the occupants of public housing stock are provided with the opportunity to secure individual ownership of their housing units.

**2.3.5. Enhanced People's Housing Process:** This programme supports households who wish to enhance their housing subsidies by building their own homes. The Enhanced People's Housing Process can be accessed through the Integrated Residential Development Programme, Project Linked Consolidation, Institutional or Rural Subsidies, or technical and other forms of assistance in the house-building process. This subsidy is offered to individuals.

**2.3.6. Farmworkers housing subsidy programme:** This programme provides capital subsidies to develop engineering services in circumstances wherein other funding is not available. Additionally, the programme assists in providing adequate housing for farm workers and residents across various development scenarios. The goal of the programme is to address the diverse housing needs of individuals residing and working on farms by offering a flexible range of housing models that suit the specific local context. This programme is intended for farm residents who need to reside closer to their place of employment, but are located far from the nearest town, making it impractical for them to settle in the town. The programme ensures that farm residents have access to suitable housing options that cater for their unique housing requirements.

**2.3.7. First Home Finance Housing Subsidy Programme (formerly known as FLISP):** This

programme aims to provide low- to middle-income households with access to adequate housing. Qualifying households are those that fall within the 'gap market', which refers to households that do not qualify for a fully subsidised house or a mortgage loan from the commercial banks. The subsidy may be used to buy new or old residential property, buy a vacant serviced residential stand linked to a National Home Builders Regulatory Council (NHBRC) registered homebuilder contract, or build property on a self-owned serviced residential stand through an NHBRC registered homebuilder. The subsidy attaches to the beneficiary and not to the property.

**2.3.8. Housing Chapters of an Integrated Development Plan (IDP):** Housing planning is included in this process through the formulation of a Housing Chapter in the IDP. This Programme provides guidelines for the inclusion of housing planning in integrated development planning processes and suggests an approach in relation to the formulation of Housing Chapters in IDPs. The Programme will also aid all municipalities which do not have sufficient financial and/or human resources for the undertaking of Housing Chapters of IDPs.

**2.3.9. Individual Subsidy Programme:** This programme provides state assistance to qualifying households who wish to acquire an existing house, or a vacant serviced residential stand linked to a house construction contract through an approved financial institution. These subsidies are available on a first-come, first-served basis and may be credit-linked or non-credit-linked.

**2.3.10. Institutional Subsidy Programme:** This subsidy is available to housing institutions that provide tenure arrangements alternative to immediate ownership. It enables housing institutions to create affordable housing stock for subsidy beneficiaries to live in subsidised residential properties. The legal entity must also make its own capital investment in the property, and the rental unit cannot be transferred to the beneficiary within the first four years of occupation.

**2.3.11. Integrated Residential Development Programme (IRDP):** This programme replaced the project-linked subsidy programme and focuses on integrated housing projects. The programme offers planning and development in phases to create sustainable, holistic communities. Phase 1 includes land acquisition, township establishment, and serviced land provision. Phase 2 comprises house construction for eligible housing subsidy beneficiaries and the sale of stands to non-eligible beneficiaries and commercial interests.

**2.3.12. National Norms and Standards:** To provide subsidised housing of a high quality, Minimum Norms and Standards were introduced. The Minimum Norms and Standards safeguards the creation of serviced stands and the construction of stand-alone, higher density semi-detached and three storey walk-up residential dwellings financed through National Housing Programmes. The Minimum Norms and Standards are based on the National Building Regulations and include prescriptive aspects such as minimum size, the number and type of rooms to be provided.

**2.3.13. Operational Capital Budget Programme (OPS/CAP):** Government has recognised the need for implementation assistance at the provincial level to achieve its housing development goals. A framework for a funding mechanism to assist provincial governments in this regard is implemented with the purpose of providing for the appointing of external expertise by a provincial department, to supplement the capacity required for housing delivery. Emphasis is placed on, but not limited to, supporting the Informal Settlement Upgrading Programme; projects that facilitate the creation of integrated sustainable human settlements; the provision of primary social and economic amenities; and the unblocking of stalled projects.

**2.3.14. Programme for Housing Assistance in Emergency Circumstances:** The objective is to provide for temporary relief to people in urban and rural areas who are exposed to housing emergency situations. Assistance provided under this Programme only constitutes the provision of temporary aid which should be of a temporary nature. Exception to this rule is the assistance for the repair or reconstruction of damage to a permanent formal housing that not covered by superstructure insurance. It may also include the possible relocation of people.

**2.3.15. Programme for the Rectification of Certain Residential Properties created under the pre-1994 Housing Dispensation:** The aim of this Programme is to facilitate the improvement of state financed residential properties created through state housing programme interventions during the pre-1994 housing dispensation that are still in ownership of the public sector institution and/or that were disposed of. The application of the Programme is not subject to the profile of the household occupying the property or whomever owns the property.

**2.3.16. Programme for the Rectification of Certain Residential Properties created under the post-1994 Housing Dispensation:** The Programme is aimed at rectifying subsidy houses provided before the introduction of the NHBRC Warrantee Scheme. It is intended to rectify defects in respect of both internal municipal engineering services and top structure defects and may even result in the demolition of a house. Subsidised houses which have been vandalised after completion, but before occupation by the rightful housing subsidy beneficiary, will also be rectified. More recently the programme has also been used for the removal of asbestos in subsidised housing.

**2.3.17. Provision of Social and Economic Facilities Programme:** In line with the policy to establish quality, sustainable human settlements, a programme has been introduced to fund primary social and economic amenities, where funding is not available from other sources. The programme finances social and economic facilities, such as schools, clinics, community halls, recreational facilities, and trading facilities, have not been able to provide facilities in most new

housing projects.

**2.3.18. Relocation Assistance Programme:** This Programme provides assistance to borrowers who experience defaulting on their home loans and on the verge of being dispossessed of their properties. Subsidy assistance will be granted for rightsizing purposes, and this is contemplated in the Record of Understanding and the New Deal, which records the governments and lender's commitments. While a subsidy will be granted, lenders will then be required to write off any outstanding amounts.

**2.3.19. Rural Subsidy Programme-Communal Land Rights:** This subsidy is available to beneficiaries who only enjoy functional tenure rights to the land they occupy, typically in rural areas governed by traditional authorities. The subsidies are available on a project basis, and beneficiaries are supported by implementing agents. Beneficiaries may decide how to use their subsidies for service provision, building houses, or a combination thereof.

**2.3.20. Social Housing Programme:** This programme caters to the increasing demand for affordable rental units that provide secure tenure. Social housing offers good quality rental accommodation for the upper end of the low-income market and aims to create sustainable human settlements. The programme provides grant funding to establish, capacitate, and capitalise social housing institutions that may develop, hold, and administer affordable rental units in identified restructuring zones.

**2.3.21. The Expanded Public Works Programme (EPWP):** The EPWP gives effect to government's commitment to address unemployment and increase economic growth. As the housing sector represents a substantial contributor towards employment creation and economic growth the housing programme has been aligned with the objectives of the EPWP.

**2.3.22. The Variation Manual:** The Variation Manual allows for the precautionary adjustment of subsidy to cater for extraordinary development conditions. This adjustment is based on the geotechnical and topographical conditions of the development area and the special housing needs of certain categories of disabled beneficiaries. Regarding the geotechnical and topographical dimension, the policy provides for professional investigation and qualification of the extraordinary development conditions. It also requires professional designs and specifications, including costing of the required precautionary measures to ensure durable, quality housing provision through the programme.

Regarding the special housing needs of certain categories of disabled beneficiaries, the variation option is focused on the specific housing needs of disabled beneficiaries, or beneficiaries with disabled dependents, and enhancement to their houses to afford them the opportunity of independent living.

**2.3.23. Upgrading of Informal Settlements Programme (UISP):** This programme facilitates structured upgrading of informal settlements in situ or by relocation as a last resort. The programme



involves community consultation, emergency basic services provision, permanent services provision, and security of tenure.

#### **Policy Statements – Housing Programme Interventions since 1994**

- 1) The Housing Code will be reviewed and re-branded to encompass new approaches, strategies, and programmes to give effect to the delivery of integrated and sustainable human settlements.
- 2) Government will initiate legislative review and reforms including Prevention of Illegal Eviction and Unlawful Occupation of Land Act 19 of 1998, legislation for the recordal of rights and restructuring of fees structure to realise the rights of adequate access to housing. The Housing Act will be repealed and replaced by a new instrument that will address the broader objective of establishing integrated and sustainable human settlements as well as improved quality of households, incorporating principles from applicable normative instruments, policy documents and constitutional case law.
- 3) The Department will review and adjust the pre-emptive right clause (from 8 years to 5 years), to ensure upward mobility and curb informal transactions of subsidised houses.
- 4) Existing programmes such as Enhanced Extended Discount Benefit Scheme (EEDBS) will be reviewed to strengthen their objectives and new programmes such as individual housing vouchers, land release, site and service will be established in collaboration with various stakeholders. The Minister will issue a list of programmes to be phased out by a date to be determined in consultation with Member of the Executive Council (MEC) and South African Local Government Association (SALGA).
- 5) Human Settlement programmes will be re-framed to ensure contribution to improved quality of life by incorporating economic, social, environmental, physical conditions, spatial characteristics, and cultural factors.
- 6) Government will strengthen the function of accreditation to local government as prescribed in the Revised Municipal Accreditation Framework

## **2.4. Evolution of the Subsidy Quantum**

**2.4.1** The National Housing Subsidy Scheme has been crucial in offering affordable housing to eligible low-middle income households in South Africa since 1994. Central to the implementation of programmes is the provision of subsidies, referred to as the subsidy quantum, to low- and middle-income households, facilitating avenues for home purchase, rental, or construction.

This section explores the trajectory of subsidy quantum evolution and lays out policy statements intended for fostering sustainable human settlement development solutions for low- and middle- income households in South Africa.

**2.4.2** The Department has regulated the housing subsidy programme and the summary quantum over the years is presented. Evolution of the housing subsidy in South Africa considers various factors and various datasets including the information provided by the Bureau of Economic Research. A summary of the housing subsidy quantum since 1994 is presented in the Table 2:

| Year            | Monthly Income   |                |                  |                  |
|-----------------|--|----------------|------------------|------------------|
|                 | Up to R800   | R801 to R1,500 | R1,501 to R2,500 | R2,501 to R3,500 |
| <b>Phase 1:</b> |  |                |                  |                  |
| 15 March 1994   | R12,500  |                | R9,500           | R5,000           |
| 23 Dec 1994     | R15,000  | R12,500        | R9,500           | R5,000           |
| 1995            | R15,000  | R12,500        | R9,500           | R5,000           |
| 1996            | R15,000  | R12,500        | R9,500           | R5,000           |
| 1997            | R15,000  | R12,500        | R9,500           | R5,000           |
| 1998            | R15,000  | R12,500        | R9,500           | R5,000           |
| 1999            | R16,000  |                | R10,000          | R5,500           |
| 2000            | R16,000  |                | R10,000          | R5,500           |
| 2001            | R16,000  |                | R10,000          | R5,500           |
| <b>Phase 2:</b> |  |                |                  |                  |
| 2002            | R20,300  |                | R12,700          | R7,000           |
| 2003            | R23,100  |                | R14,200          | R7,800           |
| 2004            | R25,800  |                | R15,700          | R8,600           |
| 2005            | R31,929  |                | R29,450          |                  |
| 2006            | R36 528  |                | R34,049          |                  |
| 2007            | R38 984  |                | R36,505          |                  |
| <b>Phase 3:</b> |  |                |                  |                  |
| 2008            | R54 650  |                | R52,171          |                  |
| 2009            | R55 706  |                | R53,227          |                  |
| 2010            | R57,540  |                |                  |                  |
| 2011            | R58,825  |                |                  |                  |
| 2012            | R64,665  |                |                  |                  |
| 2013            | R64,665  |                |                  |                  |
| <b>Phase 4:</b> |  |                |                  |                  |
| 2014            | R110,947   |                |                  |                  |
| 2015            | R110,947   |                |                  |                  |
| 2016            | R110,947   |                |                  |                  |
| 2017            | R110,947   |                |                  |                  |
| 2018            | R116,867   |                |                  |                  |
| <b>Phase 5:</b> |  |                |                  |                  |
| 2019            | R116,867   |                |                  |                  |
| 2020            | R116,867   |                |                  |                  |
| 2021            | R116,867   |                |                  |                  |
| 2022            | R141,293   |                |                  |                  |
| 2023            | R183,257   |                |                  |                  |
| 2024            | R183,257 to be applied as part of adopting Innovative Building Technologies (IBTs) |                |                  |                  |

**Table 2: Evolution of the subsidy quantum**  
Source: National Department of Human Settlements

**2.4.3 Phase 1: 1994 to 2001:** Between 1994 and 2001, the housing policy landscape witnessed significant changes. Notably, the Project Linked Subsidy Programme was introduced in March 1994 with a subsidy quantum of R12,500, which increased to R15,000 by December 1994. There were different categories which required some beneficiaries to contribute

towards their housing subsidies to receive the same benefit as the lower income earners. Subsidised houses were initially limited to 16 square meters, and income categories were established to target different income groups. During this phase, various programmes were introduced, including Individual Subsidy Programme, Consolidation Subsidy Programme, and Rural Subsidy Programme, among others.

**2.4.4 Phase 2: 2002 to 2007:** In 1999, the Ministerial Minimum Norms and Standards mandated that subsidised houses must have a minimum footprint of 30 square meters. In 2002, the subsidy quantum for housing structures was increased to R17,821. Additionally, to fulfil the National Home Builders Registration Council (NHBRC) technical requirements, the quantum was raised to R20,300. The changes further accommodated ease of application with a contribution of R2479 and sweat equity in PHP projects. However, a gap existed within the system wherein private contractors undertook developer driven PHP projects, resulting in them undertaking all the construction work, with no beneficiary contribution as per the main objective.

**2.4.5** Variation guidelines were introduced to cater for instances of abnormal development conditions. Notably, between 2002 and 2007, there were significant increases in the subsidy quantum. The Breaking New Ground (BNG) strategy, approved in 2004, aimed to provide decent, affordable, and sustainable housing solutions for all citizens. In line with BNG, the minimum size of subsidised houses was increased to 40 square meters in 2007 and approval was granted that the quantum be increased in line with the BER-BCI.

**2.4.6 Phase 3: 2008 to 2011:** The introduction of the Outcomes 8 report and prioritisation of informal settlements upgrading saw the establishment of the National Upgrading Support Programme with a separate budget. This ensured the preparation of upgrading plans and strategies through the National Department and the HDA, prioritisation of assessments of municipalities to be accredited to perform a housing function with separate budget allocations to support the capacitation and setting targets to assign the housing functions to the six metros. Subsequently, the subsidy quantum underwent a substantial increase, and the subsidy amount was unified for all income categories, resulting in a quantum increase to R58,825.

**2.4.7 Phase 4: 2012 to 2019:** To align with the standards set by the revised 2011 National Building Regulations and the South African National Standard (SANS) 10400 XA - Energy Usage in Buildings, the Minister of Human Settlements approved the enhancement of the National Norms and Standards for the Construction of Stand-Alone Residential Dwellings and

Engineering Services. Although SANS 10400 XA was approved in 2011, the Norms and Standards enhancements were only implemented on April 1, 2014. The enhanced Norms and Standards focused on improving the quality and energy efficiency of residential dwellings. The typologies also included the housing needs of disabled persons who are wheelchair dependent. This special dwelling, with a gross floor area of 45 square meters was designed to provide adequate internal space for wheelchair movement.

- 2.4.8** The second typology, developed in collaboration with the Department of Military Veterans, aimed to support approved military veteran's housing subsidy beneficiaries. These special dwellings had a gross floor area of 50 square metres and featured a higher level of finishing. However, the Department of Military Veterans took responsibility for financing the additional costs associated with these enhanced houses, which was more than the standard subsidy-financed houses available to households earning between R0 and R3,500 per month. The houses were developed according to the requirements of SANS 10400 XA, which aims to regulate energy usage in buildings and promote sustainable construction practices.

By adopting these standards, the intention was to ensure that newly constructed homes meet higher thermal performance standards, benefiting the occupants and reducing energy consumption. These measures included the installation of a ceiling, plastering of internal walls, rendering on external walls and smaller windows. Additionally, the pre-paid ready board electrical installation was standardised to include a pre-paid meter, distribution board, lights, and plugs for all living areas of the house. As a result of these enhancements and adjustments, the total cost of the subsidy house increased drastically.

- 2.4.9** In terms of internal municipal services, municipalities were granted the authority to determine whether to install "A" Grade or "B" Grade levels of services based on the specific development context of each project area. Initially only B-Grade services were funded. A-Grade was allowed on condition that additional funding was available from other sources. A-Grade level services were typically required for new greenfield developments, particularly those financed through the Integrated Residential Development Programme (IRDP), aiming to create holistic, inclusive, and integrated townships with access to various housing, business, and institutional land uses. On the other hand, B-Grade level services were more suitable for Informal Settlement upgrading areas, infill schemes, rural areas, and areas where such services were already established as the norm. Furthermore in 2017, the Minister approved the introduction of higher density typologies to be registered as sectional title schemes and introduced a consolidated capital grant for social housing and new built CRU.

**2.4.10 Phase 5: 2019-2024:** This phase included the phasing out of title deeds restoration, setting up of the emergency housing grant, informal settlements partnership grant, prioritisation of mud housing, asbestos roof removal, norms, and standards for rental and further enhancements to norms and standards for BNG to respond to crime, water, energy crisis and use of performance-based norms and standards.

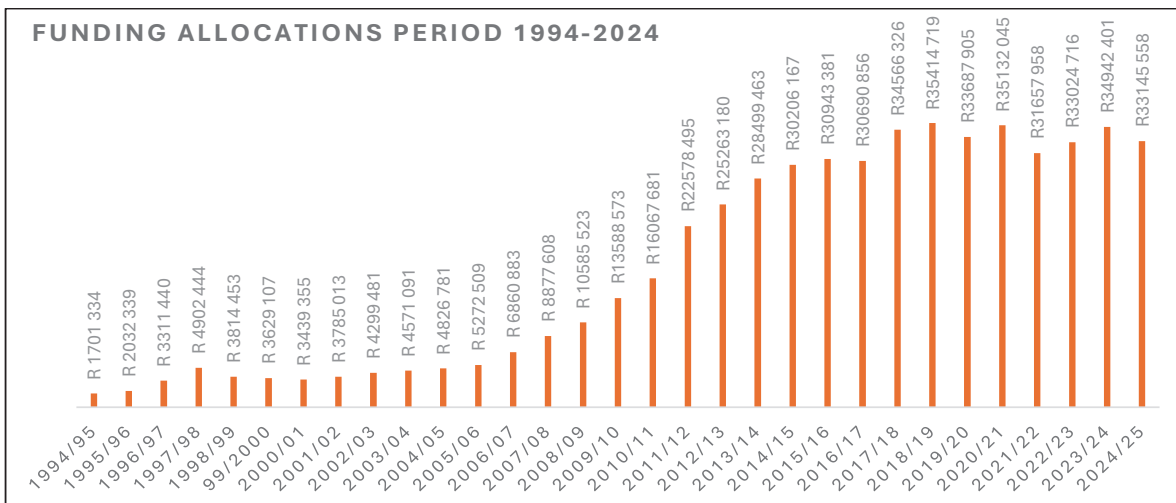
#### **Policy Statements – Evolution of the Subsidy Quantum**

- 1) Government will rationalise the cost of human settlements products and, review the Norms and Standards. This translates into creating mechanisms to explore the potentiality of other human settlements products.
- 2) Government is committed to allocating adequate funding, streamlining administrative processes, and implementing transparent principles for subsidy allocation to eligible beneficiaries.
- 3) Government will undertake reforms to find a quicker, simplified, and less costly process of registration and transfer of land and property to cater for low- and middle-income households.
- 4) Private sector and civil society organisations participation will be encouraged in various aspects of planning, facilitation, building and operating process

## **2.5 Budgets Allocations and Sector Performance**

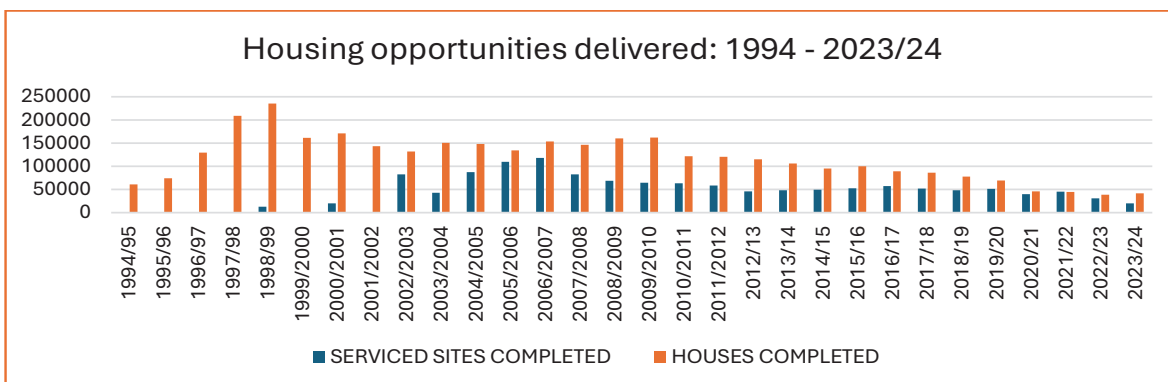
**2.5.1** This section provides service delivery and performance information of the human settlements sector between 1994 and 2024, thereby laying the basis for accelerating the provision of sustainable human settlements and spatial transformation.

**2.5.2** Housing development is a concurrent function between national government and provincial government in terms of the Constitution. Since inception the Department of Human Settlements has received financial allocation of about R541 318 785.00 for housing development and creation of human settlements over the years. The budget allocated has increased with several reforms in conditional grants. The conditional grants include the Human Settlements Development Grant (HSDG), Title Deeds Restoration Grant (now phased out), Informal Settlements Upgrading Partnership Grant (ISUPG), Urban Settlements Development Grant (USDG), Municipal Human Settlements Capacity Grant (now phased out), Emergency Housing Development Grant for municipalities (now phased out) and Emergency Housing Development Grant for provinces (now phased out). The allocations included operational funding for the National Department and its Entities. Figure 8 indicates the funding allocations over the years.



**Figure 8: Department of Human Settlements allocation from 1994 to 2024**  
 Source: National Department of Human Settlements

**2.5.3.** From 1994 to March 2024, the Department and its delivery agencies which include the entities, Provinces and Municipalities has delivered more than five million housing opportunities. Figure 9 outlines housing opportunities delivered since 1994.

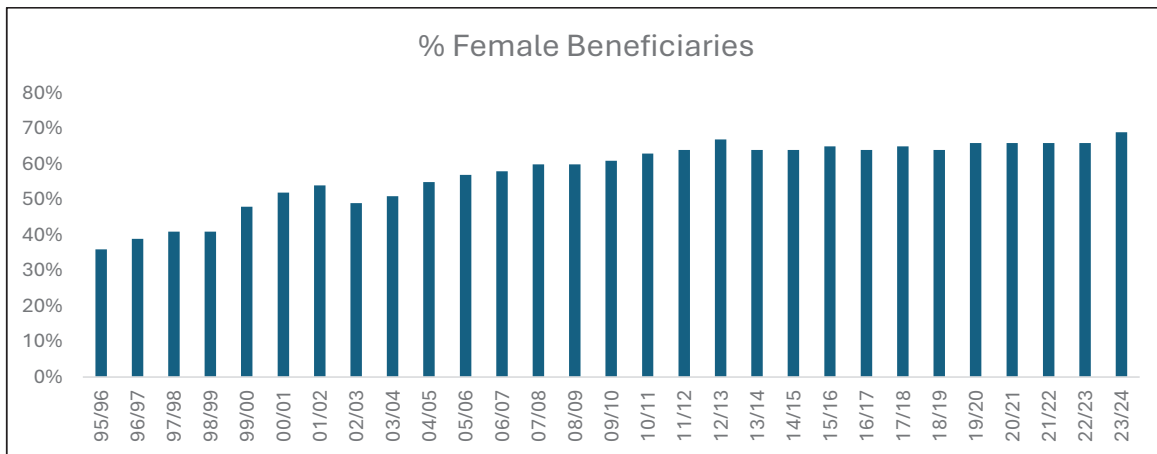


**Figure 9: Housing opportunities delivered between 1994-2023/2024 period.**  
 Source: National Department of Human Settlements

**2.5.4.** Analysis of cumulative delivery of housing opportunities reveal that there is an observed reduction in the rate of state housing production from 2009. This decline in the provision of housing units and serviced sites is largely attributed to escalating in costs of construction materials and products. Other notable constraints relate to the implementation of several housing subsidy programmes, cost of building materials, limited bulk infrastructure, inadequate grant absorptive capacity of the construction industry, project initiation or completion delays due to social issues and unlawful activities such as unlawful land occupation by community members, take-over, and disruption of construction project sites by ‘construction mafias’.

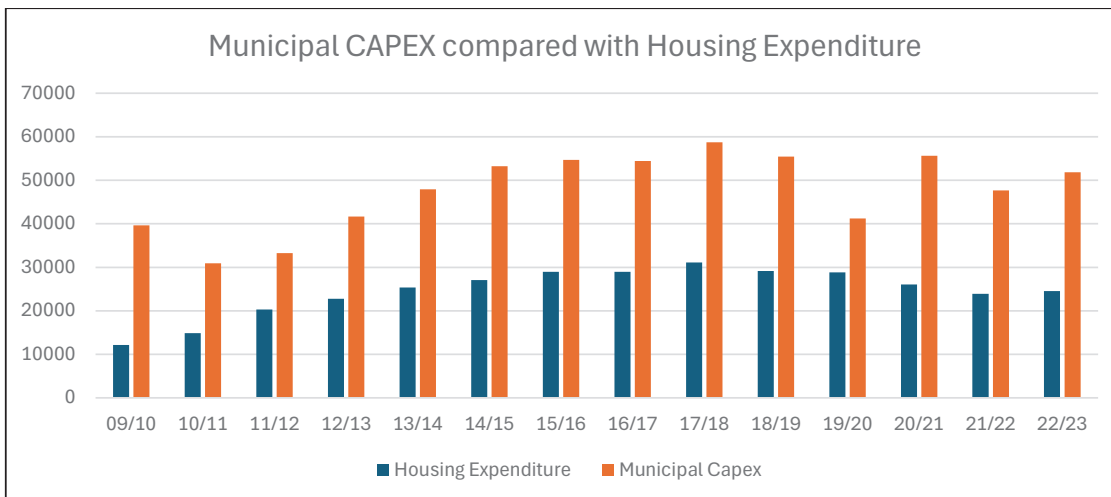
**2.5.5.** At the same time, there has been notable achievement in the provision of subsidy housing to

women beneficiaries as demonstrated in the Figure 10.



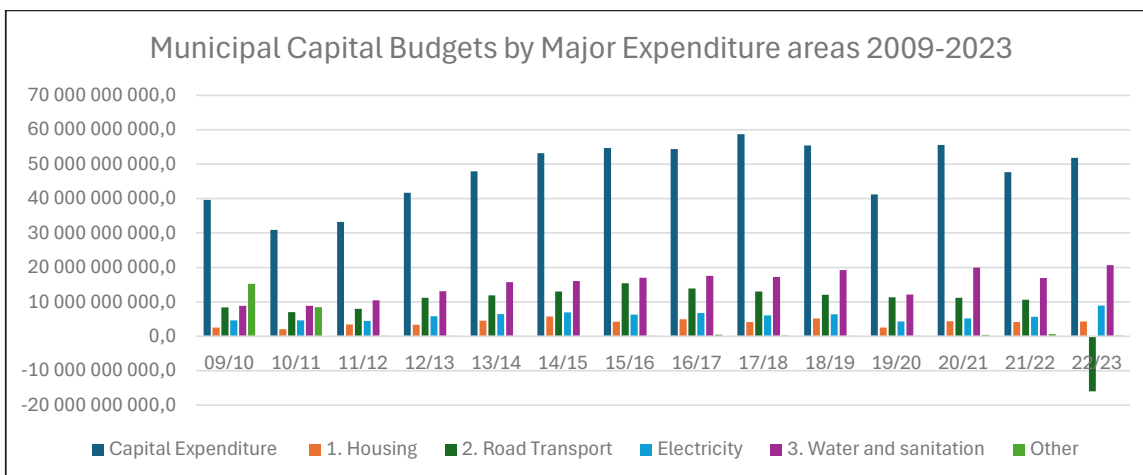
**Figure 10: Percentage of female housing beneficiaries – 1995-2023**  
Source: National Department of Human Settlements

- 2.5.6.** During the 1990s, less than 50% of the state houses were provided to women beneficiaries, however, this ratio increased steadily to almost 70% of all beneficiaries of subsidy housing are women. A remarkable observation is that currently, the rate of women beneficiaries in rural areas are the highest and this is significant given that African women were worst affected by apartheid.
- 2.5.7.** Housing is not a function of municipalities, except when accredited by Members of Executive Authority (MEC) responsible for housing in Provinces. The budget allocated are comparatively lesser amounts and are based on signed implementation protocols. In the absence of signed implementation protocols, the delivery of human settlement services is provided by municipalities through municipal capital budgets as a measure of non-housing human settlements products.
- 2.5.8.** In general terms Human Settlements expenditure constitute around 50% of municipal expenditure. In addition, significant contributions are visible in basic services, bulk services covering water and sanitation, electrification by ESKOM in some areas, provision of rural roads and public transport, the wide range of health facilities and the like which make up the range of human settlements requirements. Figure 11 provides a comparative analysis of Municipal CAPEX against Housing Expenditure:



**Figure 11: Comparative analysis of Municipal CAPEX against housing expenditure**  
 Source: National Treasury

**2.5.9.** The Department has disaggregated municipal capital budgets by major expenditure areas. The municipal capital budgets have shown growth by about R10 billion which remained largely constant. The major portion has gone broadly to community services, followed by the other basic network/trading services of water and sanitation, roads, and electricity.



**Figure 12: Municipal capital budgets by major expenditure: 2009/10 to 2021/22**  
 Source: National Treasury

**2.5.10.** The performance of the human settlements sector suggests that there are complexities associated with the creation of sustainable human settlements. These complexities range from external factors such as the impact of macro-economic trends and COVID-19; and within South Africa there are a range of factors that contributes to human settlements performance which includes the shrinking fiscus, unavailability and/or slow land release processes, rapid urbanisation, escalating costs of material, Construction Mafia and in some instances capacity constraints.



**Policy Statements – Budget Allocations and Sector Performance**

- 1) Intergovernmental Governance principles will be embraced to addressing dysfunctional spatial planning as one of the key enablers of integrated and sustainable human settlements. This will be strengthened through performance management and monitoring and evaluation mechanisms.
- 2) To ensure ongoing engagements between different role-players, the Minister will convene an Annual Stakeholder Forum to, amongst others, report on policy implementation, clarify stakeholder roles, and outline emerging sector priorities.
- 3) Human Settlements development priorities will be reviewed and ensure alignment with funding instruments, while recognising the complexities of delivering integrated and sustainable human settlements.
- 4) The statutory roles and responsibilities of National, Provincial and Local governments in human settlements development will be clearly delineated to avoid dual financial investment on cross-cutting functions.
- 5) The Department will continue creating an enabling environment to attract private sector investment to broaden catering for diverse income groups and emerging housing needs.
- 6) The Department will advocate for the establishment of funding mechanisms to enable civil society institutions to play a critical role in aspects such as social facilitation, self-build and protection of infrastructure thereby maximising the utilisation of public resources.
- 7) Emphasis will be on effective intergovernmental and sector coordination, development of planning and funding instruments for implementation of human settlements projects. Also, Government will facilitate and create mechanisms to recognise community initiatives that seek to support co-creation of integrated and sustainable human settlements.

## PART 3

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### 3.1. The approach to human settlements

**3.1.1** Consensus is that substantive approaches and interventions proposed in the White Paper of 1994, and the Comprehensive Plan for the Development of Sustainable Human Settlements are still relevant. Therefore, going forward, Government reaffirms its commitment to the following:

#### **3.1.2 Continue with the subsidisation of human settlements**

**3.1.2.1** To implement a Human Settlements Subsidy Scheme.

**3.1.2.2** To refine the scheme on an ongoing basis according informed by findings and recommendations from scientific research as well as ongoing monitoring and evaluations.

**3.1.2.3** To create digital and technological systems to enhance effective targeting of needy households particularly women, the elderly, persons living with disabilities, special groups and other vulnerable groups, while also ensuring that the subsidy assistance connects them meaningfully to socio-economic opportunities.

**3.1.2.4** To foreclose all opportunities for fraud and corruption in the sector.

**3.1.2.5** To ensure that the state's subsidy investment is coupled with mechanisms for the ongoing maintenance of this investment, particularly where beneficiaries are not financially capable of ensuring this themselves and where state investment is in the form of apartments buildings.

**3.1.2.6** To continue working towards improved approaches of blending state funding with private sector finance and savings to maximise the capacity for access to decent housing, particularly to the 'gap market'.

**3.1.2.7** To ensure that government-subsidised programmes contribute to sustainable and inclusive economic growth.

#### **3.1.3 Ensure adequate shelter.**

**3.1.3.1** To ensure adequate emergency responsiveness with well managed temporary facilities and use of alternative building technologies for speedy Human Settlements responses.

**3.1.3.2** To ensure a state-provided, -managed and -subsidised rental sector in suitable locations for carefully targeted households tying tenants to economic opportunities, as a strategy towards preventing homelessness.

**3.1.4 *Implement in-situ, incremental, participatory upgrading of areas with unacceptable living conditions.***

**3.1.4.1** To develop optimal institutional, technical, planning, tenure and procedural mechanisms for participatory and incremental informal settlement upgrading that will be carried out in-situ wherever possible.

**3.1.4.2** To develop participatory, incremental and in-situ mechanisms for the upgrading of temporary relocation areas that can no longer be deemed to be temporary.

**3.1.4.3** To develop participatory, incremental and in-situ mechanisms for the upgrading of apartheid-era hostels and inner city occupied buildings, with innovative redevelopment and densification where relevant.

**3.1.4.4** To establish the National Stakeholder Forum to be convened annually by the Minister that is inclusive of the private sector, academia, civil society and communities to instil accountability, collaboration, co-production and continuity of human settlements initiatives.

**3.1.5 *Creating and guarding conditions for self-provisioning of housing by low-income households***

**3.1.5.1** To create conditions for households to build for themselves or with their own resources wherever possible, including through managed land settlement, as well as the release of serviced stands/ land in locations that link households with economic activities.

**3.1.5.2** To develop mechanisms that protect against harmful downward raiding while allowing a market to advance.

**3.1.5.3** To create the conditions for a non-exploitative and regulated rental sector to thrive and ensuring that a thriving subsidised social housing sector contributes towards this.

**3.1.5.4** To curb exclusionary and unsustainable excesses in the upper end of the housing market.

**3.1.5.5** To prioritise sustainability in all its facets, including climate resilience, as a cross-cutting commitment.

**3.1.6 *A whole-of-government approach***

**3.1.6.1** To refine alignment with spatial justice, sustainability, good governance, spatial resilience commitments made in the IUDF, NDP and in SPLUMA-related plans at all levels, including across the urban-rural continuum. Embark on ongoing participatory engagement around policy and implementation.

**3.1.6.2** To create comprehensive systems of monitoring all elements of the human settlements value chain and build multi-stakeholder engagement forums at national, provincial and municipal level.

**3.1.6.3** To compliment rigorous technical monitoring and evaluation and ensure ongoing refinement of programmes and implementation.

## **3.2 Demand management and qualification criteria**

**3.2.1 Objective:** To provide policy positions regarding demand management and qualification criteria for human settlements services

**3.2.2 Issue:** *Demand Management*- Government has a variety of systems available that provide details of the vulnerable. Currently, the records reflected on the HSS indicate that a substantial number of housing subsidy applications were approved since 1994 wherein beneficiaries have not yet received their completed houses. The circumstances regarding these approved subsidy applications differ vastly from housing project to housing project. These circumstances could include: (i) blocked projects, (ii) abandoned projects, (iii) projects with reduced number of dwellings for whatever reason, and (iv) projects that were approved where beneficiary applications were considered and approved but the project never commenced, etc. The HSS reflects that a subsidy application has been approved but delivery of the house to an approved beneficiary may be inaccurate.

### **Policy Statements – Demand Management**

- 1) The National Needs Register (NNR) will cease to exist. The application, selection and allocation of housing opportunities to qualifying beneficiaries will be done through an online automated and transparent system.
- 2) Priority will be given to households who are not able to independently to provide for their own housing needs. Therefore, the most vulnerable members (child-headed households, persons living with disabilities, and the aged) of our society will be prioritised. Linked to this targeted prioritisation are the approved military veterans and persons with special housing needs.
- 3) All existing waiting lists and housing demand databases will be consolidated into a single portal. This includes datasets on human settlements that are held by entities within the sector. All housing needs will be recorded in one databank and registered in one system that will be determined by the National government.
- 4) A legal solution will be sought for the already approved housing subsidy applications that are recorded on the various systems. A due date for system clean-up of approved applications will be determined by the Minister in consultation with the MECs and SALGA.
- 5) An online self-help platform/portal will be made available for beneficiaries to upload updated documents. Where the information recorded on the HSS is inaccurate, the details and records will be adjusted, and overrides will be carried out to all the affected records.
- 6) Institutional arrangements for monitoring and implementation of human settlements services to the vulnerable groups will be set up in partnership with relevant departments – Department of Cooperative Governance and Traditional Affairs, Department of Social Development, Department of Military Veterans, Department of Justice and Constitutional Development, Department of Labour and Employment and other key players.

**3.2.3. Issue: Qualification Criteria-** The housing subsidy qualification has remained the same since the inception of the subsidy programme in 1994. In terms of policy, a person qualifies for a subsidy if the person is a Lawful resident of South Africa in possession of permanent residence status; Legally competent to contract (18 years and above); Not yet benefited from government assistance; If a person has previously owned a fixed residential property a person may qualify for the purchase of a vacant serviced site; If property was obtained without government assistance and does not conform to norms and standards. A means test of a monthly household income (proof of income required) of R0 – R3500 for a full subsidy and R3501 – R 22 000 for a partial subsidy known as First Home Finance Programme (FHFP). The additional requirements include married or cohabiting; single with financial dependents' that reside permanently with applicant; single persons without financial dependents may apply for purchase of vacant serviced site or rental accommodation.

**3.2.4.** Further requirements include a persons classified as military veterans; a database containing names is available at DMV, persons classified as aged with or without financial dependents; persons classified as disabled and persons who are beneficiaries of the Land Restitution Programme. Inflation and the rising cost of living over the past few decades have significantly increased the cost of human settlements, making it increasingly challenging for low and middle-income individuals and families to afford decent accommodation. The failure to adjust the minimum and maximum income brackets for eligibility unintentionally excludes individuals and families who would have otherwise qualified for assistance under updated income thresholds, leaving a significant portion of the population facing housing affordability issues unable to access the support they need.

#### **Policy Statement – Qualification Criteria**

- 1) A regular review of the income brackets of the qualification criteria will be undertaken in consultation with the National Treasury and Statistics South Africa. A regulation in this regard will be issued as part of the Human Settlements Code or equivalent instrument. This regulation will ensure that subsidy programmes remain relevant and continue to serve the intended purpose of providing accessible housing options for individuals and families in need.

### **3.3. Spatial planning and transformation**

**3.3.1 Objectives:** To provide guiding policy statements for spatial planning that recognises that there are different housing and human settlement environments in different parts of the city, inner city, townships, peri-urban areas, suburban areas, rural areas, etc. and devise housing interventions in accordance with the different economic and social needs of such environments.

**3.3.2 Issue: *Integration***- The development and maintenance of sustainable, integrated human settlements has been challenging. The social, economic, and cultural aspects of settlements have been dealt with in isolation, yet successful integration requires a holistic approach that is collaborative. The Department of Human Settlements alone has not implemented programmes that address the aspect of culture, economy, and social connections in settlements.

#### **Policy Statements – Integration**

- 1) A multi-departmental approach to the implementation of sustainable human settlements will be pursued. This will be aimed at holistically addressing spatial planning issues and bring together various departments and specialists to facilitate better outcomes. As the custodian for human settlements function, the Department will explore various mechanisms of involving multi-disciplinary teams with specialists in built environment and other key professions e.g., planners, engineers, economists, architects, social facilitators and journalists.
- 2) Interdepartmental working groups will be established foster systems thinking approach to coordination human settlement's function. As a minimum requirement, spatial planning for human settlements will include the Department of Human Settlements; Department of Trade Industry and Competition; Department of Transport; Department Sports, Arts and Culture; Department of Social Development, Department of Water and Sanitation, Department of Minerals and Energy and Department of Employment and Labour.

**3.3.3 Issue: *Spatial transformation***- There has been a lack of ability to create synergy and alignment in approaches and the use of existing instruments to deliver integrated, sustainable human settlements that are linked to transport nodes, economic growth, as well as urban and rural development. Instruments such as Restructuring Zones, Priority Human Settlements and Housing Development Areas (PHSHDAs), IRDP and Rural Infrastructure Development are supposed to assist to facilitate spatial transformation. Economic, transport and human settlements plans and strategies have been developed to restructure apartheid spatial planning and curb inefficiency in settlements and change the spatial form. However, densification and infill housing options have not been fully pursued in certain areas. Some areas including 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. In some instances, there is experiences of encroaching onto road reserves and unsuitable ecological areas. Some municipalities have demonstrated an inability to enforce bylaws leading to unguided illegal encroachments which mitigate against planned developments.

**Policy statements – Spatial Transformation**

- 1) Spatial transformation will be facilitated through alignment of human settlements development plans with economic, transport and planning strategies as this is central in restructuring the apartheid and inefficient settlements spatial form. Further, the Department will pursue spatial transformative interventions and explore mechanisms of providing incentives that encourage spatial transformation and mobility.
- 2) Human settlements will be developed with/or within spaces with economic opportunities and where possible, economic opportunities be created in proximity to residential areas (i.e., jobs to people and people to jobs). A government-wide planning approach that brings all relevant government departments that deal with labour, employment, housing, and economic growth interventions will be implemented in line with the DDM.
- 3) Infrastructure development projects will be packaged to target areas with Transit-Oriented Development which concentrates growth around frequent public transit corridors by locating housing, offices, shops, schools, and services near metro stations and bus hubs.
- 4) The transformation of existing townships, and areas which have been established since the 1980s, into sustainable human settlements will be prioritised and supported.
- 5) A National Land Asset and Property Register for Human Settlements will be established to (among other purposes) serve as an asset register for the outstanding pre-1994 housing stock.
- 6) Well-located land and properties will be identified, and new solutions crafted in consultation with partners.
- 7) Government will finalise township establishment processes where there have been significant delays or capacity problems and enable reasonable turnaround times into the future.
- 8) Government will 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), work with the Department of Transport (jobs to people-people to jobs), and strengthen functional linkages with the associated central business districts.
- 9) 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 and planning 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.
- 10) 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).

**3.3.4 Issue: Planning Processes-** Planning for human settlements has been a challenge over the years. This tended to be ad hoc and not informed by a long-term vision that takes into consideration the patterns of urbanisation.

Human settlement development has not included a longer-term horizon, smart planning and implementation that will significantly contribute to spatial transformation, ensure revival, and provide the much-needed restructuring of communities and their locations.

#### Policy statements – Planning

- 1) The Legislative Framework will be embedded on long term planning, spatial integration, sustainability, efficiency, and integration.
- 2) In pursuit of the letter and spirit of cooperative governance, the Integrated Spatial Human Settlement Plans that are linked to the IDP, SDF, SPLUMA, etc. will be developed by municipalities and submitted to Provinces. These should identify designated areas of industrial activity/employment drawing support from DTIC. The DTIC will play a key role in confirming that local economic development is part of the integrated spatial human settlement plan. Social development will play a key role in terms of identifying disadvantaged/marginalised people in an area e.g. People living with disabilities, homeless people, displaced people, aged people, etc.
- 3) Municipalities will be responsible for the development of Integrated Spatial Human Settlement Plans that prioritise the establishment of Emergency Housing provision to cater for the marginalised and vulnerable. Further, this plan will ensure that gender-specific considerations in terms of demand/need, as well as for people living with disabilities, aged, homeless, and the displaced are provided for.
- 4) A 30-year (2024-2054) National Human Settlements Sector Plan will be developed and maintained within the national system of development planning. This plan will indicate short-, middle- and long-term activities. The planning process must be participatory and supported by the Intergovernmental Relations System.

The 30-year National Human Settlement Sector Plan should serve to enhance and give effect to the objectives of the District Development Model, while focussing on area-based planning approaches within the local government sphere. This longer-term plan presents an opportunity to comprehend settlement patterns and trends as informed by economic and population data. This planning framework will aid to integrate transportation and land-use systems while ensuring coordinated planning and development in urban and rural spaces.

- 5) Government will create a National Human Settlements Planning Approval system to be used for streamlining planning approval processes and mitigating risks associated with planning delays.

**3.3.5 Issue: Use of innovative technology-** Digital connectivity is increasingly recognised as a form of urban infrastructure. Technology plays an important role in promoting sustainable urbanisation by improving the efficiency of urban services, reducing energy consumption, and improving residents' quality of life. These technologies include the use of sensors, data analysis and automation to manage urban infrastructure such as transportation, energy, and waste management.



**Policy Statements – Use of Innovative Technology**

- 1) The use of artificial intelligence technologies, green technologies, and new concepts, technologies and methods in urban design will be embraced to address challenges of rapid urbanisation and support the sustainable development of human settlements. Programmes of ensuring use of technology to supplement capability including facilitating spatial planning and detecting flood risks or fire occurrences and thereby enabling effective mitigation in residential areas will be pursued.
- 2) Land use data will be carried-out by maps processed through technologies such satellite imagery, Geographic Information System (GIS) and drone technology. These mapping technologies will provide real-time data and indicators in relation to population density, building density, accessibility, road network, distance to the city centre, and mixed land-use, namely housing, workplaces, and socio-economic facilities.

**3.3.6 Issue: Meaningful Community Engagement-** Inclusive, participatory planning is essential for creating sustainable cities that work for all. City planners have not been able to fully and actively engage residents, community groups, businesses, as well as other stakeholders from initiation to the end of the planning process. This has created trust deficit and not leveraged on local knowledge, and not ensured that spatial plans reflect community values and priorities. Communities in some instances have resorted to vandalism, wasteful use, and abuse of infrastructure.

**Policy Statement – Meaningful Community Engagement**

- 1) A programme of social facilitation will be explored to ensure meaningful participation and engagement with communities. Scenarios for engagement supported by AI-powered engagement tools will be explored. These tools will help to reach more people and synthesise diverse input. Online surveys, interactive mapping, and virtual town halls will be used to solicit feedback from those unable to attend in-person meetings.

**3.4 Land for human settlements**

**3.4.1 Objective:** To outline arrangements for addressing issues of land for human settlements in urban and rural areas.

**3.4.2 Issue: Rapid Urbanisation-** More people are moving to the cities in search of opportunities, as well as the growth of existing population in urban areas. With the high rate of urbanisation, there is a growing demand for land in both urban and rural areas. The demand is both from people who can build their own houses and those who need government assistance to build. There is also reluctance of municipalities and other state actors to acquire or release strategically located land and property that can be used for human settlement purposes. The property that is closer to the city centre is more expensive towards the city centre compared to the periphery. Government has limited resources to purchase land at a sufficient scale and pace to meet the growing demand human settlement.

The demand for housing is rising at a rapid rate which compels government to continue to acquire land in places closer to economic opportunities so that the creation of integrated and sustainable human settlements becomes a reality.

#### **Policy statements – Rapid Urbanisation**

- 1) The National Land Asset and Property Register for Human Settlements will be developed that will detail land and property planning, funding, and development to direct and manage transformative and integrated spatial restructuring of human settlements developments. This Register will include the National Land Asset and Property Register Programme Project Pipeline Plan and Development Framework.
- 2) The National Land Asset and Property Register for Human Settlements will include data that is spatially referenced to local municipalities at a ward level. This National Land Asset and Property Register for Human Settlements will be juxtaposed over the National Spatial Development Framework, provincial and local government spatial frameworks during national human settlements sectoral planning engagements.
- 3) Government will pursue reforms to the land identification, release, and allocation processes. The National Land Acquisition and Assembly Strategy will be developed as a key component of the Register. Improved coordination and reforms to planning approvals processes will be advanced. Desirable locations will be explored to advance land rights and service access. Institutional arrangements for rapid regularisation, or alternative incremental less-formal solutions will be developed as a matter of urgency. This includes addressing blockages delaying the finalisation of township establishment processes or alternatively the establishment of locally appropriate incremental planning and land use arrangements with appropriate flexibility.
- 4) A suitable land expropriation framework will be developed so that the potential of underutilised, well located, and developable land is unlocked. Government owned land suitable for human settlements will be released for human settlement purposes and uses. Alternatively, where ownership of the occupied land is in private hands, government will enter into land or donation agreements to prevent delays in infrastructure provision and will use available land acquisition mechanisms, including expropriation of well-located land where relevant. Existing legislative and policy instruments such as– Government Immovable Asset Management Act 19 of 2007 (GIAMA) and SPLUMA will be utilised.
- 5) A land planning forum will be established comprising of key departments such as Department of Public Works and Infrastructure (DPWI), Department of Land Reform and Rural Development (DLRRD), Department of Water and Sanitation (DWS), Department of Agriculture, Forestry and Fisheries (DAFF), Department of Cooperative Governance and Traditional Affairs (COGTA) and through this platform technical support will be given.
- 6) Municipalities with the support of Provinces will conduct regular audits, identify unused or underutilised pieces of land, and landed properties available in their jurisdiction. This will be undertaken with the assistance of professionals and communities including civil society organisations engaged in issues related to access to land and prevention of unlawful land occupation.
- 7) Government will remodel new instruments taking best practices from the Land Disposal Act of 1961 to release suitable and well-located land for housing development and to ensure that human settlements development and that settlements are developed on the basis of sound spatial planning principles.

- 8) The Department will develop an implementation plan for human settlements land donations and develop suitable policy instruments such as municipal land assembly programme and, land release and densification programme to ensure maximum benefit from available and acquired land and landed property.
- 9) In areas with traditional leaders, municipalities will work with traditional leaders and key stakeholders including communities to identify land that can be used for human settlement development.
- 10) The DPWI and DLRRD will work together with the Department of Human Settlements and its entities to identify properties, both rural and urban, that are potentially available for human settlements and develop agri-villages.

**3.4.3 Issue: Dysfunctional property market-** Approximately 60% of people living in South Africa reside in land parcels or landed properties or buildings that are not recognised in the formal property system. This is predominantly informal settlements, dilapidated/hijacked inner-city buildings, and subsidy homes which have not been registered in the deeds registry or customary areas. The subsidised houses have not significantly integrated into the housing market and are not providing a financial lever for the poor households to realise market value. Systemic issues are evident in the whole title deed value chain and policy weaknesses; lack of transactional support and limited home ownership education remain a challenge.

#### **Policy Statements – Dysfunctional Property Market**

- 1) A programme of addressing dysfunctionality in the property market will be pursued to address where the market fails and implement instruments to address such.
- 2) Home Loan and Mortgage Disclosure Act (HLAMDA) was promulgated in the year 2000 and the Act intended to compel financial institutions to disclose information about their lending activities and practices in the home loan market will be reviewed and strengthened to promote transparency and fairness in lending practices thereby reducing dysfunctionality of the property market.
- 3) A National Property Transactional Support Framework/Programme will be developed and implemented through a public-private-civil society collaborative and participatory process. This Framework will clearly delineate roles and responsibilities between the three spheres of government in respect to addressing issues of dysfunctionality in the property market, redefined focus areas for human settlement entities, assessment of sector and industry capacity to address dysfunctionality linked to cumulative human settlement deliverables (BNG houses, Affordable Rental Housing, Community Centres and Facilities, Bonded Housing Stock, Socio-Economic Transformation/Residential Property and Land Asset Ownership and Construction Material Supply Patterns).

**3.4.4 Issue: Land in rural and traditional areas-** Many residents in rural and traditional human settlement areas do not own land mainly because the system of registration of land has not allowed for the recordal of rights. Some of the rural households do not have access to basic services particularly potable water.

The households in communal land and farms reside on privately-owned land and do not have security of tenure. There is disjuncture between the various interventions for persons who reside in these areas. The monitoring, research, and verification of housing conditions for persons residing in rural and farms areas is poor. Insufficient attention has been placed on upgrading homes, dealing with mud houses, upgrading infrastructure, and providing integrated sustainable human settlements in rural areas. There has been increasing number of emergencies and as climate changes the weaknesses are becoming more evident.

#### **Policy Statements – Land in Rural and Traditional Areas**

- 1) The security of tenure and rural titling for farmworkers and those residing on communal land will continue to be priority.
- 2) Government will collaboratively review the current land administration to embrace and promote empowerment of women to access land and land titles.
- 3) Spatial consolidation of accessible socio-economic infrastructure services will be made to allow for choice, character, community, and households preferences to prevail.
- 4) Specific mechanisms will be developed to ensure that local government and DLRRD plays an important role in the registration, administration and regulation of farm and communal land in rural areas.
- 5) Legislation and interventions for recordal of rights which align with processes of acquisition and registration of communal land under Traditional Leaders or Community Trusts will be developed in consultation with traditional leadership.
- 6) Grants and subsidies for rural interventions will be reformed to address special rural interventions.
- 7) Structured cooperation interventions among a range of stakeholders including the three spheres of government, NGOs, CBOs, financial institutions, traditional leaders, and other stakeholders will be established.
- 8) Research, evaluation, measures, and indicators of success, reporting and verification of progress on land issues will be established to track policy and programme interventions.

### **3.5 Informal settlements upgrading**

**3.5.1. Objectives:** To transform informal settlements into thriving, people-centred, resilient, safe, and functional neighbourhoods that are well-connected to municipal infrastructure, amenities, and the urban economy and to prevent the formation of new informal settlements through appropriate release of land and access to affordable housing.

**3.5.2. Issue: *Informal settlements***- Informal settlements are precarious, self-organised neighbourhoods that occupy one or more portions of land and ‘without express or tacit consent from the owner or person in charge’ [refer to Section 1 of the PIE Act] of the land. Such unlawful occupation may also be in contravention of land use and building regulations. Informal settlements emerge out of need and, while diverse, they typically display characteristics such as insecure tenure, absence of permanent basic services, impoverishment, and vulnerability. Often, dwelling structures are temporary, in the form of wood and zinc shacks but occupants may, over time, consolidate these into modest brick-and mortar housing.

**3.5.3.** Prior to the Covid-19 epidemic, estimates suggested that there were over 3 200 informal settlements in South Africa. The impacts of climate change have intensified the risks and vulnerabilities experienced in many informal settlements. Undocumented foreign nationals form a portion of those living in informal settlements. A policy on informal settlement upgrading that prioritises in situ, area-based, incremental, and participatory upgrading since 2004 and a dedicated ISUPG exists.

A National Upgrading Support Programme (NUSP) was designed to build capacity and capability for the implementation of the UISP with the objective of eventually upgrading all informal settlements in the country. Yet, the practice of informal settlement upgrading has been uneven, in some areas it has failed to move beyond the temporary servicing of sites which has left some of the households in conditions that are undignified, unsafe, and insecure.

**3.5.4.** Unplanned settlements are typically informal settlements as defined above but may include households with the means to build substantial housing structures. The emphasis in this term lies on the absence of formal planning. This may render such neighbourhoods vulnerable to rising water tables, flash flooding, landslides, subsidence, underground gasses, or other soil conditions that make land unsuitable for construction or where construction has to be preceded by careful assessment and requires costly measures for rectification.

#### **Policy Statements – Informal Settlements**

- 1) The Department will review the current informal settlements upgrading instrument to improve programme planning, implementation, meaningful community engagement, transversal and intergovernmental coordination, monitoring and evaluation. The objective in this regard is to transform informal settlements to be inclusive, liveable, and sustainable neighbourhoods that have adequate services, secure tenure, and address urban poverty, livelihoods, and spatial inequality.
- 2) Greater resources shall be shifted to support informal settlements upgrading premised on existing categorisation systems and participatory techniques such as re-blocking.

- 3) Government will proactively take all necessary measures to curb the development of unplanned settlements/ informal settlements and the management of informal settlements growth where land is owned by government. In instances where land and property are vacant and unlawful occupation of land is imminent, the authorities/owners will proactively take all necessary legal measures to protect land and landed property (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.
- 4) People living in informal settlements considered most vulnerable, including those with special housing needs such as victims of gender-based violence, orphans and vulnerable children, disabled persons and older persons will be provided with access to suitable and dignified accommodation, as far as possible within settlements, through meaningful engagement.
- 5) Unplanned neighbourhood development interventions that are grounded on infrastructure upgrading, maintenance, housing construction and urban management and create skills and training development and job opportunities will be pursued by leveraging various interventions including public works programmes and local contracting.

**3.5.6 Issue: *Informal settlements upgrading***- The regulatory environment has focused on conventional formalisation and green fields development. The capabilities of all role players, including those within the government, informal settlement communities, civil society organisations, academic institutions and the private sector have not been sufficiently harnessed to enable the transition from informal, underserviced, and insecure settlements to thriving, resilient and liveable neighbourhoods. Fragmented and poorly aligned institutional arrangements and intergovernmental coordination and the absence of institutionalised national, provincial, and municipal multi-stakeholder engagement platforms have contributed to the challenges.

#### **Policy Statements – Informal Settlements Upgrading**

- 1) Government will support municipalities to have the requisite institutional arrangements and capabilities for interdisciplinary, incremental planning and implementation. This will improve accountability and continuity in upgrading processes. Multi-stakeholder engagement platforms at national, provincial, and local levels will be established to coordinate efforts, review progress and extract lessons for improved practice and policy formulation.
- 2) 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 will be subject to a disaster risk assessment to ensure the protection of life and property. To manage the issue of density, the technical, infrastructural, financial, and social implications of ‘vertical density’ will be explored, piloted and guidelines developed. This will include double-story self-build solutions which utilise locally available materials and familiar building methods.
- 3) An area-based approach will be adopted informed by in situ neighbourhood design principles such as safety, accessibility, liveability and connectivity and which focuses on the provision of

social infrastructure (e.g. multi-purpose community centres catering for various community needs; educational facilities including Early Childhood Development Centres (ECDs); clinics; sports and recreation facilities), parks and food gardens, play areas and natural areas (including environmental management) and the activation of space (existing buildings and spaces put to use to support community needs) through development programmes and initiatives.

- 4) The provision of basic services and infrastructure will be prioritised, and sufficient capacity and resources will be allocated. Participatory design of incremental service options will consider safety, accessibility, and dignity, particularly of marginalised social groups. Infrastructure will be resource-efficient and minimise waste. Nature-based solutions that contribute to improved access to services and disaster mitigation will be pursued. A suitable framework will be developed. Further, planning for and investment in economic infrastructure, including informal trading zones and transport hubs, will be an essential part of upgrading initiatives.
- 5) A flexible planning and land use management dispensation will be advanced to support home-based enterprises, (informal) trading and other types of micro and informal enterprise.
- 6) Tenure security will be improved through a system that provides for recordal, incremental, individual, and collective tenure options that are inclusive of all residents and allow households to securely invest in permanent structures while also facilitating transactions as needed but foreclosing harmful downward raiding. The tenure options may include mechanisms suggested by the High-Level Panel on the Assessment of Key Legislation and the Acceleration of Fundamental Change. Particular attention will be given to advancing land rights and tenure security of women, older persons, child-headed households, people living with disabilities and other vulnerable groups including lesbian, gay, bisexual, transgender, queer (or sometimes questioning), intersex, asexual, and others (LGBTQIA+) individuals and guidelines will be developed in this regard.
- 7) Relocation, always as a last resort, will be decided upon after a detailed situational analysis. An exploration of all alternatives will be undertaken, and the outcome of relocation will be a carefully negotiated process involving affected communities. Implementation agencies will as far as possible, minimise disruption to communities and households' lives.
- 8) Social Compacts shall be entered into between communities and government in all informal settlements upgrading initiatives to ensure community sufficient participation. Mechanisms shall be initiated to ensure consistency of participation and engagement in decision making. The rights of vulnerable groups shall be safeguarded in this regard. Interventions of enhancing trust between communities and municipalities will be pursued through institutionalising community engagement, to include the establishment of tailored social compacts, task teams, local community-based organisations acting as social facilitators and by involving communities in all aspects of planning, budgeting, implementation, monitoring, reporting, evaluation, and auditing of informal settlement upgrading.
- 9) Civil society and academic partners will play a role in project planning and implementation, social facilitation, technical support, ongoing research, evaluations, international benchmarking, innovation and informing evidence-based policy adjustments. An appropriate procurement and funding mechanism to enable partnerships between municipalities and relevant civil society organisations and academic institutions will be developed.
- 10) Needs-based financial support for self-build that includes issuing of voucher, subsidised materials or savings- and credit-linked systems will be explored. The National Building Norms and Standards will be revised to allow for greater flexibility and incremental development, without compromising on health, safety, quality, and dignity.



- 11) A national support programme for small-scale contractors and developers that includes upskilling of local labour will be developed. Particular attention will be given to the economic empowerment of women in the construction sector as well as to the economic potential of the emerging alternative building materials sector.
- 12) Greater investment will be made in the development of innovative and flexible building typologies and materials that are sustainable, resilient and, in as much as possible, locally produced. Certification of tested alternative building materials, methods and technologies will be fast-tracked to allow for replication and scale.
- 13) Effective partnerships between municipalities, the private sector and non-profit sectors will be pursued. The private sector will provide amongst other initiatives, access to finance for low-income households to pilot infrastructure innovation, provide free Wireless Fidelity (Wi-Fi), establish skills development programmes, create local employment opportunities, or direct corporate social investment to community initiatives.

### 3.6. Affordable Rental Housing

**3.6.1 Objective:** To stimulate the delivery of affordable rental stock through innovative financing mechanisms, updated regulations, and strategic partnerships with the private sector and civil society organisations.

**3.6.2 Issue: *Rental stock delivery***- The delivery of subsidised rental stock has been provided through the Institutional Subsidy Programme, Social Housing Programme and Community Residential Unit Programmes. These instruments have been limited in supply measured against the demand for affordable rental accommodation across the country. Currently the Rental Housing Act 50 of 1999 (as amended) provides for the rights and obligations of landowners 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 Community Residential Units (CRU) programme, Special Housing Needs, and Institutional Housing in the Housing Code of 2009. The policy environment does not take into consideration the large costs associated with land acquisition and development for government subsidised rental housing delivery. Also, due to a lack of rental housing supply there is a rapidly growing emerging rental sector and informal rental that provides rental accommodation at a small scale.

**3.6.3** Government's housing subsidy scheme has made important strides in providing home ownership opportunities; however, many low and middle-income households remain unable to access mortgage finance or afford the costs associated with owning a property. Rental housing



is their only viable option, yet these potential beneficiaries end up living in backyard rental, unplanned settlements, inner city dilapidated abandoned buildings, etc. Moreover, many beneficiaries are unable to access the private rental market due to high rental amounts charged.

**3.6.4** Challenges regarding the regulation of rental housing include, the institutional and financial delivery of rental stock, increases in rentals and unfair practices (often unaffordable and contributing to rental defaults, evictions 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 state 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.

#### **Policy statements – Affordable Rental**

- 1) Government will provide an overarching policy framework for affordable rental housing with clear definitional parameters, define responsibilities of role players across rental market subsectors, within which all relevant national and sectoral stakeholders exist. Legislation, programmes, and strategies will be amended and reformed to successfully implement affordable rental housing interventions.
- 2) The National Land Asset Register and Property Register will be developed to include options for supply of affordable rental accommodation. Government will use its legal authority, where appropriate, to shape the usage of privately and publicly owned land for the development of affordable rental accommodation.
- 3) Government will advance effective property management of subsidised rental stock. In instances where stock is owned by government, the property and buildings will be secured to avoid being prone to ‘hijackers’ or criminal syndicates that intimidate tenants.
- 4) The process of implementation of Eviction Orders is emotive, costly, burdensome and often becomes volatile to all affected parties. Therefore, the Department working with the Department of Justice and Constitutional Development and Rental Housing Tribunals will create a mechanism to intervene for mediation when a motion is submitted to the Courts for an Eviction Order
- 5) Government will pursue reforms in the social housing programme and address shortcomings in the current social housing policy and amend the Social Housing Act and its regulations in partnership with key role players. Amendments to funding models will be considered in partnership with the National Treasury, Department of Employment and Labour and other key sector Departments, to enable flexible object subsidies customised for different unit typologies, sizes, densities, customised for different household incomes, and municipal rebates for improving affordability for qualifying households.
- 6) Government will explore mechanisms for informal rental, provide incentives and remove barriers for households (tenants) and informal landowners, already participating, and utilising private informal rental accommodation. An informal rental housing programme will be crafted to provide safe, secure, accessible, offer affordable rental and have access to basic services such as water,

sanitation, and electricity. To promote health and safety a serviced slab will be constructed on a participating landowner's property subject to application of concessions.

- 7) The emergent rental market has been identified as a key sub sector of rental that is covered in the Rental Amendment Act of 2014. The emergent rental providers will be identified, accredited, and provided with a set of rules and guidelines as delivery agents. Government will provide incentives and remove barriers for households and delivery agents (emerging landowners-developers) intending to participate through investing and providing accommodation in this subsector. A significant incentive is to provide access to loan finance at rates that allow a commercial return on equity for landowners. Government intends to create employment, accelerate the delivery of rental housing and address housing demand.
- 8) The hostel redevelopment, CRU, and municipal rental housing as subsector of rental housing will continue to be administered by municipalities and provincial housing departments supported by public and private role players. Income qualification criteria will be regularly reviewed to ensure provision of adequate and decent accommodation to the deep-down market whilst restoring and maintaining the stock of the sector and re-inculcating the principle that the tenants pay their rentals to ensure the sustainability of the sector.
- 9) Government will engage with tenants in all CRU/municipal units (i.e., not just the limited percentage being refurbished) who earn above the set maximum income level to qualify and implement solutions before considering termination of tenancy. Government will rectify existing completed units, and complete CRU projects that have commenced but are incomplete. Government will for the next 10 years concentrate on refurbishments and consider provision of object subsidies in the rehabilitated and functional CRU stock.
- 10) Government working together with the private sector and the regulatory authority will explore mechanisms of establishing transitional housing as a solution to urbanisation challenges found in cities and metropolitan areas. Lessons and best practices from metropolitan cities will be documented and utilised to develop an additional programme of the Code with clear roles, responsibilities, and funding arrangements. The instrument will serve as a solution to the evictees, those who are no longer able to pay affordable rental accommodation, etc.
- 11) Government working together with employers intends to hold stock that it can provide to accommodate poorer and vulnerable workers, especially under conditions of economic insecurity and shock.
- 12) The provision of affordable rental housing will include operational funding for creating systems, undertaking research and evaluation, object subsidies, subject subsidies, municipal rebates that make utility bills affordable for targeted tenant households and a longer-term decline in basic services operating costs through the installation of the appropriate alternative building technologies (especially in providing for power generation and through insulation materials). A hybrid between a Housing Expenditure Approach (i.e., estimating a percentage of household income for rent) and a Residual Income approach (i.e., determining an absolute average amount of rent across a range of household income bands) will be developed.
- 13) The Procedural and Unfair Practice Regulations (2023) emanating from the Rental Housing Act (as amended) will be used to guide landowner and tenant relations across the rental housing sector.

### 3.7 Affordable housing market

- 3.7.1 Objective:** To provide holistic levers towards a functional and equitable residential property market for low-middle income households.

- 3.7.2 Issue: Affordable housing demand-** The demand for housing in the affordable housing market far outstrips supply of housing units and it is characterised by heavy reliance on public funding (grants and subsidies). The shrinking budget is adversely impacting public spending while most aspirant homeowners are heavily indebted with impaired credit records. The low- and middle-income households remain underserved especially with respect to mortgage financing and while the resale market activity has been growing in the conventional and high-end markets, it has declined in the entry and affordable markets.
- 3.7.3** The current funding architecture for human settlements is premised on the distribution of grants. The challenge is that annual transfers have been decreasing in real terms which in turn impacts on grant allocations to Department's implementing agencies for the delivery of affordable and sustainable human settlements including services and bulk-linked infrastructure.
- 3.7.4** 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.

#### **Policy Statements – Affordable Housing**

- 1) Government commits to the creation of conditions in which access to credit linked subsidies and employee housing schemes are made easier and affordable for borrowers to buy or construct a house. Direct measures targeted at encouraging lenders to expand access to mortgage finance to low- and middle-income households to stimulate both the primary and secondary mortgage markets will be adopted.
- 2) Affordable housing will 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.  
  
Affordable housing shall provide programmatic support for: a) ownership through public-private arrangements; and b) transitional housing through public-private arrangements such as rent-to-buy/own, instalment sales, etc.
- 3) Government will develop an affordable housing policy that ensures that the selling price is affordable to the household in that: a) the cost of constructing the house is made reasonable; and b) the cost of taking out a home loan is made reasonable. A well-coordinated framework that is made up of different stakeholders will be developed.

- 4) The principles of the framework will include; a) enhanced and structured partnership agreements through PPPs to fund human settlements with DFIs, government, private sector, banking sector, non-bank lenders, developers, etc.; b) scaling up the implementation of First Home Finance by increasing capital and operational funding to the National Implementing Agent(NIA); c) increasing provision of sites and services for incremental building; d) EPHP to mobilise communities to partner with government in the delivery of housing and better human settlement outcomes; e) introducing the Mortgage Default Insurance to reduce lender's credit risk exposure, which has proven a success in many countries; f) mainstreaming of cost-effective construction methods through Innovative Building Technologies (IBTs) to maximise impact of subsidies.

## PART 4

### 4.1 Funding models and financing

**4.1.1.** The current funding architecture for 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, USDG, ISUPG and the Municipal Human Settlements Capacity Grant (MHSCG). The Department has faced a few challenges regarding linking expenditure incurred with various milestones or achievement in the delivery of human settlements. These include shifting funds 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.

**4.1.2. 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.

#### Policy Statements – Funding Models and Financing

- 1) A multidimensional funding model (government led, private sector led, community led, and hybrid led) will be pursued through multi-level governance, which 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.
- 2) Government will use human settlements delivery value chain activities to stimulate economic growth and improve connectivity in underdeveloped areas.
  - a. Reforms in finance and governance that will complement the development of sustainable human settlements will be introduced in collaboration with the National Treasury. These include:
    - i. Infrastructure grant to fund the building of infrastructure, public spaces, and services, including land costs, investment in public spaces, and the like;
    - ii. Housing grant to fund the housing subsidies for households, construction of a housing unit or the purchasing of a house or self-built initiatives for the low income must be targeted;
    - iii. Capacity grant to fund professional services and capacity acquisition and development. This includes capacity for scoping land, environmental impact assessment, and related capabilities; and

- iv. Grant to fund social facilities and land uses of human settlements such as schools, health, creches and community facilities safely and security, and the like. These must be coordinated through Area Based Planning Approach and the DDM in partnership with the responsible Departments through planning and budgeting instruments.

#### 4.2 Funding and taxation incentives

4.2.1. The housing sector contribution to GDP is generally measured by two indicators, namely the residential (construction) and consumptive spending on housing (services, i.e., rent, utilities, taxation). The budget allocation to the human settlements sector in South Africa has been declining over time. The total contribution of housing to GDP is measured at 14.3% to 16.1% in some countries like Thailand, Brazil, India, Kenya, Mexico, Indonesia and comprises approximately 25%-30% of household expenditure.

#### Policy Statements – Funding and Taxation Incentives

- 1) Human Settlements Institutions will be encouraged to raise funding directly from the capital markets and be less reliant on grant funding as they enjoy implicit government guarantees.
- 2) A range of tax-based regimes, vis-à-vis discounted state-owned land, the Income Tax, the Broad-Based Black Economic Empowerment (B-BBEE), the Deeds Registries, the transfer and stamp duties and other related tax exemptions will be explored.
- 3) Mechanisms such as incentives for those who donate land for human settlements, and an affordable housing levy with a matching contribution from the employer will be explored.
- 4) The Department will pursue a trajectory and advance a notion whose noble intention is to advocate for its programmes to be zero rated to enhance affordability. A regulation that provides certainty will be issued by the Minister of Human Settlements in consultation with Minister of Finance.

#### 4.3 Market support and facilitation

4.3.1 **Objective:** To provide an instrument that can serve to coordinate transactional, information, advisory, referral and general property support activities among low income and previously marginalised communities.

4.3.2 **Issue:** *Housing consumer support-* Government has established various institutions and developed mechanisms to address housing consumer issues and safeguard consumer satisfaction. Yet, access to adequate housing continues to elude many low-income housing consumers who face a myriad of challenges that threaten the realisation of the right of access to adequate housing. These include a) poor access to information on government housing support and programmes; b) insecure tenure resulting from title deed backlogs;

c) informal property transactions; d) self-built housing which does not meet the building norms and standards; and e) inability to leverage finance using government subsidised and self-built housing.

#### Policy Statements – Housing Consumer Support

- 1) The National Property Transactional Support Framework will be developed. This will include collaboration with the private and non-profit sector to establish Local Housing/Transactional Support Centres to support and enable self-build initiatives, consumer education and property transactions support.
- 2) An area-based approach will be followed in the establishment and physical location of Local Housing/Transactional Support Centres to respond to locational differences, make a meaningful contribution to the human settlement strategy being pursued, and reorientate human settlement funding towards an area-based approach and provide for neighbourhood upgrading in a spatially integrated manner. Opportunities that other government initiatives provide will be explored. These include local municipality housing help desk, PSHDAs which are focus areas for spatial transformation through human settlement initiatives, Restructuring Zones designated for the development of social housing, Thusong Centres, Customer Service Centres or satellite offices of municipalities and partnership with civil society organisations.

#### 4.4 Innovation and sustainable human settlements

**4.4.1 Objective:** To create mechanisms to ensure that human settlements make a substantial contribution and impact on innovation and technological enhancements.

**4.4.2 Issue:** *Human Settlements socio-technical system*- There is a poor culture of innovation in the human settlements sector. While innovation capability exists through institutions that deliver human settlements. This does not guarantee that innovation will occur. There is a lack of adequate funding and investment into IBTs.

#### Policy Statements – Human Settlements Socio-Technical System

- 1) The existing policies, guidelines, norms, and standards will be revised to be more enabling and accommodative to innovation.
- 2) The Human settlements Innovations Framework will be developed with criteria that include a) self-help for households retrofitting technologies, supporting circular built environment policy programme; b) supportive regulatory framework that streamlines the permission process for sustainable retrofitting projects and encourages innovation in subsidy houses; c) policy programme for human settlements to promote a circular built environment, such as incentivising the use of recycled materials, encouraging modular construction techniques, etc.; and d) Local Housing/Transactional Support Centres to be hubs of alternative building technologies and provide technical and financial support to developers, contractors and communities.
- 3) Government will coordinate the budget for technologies and innovations in human settlements between the DSI and the Department for Research, Development and Innovations through the Inter-Ministerial Committee and regulations.

- 4) Specific Policy Programmes for Tax incentives, accreditation programs for green and smart settlements, municipal incentives rate incentives, subsidies, and grants or rebates for households that utilise alternative building technologies such as solar panels, energy-efficient appliances, and water-saving fixtures will be explored.

**4.4.3 Issue: Digitalisation of human settlements:** The Digital Revolution is a global trend characterised by a shift away from mechanical and electronic to digital electronic technology resulting in digital services. The Department faces many limitations emanating from the manual-based systems, mechanical and electronics that is evidenced by challenges relating to access to verifiable and accurate data, information, and reporting.

#### Policy Statements – Digitalisation of Human Settlements

- 1) The Department will implement structural reform through digitalisation of human settlement processes by embracing digitisation, automation and data-driven approaches that will improve and enhance service delivery in human settlements.
- 2) Decision Support Tools that allow beneficiaries to apply for housing using the mobile application and be able to track their application process will be explored.
- 3) Human settlements dashboard that integrates data from different sources into a single view to draw insights, using data analytics will be investigated and implemented.
- 4) Government will Implement Technologies of the Future initiatives that are based on research and development endeavours. The future technologies that aspire for the future of society based on challenges identified to create job opportunities in the green construction sector and support the participation of innovation Small, Medium, Micro Enterprises (SMMEs).
- 5) IBTs and innovation projects to achieve green and smart settlement programme will be pursued by implementing initiatives for transitioning towards green smart settlements that are environmentally sustainable, energy-efficient building materials, 3D Construction Printing etc.
- 6) A programme of promoting and providing urban green spaces will be pursued as an essential component of sustainable human settlements. This will be coordinated through a wide range of recreational, physical, and sporting events.
- 7) Smart Utilities and existing hardware and software internet of things (IoT) networks that promote the efficiency of household services such as water, and energy can yield real-time data linked to users, service providers, and local authorities will be used to improve the quality of response to interruptions, fit innovative sanitation solutions such as non-sewered sanitation units.
- 8) Working with the private sector, academia, civil society, and communities to encourage experimentation with technologies such as smart sensors, IoT devices, and digital platforms.

**4.4.4 Issue: Local Technology Pipeline-** There is a poor relationship between the government subsidy programme and the national system of innovation or technologies that are developed locally for the built environment.

There is a need to strengthen the pipeline of technology products and innovations for human



settlements that are vetted, accredited, tested, and registered or showcased and can be made accessible to installers/contractors, developers and SMMEs.

#### Policy Statements – Local Technology Pipeline

- 1) Government will implement a Technology Register of Innovations for the sector that are vetted and certified. The Register will be a source of reference for investors, developers and specifiers seeking products that could be upscaled for human settlement projects.
- 2) The Department will implement Living Labs Programmes to introduce innovations that are user-developed and supported in situations where users or communities co-create and demonstrate at a community-level innovation that meets their needs.
- 3) The Department together with sector departments will invest in research and development of innovative building technologies and materials specific to the South African context to spur local innovation and create job opportunities in the green construction sector.

**4.4.5 Issue: *Technology Diffusion***- There are poor mechanisms in the current human settlements policy environment that support the technology diffusion from inception (product development) to end-of-life (deployment of houses) to reduce risks, improve the operational performance of these innovations and meet users' expectations.

#### Policy Statements – Technology Diffusion

- 1) The Department will explore and implement smart and green settlement technical support for self-help retrofitting of accredited smart and green settlement products by an individual household or government-led self-help programme.
- 2) The Department will implement an Accreditation Programme of smart homes and green settlements equivalent to Leadership in Energy and Environmental Design (LEED) or Green Star certification, tailored to the South African human settlements' context.
- 3) A programme to build a Community of Practice for the procurement of innovations that enables the sharing of information will be pursued to overcome barriers and open the market for mainstreaming innovative technologies.

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

**4.5.1. Objective:** To develop and implement a human settlements response to climate change

**4.5.2. Issue: *Effects of changing climate patterns***- The primary climate hazards facing South Africa's human settlements are fire, flood, severe storm intensity, drought, and high heat occurrence. These hazards are the result of changes in temperature, rainfall patterns and severe storms. This is expected to accelerate over time.

Climate change affects both urban and rural areas as well as formal and informal settlements.

The interactions between climate hazards and human settlements manifest in social and economic dislocations which impact and change settlement and migration patterns and, in some cases, lead to forced displacement. The climate hazards for human settlements manifest through their impacts on ecosystems, not least because of the critical functions and services they yield, particularly water in our highly water stressed country.

#### **Policy Statements – Effects of Changing Climate Patterns**

- 1) A deliberate effort will be made to integrate climate resilience and sustainable development approaches into the planning, design, construction, maintenance, and operation of human settlements to avoid the devastating impacts of climate change.
- 2) Initiatives towards the protection and enhancement of inhabited ecosystems and sub-systems will be pursued to increase the yield of critical ecosystem services for communities, such as flood and fire protection, water, and cultural and recreational activities.
- 3) All new settlements will have accessible green spaces and greening adjacent arterial roads, provided through community and enterprise-based tree planting, prioritising disadvantaged communities that face severe heat stress, and/or risk of floods and flood related landslides.
- 4) Government will identify and mobilise innovative ways and means of financing the design and implementation of resilient norms and standards, particularly for housing, energy, water and sanitation, roads, and transport to bring about catalytic change for South Africa's vulnerable communities.

**4.5.3 Issue: Building material-** The challenges of climate change compound existing obstacles. Buildings are the largest emitters of greenhouse gases, responsible for at least 37% of global emissions and the construction industry in South Africa is the largest greenhouse gas emitter due to its heavy reliance on coal-based electricity. The usage of non-eco-friendly technologies and materials in housing construction results in the abuse of the natural environment due to a lack of adequate land use planning and loss of biodiversity.

#### **Policy Statements – Building Material**

- 1) Government shall promote collaboration and capacity development programs to facilitate knowledge-sharing and skill development within the human settlements sector. Additionally, Government will establish innovative financing models to provide accessible and affordable financing options for material sourcing and technology adoption.
- 2) The climate resilient and green building norms and standards that are aligned with best practice for protecting the country's ecosystems will be regularly published. These will be aligned with Green Star SA rating portfolio, an internationally recognised mark of quality for the design, construction and operation of buildings, interior fitting, and precincts.
- 3) A differentiated approach to norms and standards for informal and formal subsidised housing, including for RDP/BNG houses, shacks and backyard shacks, energy and transport

infrastructure, water and sanitation infrastructure, and storm water management systems, etc. will be investigated.

- 4) Government will create mechanisms to explore the availability and supply of alternative heat resistant materials for shack construction to replace corrugated iron. This will decrease energy needs (heating) in winter and increase comfort in summer.
- 5) The Department will continue to work together with key partners such as DTIC, NHBC, Agrément SA to implement and ensure compliance to SANS 10400 XA norms and standards. The requirement for buildings to be oriented northeast is noted however many land parcels and landed property available for development do not allow a choice of orientation – e.g., a South facing hill slope. Land available in suitable locations for housing is in short supply and the ability to orientate buildings facing northeast is limited and therefore new solutions will be developed.
- 6) Government will create a platform for engaging and participating in global discussions to understand and establish best practice for climate resilient infrastructure. Currently such efforts are led by the World Green Building Council, the international local-regional-global action network that leads the transformation to sustainable and decarbonised built environments for everyone, everywhere.

#### 4.6 Infrastructure and amenities

**4.6.1 Objective:** To provide policy statements on infrastructure and amenities acknowledging the key role this plays in enabling a good quality of life and providing for efficient and sustainable human settlements.

**4.6.2 Issue:** *Infrastructure-* Rapid urbanisation and resource constraints have resulted in infrastructure backlogs in many human settlements. Many settlements do not have adequate roads, walking and cycling routes, public transport, energy, ICT, water, sanitation, and solid waste management services. In addition, the development of urgently needed new housing in many areas is limited by insufficient bulk service capacity and resources required to develop connections and networks.

#### Policy Statement – Infrastructure

- 1) Human settlement infrastructure guidelines will be developed based on the following principles, a) minimum infrastructure standards for human settlements will be developed in discussion with relevant government stakeholders such as the Departments of Transport; Water and Sanitation; Electricity and Energy; and COGTA; b) standards will define minimum sustainability, affordability, and accessibility requirements; c) high-quality, sustainable infrastructure, technologies and systems will be used to achieve minimum standards; d) local government will plan for infrastructure in line with minimum standards and include this in IDPs; e) municipalities will develop Municipal Service Partnerships (MSPs) with local communities and service entrepreneurs to develop and manage infrastructure within human settlements; f) product-as-a-service models in which service entrepreneurs install and maintain systems, such as photovoltaic plants, solar water heaters and ICT networks, at their cost and receive fees for services used, will be promoted; g) Development Finance Institutions will provide finance and technical support to entrepreneurs and communities wishing to develop infrastructure and

provide services through the MSPs model; and h) the Department of Higher Education, LGSETA, TVET colleges and community-based organisations will work together to provide practical, accessible infrastructure development, management, and maintenance training to build local capacity.

**4.6.3 Issue: Amenities-** Many human settlements do not have amenities such as schools, clinics, and parks. This means that already vulnerable households must bear travel costs to access these facilities and as a result, may not use them. The lack of local education, health and other amenities can have severe consequences for households, especially for children, and affects future employment prospects, health, and well-being.

#### Policy Statement – Amenities

1) Human settlement amenity guidelines will be developed based on the following principles, a) minimum amenity standards for human settlements will be developed in discussion with relevant organisations, such as the Departments of Basic and Higher Education; Health; Sports, Art and Culture; Social Development; and Small Business Development; b) minimum standards will include amenities that support well-being and fitness. Amenities that support improved nutrition and food security and self-employment and home enterprises. Amenities that support the establishment of small enterprises will be included; c) minimum access standards for amenities will ensure that these respond to local needs and can be used by everyone, including people with disabilities and people with low incomes. In addition, amenities will be within walking distance of households along safe routes; d) local authorities will plan for amenities in line with minimum standards and include these in IDPs; e) community organisations and entrepreneurs interested in developing amenities in human settlements will be encouraged. Support will include facilitating links with the Department of Basic Education, the Department of Health, Local Authorities and Development Finance Institutions; f) amenities will be designed and managed to maximise local benefit.; and g) cooperation within government, standards and oversight mechanisms will ensure that amenities that have not been developed by the government meet minimum standards and are accessible, inclusive, and affordable.

#### 4.7 Empowerment, transformation, and gender mainstreaming

**4.7.1 Objective:** To focus and entrench women’s empowerment and promote the rights of the youth and people living with disabilities for the total transformation of the sector; to design programmes responsive to the needs of the most vulnerable groups which are represented by women, youth, and people living with disabilities; to ensure the empowerment of women, youth, and people living with disabilities throughout the housing delivery value chain; to transform human settlements practice through the participation of vulnerable groups (disabled, women and youth) through training and the design of the built environment.

**4.7.2 Issue: Gender vulnerability-** Women are not a homogenous group. Differences exist in terms of age, race, class, and sexuality, among others. Data disaggregation is required to track transformation in terms or race (African, Coloured, Asian/Indian, White) and gender as racial differences in women’s advancement in post-apartheid South Africa have persisted. African

women remain the most marginalised in most development indicators. Entrenched discriminatory practices intersect in complex ways to amplify women's vulnerability and constrain their access to rights, equality to opportunities to adequate housing, finance, land title, employment and income opportunities and requisite social amenities necessary for achieving an improved quality of life.

**Policy Statements – Gender Mainstreaming**

- 1) Government will develop a Transformation and Empowerment Plan to support inclusion that will include the following criteria, a) set inclusion targets and outline actions to achieve this; b) include an internal focus on ensuring that organisational structures, policy, practices, and human resources within the Department and its entities are aligned with inclusion best practices; c) include an external focus that ensures that service delivery and human settlement and housing projects are inclusive; d) align with the requirements in the Promotion of Equality and Prevention of Unfair Discrimination Act ( POEPUDA) and be developed in partnership with the Department of Women, Youth and Persons with Disabilities.
- 2) Moreover, particular attention will be given to advancing empowerment of women, older persons, child-headed households, people living with disabilities and other vulnerable groups including lesbian, gay, bisexual, transgender, queer (or sometimes questioning), intersex, asexual, and others (LGBTQIA+) individuals and guidelines will be developed in this regard.
- 3) In addressing inequality and marginalised groups, the Department, in discussion with stakeholders, will prioritise projects with a focus on addressing spatial fragmentation and improving inclusive access to housing and economic opportunities and social infrastructure; develop best practice technical guidelines and standards; incorporate inclusion targets into professional and contractor appointments, and these will be audited to ensure that they are achieved. Inclusion targets in the procurement of services and products for human settlement projects will be used to ensure women, youth and persons 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.
- 4) An engagement platform will be established to review progress with key role players. Regular dialogues will be hosted with sector Departments such as Department of Employment and Labour and Department of Public Service and Administration.
- 5) Government will continue to support the principles of B-BBEE and will create sustainable employment and business opportunities for women, youth, and persons with disabilities. The results of which will be monitored through the Transformation and Empowerment Policies (i.e., transformation score card).
- 6) Government will further commit to economic growth in the sector by implementing measures, advancement and development of women owned SMMEs.
- 7) The Department will develop and implement contractor incubator and development programmes with the objective of creating an enabling environment for the growth and development of small to medium sized construction enterprises owned by women, youth, and persons with disabilities to become sustainable construction enterprises.

#### 4.8 Capacity and capability development and professional practice

**4.8.1 Objective:** To enable and strengthen the institutional framework which will embed human capacity development at an: Individual level and Unit levels; Institutional (National Departmental, provincial, local, entities) levels; Intra-Institutional levels (Across Government, Civil Society and Private Sector); and Environmental level across the sector.

**4.8.2 Issue:** *Capability of human settlements sector*- The human settlements sector is faced with various challenges, including the lack of a capable and ethical workforce across the three spheres of government, which is integral to the delivery of sustainable human settlements. In addition, the absence of a dedicated professional body to hold the personnel in the human settlements sector accountable for their poor and inefficient decisions, has impacted negatively on the outcomes of the housing delivery value chain.

##### **Policy Statements – Capability of Human Settlements Sector**

- 1) The Department in collaboration with stakeholders will develop the Human Settlements Sector Professionalisation Implementation Framework that will include the following criteria, a) the development and delivery of Human Settlements qualifications, b) the establishment of a Human Settlements Professional body and c) making it mandatory for all those employed in the housing and human settlement sector to professionally register in a Human Settlements Professional Council while empowering the Council to accredit all training, education and professional development programmes/courses in the human settlement sector in line with international best practice.
- 2) Capacity development in the human settlement sector will be driven through the Human Settlement Capacity Development Strategy.
- 3) 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.
- 4) Government will work with human settlement capacity development forums, to develop tailored programmes that build the required capabilities.
- 5) The Department will 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.

#### 4.9 Expansion of the local government role through the Municipal Accreditation Programme

**4.9.1 Objective:** To support and promote the accreditation of municipalities to administer national housing programmes as a key government priority towards an overall principle for cooperative government as espoused in the Revised Municipal Accreditation Framework, 2023.

**4.9.2 Issue:** *Municipal Accreditation Programme*- The rationale for accreditation is premised on two interlinked objectives, coordinated development (horizontal integration) and accelerated delivery (vertical integration). However, the programme has generally fared poorly. Research studies from 2016 and most recently the Accreditation Framework Evaluation Study (2023) indicate broadly the challenges to include implementation protocols in various provinces were signed and not renewed; lack of accreditation dedicated units in provinces; breakdown in established accreditation governance structures; instabilities in various municipalities made the accreditation process difficult; poor expenditure of OPSCAP funds; lack of provincial and municipal capacity; funds were not gazetted; funds allocated and gazetted but could not be transferred as IPs are unsigned; poor provincial support of municipalities; and constant provincial management changes negatively impacted programme implementation.

#### Policy Statements – Municipal Accreditation Programme

- 1) Government will ensure that there is improvement and enhancements on the implementation of the Accreditation Programme through: a) the centrality of the human settlements sector plan as the key document in the municipal accreditation process and implementation of delegated responsibility, b) recognition of the important role of local government in spatial planning, spatial transformation, and spatial governance and development, and c) strategic location for the implementation of urban policies in local government, d) Introduction of the turnaround times on the accreditation process, and e) Intergovernmental consequence management, amongst others.
- 2) Government will develop and implement a comprehensive Capacity and Capability Development Programme to strengthen the implementation of the accreditation programme which will be underpinned by different human settlements capacity support packages to assist Category A, Category B Municipalities, and Category C municipalities in terms of what is expected for the formation of mandates, and, in consideration of socio-economic pressures that the municipalities face in respect of urbanisation.
- 3) Government support will be achieved by focussing on the intricate linkages between the individual, the institutional environment, the organisational culture, and the stakeholders. This will be encapsulated in four pillars, a) create an enabling environment for the implementation of the Accreditation Framework; b) develop and empower a cadre of practitioners committed to service delivery excellence; c) enhance organisational and institutional capability; and d) support the development of an environment for stakeholder relationships premised on collaboration and cooperation.
- 4) Collaborative partnerships with National and Provincial COGTA and Treasury as well as other stakeholders on their respective capability development programmes will be pursued and

streamlined in an endeavour to minimise duplication, fragmentation, and reporting fatigue. Ultimately, and in pursuit of the DDM it is envisaged that this collaborative relationship will enable the implementation of the NDP, NSDF, IUDF and the MTDF. This will be achieved by localising and synergising objectives, targets, and directives in a spatially targeted and responsive manner.



## PART 5

### 5.1. Monitoring and reporting systems

#### 5.1.1. Objective

Underpinning the progression and realisation of adequate housing is a set of governance conduits that will guide all processes.

#### 5.1.2. Issue: *Monitoring and reporting disjuncture*

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

#### Policy Statements – Monitoring and Reporting Systems

- 1) 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.
- 2) 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 the cornerstone with management of performance based on the following factors: real-time, locality, issue specific, quality and consistency. Therefore, a Monitoring, Reporting and Verification system will be established to entrench Governments' commitment to responding effectively to human settlements development.

### 5.2. Institutional arrangements and instruments

- The Constitution of the Republic of South Africa allocates powers to the national, provincial, and local spheres of government. Spheres may not usurp the powers of another sphere of government. Part A of Schedule 4, of the Constitution lists housing, urban development, rural development, regional planning and development, as functional areas of concurrent National and Provincial legislative competence. Section 125(3) of the Constitution provides that National Government, by legislative and other measures must assist provinces to develop the

administrative capacity required for the effective exercise of their powers and performance of their functions. Section 154(4) also provides for the delegation of powers and functions to local government by agreement.

- It is important to strengthen key elements of Intergovernmental Relations function in line with the Intergovernmental Relations Framework Act of 2005. This recognises that relations between intergovernmental bodies are dynamic, complex, interactive, and nonetheless interdependent. Attention to institutional arrangements acknowledges complexities around planning and implementation of integrated human settlements which encompasses other amenities other than housing. Enhanced governance can serve as an enabler for the availability of required capacity to execute human settlements development. This considers the split responsibilities between the two spheres of government such as the provision of electricity, water, bulk, and rectification. Importantly, the desired state is wherein there is alignment in the identification and execution of priorities that is aligned between the national, provincial, and local spheres of government.

The detailed institutional arrangements will find expression in the Housing Code or equivalent instrument, and this will be defined programmatically.

### 5.3. Entities (CSOS, SHRA, HDA, NHBRC, PPRA, NHFC)

- 5.3.1.** Each institution has primary regulatory functions that no other institution can exercise. Each regulatory institution plays a distinct and crucial role in the human settlement landscape. Although the primary functions are mostly mutually exclusive, elements of convergence and collaboration could yield positive outcomes, not only for the Department 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.

#### Policy Statements

- 1) Existing entities and their programmes will be rationalised and phase out of certain entities that no longer compliments the mandate of the State (e.g., NURCHA, Rural Housing Loan Fund). This will also entail alignment of entities or other implementing agencies that have a similar mandate as National government.
- 2) All remaining issues from housing Boards, old entities such Thubelisha Homes, SERVCON Housing Solution, South African Housing Trust Fund and related relocation subsidies and stock matters will be concluded by a date to be determined by the Minister.

**5.3.2.** The Minister will establish the following institutional instruments:

- 5.3.2.1. **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.
- 5.3.2.2. **Ministerial Advisory Panel (MAP):** To advise the Minister on any matter relating to human settlements development. A member of a panel is appointed for the period determined by the Minister. The MAP members should be experts drawn from the built environment, political leadership, social, economic, and legal professions and be able to identify opportunities and gaps in human settlements development and the Department.
- 5.3.2.3. **The Ministerial Stakeholder Forum** with a chairperson and sub-working groups to improve working relationships and ensure monitoring and feedback on the Ministers programmes and feedback mechanisms.
- 5.3.2.4. **The Ministerial Intervention Task Force** with technical capacity that will support the special intervention by:
- 5.3.2.5. Issuing a directive to the province, specifying steps that must be taken to fulfil the Constitutional obligations and address deficiencies.
- 5.3.2.6. Placing the organ of state under national administration if the province fails to comply with the directive.
- 5.3.2.7. Place under temporary supervision to assist provincial department to ensure effective governance and service delivery.
- 5.3.2.8. Restoration intervention to enable proper functioning rather than replace provincial autonomy permanently.

**5.4. Fraud, Corruption and Maladministration**

- 5.4.1. **Objective:** To implement measures towards fighting corruption and enhancing accountability in the sector. Fraud, corruption, and administration compromise the overall goal of human settlements, which is to ensure that there is adequate access to housing for all residents, irrespective of their wealth, race, or gender, including access to services and other social amenities.
- 5.4.2. **Issue:** *Fraud, corruption, and maladministration in human settlements-* The SIU presented to the Human Settlements Portfolio Committee investigations into housing corruption in provinces in May 2022. The investigations found several instances of service and goods procurement that were not fair, equitable, transparent, or cost-effective.

The Auditor General of South Africa attributed ineffective oversight contributed to the 'disappointing audit results' and 'stunted growth towards the desired audit outcomes' within national and provincial state entities.

**Policy Statements – Fraud, Corruption and Maladministration in Human Settlements**

- 1) The Department reaffirms its commitment to the National Anti-Corruption Strategy 2020-2030 by adhering to the following strategic pillars:
  - Promote and encourage active citizenry, whistleblowing, integrity, and transparency in all spheres of society.
  - Advance the professionalisation of employees to optimise their contribution to creating corrupt-free workplaces.
  - Enhance governance, oversight, and consequence management in organisations.
  - Improve the integrity and credibility of the public procurement system.
  - Strengthen the resourcing, coordination, transnational cooperation, performance, accountability, and independence of dedicated anti-corruption agencies.
  - Protect vulnerable sectors that are most prone to corruption and unethical practices with effective risk management.
- 2) Government is committed to performing its functions with honesty, transparency, integrity, and to enforce a zero-tolerance approach to fraud, corruption, and maladministration and will pursue enforcement mechanisms in partnership with relevant professional bodies.

### 5.5. Policy Implementation Principle

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

## LIST OF ACRONYMS

|                 |  |
|-----------------|--|
| <b>B-BBEE</b>   | Broad-Based Black Economic Empowerment   |
| <b>BNG</b>      | Breaking New Ground Comprehensive Plan for the Development of Sustainable Human Settlements          |
| <b>CBO</b>      | Community-based Organisation   |
| <b>CC</b>       | Climate Change   |
| <b>COGTA</b>    | Department of Cooperative Governance and Traditional Affairs   |
| <b>COVID</b>    | Coronavirus Disease 2019   |
| <b>CRPD</b>     | Convention on the Rights of Persons with Disabilities  |
| <b>CRU</b>      | Community Residential Units  |
| <b>CSO</b>      | Civil Society Organisation   |
| <b>CSOS</b>     | Community Schemes Ombud Service  |
| <b>CSP</b>      | City Support Programme   |
| <b>DAFF</b>     | Department of Agriculture, Forestry and Fisheries  |
| <b>DDM</b>      | District Development Model   |
| <b>DLRRD</b>    | Department of Land Reform and Public Works   |
| <b>DMV</b>      | Department of Military Veterans  |
| <b>DPME</b>     | Department of Planning, Monitoring and Evaluation  |
| <b>DPW</b>      | Department of Public Works   |
| <b>DTIC</b>     | Department of Trade, Industry and Competition  |
| <b>DWS</b>      | Department of Water and Sanitation   |
| <b>EAAB</b>     | Estate Agency Affairs Board  |
| <b>ECD</b>      | Early Childhood Development  |
| <b>EEDBS</b>    | Enhanced Extended Discount Benefit Scheme  |
| <b>EPHP</b>     | Enhanced People's Housing Process  |
| <b>EPWP</b>     | Expanded Public Works Programme  |
| <b>ESCR</b>     | Economic, social, and cultural rights  |
| <b>FHFP</b>     | First Home Finance Programme   |
| <b>FLISP</b>    | Financed Linked Individual Subsidy Programme   |
| <b>GDP</b>      | Gross Domestic Product   |
| <b>GHS</b>      | General Household Survey   |
| <b>GIAMA</b>    | Government Immovable Asset Management Act  |
| <b>GIS</b>      | Geographic Information System  |
| <b>HDA</b>      | Housing Development Agency   |
| <b>HLAMDA</b>   | Home Loan and Mortgage Disclosure Act  |
| <b>HSDG</b>     | Human Settlements Development Grant  |
| <b>HSS</b>      | Housing Subsidy Scheme   |
| <b>IBT</b>      | Innovative Building Technology   |
| <b>ICESCR</b>   | International Covenant on Economic, Social and Cultural Rights                                       |
| <b>ICT</b>      | Information and Communication Technology   |
| <b>IDP</b>      | Integrated Development Plan  |
| <b>INEP</b>     | Integrated National Electrification Programme  |
| <b>IRDPA</b>    | Integrated Residential Development Programme   |
| <b>ISUPG</b>    | Informal Settlements Upgrading Partnership Grant   |
| <b>IUDF</b>     | Integrated Urban Development Framework   |
| <b>LEED</b>     | Leadership in Energy and Environmental Design  |
| <b>LGBTQIA+</b> | Lesbian, gay, bisexual, transgender, queer (or sometimes questioning), intersex, asexual, and others |
| <b>LGSETA</b>   | Local Government Sector Education Training Authority   |
| <b>MAP</b>      | Ministerial Advisory Panel   |
| <b>MEC</b>      | Member of the Executive Council  |
| <b>MEIA</b>     | Monitoring, Evaluation, and Impact Assessment  |

|                |   |
|----------------|---|
| <b>MFMA</b>    | Municipal Finance Management Act 56 of 2003                             |
| <b>MHSCG</b>   | Municipal Human Settlement Capacity Grant                               |
| <b>MIG</b>     | Municipal Infrastructure Grant  |
| <b>MIIF</b>    | Municipal Infrastructure Investment Framework                           |
| <b>MSP</b>     | Municipal Service Partnership   |
| <b>NCR</b>     | National Credit Regulator   |
| <b>NDoHS</b>   | National Department of Human Settlements                                |
| <b>NDP</b>     | National Development Plan 2030  |
| <b>NDPG</b>    | Neighbourhood Development Partnership Grant                             |
| <b>NEETS</b>   | Not engaged in education, employment, or training                       |
| <b>NGO</b>     | Non-governmental Organisation   |
| <b>NHBRC</b>   | National Home Builders Registration Council                             |
| <b>NHF</b>     | National Housing Forum  |
| <b>NHFC</b>    | National Housing Finance Corporation                                    |
| <b>NHNR</b>    | National Housing Needs Register   |
| <b>NIMBY</b>   | Not in my backyard  |
| <b>NMT</b>     | Non-Motorised Transport   |
| <b>NSDF</b>    | National Spatial Development Framework                                  |
| <b>NSDP</b>    | National Skills Development Plan  |
| <b>NURCHA</b>  | National Urban Reconstruction and Housing Agency                        |
| <b>NUSP</b>    | National Upgrading Support Programme                                    |
| <b>OPSCAP</b>  | Operational Capital Support Programme                                   |
| <b>PFMA</b>    | Provincial Finance Management Act                                       |
| <b>PHDA</b>    | Priority Housing Development Area                                       |
| <b>PHSHDA</b>  | Priority Human Settlements and Housing Development Area                 |
| <b>PIE</b>     | Prevention of Illegal Eviction and Unlawful Occupation of Land Act      |
| <b>POEPUDA</b> | The Promotion of Equality and Prevention of Unfair Discrimination Act   |
| <b>PPP</b>     | Public Private Partnership  |
| <b>PPRA</b>    | Property Practitioners Regulatory Authority                             |
| <b>RHLF</b>    | Rural Housing Loan Fund   |
| <b>SALGA</b>   | South African Local Government Association                              |
| <b>SANS</b>    | South African National Standards  |
| <b>SCA</b>     | Supreme Court of Appeal   |
| <b>SEIAS</b>   | Socio-Economic Impact Assessment System                                 |
| <b>SETA</b>    | Sector Education Training Authority                                     |
| <b>SHRA</b>    | Social Housing Regulatory Authority                                     |
| <b>SIU</b>     | Special Investigating Unit  |
| <b>SPLUMA</b>  | Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) |
| <b>TOD</b>     | Transit Orientated Development  |
| <b>TSC</b>     | Transaction Support Centre  |
| <b>TVET</b>    | Technical and Vocational Education and Training                         |
| <b>UISP</b>    | Upgrading of Informal Settlements Programme                             |
| <b>UN</b>      | United Nations  |
| <b>UNFCCC</b>  | United Nations Framework Convention on Climate Change                   |
| <b>USDG</b>    | Urban Settlements Development Grant                                     |
| <b>Wi-Fi</b>   | Wireless Fidelity   |

## GLOSSARY OF TERMS

**Adequate housing**- is measured based on the fulfilment of the following elements: Legal security of tenure; availability of services, affordability; habitability, accessibility; location; cultural adequacy; physical security; Access to information Participation; Access to land, water & other natural resources; Freedom from dispossession, damage and destruction; Resettlement, restitution, compensation, non-refoulement and return; Access to remedies; Education & empowerment and Freedom from violence against women.

**Affordable 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.

**Affordable rent**- refers to a percentage of disposable or gross income.

**Affordable utility bills**- refers to the utility costs less a percentage of utility costs rebated.

**Child headed households**- refers to households that are headed by minors who are taking charge of households and making decisions and taking responsibility for providing for others in terms of emotional, physical, social needs of others living with him irrespective of relationship.

**Construction mafia**- is a term deployed by the media to loosely refer to extortion tactics in the context of sub-contracting or other demands (e.g., "protection fees") made by "business forums" or other interest groups in government-funded construction contracts (*Irish-Qhobosheane, 2022*).

**Demand management** refers to how the sector will oversee and manage customer demand for human settlements services. It involves the spheres of government and its agencies to understand what the human settlements customers want, plus the necessary steps that will be undertaken to fulfil those wants. The process include plan for upcoming demand and putting practical steps to meet the demand.

**Green procurement** – describes "a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured" (European Commission, Green Business, [https://green-business.ec.europa.eu/green-public-procurement\\_en](https://green-business.ec.europa.eu/green-public-procurement_en)). This means that sustainable public procurement must promote public procurement practices that are sustainable and aligned with national policies and priorities, playing a key role in achieving sustainable consumption and production (UNEP - UN Environment Programme, <https://www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement>).

**People living with disabilities** refers to a people living with a physical or mental impairment, and the impairment has a substantial and long-term adverse effect on the person's ability to carry out normal day-to-day activities as declared by designated persons.

**Housing backlog**- under provision of affordable housing that has accumulated against previous development plan targets. Influenced by historical context, urbanisation and migration, financial constraints and the lack of available suitable land and buildings.

**Housing demand**- the quantity and quality of housing that households will choose to occupy, given their preferences and ability to pay. The demand for affordable housing is predicted by composition of communities; rate of urbanisation; construction costs; and government funding.

**Housing-** Is both a physical structure and social structure. In terms of physical structure (dwelling) the key elements include- 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 need-** shortfalls in certain normative standards of adequate housing. measurement of housing needs is achieved by comparing the number of households requiring separate accommodation with the number of existing dwellings.

**Housing opportunity-** availability of assistance with housing, either through the provision of a unit of affordable housing for rental or ownership, or a rental subsidy, or both, funded in whole or part by a housing agency. 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-** 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.

**Incremental building/housing - refers** to a step-by-step process of building and upgrading a house. It is also referred to as housing consolidation, and it goes by other, different names, such as starter housing, phased development housing or owner-driven housing. Basically, incremental housing is a process whereby households build and extend their houses on an ad hoc basis in response to their needs and the availability of resources. Generally, it is an approach used by households with low or irregular incomes, and limited or no access to credit and loans, who start by building a small affordable dwelling. Over time they expand and improve the house based on their needs and resources. This process of extension and modification can take decades. The essential element of incremental housing is that it enables households to respond to their own priorities and needs, and to have a greater level of authority over their own housing solutions" (National Upgrading Support Programme, 2015).

**Object subsidies-** are a capital nature and utilised towards the overall cost of the development.

**Self-build-** refers to the practice or process whereby households or groups 'self' mobilise their own resources, inter alia (energy, time, finance, and skills), to invest in building housing for their own use or exchange. This allows not only for the model of 'sweat equity' (one's own labour input or non-monetary contribution) that is also common within wider understandings of self-build but recognises diverse practices of housing production with a baseline of recognising that it is individuals and small groups organising the provision of their (future) homes. Benson, M. (2017). Self-build homes: Social values and the lived experience of housing in practice. In M. Benson & I. Hamiduddin (Eds.), *Self-Built Homes: Social Discourse, Experiences and Directions* (pp. 1-14). London: UCL Press.

**SHRA Accreditation-** refers to the instrument used in the delivery and/or management of affordable rental housing in the respective markets.

**Subject subsidies-** are linked to the tenant or household and are not limited to individual allowances or operational subsidies.



**Sustainable building technology** – refers to a set of construction techniques and solutions that use natural (e.g., stone, cork, wood, etc) or sustainable materials (e.g., recycled materials, concrete, etc) to reduce carbon emissions and create structures that are energy efficient, environmentally friendly, and improve health, equity, and resilience in the built environment (World Green Building Council, <https://worldgbc.org/>).

**Sustainable human settlements**- Sustainable human settlements and improved quality of household life is defined by providing for access to adequate accommodation that is suitable, relevant, appropriately located, affordable and fiscally sustainable, access to basic services such as water, sanitation, refuse removal and electricity, security of tenure irrespective of ownership or rental, formal or informal structures; and access to social services and economic opportunities within reasonable distance.

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