
CELEBRATING 20 YEARS OF HUMAN SETTLEMENTS:

Bringing the Freedom Charter to Life



THERE SHALL BE HOUSES, SECURITY AND COMFORT

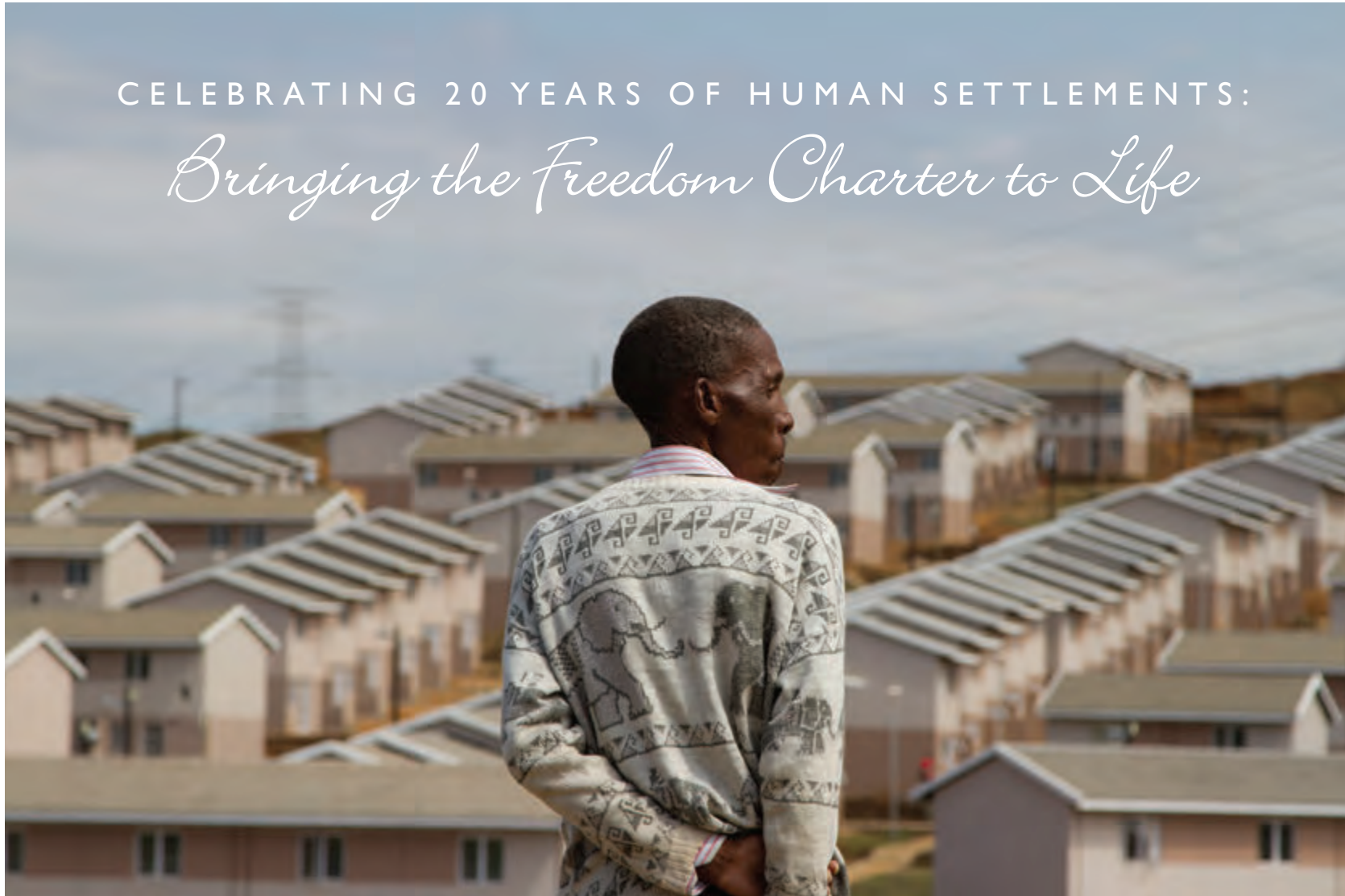
*All people shall have the right to live where they choose, be decently
housed, and to bring up their families in comfort and securitys*

FREEDOM CHARTER, 1955

Bringing The Freedom Charter To Life

CELEBRATING 20 YEARS OF HUMAN SETTLEMENTS:

Bringing the Freedom Charter to Life



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA





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Bringing The Freedoms

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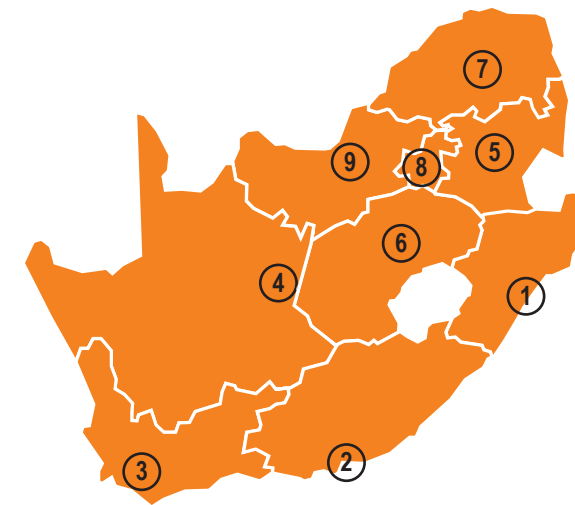
Abbreviations and acronyms

Afhco	Affordable Housing Company	NHC	National Housing Code
ANC	African National Congress	NHF	National Housing Forum
ASGI-SA	Accelerated and Shared Growth Initiative for South Africa	NHFC	National Housing Finance Corporation
Basa	Banking Association of SA	NHP	National Housing Programme
BNG	Breaking New Ground	NHSS	National Housing Subsidy Scheme
Cosatu	Congress of South African Trade Unions	NML	Niche Market Lenders
DFA	Development Facilitation Act	NURCHA	National Urban Reconstruction and Housing Agency
DHS	Department of Human Settlements	NUSP	National Upgrading Support Programme
EAAB	Estate Agency Affairs Board	PFMA	Public Finance Management Act
FLISP	Finance Linked Individual Subsidy Programme	PHP	People's Housing Process
GEAR	Growth, Employment and Redistribution	RDP	Reconstruction and Development Programme
HDA	Housing Development Agency	RHLF	Rural Housing Loan Fund
HEF	Housing Equity Fund	SACP	South African Communist Party
HFF	Home Front Finance	SAWIC	South African Women in Construction
HIDF	Housing Institutions Development Fund	SHF	Social Housing Foundation
HNR	Housing Needs Register	SHI	Social Housing Institution
IRDP	Integrated Residential Development Programme	SHRA	Social Housing Regulatory Authority
ISUP	Informal Settlements Upgrading Programme	SOE	State-owned Enterprise
JCC	Joint Coordinating Committee	TUHF	Trust for Urban Housing Finance
LAPGIS	Land and Property Spatial Information System	UISP	Upgrading of Informal Settlements Programme
MIF	Mortgage Indemnity Fund	UNFAH	Unblocking Finance for Affordable Housing in South Africa
MTSF	Medium Term Strategic Framework	URP	Urban Renewal Programme
NaHSLI	National Human Settlements Land Index	USDG	Urban Settlements Development Grant
NDP	National Development Plan	WFH	Women for Housing
NDPG	Neighbourhood Development Partnership Grant	WUF	World Urban Forum
NHBRC	National Home Builders Registration Council		

Key achievements over 20 years

Key housing achievements

- Over the past 20 years, 3,7-million houses and services sites were delivered, allowing approximately 12,5-million people access to accommodation and a fixed asset.
- About 56% of all subsidies were allocated to woman-headed households.
- The post-1994 Government housing programme constitutes about 24% of the total formal housing stock in the country, and was recognised by the United Nations Human Settlements Programme (UN-Habitat) with an award in 2003.
- About 353 666 rental units of the previous Government were transferred into the ownership of tenants.
- There have been three major restitution projects of communities that were forcibly removed from the inner city (District Six, Cato Manor and Lady Selbourne) that have been reintegrated with new housing into the metropolitan centres.
- Since 1994, the national Department of Human Settlements has spent R125-billion (at 2010 prices) on housing and human settlement development, while R16-billion has been spent by other Government agencies on other infrastructure projects for redeveloping human settlements.
- The capital investment by the State has created 1,29-million direct, indirect and induced person-year jobs, and the operational investment has created a further 10 800 jobs.
- The growth of the average price of houses in the market, including for the affordable or gap market, has been fivefold over the last 20 years.
- More than 10 739 communities in 968 towns and cities across the country benefitted from the Government housing programme, indicating the extent of the interface between communities and Government, and each of the 3,7-million households.



Human settlements projects

1. **Cornubia**,
Durban, KwaZulu-Natal
2. **Walmer Link**,
Port Elizabeth, Eastern Cape
3. **Joe Slovo**,
Cape Town, Western Cape
4. **Lerato Park**,
Kimberley, Northern Cape
5. **Klarinet**,
Emalahleni Mpumalanga
6. **Phomolong Township**,
Hennenman, Free State
7. **Ga-Rena Rental Village**,
Polokwane, Limpopo
8. **Cosmo City**,
Johannesburg, Gauteng
9. **Rebuile**,
Groot Marico, North West

from Charter to Life

The quest to house the nation

South Africa has ample reason to be proud when it reviews attempts made in the past 20 years of democracy to solve the housing crisis inherited from our unjust apartheid past. Millions of homes have been provided to ordinary South Africans, while opportunities have been created for millions of others to buy their own affordable homes in areas of their own choice regardless of race, gender or class.

As of 31 March 2014, the Department of Human Settlements (DHS) has ensured that 3,7-million houses and serviced sites were built and handed over to beneficiaries, thereby housing millions of citizens. This achievement took place despite a tight fiscus and as private lending institutions are still being persuaded to lend to the poor. From early on, Government realised the shallowness of the national purse. Under the leadership of various Housing and Human Settlements Ministers over the years, various housing agencies were created to intervene at different levels in solving the housing challenge.

In 1996, the National Housing Finance Corporation (NHFC) was established to be the key driver in housing development finance to help solve the housing need in the lower and middle ends of the market. As we look back over 20 years of democracy and the building of a new nation, the NHFC has done a sterling job by financing many housing developments. Part of human settlement redress was

ensuring that there was no urban bias in our housing programmes. Rural areas, long-time victims of poverty and neglect, deserved attention too. Rural homeowners had to be given a chance to incrementally improve their homes through affordable loans. That was the rationale behind the formation of the Rural Housing Loan Fund (RHLF) in 1996 through joint initial grants from the German Development Bank and the South African Government.

As part of economic redress, Government gave emerging contractors a chance to be players in the construction field. They were roped in to help primarily in the building of low-income houses around the country. New to the sector and with no finance and project management skills, these emerging contractors often battled to get their projects off the ground. The National Urban Reconstruction and Housing Agency (NURCHA) was established to help these contractors. To control the quality of newly-built homes and the activities of homebuilders, the

National Home Builders Registration Council (NHBRC) came into being.

As the years went by and housing policy evolved with the times, other entities crucial for housing delivery were formed. The Housing Development Agency (HDA) was created in 2009 to help facilitate the release of state land for the purpose of human settlements. In the past five years especially, quality social housing developments received a greater focus. Low- and middle-income South African citizens were given a chance to live close to the city, where they would pay affordable rentals, and where they could work and play.

The Social Housing Regulatory Authority (SHRA) was established in 2010 to invest in the social housing sector as well as regulate it. In 2012, the Estate Agency Affairs Board (EAAB) was put under the DHS, thus completing the last puzzle in the creation of human settlements. The entity regulates the conduct of estate agents, ensuring that they are qualified and registered, so

that the interests of homebuyers are protected.

Also, in the past five years, there was a greater emphasis on sustainable human settlements and improved quality of household life as part of Government's output-based approach. Adopted in 2010, Outcome 8 sought to achieve the following outputs: acceleration of housing delivery; upgrading of informal settlements; efficient utilisation of land for human settlements development; and an improved property market.

The success in the delivery of houses can be attributed to the various Ministers' sheer determination and compelling grasp of the nuances of housing policy in the past 20 years, which enabled them to push for the provision of various models of human settlements.

In this book you will read about these inspiring past Ministers – Joe Slovo, Sankie Mthembu-Mahanyele, Brigitte Mabandla, Lindiwe Sisulu, Tokyo Sexwale and Connie September. Against

all odds, they laid solid foundations for the current Minister of Human Settlements, Lindiwe Sisulu, and those who will follow after her. Like her predecessors, Sisulu is driven by one mission – housing the nation in viable and safe human settlements, close to amenities and economic opportunities.

To deliver on its mandate, the DHS works with various spheres of Government (local and provincial Government) and stakeholders such as banks.

From the very beginning, the DHS (then known as the Department of Housing) came up with various finance models to bring home ownership within people's grasp. The subsidy scheme takes care of the lower end of the market through the provision of free low-income homes, commonly known as RDP houses. More recently, the revised Finance Linked Individual Subsidy Programme (FLISP) was launched for citizens who earn too much to qualify for low-income houses and too little to be eligible for bank

mortgages. The scheme is helping the DHS achieve its mission of housing the nation.

But the Department has gone beyond merely providing houses. It has helped to implement the Freedom Charter's vision of homes for all in a secure and comfortable environment. By having decent accommodation, beneficiaries achieve in other areas of life as well. A talented caterer starts off in a proper kitchen of a new home before moving on to becoming a renowned restaurateur. Another beneficiary begins by treating neighbours' hair in their new living room before owning a vibrant hair salon. A successful motor mechanic can always point to the back yard of a new home as the place where he started out before owning a full-fledged vehicle repairs centre. We, therefore, help in job creation and economic transformation. Equally important, the homes Government has provided have a positive impact on education. Schoolchildren find it easy to study at night in a home with electricity instead

The success in the delivery of houses can be attributed to various Ministers of Housing, who through sheer determination and compelling grasp of the nuances of housing policies, pushed for the provision of various models of human settlements.

of using candles and paraffin lamps in a shack. Some now use computers at home when doing homework. As a result, they are likely to do better at school.

In the pages of this book you will encounter the voices and faces of ordinary South Africans who are beneficiaries of various human settlements projects around the country – Cornubia (Durban), Walmer Link (Port Elizabeth), Joe Slovo (Cape Town), Lerato Park (Kimberley), Phomolong (Hennenman), Klarinet (Emalahleni), Rebuile (Groot Marico), Cosmo City (Johannesburg) and Ga-Rena Rental Village (Polokwane). These beneficiaries speak for themselves about how, for the

first time in their lives, they feel a part of the towns and cities they live in. How they are now accessing basic services. How they live in safer neighbourhoods. How they are realising their dreams for a better life for themselves and their children. The voices of these ordinary South Africans bear testimony to the fact that the past 20 years of housing the nation are bearing fruit. They inspire us as the Department to do even more in the coming years to continue delivering houses to South Africans in need of shelter. We have certainly moved from housing to human settlements. As Nelson Mandela once said: 'A man is not a man until he has a house of his own.' ✎



Bringing the Freedom Charter to life

This book, titled *Celebrating 20 Years of Human Settlements: Bringing the Freedom Charter to Life*, tells the story of the people of South Africa from 1994 to 2014, through the implementation of our housing

security.” The policy was designed to alter the apartheid spatial planning by developing human settlements close to places of work, schools and places of entertainment and thus achieve what our founding fathers have always

**We commit to working with all our people
for a South Africa free of poverty in our lifetime.**

policies and decisions. It reminds us of the journey we have travelled from the time of our first democratic President Nelson Mandela and our first Minister of Housing, Joe Slovo.

It also tells the story of our very first attempt to implement the vision of our people, which they expressed through the Freedom Charter in 1955.

From 1994 to 2004 we built more than 1-million houses, with our main challenge being to provide a roof for our poor people who suffered years of injustice during apartheid. We are extremely proud of what we have achieved in the first 10 years of our democracy.

In 2004, Cabinet took a major decision to introduce a new policy that focussed on the building of human settlements, close to places of work and play. Our integrated human settlements policy, better known as “Breaking New Ground”, was guided by the words of the Freedom Charter: “All people shall have the right to live where they choose, be decently housed, and to bring up their families in comfort and

wanted to achieve, an integrated South Africa that belongs to all who live in it.

As we celebrate 20 years of democracy and the 3,7-million houses and serviced sites delivered, as well as the massive injection of financial resources by our Government to house our people, I challenge the Department of Human Settlements and the whole human settlements sector to build 2.2-million houses in the coming five years.

All stakeholders in the human settlements sector must join us in celebrating what we have achieved over the past 20 years and those who have benefitted must cherish these important assets of economic empowerment.

We commit to working with all our people for a South Africa free of poverty in our lifetime. ✎



Lindiwe Sisulu, MP
Minister of Human Settlements



Lindiwe Sisulu
Minister of Human
Settlements



An achievement worth celebrating

The journey we have made in the past 20 years of freedom and democracy as the Department of Human Settlements has been daunting but satisfactory, given all our achievements.

The road we have travelled started with the appointment of Joe Slovo as the first Minister of Housing. He was followed by Sankie Mthembu-Mahanyele, Brigitte Mabandla, Lindiwe Sisulu, Tokyo Sexwale, Connie September and, once again, Sisulu. All these past Ministers and the Directors-General who served under them were committed to one goal — giving South Africans decent houses they could call home.

Indeed, the human settlements journey began with the Botshabelo Accord in 1994, a result of the National Housing Summit held in Botshabelo in the Free State. The summit sought to jointly commit all parties, Government, the private sector and communities, to addressing the plight of the millions of people who had been left without houses by successive apartheid regimes.

The Accord was followed by the White Paper on Housing, which gave the basis for Government policies that are currently being pursued. The most striking element of the Accord was the recognition and acknowledgement that Government could not deal with the issue of human settlements alone, without partnering with business and communities.

The evolution of the Human Settlements portfolio itself is heartening, especially to people who have stayed in the Department all these years. During the

tenure of Minister Mthembu-Mahanyele, it became clear that communities were central to the building of houses. The issue of a Peoples' Housing Process became reality when savings started being a critical component. In the past some beneficiaries had to pay a nominal amount for their RDP houses as a token towards getting their precious new assets. Communities without any money paid through offering labour in community projects. But there was a dilemma, especially for municipalities that had to grapple with the issue of the financial contribution. Every project had to be linked to a housing waiting list and not everyone could pay.

Then Government introduced the Breaking New Ground (BNG) policy in 2004. BNG championed the idea that housing projects ought to be accompanied by social amenities and needed to be close to places of work. Promoting the building of houses close to work particularly helped women who for a long time had to wake up very early each day to go to work, leaving their children unattended because of the long distances they had to travel. We also realised that building houses closer to workplaces would make life easier for those on the housing lists. That is why today projects such as the N2 Gateway in Langa, Cape Town, are close to transport, workplaces, schools, and boast key basic services.

Another significant element of the BNG was the alignment of our housing programmes with the housing agenda of the United Nations Human Settlements Programme (UN-Habitat). In all the houses we have built, we have ensured the provision of running water

and electricity. During the early years of our democracy, problems did occur in places such as KwaZulu-Natal and Mpumalanga, where houses were built without separating walls. Through the BNG programme, we erected those missing walls.

Fixing houses with defects took place elsewhere in the country under the rectification programme. The BNG policy requires developers to conform to norms and standards of quality, including allowing the National Home Builders Registration Council (NHBC) to inspect houses from foundation level to prevent future problems. Some frustrations were experienced in places such as Outshoorn in the Western Cape when developers failed to take health matters into consideration, leading them to build houses with kitchens and toilets dangerously close to each other — a serious health hazard. We had to tackle this challenge head-on. As part of giving

The human settlements journey of the past 20 years began with the Botshabelo Accord in 1994.

housing specifications to developers, we emphasised the importance of safety and health standards. After BNG's introduction, it was no longer exclusively up to the contractor to design houses; provincial Departments had to approve the designs.

We have also made strides in accommodating people with disabilities in the products that we offer. For example, we have made sure that



Zou Kota-Fredericks
Deputy Minister of
Human Settlements

房建司副司长

subsidies for people with disabilities are more than those of ordinary housing subsidies. We are in the process of sensitising municipalities to build houses suitable for people with disabilities.

I am very proud of the Department's commitment to the empowerment of women. Among other things, we have asked provinces to build at least 1 956 houses every August, Women's Month, and have stressed that these houses have to be built by women contractors. The famous Women's March to Pretoria to protest against pass laws took place on 9 August 1956. We also work closely with the South African Women in Construction (SAWIC). They have their Level 1 and 2 qualifications, meaning that as soon as they get their qualifications they are able to build between 50 and 300 units for us. We have contractors such as the Motheo Construction Group, for example, who have proven beyond doubt that women can compete with other contractors while empowering sub-contractors with the building of houses.

One of the key successes of our Department is the unity and vision of all players. We have a directorate whose primary objective is to spearhead the empowerment of women. So we have people with a clear programme and definition of what they need to do.

Youth empowerment is high on our agenda, and we have fast-tracked our youth empowerment programmes. The same directorate that deals with the empowerment of women also deals with

**We are optimistic that the current
human settlements policies will take us where
we need to be and will ensure that we work together
to move South Africa forward.**

youth empowerment issues in terms of contracts. A university degree in Human Settlements started in January 2014 at the Nelson Mandela Metropolitan University and is partly funded by the Department. This academic grounding seeks to equip the youth with lifelong skills in the built environment.

It is also worth noting the Department's impressive track record of ensuring that needy citizens receive housing subsidies. Our achievements in housing delivery over the past 20 years have earned us international recognition. In 2004, as part of the Durban Declaration, Minister Sisulu launched the African Ministers' Conference on Housing and Urban Development. The ideals of the Durban Declaration sought to replicate work that was being done in South Africa in other African countries. Because of such experience we were able to play a key role in the World Urban Forum (WUF), a United Nations Human Settlements Programme.

Despite our achievements, our country's housing backlog is immense. In seeking human settlements solutions, the Department does not use a one-size-fits-all approach. Rather, we offer different products. One of them is the provision of emergency housing

to families who are victims of natural disasters such as fire and floods.

We also have a subsidy for those earning up to R3 500 a month and above. We give them access to gap housing that includes rental or buying bonded houses. When it comes to getting a bank loan, we have championed the Finance Linked Individual Subsidy Programme, which helps first-time homebuyers to repay their loans. Through such initiatives, including the Informal Settlements Upgrading Programme, the Department reached the landmark delivery of 3,7-million houses and serviced sites.

The Department has achieved a lot with little resources. We have forged lasting partnerships with other stakeholders in the sector. We are optimistic that current human settlements policies will take us where we need to be in terms of housing our citizens and will ensure that we work together to move South Africa forward. 🏡



Zou Kota-Fredericks, MP
Deputy Minister of Human Settlements



Builders work on one of many human settlements projects that seek to provide much-needed shelter to citizens.

Our journey is part of correcting historical wrongs

Colonialism stunted Africa's development. The South African democratisation story cannot be divorced from the decolonisation and liberation enterprise. This book tells of the efforts made by the democratic Government to restore human dignity to millions of people through access to adequate shelter, as directed by the Constitution. The readmission of South Africa into the world of nations after the historic 1994 elections brought with it opportunities as well as challenges. Our country is now measured internationally on the basis of its performance in terms of the United Nations Declaration on Human Settlements and the African Charter on Human and People's Rights, among others.

Three main ingredients are essential for human settlements: people, land and services. While planning is critical for the development of any project and product, one should also look back and evaluate the product, its quality and usefulness. The assessment of a democratic South Africa cannot be separated from the 300-year history of subjugation and underdevelopment perpetuated by successive colonial and apartheid administrations. The post-1994 Government had the huge task of establishing restorative, redistributive and reconstructive justice through human settlements.

The journey travelled since 1994 in addressing the land question, the rights to land and its use, including settling people, should be seen in the context of

a Government that aims to humanise all aspects of South African life. While the chief focus in the early years of our democracy was on chasing numbers, it is no secret that some of the housing developments of those early years continued to entrench apartheid-era spatial planning. Things had to change. In line with policy amendments, the size of low-income houses over the years moved from 15 square metres to 40 square metres. This meant that houses provided by the State matched the standard and quality of products offered by the private property market. Growth in the lower end of the market over the past 10 years increased dramatically, thanks to Government's housing programme.

The adoption of the Comprehensive Plan for the Development of Sustainable Human Settlements in 2004, also known as Breaking New Ground, was a critical step in redefining the urban residential space. Suffice it to mention that in 2009 the focus shifted to integration and bridging of the apartheid spatial divide. Land had to be sought in places where infrastructure was already in place. There was a renewed focus on access to basic services such as water, roads, sanitation and electricity, as well as stimulating economic opportunities near human settlements.

This proved difficult due to speculative and out-of-reach land prices. Regardless of price escalation of suitable land, Government, using its various housing agencies (as you will read in this book), pressed on with the provision of

houses to millions of South Africans. Some of the key human settlements projects include Cosmo City, north of Johannesburg, Cornubia, north of Durban, the N2 Gateway in Cape Town and Klarinet in Emalahleni. All these housing projects cater for different housing needs and prove Government's commitment to lifting citizens out of poverty. A review of land prices and the cost of building material over the past 20 years reveals some of the challenges Government had to face. Government was able to raise funding in the global open market to help finance the construction of a number of social housing projects. Such financial support came with conditions of a stable Government, stable and predictable economic performance, stable fiscal and economic policies and the liberalisation of the financial market.

The post-1994 Government had a huge task of establishing restorative, redistributive and reconstructive justice through human settlements.

Government does not only provide shelter to the most vulnerable. It also provides necessary infrastructure for human settlements, including essential services such as electricity, water, roads and their maintenance. Most of the 3,7-million households assisted as a segment of the market are economically marginalised, and have no history of saving. To this end, Government's



Thabane Zulu
Director-General:
Department of
Human Settlements



efforts to provide shelter to the most vulnerable should be seen as part of ongoing efforts to build a self-sustaining economy that provides opportunities for citizens to move out of the poverty trap and become economically active. To ignore the economic factors at play would be misleading at best and failure of leadership at worst.

One example of the multiplier effect of well-located settlements with access to socio-economic opportunities is education. School children, who otherwise would have studied under difficult conditions, can now have ready access to transport, eliminating the need to travel long distances to school on foot, and at night they can use electricity to study. Beneficiaries also enjoy reliable access to health facilities and police services. Unlike in the past, these beneficiaries are proud to live in formalised human settlements with street names, house numbers and postal addresses. They have been given an identity, a human face.


However, a good story is never without a downside. Informal settlements continue to mushroom outside towns and cities. This is mainly due to people trying to escape poverty in rural areas of our country and moving to cities and towns in search of the elusive economic opportunity. In most cases these economic migrants occupy private land, thus placing Government in a difficult

situation of having to invest in the formalisation of human settlements on land not originally planned for human habitation. To this end, Government provides emergency services, water and sanitation, and moves to formalise these human settlements.

Equally important is Government's ability to provide access to shelter for those who prefer to be in the rental market. This is the social housing sector. Interestingly, as is the case with some occupants of inner-city renewal projects throughout the country, a sizeable number of tenants in social housing projects previously lived in informal settlements. Their lives have clearly changed for the better by getting decent city accommodation at affordable rates. Social housing has also helped to integrate ordinary people into cities where they enjoy amenities and, in the process, help to increase municipal revenues. In these pages, you can read about how the Social Housing Regulatory Authority (SHRA), an agency of the Department of Human Settlements, regulates the social housing sector.

The next 20 years will be characterised by individual empowerment, so that Government can invest in settlement management and the redefinition of settlement geography in rural and urban human settlements. The organic growth of settlements should be planned based

on what the land mass is capable of producing. The study of soil quality and land use management should help in envisioning the kind of development that responds to human needs, while protecting the environment. Green housing and green economic revolution should be our focus. Part of this new thinking in rural areas could stimulate an economic boom if there is a clear industrial strategy aimed at exploiting rural produce. Only when rural areas engage in the manufacturing of their produce, rather than ship it to urban areas for processing and consumption, can South Africa's economy and space geography be stabilised. Rural economic development could be realised, making people's movement from rural to urban areas a matter of choice rather than an unavoidable economic reality.

Government's successes in the past 20 years call for celebration. Our post-apartheid reconstruction has been remarkable. The translation of these successes into a tradable commodity — a house — can only make South Africa a better place. 



Thabane Zulu
Director-General:
Department of Human Settlements



Unlike in the past, housing beneficiaries are proud to welcome people in their formalised settlements.

Two decades of providing shelter for all

After the formation of the Union of South Africa in 1910, the Natives Land Act of 1913 and apartheid policies in subsequent decades resulted in widespread, racially-based dispossession of land ownership rights. The 1913 Act allocated only 7% of South Africa's land to black people, which was increased to 13% in 1936. About 3,5-million people were forcibly removed from their land to designated 'homelands'. In 1994, 87% of commercially arable land was owned by white farmers and businesses. Black people in rural areas lived either on commercial farms (as farmworkers) or in communal areas under the communal tenure system.

As a result of apartheid policies, in 1994, 60% of South Africans were living in rural areas characterised by poverty,

joblessness, weak institutions and gross inequality. The migrant labour system inherited in 1994 meant that former homelands had disproportionately large populations of women, children and pensioners. Fewer than 30% of adults of working age had a primary school education. Employment levels were very low in rural areas,¹ with just one adult out of every four being employed, compared with two out of four in the metropolitan areas. Rural infrastructure was inadequate, and basic services were severely limited.

Apartheid planning consigned the majority of South Africans to live in areas far away from places of work, where services could not be sustained and where it was difficult to access the benefits of society or participate fully in the economy. Towns and cities were

highly fragmented, imposing high costs on households and the economy. Inefficiencies and inequities in South Africa's settlement patterns are deeply entrenched as a result of apartheid. Housing was also delivered through a fragmented system of 14 race- and ethnicity-based administrations. Opportunities for black people to purchase and own land were limited. This created a highly distorted property market system, with a functioning housing market for a white minority, coupled with housing in public rental urban black ghettos. There was no proper housing in what were, effectively, rural ghettos.

By the 1980s, housing for black people was overcrowded and costly, with deteriorating municipal services and the growth of illegal informal

settlements. Civil protests, and rent and service boycotts made black townships increasingly dysfunctional and ungovernable. In 1994, the housing backlog was estimated to be 1,2-million. The 1996 census showed that 1,5-million households were living in informal houses in urban areas.

Joe Slovo, the first Minister of Housing in the democratic South Africa, described the housing situation under the apartheid regime as one in which 'housing was about control. It was about excluding people from urban areas. It was about regimentation. It was about the administration of deprivation.'²

It was this legacy that the then Department of Housing sought to redress with its ambitious mandate to provide adequate houses to all South



► 1992

National Housing Forum established

► 1994

Housing backlog in South Africa estimated to be 1,2 million

► 1994

First democratic elections, Nelson Mandela becomes President

► 1994

Joe Slovo becomes the first Minister of Housing

There shall be houses, security and comfort! All the people shall have the right to live where they choose, be decently housed, and to bring up their families in comfort and security (Freedom Charter).

Africans in line with the dictates of the Freedom Charter.

Successes at a glance

Since 1994, the democratic Government has delivered 3,7-million subsidised housing opportunities and services sites for the very poor, giving houses to approximately 12,5-million people (close to a quarter of the population).³ Fifty-six percent of all subsidies allocated have been to women-headed households, engendering housing in South Africa like in no other country.⁴

A home is an asset that offers an entry point to social, commercial and work opportunities, thus offering a sense of

being a full citizen. South Africa has now reached a point where, for the first time, blacks outnumber whites for home purchases in suburban areas.⁵ This is an indication of progress in terms of the racial integration of our cities and towns, as well as in terms of the growth of the black middle class. Together, Government and the private sector have delivered 5 677 614 formal houses, increasing the number of people living in formal housing from 64% in 1996 to 77,7% in 2011. This represents a growth of 50% for the period.⁶ The formal housing market has increased 13-fold from R321-billion in 1994, reaching a collective value of about R4,036-trillion by 2014.⁷

1992-1996: Starting out

The origin of South Africa's first housing policy was driven by three main processes: the socio-political consensus-building of the National Housing Forum during 1992 to 1994; the rights-commitment embodied in the new Constitution; and the economic strategy of the Reconstruction and Development Programme. All of these provided the basis for the first democratic intervention into the housing market in South Africa.

National Housing Forum

Following months of behind-the-scenes negotiations, the National

Housing Forum (NHF) was established in 1992. It constituted of a multi-party, non-Governmental negotiating forum comprising business, political, development and civic organisations. According to Tissington, 'the aim of the NHF was to formulate a consensus around a new non-racial housing policy, and two fierce debates characterised the process: first, whether housing should be provided by the State or the market; and, second, whether the standard should be a completed four-room house or a 'progressive' (incremental) house.'⁸

There was further debate around the nature of the roles of the State and the private sector. Should there be a focus on



► **1994**

The Reconstruction and Development Programme (RDP) adopted

► **1994**

National (Botshabelo) Housing Accord signed

► **1994**

The Housing White Paper released

► **1995**

Sankie Mthembi-Mahanyele becomes Minister of Housing

South African Constitution (1996), Article 26 on Housing

(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.

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

‘breadth’ or ‘depth’? That meant, should the largest possible number of people receive basic housing assistance from the State, or the smallest number of people receive qualitative housing assistance?⁹

New Constitution

Running parallel to these unfolding debates on housing was the development of South Africa’s new Constitution, which emphasised the importance of housing and tenure rights (Article 26). There was a recursive relationship between the constitutional design process and the work of the NHF. The Constitution was the legal apparatus by which the State had set out systematically and deliberately to dismantle apartheid social relations. It sought to create a democratic society based on the principles of equity, non-racialism and non-sexism. Property and land ownership, the Constitution-makers realised, played a critical role in constructing rights-bearing citizens.

Botshabelo Housing Accord

Another landmark event in the history of housing in South Africa was the signing of the Botshabelo Housing Accord of 1994. On 27 October about 1 000 delegates, policy makers and other interest groups in the housing sector came together in Botshabelo township outside Bloemfontein in the Free State for the National Housing Summit. Botshabelo, the late Housing Minister Joe Slovo told the delegates, had been chosen as a venue for the summit instead of one of the country’s fancy golf estates to bring everyone to the heart of South Africa’s housing problem. ‘Now is the time for the beginning of delivery,’¹⁰ said Slovo in his address at the summit. As a ‘stunning landmark along the steep road to social change,’¹¹ the

Accord secured formal support from a broad range of key stakeholders for the new housing policy and strategy. The decision made was that ‘Government would provide the framework for housing provision and facilitate delivery, while the private sector would apply for subsidies on behalf of communities, identify and service land, and construct structures where possible.’

Reconstruction and Development Programme

The Reconstruction and Development Programme (RDP) became the State’s key economic mechanism to push labour-driven development. ‘Growth through redistribution’ was the new motto. As a first priority, the RDP focused on people’s ‘most immediate needs’¹² such as jobs, land, housing, water, electricity, telecommunications, transport, a clean and healthy environment, nutrition, healthcare and social welfare. Other key objectives were building the economy, democratising the State and society, developing human resources, and nation-building. From 1994 to 1996, the RDP became the paradigm within which all development policies were discussed. Overall, it constituted the guiding document of the Government of National Unity.¹³

An address by President Nelson Mandela to Parliament in May 1994 summarises the essence of the RDP: ‘My Government’s commitment to create a people-centred society of liberty binds us to the pursuit of the goals of freedom from want, freedom from hunger, freedom from deprivation, freedom from ignorance, freedom from suppression and freedom from fear. These freedoms are fundamental to the guarantee of human dignity. They

will therefore constitute part of the centrepiece of what this Government will seek to achieve ... The things we have said constitute the true meaning, the justification and the purpose of the Reconstruction and Development Programme, without which it would lose all legitimacy.’¹⁴

Regarding housing, the RDP document (section 2.5) stipulated that: ‘the RDP endorses the principle that all South Africans have a right to a secure place in which to live in peace and dignity. Housing is a human right. One of the RDP’s first priorities is to provide for the homeless.’¹⁵ The document further advised on housing standards, legislation, administration, land for housing, tenure, housing subsidies, finance and delivery.

White Paper on Housing

South Africa’s new housing policy emerged from the efforts of the NHF as well as the Botshabelo Accord, and was grounded in the targets laid out in the African National Congress’s RDP document. That is the reason why houses built with the help of Government subsidies have been commonly referred to as ‘RDP houses’. To build 1-million State-funded houses in five years was the ambitious target Government set itself, meaning that 200 000 houses had to be constructed each year.

Qualifying for an RDP house

The White Paper intended to ‘create viable, integrated settlements where households could access opportunities, infrastructure and services, within which all South Africa’s people will have access on a progressive basis to

- A permanent residential structure

► 1995

National Housing Subsidy Scheme introduced

► 1995

Establishment of the Mortgage Indemnity Fund (MIF)

► 1995

Home Builders Registration Council (NBHRC) founded

► 1995

National Urban Reconstruction and Housing Agency (NURCHA) set up

- with secure tenure, ensuring privacy and providing adequate protection against the elements; and
- Portable water, adequate sanitary facilities including waste disposal, and domestic electricity supply.¹⁶

One of the cornerstones introduced with the White Paper was the National Housing Subsidy Scheme (NHSS), a once-off capital subsidy provided to low-income households earning below R3 500 a month. In order to qualify, you had to be a lawful resident in South Africa; that is a citizen or permanent resident. Residents had to be over 21 years old, married/cohabiting, or single with financial dependents.

The White Paper introduced a fourth, the lowest income band, to the already existing three subsidy bands, each receiving a different amount: R0 – R800 (R15 000), R801-R1 500 (R12 500), R1 501-R2 500 (R9 500) and R2 501-R3 500 (R5 000).¹⁷ In 1998 the subsidy amount of R12 500 for the second-lowest income band was increased to R15 000. The third increase came in 1999 (R16 000), and the latest adjustment occurred in 2002, when the subsidy reached R20 300. Early RDP housing delivery was driven mainly by developers; private construction companies were responsible for the planning and building of houses for national and provincial Government.

Housing institutions

In the early years of democracy the housing backlog amounted to about 1,5-million housing units and 720 000 serviced sites in dire need of being upgraded. As a response to this backlog the new Government saw private sector credit as a major contributor to the potential success of the housing sector.

Local banks showed little willingness to engage at the time, arguing that it was not based on racial discrimination that they were not lending. The attendant political, social and security risks were simply too high. Rather, banks thought the State should manage these factors. As a consequence, a memorandum of understanding was signed and a few institutions were established in order to share the risk.

First, there was Servcon and Thubelisha Homes. In 1995, another three entities were set up to facilitate the return of the banks to the low- and medium-income housing markets. The National Home Builders Registration Council (NHBC) was mandated to protect housing consumers through a home warranty scheme; the Mortgage Indemnity Fund (MIF) was established as a temporary guarantee scheme to indemnify the financial institutions against default by certain classes of borrowers; and the National Urban Reconstruction and Housing Agency (NURCHA) was set up to provide guarantees to banks and other housing lenders as well as for developers and contractors to cover the costs of development prior to subsidies being paid.

The following year the National Housing Finance Corporation (NHFC) was established as the key institution to provide housing finance to four subsidiaries: Niche Market Lenders (NML) to provide large-scale, on-balance-sheet debt funding to intermediaries such as mutual banks, development corporations, NGOs and micro-lenders; Housing Equity Fund (HEF) to provide technical assistance and start-up capital to new and pilot ventures in the home lending sector;

Housing Institutions Development Fund (HIDF) to provide developmental capital at below market rates to viable, start-up social housing institutions; and, Rural Housing Loan Fund (RHLF) to enable low and medium income households in rural areas to maximise their housing choices and improve their living conditions.

By 1996 the State had set up some of the key machinery for State housing provision. It had a clear approach and subsidy regime in place and a housing

finance sector was beginning to emerge. During this period the ownership model had become embedded in the State psyche. Later, this would prove difficult to change when other demands became apparent.

1997-1999: Building the foundation

Growth, Employment and Redistribution

The period 1997-1999 saw the transition of the State from RDP to Growth,

Speech by President Nelson Mandela at the closing ceremony of the United Nations Habitat II African Housing Ministers' Conference

18 October 1995, World Trade Center

The world can be divided into those countries where the nation is comfortably housed, and those where housing is part of a daily struggle for survival. Most countries in Africa, including South Africa, fall into the latter category. And this is a reflection of the challenges we face to ensure that our people do indeed enjoy a better life.

Our approach to housing in South Africa, as in other parts of Africa, embodies the principle that the Government has an important role to play. But it recognises too that Government cannot solve the problem on its own. We fully endorse the need for a full and meaningful partnership of Government, the private sector and homeless communities.

In tackling the task of housing the nation, we are presented with a historic opportunity to fundamentally challenge economic and social relations.

For housing is not neutral. Our own country has, in the past, known only too well how the provision and non-provision of housing can be used as a form of social and political control. Here and elsewhere it has often been the means of dealing with the urban and rural poor – to hide them, evict them, harass them and trample on their self-esteem.

As such, a successful housing programme can at one and the same time become a force for economic and social liberation.

► 1996

National Housing Finance Corporation (NHFC) established

► 1996

Rural Housing Loan Fund (RHLF) comes into being

► 1996

Constitution of the Republic of South Africa finalised

► 1996

Adoption of the Habitat Agenda at the second United Nations Conference on Housing and Urban Development

Employment and Redistribution (GEAR), a macro-economic policy that further elaborated on some of the focus areas of the RDP such as strategies for tax incentives, small business development, innovative programmes and skills development. But it also focused on the stabilisation of the economy under difficult circumstances. It set out what became known as 'targets' for growth and employment.

The National Housing Act

The National Housing Act (Act no 107 of 1997) replaced all prior housing legislation. It intended to:

- provide for the facilitation of a sustainable housing development process;
- lay down general principles applicable to housing development in all spheres of Government;
- define the functions of national, provincial and local Governments in respect of housing development;
- provide for the establishment of a South African Housing Development Board, the continued existence of provincial boards under the name of provincial housing development boards and the financing of national housing programmes;
- repeal certain laws; and to provide for matters connected therewith.

Following the promulgation of the Housing Act, the Minister of Housing introduced Ministerial National Norms and Standards for Permanent Residential Buildings, and with it increased the subsidy to accommodate the new changes. This was also, in part, a response to numerous complaints about the poor quality of the units.

Prevention of Illegal Eviction from and Unlawful Occupation of Land Act

Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (PIE) was promulgated in 1998 as a response to arbitrary evictions which characterised much of the apartheid State's approach to land and to Section 26 of the new Constitution, which enshrined that 'no one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.' Mthembu-Mahanyele, Minister of Housing at that time, announced '[i]n the past, our people were treated like animals, but now we are looking at them as people with rights. ... Property owners should begin to care for human beings, not for cement and buildings.'¹⁸ The PIE Act, as it became known, set out the procedure to be followed when evictions took place. The Act was also lauded for the recognition of land owners' rights in that they had the right to deal with people who occupied their land unlawfully.¹⁹

Rental Housing Act

Another important piece of legislation was the Rental Housing Act, which intended to show the responsibility of the State to regulate the rental sector. Chapter Two of the Act stipulates that Government 'must promote a stable and growing market that progressively meets the latent demand for affordable rental housing among persons historically disadvantaged by unfair discrimination and the poor, by the introduction of incentives, mechanisms and measures to improve conditions in the rental housing market.'²⁰ The Rental Housing Act also heralded a move away from focusing purely on individual subsidies and ownership to alternative tenure forms.

2000-2004: A complex environment

The beginning of the new millennium saw an increasingly complex environment, in terms of the number and sophistication of the housing programmes and policies as well as the environment to which housing had to respond. There were two early indications of things to come. The first was the key Constitutional Court case of Irene Grootboom, which obliged the Department of Housing to introduce an Emergency Housing Programme.

Irene Grootboom case

Irene Grootboom belonged to a group of 390 adults and 510 children, who in September 1998 illegally occupied land close to Wallacedene informal settlement in the Western Cape, where they had previously lived in dreadful conditions. The land they now occupied had, however, been chosen as a ground for building subsidised houses. Grootboom and other shack dwellers were forcibly removed, with their shacks demolished and possessions destroyed in the process. With no place to sleep, the group returned to the shacks they had left in Wallacedene, only to find other occupants living there. Utterly disheartened, the group then decided to occupy Wallacedene sports ground. Facing yet another eviction, the group, with the help of a Cape Town-based NGO, the Legal Resource Centre, took their case to the Constitutional Court in 2000. The Court ruled in Grootbooms' favour: Nobody could be evicted from the sports ground without alternative accommodation being provided.²¹ Ever since, the Grootboom case has been 'the first Constitutional Court judgement on socio-economic

rights that found that the State had not complied with its obligation and provided an order compelling Government to take action on socio-economic grounds. The Grootboom judgement became the foundation case in assessing the State's responsibilities on socio-economic rights, and has been used as the basis of other legal arguments.'²²

Housing Code

The second indication of things to come was the development and finalisation of the Housing Code, which had been mandated in the Housing Act but had taken some time to develop. The Code clearly set out the underlying policy principles, guidelines, norms and standards that had to be applied to the National Housing Programmes. The Code also called for 'creating partnerships between the various spheres of Government, the private sector and communities. This, in a unique fashion creating links and harnessing their creative synergies to accelerate low-cost housing development in the country for the benefit of the poor.'²³

Around this time, the NHFC disbursements had exceeded the R1-billion mark. The year also saw the NHFC undertake probably the most intensive (and extensive) housing finance research project by any housing entity in recent times. The Unblocking Finance for Affordable Housing in South Africa (UNFAH) sought to create an understanding of the nature and scope of problems that impeded the housing finance process; identify any blockages in the housing finance delivery process; and bring to light issues that should be verified scientifically by conducting



► 1997

National Housing Act promulgated

► 1998

Government pioneers the People's Housing Process (PHP)

► 1998

Prevention of Illegal Eviction from and Unlawful Occupation of Land Act passed

► 1998

National Home Builders Registration Council (NHBC) established



THE HOUSING ACCORD

Declaration of Commitment

Our goal is to see housing's share of the total state budget increased to five percent and to increase housing delivery on a sustainable basis to a peak level of 350 000 units per annum within a five year period. This is in order to reach the government of National unity's target of one million houses within five years.

Government strives for the establishment of viable, socially and economically integrated communities which are situated in areas allowing convenient access to economic opportunities, health, educational, and social amenities and within which South Africa's people will have access on a progressive basis to:

- a permanent residential structure with secure tenure, ensuring privacy and providing adequate protection against the elements; and
- potable water, adequate sanitary facilities, including waste disposal and domestic electricity supply.

In order to meet the housing challenge, government aims to establish a sustainable housing process which will eventually enable all South Africans to secure housing within a safe and healthy environment and within viable communities in a manner which contributes positively to a non-racial, non-sexist, democratic and integrated society.

 Joe Slovo National Government	 Daniel Biau International Community	 JP Landman Building Material Industry	 Andre Lamprecht Business SA
 Linda Nyembe COCOSA	 Rod McGillivray Developers	 Ishmael Mkhabela National Housing Forum	 Sam Shilowa COSATU
 Dennis Creighton Financial Sector	 Vax Mayekiso Provincial Government	 Rose Molokoane Homeless	 Ian Robinson COCOSA
 Linda Mngomezulu SANCO			

Signed at Botshabelo on the 27 October 1994



► 1999

Second democratic elections,
Thabo Mbeki becomes President

► 1999

The Rental Housing Act passed

► 1999

Social Housing Foundation established

► 1999

National minimum norms and
standards introduced

periodic end-user surveys. UNFAH findings pointed to the need for the NHFC to alter the way in which it did business, if it desired maximum impact. So, in 2001, the NHFC was restructured. The existing operational units were coalesced into three new product streams: home ownership, alternative tenure and incremental housing.

Housing Amendment Act

The same year saw a major policy shift with the enactment of the Housing Amendment Act No 4 of 2001. This required the State to transform its National Housing Programmes to comply with the procurement requirements of the Constitution and the Public Finance Management Act (PFMA). The most important change was that from 1 April 2002, the role of developer could only be fulfilled by the organ of the State on land that belonged to the organ of the State.

In addition, all interfaces with the suppliers of housing goods and services had to comply with a fair, open and just procurement process. This policy change also introduced a new subsidy-funding dispensation in terms of which the cost of the subsidised house and serviced stand was determined and annually adjusted to withstand inflation.

In the early 2000s it became increasingly known that beneficiaries of subsidised houses were selling their properties informally. Poor families often went back to living in backyard shacks, and lived from the rent of their RDP houses. Further changes in the housing title were informed by such evidence. This led to an amendment being made to the Housing Act in 2001, prohibiting sales within a period of eight years from

the date the property was acquired. As a result, a savings requirement was introduced in 2002, whereby subsidy beneficiaries earning more than R1 500 a month were required to contribute an amount of R2 479 towards the purchase price of the property. This was to construct an NHBRC-approved, minimum standard house, as well as to engender a sense of ownership in beneficiaries. In case beneficiaries needed to move within the first eight years, they had the option of returning their house to the State and joining another waiting list in the area they had decided to move to. The main impact of this provision seems to have been the slowdown of housing delivery because provinces preferred project-based subsidies that did not require the management of savings or beneficiaries beyond the title deed process.

Housing Consumers Protection Measures Act

In addition to the procurement dispensation, the application of the Housing Consumers Protection Measures Act on the housing subsidy took effect in 2002. This meant that all subsidy-financed projects had to be enrolled with the NHBRC, and all contractors had to be registered with the NHBRC. The Ministerial National Norms and Standards were also adjusted to align with the minimum standards imposed by the NHBRC.

This period also saw a response to the call for creating partnerships and leveraging the participation of the private sector in the human settlements sector. The introduction of the Home Loan and Mortgage Disclosure Act in 2000 and the Community Reinvestment Bill in 2002 motivated banks to originate

R53,1-billion in housing finance loans through the Financial Services Charter between 2004 and 2008, benefitting 985 000 families. A further R42,9-billion in housing finance loans has been originated by banks since 2009, providing finance for an additional 1,05-million beneficiaries. While this did not necessarily build new stock, it increased the value of existing stock.

Breaking New Ground

The year 2004 saw the most important policy intervention since the Housing White Paper. A Comprehensive Plan for the Development of Sustainable Human Settlements: Breaking New Ground. BNG, as the plan came to be widely known, was a response to a wider set of factors in the country, including the Medium Term Strategic Framework (MTSF) that was intended to direct thinking for 2004-09.

The MTSF had a clear set of priorities. It included the decision to intervene decisively to promote the involvement of the marginalised in economic activity, including sustainable livelihoods. Up to 2004 about R32,4-billion had been spent on housing delivery since 1994/95. This included constructing 1,8-million new houses and transferring 549,597 units of old housing stock to poor households.

BNG was also a response to the most recent census findings that showed that the housing backlog was still increasing and that the housing delivery rate had dipped. Besides this, the previous delivery model had been criticised on various grounds. Most of all, housing experts believed that RDP housing projects often recreated the spatial divisions of apartheid. Critics called for the National Housing Programme

to be used more effectively in transforming vexed apartheid settlement patterns. BNG began to view housing through the much more expansive sustainable human settlements lens. Now interventions were intended to go beyond just building houses for the low-income segments to include the affordable housing sector. The programme outlined, among others, the following:

- speeding up the delivery of housing as a key strategy for leveraging economic growth and creating jobs;
- reducing poverty and improving quality of life for the poor by making sure they could use their residential property as a financial asset;
- improving the functioning of the residential property market to reduce the duality between the booming in the first economy and the stagnancy in the second economy; and
- using new residential development as an instrument for spatial restructuring and integrating human settlements.

The BNG also changed the housing subsidy regime. There was a consolidation of the subsidy bands (based on income). All qualifying beneficiaries (households earning less than R3 500) were now eligible for the same subsidy benefits. The programme extended to households in the R3 501 to R7 000 monthly income bracket. The Finance Linked Individual Subsidy Programme (FLISP) was intended to target households that had been left out of Government-subsidised housing, and which had struggled to obtain loan finance for affordable housing.

The housing product itself also changed. In 2006, Minister of Housing

► 2000

Irene Grootboom Constitutional Court ruling

► 2000

Minister Mthembu-Mahanyele launches the Housing Code

► 2000

Home Loan and Mortgage Disclosure Act introduced

► 2001

The Housing Amendment Act No 4 prevents beneficiaries from selling RDP homes within first eight years of purchase

Lindiwe Sisulu proudly announced the introduction of larger, upgraded subsidised houses in the following year. 'BNG housing is all about instilling a new energy and pride in owning a home, and about better-quality Government housing. We are working on a new code for housing. BNG properties will be bigger: 40 to 45 square metres will be the norm,' she said. It was a new era. Houses now had two bedrooms, a toilet with a washbasin and a kitchen with a washbasin. The property overall was 250 square metres, had paved roads and an underground electrical connection. In April 2005, households with an overall income below R1 500 were exempted from having to pay the once-off deposit of R2 479 for a subsidy house.

Moreover, the following new National Housing Programmes were introduced:

- The Upgrading of Informal Settlements Programme (UISP): This programme provided for a community development approach, prioritising *in situ* upgrading as opposed to relocations and provided serviced stands to all the inhabitants of informal settlements;
- The Programme for the Provision of Social and Economic Amenities: This programme provided grant funding to municipalities for the provision of certain basic social and economic amenities in new developments and existing areas where such facilities were not available;
- The Programme sought to help municipalities develop housing chapters of their IDPs; and
- The project-linked procurement compliance dispensation programme was later replaced by the Integrated Residential Development Programme (IRDP) that targeted urban developments in well-located areas,

where the development catered for the total range of housing needs and other land uses.

There was a new emphasis on the quality of the housing product; the entire human settlement, not just housing, and a re-emphasis on rental accommodation and informal settlement upgrading. BNG put in place an approach to the 'progressive eradication' of informal settlements through:

- the integration of informal settlements into the broader urban fabric to overcome spatial, social and economic exclusion;
- the introduction of a new informal settlement upgrading instrument to support the focused eradication of informal settlements, using a phased *in-situ* upgrading approach to informal settlements, in line with international best practice regarding the relocation of households where development was not possible or desirable, and
- the introduction of a range of tenure options and housing typologies into the upgrading process.

It also called for the introduction of a fast-tracked land-release and service intervention mechanism to forestall the establishment of informal settlements. A comprehensive mobilisation and communication strategy would be developed to clarify the intentions of the policy and to raise awareness of the implications of the policy. Another key aspect of BNG was its emphasis on municipal accreditation, an aspect which would come to pass in the following years.

BNG also linked itself to a deeper set of social and economic processes, and

began to make explicit the linkages between income-generation and housing and to address the fact that the previous housing waiting lists, especially the area-based interventions such as relocation, were not supportive of low-income household strategies. Thus BNG was both informed by and wanted to address the issue of sustainable livelihoods.

Development Facilitation Act

This period also featured the Development Facilitation Act (DFA) challenged in court by the City of Johannesburg. The DFA had historically had an important role to play in enabling land development in the initial stages of the housing programme, when local Government was in transition. However, with time it increasingly came into conflict with local Government's mandate to do municipal planning and became part of the numerous laws needed for land development. In response to this judgement, the National Department of Rural Development and Land Reform initiated the drafting of the Spatial Planning and Land Use Management Act.

The period between 2000 and 2004 was instrumental in changing the face of the housing sector as it moved away from pure housing provision to a demand-driven period that sought to respond with the establishment of human settlements that satisfied a range of needs, including sustainability, concerns about livelihoods and the quality of the larger built environment.

2005-2008: Planning and rental, better alignment and focus

The next phase was marked by the

President Thabo Mbeki, at the opening of the Brickfields Housing Development in Newtown Cultural Precinct, Johannesburg

August 2005

Today, we are here to transform the dust and the wasteland of Fordsburg Spruit and to exorcise the apartheid ghosts of the slums of the Brickfields Estate. No longer shall the spectre of the shadows of apartheid, colonial subjugation, forced removals of vibrant communities and bulldozers haunt us. For the Fordsburg Spruit has come alive as the eternal fountain and spring of hope and prosperity, as the golden roots and branches of new families creating new safe spaces and new opportunities amidst the sturdy rock and clay. No longer do we see dusty streets or a cloud of a handful of dust. For in the hidden splendour of the golden dust, arises something different - a new city of prosperity, of healthy communities, of decent housing, of security and comfort.

► 2001

President Mbeki announces launch of the Urban Renewal Programme (URP)

► 2002

Community Reinvestment Bill tabled in Parliament and withdrawn

► 2002

Housing Consumers Protection Measures Act takes effect

► 2002

Beneficiaries earning more than R1 500 required to pay portion of RDP house cost

State of the Nation Address by President Jacob Zuma, Joint Sitting of Parliament, Cape Town

11 February 2010

During this year of action, let us work together to make local Government everybody's business.

We are working to upgrade well-located informal settlements and provide proper service and land tenure to at least 500 000 households by 2014.

We plan to set aside over 6 000 hectares of well-located public land for low-income and affordable housing.

A key new initiative will be to accommodate people whose salaries are too high to get Government subsidies, but who earn too little to qualify for a normal bank mortgage.

We will set up a guarantee fund of R1 billion to incentivise the private banking and housing sector, to develop new products to meet this housing demand.

Bakwethu,

Ngonyaka odlule sathi, abantu basemakhaya nabo banelungelo lokuba nogesi, amanzi, izindlu zangasese ezigijima amanzi nemigwaqo.

Sathi kufanele babe nezindawo zezemidlalo kanye nezindawo zokuthenga ezinkulukazi eziphucuzekile njengasemadolobheni.

change of national economic policy as the State put the Accelerated and Shared Growth Initiative for South Africa (ASGISA) in place in 2005. The policy confirmed the return to a discourse of the importance and centrality of the role of the State. This followed the new focus of the ruling ANC's re-interpretation of what constituted a 'developmental State', which it also used to inform its 2004 election manifesto. The ANC's notion of the developmental State was dedicated to the idea of a 'people's contract'. This was in recognition of the fact that even in alliance with business, the State would not be able to achieve its economic objectives – such as halving unemployment and poverty by the year 2014 – without working closely with citizens and communities. 'A closer reading of the ANC's 2004 manifesto shows that the concept of a 'people's contract' was also intended to inject a democratic component into the emerging South African developmental State.

But, unlike during the heyday of GEAR, with growth receiving an exclusive focus, the State promised through the 'people's contract' to pay greater attention to tackling unemployment and poverty, without undermining its continued focus on achieving about 6% annual economic growth.²⁴

The ruling ANC repeatedly committed itself to the goal of a developmental State both in its political and policy documents, and understood the term to mean, *inter alia*, direct investment by the private sector, into underprivileged areas, accelerating economic growth and addressing skewed patterns of ownership and production, all with a strong emphasis on democratic

governance.²⁵ On the housing front that meant that the State continued to see itself as a deliverer of housing units. This resulted in increased subsidies and a new budget for informal settlements.

Variation Manual and Neighbourhood Development Partnership Grant

During 2006, the then Department of Housing developed a comprehensive Variation Manual for the adjustment of the subsidy amounts to cater for the additional cost of precautionary measures required by extraordinary development conditions found throughout the country. This manual was supported by maps indicating all the geotechnically problematic areas, and an automatic calculator to aid the decision-making process. There were also some enabling facilities created: the Neighbourhood Development Programme Unit was established by National Treasury to administer the Neighbourhood Development Partnership Grant (NDPG), whose goals were to support neighbourhood development projects that provided community infrastructure. It also sought to create a platform for private sector development. Available to municipalities on application, the grant represented an enabling tool to create more viable communities and leverage private sector investment.

Human settlements and planning

The period also saw greater alignment between human settlements and planning. Before 2006, housing did not form part of the IDP. Besides developing the Housing Chapter of the IDP in 2006, the resource book *Sustainable Human Settlements Planning* was launched in 2008. The individual subsidy faced a significant dip in delivery during this

period. The National Treasury believed that this was due to a constellation of intersecting factors: poor co-ordination between spheres of Government, which led to delays in project initiation, approval, implementation and completion. The significant cost escalation in construction materials and bulk infrastructure coincided with the adjustment of the Ministerial National Norms and Standards to a 40-square-metre house. Although the subsidy amount was also adjusted to enable the financing of the enhanced product, it still required more materials at a higher cost than the previous units.

Consequences of financial crisis

Finally, 2008 witnessed the worst international recession and financial crisis since the Great Depression in 1929 and with it the resulting decline in growth in the South African and international economies. This period prompted practitioners and experts in the sector to initiate debates on the existing opportunities in a falling housing market. They raised the following fundamental questions and concerns regarding the lower end of the housing market:

- Was the BNG property viewed as an asset for wealth creation, and how would State investment support this?
- Was there a need to track: (1) asset growth where BNG properties have been re-sold or used as collateral; and (2) trends in terms of sales in execution?
- What is the impact of State investment on property values in neighbouring communities?

These debates resulted in the following observations:

- To some extent Government

► 2003

National Housing Summit held at Gallagher Estate, Midrand

► 2003

Brigitte Mabandla becomes Minister of Housing

► 2004

Third democratic elections, President Mbeki re-elected

► 2004

Lindiwe Sisulu becomes Minister of Housing

subsidised housing was beginning to function as an asset (although this was taking place mainly through informal transactions);

- There was substantial opportunity for growth in the sector if challenges of affordability could be addressed, as well as the further stimulation of the resale market. The implications of resale in this market had provided opportunities for the 'gap market', thereby providing previous owners of these properties with some opportunity for property 'ladder climbing';
- However, backlogs in the registration of title deeds remained a fundamental challenge, as they undermined the success of the State's asset programme. This contributed to informal sales and the undermining of the integrity of the entire deeds registry system.

Access to urban land through social housing

There were also questions of the poor's access to urban land markets and the need for identifying appropriate levers for influencing property markets in favour of the poor (for example, introducing innovative instruments and implementation tools in Municipal Rates Policies). From 1994 to 2004, the dominant view was that the delivery of rental housing as a means to access the resources of our cities was slow and *ad hoc*. But that changed through a few important interventions:

- the promulgation of the Social Housing Act in 2005 that paved the regulatory environment for Social Housing Institutions (SHIs);
- restructuring zones and their allied subsidy regimes;
- the European Union-assisted Support Programme for Social Housing

► 2004

Breaking New Ground launched

was implemented between 2000 and 2007, which helped to develop expertise and some of the necessary policy, and procedural systems important to the business of social housing. By then, the institutional subsidy was also proving too *ad hoc* and inadequate to sustain social housing provisioning. The National Rental Housing Strategy, introduced in 2008, envisaged the delivery of 100 000 rental units by 2011/2012. Notions of the developmental State and the social contract informed many of the activities during the 2005 to 2009 period, which then manifested in a renewed focus on attempting to satisfy a range of housing demands and providing a wider array of tenure options and better-quality housing across the country. It was also during this time that more focus was being placed on the importance of partnerships between SHIs and municipalities as an institutional requirement for the development of a strong social rental programme.

2009 to the present: A widening mandate

Since 2009, the sector has changed significantly with an extended mandate for the Department of Human Settlements, accreditation in action and a highly diversified National Housing Code (NHC). The revised NHC contained the BNG-compliant National Housing Programmes, that were described as the 'building blocks in the provision of sustainable human settlements'.

From Housing to Human Settlements Furthermore, the Department of

► 2004

Upgrading of Informal Settlements Programme (UISP) launched

Human Settlements (DHS) was renamed, with a wider mandate and responsibilities. The name change from housing to human settlements also indicated South Africa's alignment with international housing trends. As [then] Human Settlements Minister Tokyo Sexwale pointed out: 'The concept of human settlements may well be a new one for many South Africans, yet it has been a central pillar of global development policy thinking for many years. It was adopted at the United Nations (UN) Global Habitat Summit in Vancouver, Canada, in 1976. It gained ground at another UN conference, the World Summit on Sustainable Development, held in Johannesburg in 2002.'²⁶

Urban Settlements Development Grant

Against this backdrop, Sexwale, in a presentation to a Special Presidential Coordinating Committee on 18 May 2010, identified the need to ensure an appropriate funding model for human settlements. The Urban Settlements Development Grant (USDG) was introduced in the 2011/12 national budget. The USDG was designed as a direct grant from the national DHS to metropolitan municipalities to supplement their capital investment programmes so they could improve the performance of the built environment.

Outcome 8

The macro-planning environment also demonstrated significant changes, as the State re-looked at the manner in which it developed targets and assigned responsibilities. The latest targets to be set revolve around the 12 Outcomes for development that Cabinet accepted in January 2010, which form part of the national Medium Term Strategic Framework (MTSF) for 2010 to 2014.

► 2005

Social Housing Act introduced

Finance Linked Individual Subsidy Programme (FLISP)

FLISP was developed by the Department of Human Settlements to enable first time home ownership opportunities for South Africans and legal permanent residents earning between R3 501 and R15 000 per month. These are people falling in what is called the gap market, because they either earn too little to qualify for home loans or too much to qualify for an RDP house.

Some of the FLISP projects in the country are Cosmo City, Johannesburg; Walmer Link, Port Elizabeth; Our Pride, Cape Town; Fleurhof, Johannesburg; Fountain Head, Cape Town; Klarinet, Emalahleni and Ilima Project, Mafikeng.

On 1 April 2012, FLISP was amended to include beneficiaries earning up to R15 000 a month. Under the revised programme, qualifying households earning between R3 501 and R7 000 a month who are unable to secure a mortgage loan may apply for the allocation of a vacant serviced stand, created through the Integrated Residential Development Programme (IRDP).

Households earning between R7 001 and R15 000 per month qualify for financial assistance towards the repayment of the bond. The subsidy attaches to the beneficiary, and not to the property. The once-off subsidy will be used to decrease the mortgage bond, and is only applicable to persons who have never been assisted by the State.

► 2009

Housing Development Agency (HDA) established

Success of People's Housing Process

People's Housing Process (PHP) is one of the key human settlements delivery programmes implemented by the People's Housing Partnership Trust (PHPT), one of the then housing agencies, since 1998. The mandate of the PHPT was to build capacity for PHP, and this was done by means of implementing a PHP Capacitation Programme at National, Provincial and Local Government levels and by encouraging civil society to participate meaningfully and support the programme.

The Programme is geared towards capacitating communities to deliver homes for themselves. It is "as a process where beneficiaries are actively involved in the decision making over the housing process, product and also make a contribution". The practice of supporting PHP initiatives in South Africa was geared to assist communities supervise and drive the housing delivery process by building their own homes and this required a "social compact" or agreement between the Province/Municipality and the then Housing Support Centre now referred to as the Community Resource Organisation.

With the introduction of the Programme in 1998, focus was more on building capacity rather than the number of units delivered on the ground. The Programme was geared to lobby for Non-Governmental Organisations/ Civil Society involvement with vast experience highlighting beneficiary participation resulted in more responsive and effective low cost housing delivery. The Programme enabled poor households to overcome affordability barrier and gain access to a house without the long wait to access housing finance.

Outcome 8 is 'Sustainable Human Settlements and Improved Quality of Household Life'. This outcome was described in more detail in the Performance Agreement signed by the President and Minister of Human Settlements in April 2010. The Minister had to ensure the achievement of the following outputs in order to reach Outcome 8:

- Output 1: Upgrading 400 000 households in well-located informal settlements with access to basic services and secure tenure;
- Output 2: Improve access to basic services;
- Output 3: Mobilising 6 250 hectares of well-located public land for low-income and affordable housing with increased densities;
- Output 4: Improve property market.

The State acknowledged that past experience showed that while it has improved access to services and expenditure (inputs), these have not been converted into positive outcomes. There has been a lack of data-driven and

evidence-based strategies and activities between the input and output stages, as well as a lack of strong institutional design and good management. The Delivery Agreement for Outcome 8 sought to bring together key partners to deliver on outputs and to link these outputs to outcomes.

While in the past 20 years good progress has been made in the delivery of housing for poor households, the country is still far from breaking down dysfunctional and inequitable settlement patterns. At the core is a long-term vision of transforming the functioning of human settlements, and the workings of the space economy in order to observe meaningful and measurable progress in creating more functionally integrated, balanced and vibrant urban settlements. These settlements need to have equitable and efficient spaces, with citizens living in close proximity to work and having access to social facilities and necessary infrastructure. Based on experience gained through the implementation of the 1994 Housing

White Paper, it became clear to the State that there was a need to align existing policy frameworks and concomitant programmes with the significant policy shift from the provision of housing only to the establishment of sustainable human settlements. This was given effect by the BNG plan.

Furthermore, when the DHS was renamed, its new mandate mirrored the ideals of the BNG plan. The Department's new focus was on driving implementation into the medium- and long-term. In the re-configured arrangement, the Minister and DHS were responsible for leading the delivery of sustainable human settlements and, due to the complex nature and interdependencies of the sector, it is expected that there will be close collaboration with other Ministers and Departments with relevant line functions.

Estate Agency Affairs Board

In May 2012, the Estate Agency Affairs Board (EAAB) was transferred from



► 2009

Revised Housing Code published

► 2009

Fourth democratic elections, Jacob Zuma becomes President

► 2009

Department of Housing renamed Department of Human Settlements

► 2009

Tokyo Sexwale becomes Minister of Human Settlements

the Department of Trade and Industry to the DHS under Minister Sexwale. The EAAB regulates the conduct of estate agents to ensure that homeowners are protected and the industry is well regulated. During this period, the Department's paradigm was no longer one of shelter and quantity only, but one of integrated human settlements and quality of investments. Investment decisions were now expected to focus more on size and workmanship of the housing product, settlement design, alternative technology, type and location.

FLISP

Institutionally and programmatically, the following shifts happened:

- A revised subsidy programme, the Financed Linked Individual Subsidy Programme (FLISP), was introduced for the gap market to ensure a more integrated property market. In 2012, subsequent to some difficulties in the provincial administration of the subsidy, the DHS appointed the NHFC to implement and promote the

programme;

- The Social Housing Regulatory Authority (SHRA) was established in 2010, mainly to facilitate the provision of affordable inner-city rental housing stock as part of a broader urban renewal and inner-city regeneration thrust. To date, the Social Housing Programme has delivered about 50 000 well-located and well-managed new housing units to low- and moderate-income households. The programme has offered affordable accommodation to more than 300 000 people. Coupled with this, increased property values of developed social housing units and the surrounding properties have given new vigour to property markets;
- The assessment of the UISP in 2009 indicated that there were significant blockages in the upgrading of informal settlements despite the wide array of policies and programmes in place. As a consequence, the National Upgrading Support Programme (NUSP) came into being to provide assistance to municipalities to

promote and ensure informal settlement upgrading took place.

- The shift towards a more progressive role of local Government in the delivery of sustainable human settlements, and thus the ongoing municipal accreditation process of the metros and large cities to full accreditation.

The last few years have seen an intensification of human settlements

activities on all significant fronts and the continued expansion of the housing mandate to human settlements as well as a clearer focus on municipalities as the key agents of delivery. The trajectory is towards increased complexity, more significant policy responses and recognition that practice and implementation, particularly at the local level, require greater support if they are to meet the medium-term goals that have been agreed to. 🚶



► 2010

Minister Sexwale signs performance agreement on Outcome 8 targets

► 2010

Inauguration of the Social Housing Regulatory Authority (SHRA)

► 2012

Estate Agency Affairs Board (EAAB) falls under the Department

► 2014

Fifth democratic elections, President Zuma re-elected; Minister Sisulu returns

Housing delivery since 1994*			
YEAR	SERVICED SITES COMPLETED	HOUSES/UNITS COMPLETED	TOTAL HOUSING OPPORTUNITIES
1994/95		60,820	60,820
1995/96		74,409	74,409
1996/97		129,193	129,193
1997/98		209,000	209,000
1998/99	12,756	235,635	248,391
1999/2000		161,572	161,572
2000/01	19,711	170,932	190,643
2001/02		143,281	143,281
2002/03	82,286	131,784	214,070
2003/04	42,842	150,773	193,615
2004/05	87,284	148,253	235,537
2005/06	109,666	134,023	243,689
2006/07	117,845	153,374	271,219
2007/08	82,298	146,465	228,763
2008/09	68,469	160,403	228,872
2009/10	64,362	161,854	226,216
2010/11	63,546	121,879	185,425
2011/12	58,587	120,610	179,197
2012/13	45,698	115,079	160,777
2013/14	48,193	105,936	154,129
TOTAL	903,543	2,835,275	3,738,818

* Figures up to 31 March 2014