

2023/24

OFFICIAL GUIDE TO
SOUTH AFRICA



HUMAN
SETTLEMENTS

The Department of Human Settlements (DHS) is mandated, in terms of Section 26 of the Constitution of the Republic of South Africa of 1996 and Section 3 of the Housing Act of 1997, to establish and facilitate a sustainable national housing development process in collaboration with provinces and municipalities.

In fulfilling its mandate, the department determines national policy and norms and standards for the development of housing and human settlements, prescribes national housing delivery goals and oversees provincial and municipal performance outcomes against national targets. To further ensure an effective housing development process, the department funds, capacitates and supports provinces and municipalities in the implementation of human settlements projects.

Over the medium term, the department aimed to focus on promoting spatial integration and providing security of tenure by developing integrated human settlements, upgrading informal settlements, and providing affordable housing to low-income and middle-income households. The department aimed to conclude the policy, programme and legislative review process to finalise the human settlements white paper and code over the medium-term period, which is expected to provide an overarching policy framework for the delivery of sustainable human settlements programmes.

The department will also continue to support and facilitate capacity-building initiatives in provinces and municipalities to implement human settlements programmes and ensure that housing opportunities are delivered effectively.

Housing

According to Statistics South Africa's General Household Survey of 2023, slightly more than eight-tenths (83,5%) of South African households lived in formal dwellings in 2023, followed by 12,2% in informal dwellings, and 3,9% in traditional dwellings. Households that lived in formal dwellings were most common in Limpopo (95,1%) and Mpumalanga (90,1%).

Western Cape (19,2%) had the highest percentage of households that lived in informal dwellings, followed by Gauteng (18,4%) and North West (17,1%). Traditional dwellings were most common in Eastern Cape (17,1%) and KwaZulu-Natal (10,3%).

About 83,0% of households in metropolitan areas lived in formal dwellings while 16,0% lived in informal dwellings. Informal dwellings were most common in Ekurhuleni (19,2%), Cape Town (18,9%), and Johannesburg (18,2%), and least common in Nelson Mandela Bay (6,3%).

Households that lived in rented dwellings were most common in Gauteng (37,8%) and Western Cape (27,8%), and least common in Eastern Cape (12,7%), Limpopo (15,0%), and Northern

Cape (15,2%). Households that owned the dwellings they lived in, regardless of whether they have fully paid for it, were most common in KwaZulu-Natal (74,6%), Mpumalanga (72,1%), Northern Cape (71,2%) and Limpopo (71,0%). Only 46,4% of households in Gauteng, and 63,4% in Western Cape owned the dwellings they lived in. Nationally, 13,2% of households occupied the dwellings they were living in rent-free.

The percentage of households that received some form of government housing subsidy increased from 5,6% in 2002 to 12,0% in 2023. A notably higher percentage of female-headed households (14,4%) than male-headed household (10,1%) received subsidies. This is in line with government policies that give preference to households headed by individuals from vulnerable groups, including females, and individuals with disabilities.

About 9,7% of households that lived in subsidised dwellings either reported weak or very weak walls, or weak or very weak roofs. Responses vary across provinces. Households in Mpumalanga (respectively 16,1% and 13,6%) were generally least satisfied with the quality of walls and roofs, while those in Gauteng complained least about the state of their dwellings' walls (2,7%) and roofs (3,2%).

Developing integrated human settlements

To promote the development and delivery of spatially integrated human settlements, the department planned to finalise 15 integrated plans over the medium term to guide the implementation of projects within the 136 nationally declared priority development areas. In collaboration with provinces and municipalities, the department was also expected to deliver subsidised houses and issue title deeds to beneficiaries from low-income households over the medium term.

Upgrading informal settlements

As a policy priority for the department, the upgrading of informal settlements is intended to provide households in these areas with secure tenure and access to basic services such as water and sanitation, lighting and refuse removal. In support of this, funds have been allocated over the medium term for the provision of project-level technical support to continue to build capacity in provinces and municipalities towards developing comprehensive plans to upgrade informal settlements.

The department will augment internal capacity to run its capacity-building and sector support programmes by appointing professional resource teams for the upgrading of informal settlements and the provision of affordable rental housing. Over the medium term, the Informal Settlements Upgrading Partnership Grant will enable provinces and municipalities to upgrade and formalise a targeted settlements and deliver stands with access to municipal services.

Facilitating affordable housing

To create a functional residential property market, the department's affordable and social housing programmes provide housing finance and spatially integrated affordable rental housing options to low-income and middle-income households. The department planned to build rental housing units in strategically located areas and deliver community residential units.

The Social Housing Regulatory Authority (SHRA) aimed continue investing in the affordable rental housing market. Through the National Housing Finance Corporation (NHFC), the department plans to help unserved segments of the housing market by providing a targeted 18 214 finance-linked individual subsidies to households that earn above the qualifying income level to get a full housing subsidy but not enough to qualify for housing finance.

Informal Settlement Upgrading Programme (ISUP)

The ISUP was introduced to improve the living conditions for many citizens, who at times, live in unsafe and inhabitable environment. Where suitable, it prioritises the incremental upgrading of these settlements in-situ, failing which the DHS permanently relocate all the settlements that are on disaster prone areas.

However, the number of informal settlements that have been formalised and completely provided with permanent infrastructure remains low and this prompted the department to review the monitoring and intervention approach. The department has introduced several workstreams that enhance Technical Implementation Support.

This includes working closely with non-governmental organisations to re-block informal settlements households to mitigate against disasters and using spatial location technologies to Geo-map all informal settlements, so that we can be able fast-track the physical upgrading of each of the informal settlement.

Eradication of mud houses

The elimination of mud houses and asbestos has become inseparably linked to the emergency housing response. Mud houses and asbestos are vulnerable to extreme weather conditions, and put many people at risk. Through the centralised Emergency Housing Resource Fund, the DHS has introduced building materials, structural assessments and repairs in addition to the provision of temporary residential units, transitional emergency accommodation and innovative building technologies.

Title deeds

The DHS has since November 2023 introduced "Title Deeds Friday" to accelerate the issuing of existing title deeds to deserving beneficiaries.

Housing entities

The DHS's housing entities include the:

- **NHFC**, which was established as a development finance institution in 1996 and is listed as a schedule 3A public entity in terms of the Public Finance Management Act of 1999. Its primary mandate is to provide access to affordable housing finance for low-income to middle-income households by leveraging private sector funding to finance housing developments and create affordable housing stock. The corporation also administers the finance-linked individual subsidy programme.
- **National Home Builders Registration Council**, which was established in terms of the Housing Consumer Protection Measures Act of 1998 to protect the interests of housing consumers and regulate the home building industry. The council provides warranty protection against poor workmanship in newly built homes and ensures that home builders adhere to prescribed technical standards in the building process. The council generates its revenue through fees for the enrolment of newly constructed homes, the registration and renewal of membership for home builders, and the provision of technical services.
- **Property Practitioners Regulatory Authority** (formerly Estate Agency Affairs Board), which was established in terms of the Property Practitioners Act of 2019 to regulate property practitioners in the marketing, promotion, management, sale, letting, financing and purchase of immovable property. The authority also regulates the conduct of property practitioners in dealing with consumers and manages the Property Practitioners Fidelity Fund.
- **Housing Development Agency (HDA)**, which was established in terms of the HDA Act of 2008, is mandated to identify, hold, develop and release land for integrated human settlements development. The agency also provides project-level technical assistance and project management services to provinces and municipalities.
- **SHRA**, was established in terms of the Social Housing Act of 2008 to regulate and invest in the social housing sector. The authority regulates social housing institutions and the units they manage, provides capital subsidies to accredited social housing institutions and builds the capacity of the sector.