


BREAKING NEW GROUND IN HOUSING DELIVERY
HOUSES, SECURITY & COMFORT




housing

Department:
Housing
REPUBLIC OF SOUTH AFRICA

VISION: A NATION HOUSED IN SUSTAINABLE HUMAN SETTLEMENTS
WITH ACCESS TO SOCIO-ECONOMIC INFRASTRUCTURE

MISSION: TO ESTABLISH & FACILITATE A SUSTAINABLE PROCESS
THAT PROVIDES EQUITABLE ACCESS TO ADEQUATE HOUSING FOR ALL
WITHIN THE CONTEXT OF AFFORDABILITY OF HOUSING & SERVICES
& ACCESS TO SOCIAL AMENITIES & ECONOMIC OPPORTUNITIES



DEPARTMENT OF HOUSING

PRESENTATION TO THE SELECT COMMITTEES ON FINANCE, PUBLIC SERVICES AND LAND AND ENVIRONMENTAL AFFAIRS

16 OCTOBER 2007

Contents

The presentation will focus on the following:

- Institutional arrangements in the housing sector
- Budget and expenditure trends
- Housing delivery
- The housing sector and affordability
- Developments in housing policy

Institutional arrangements in the housing sector

- Housing is a concurrent provincial & national function;
- Accountability vests in Minister of Housing & then MEC's;
- Local Gov provides function through provisions of the Housing Act & Accreditation policy;
- To provide integrated planning for human settlements, the plan is to give metros & large cities accreditation on a progressive basis;



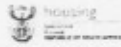
Institutional arrangements in the housing sector cont.

- Municipalities to provide development plans in line with IDPs and project plans to provinces for approval and the Department for sign-off;
- Process allows for improved alignment of the IHSDG & MIG;
- Munic's will know what their allocations are upfront;
- Munic's & provinces will improve planning to accelerate housing delivery;



Institutional arrangements in the housing sector cont.

- Monitoring & oversight remain in place at provincial & national levels;
- 16 Munic's received level one accreditation, some in-principle approval;
- More munic's will progressively receive higher levels of accreditation over the medium term.



Budget & expenditure trends

- Housing grant increased from R8,2 bn in 07/08 to R11,5 bn in 09/10 – average annual increase of 18,3 percent;
- Funds utilized to finalize current multi-year projects according to existing contracts;
- 06/07 allocation was R6,8 b consisting of:
 - R6,3 bn allocation;
 - R472,2 m adjusted allocation; and
 - R119,8 m roll over from 05/06.



Housing delivery

- 2,3 m house delivered since 1994 and accommodate about 9 million people representing 20 percent of the population;
- During 06/07 166 523 subsidies approved, while 271 219 houses completed;
- Gauteng, North West, KwaZulu/Natal & Western Cape prov's provided most housing units;

Housing delivery cont.

- Main reasons for slower delivery are:
 - Large scale migration between provinces;
 - Capacity constraints in low income construction sector;
 - Capacity constraints at municipal level; and
 - Other sectors providing bulk services.

The housing sector and affordability

- Supply of low cost housing does not meet the demand;
- Collapsed income categories to extend reach of housing programmes & extend income limit from R3 500 pm to R7 000 pm;
- Programme will thus unblock housing finance for these income categories; and
- Financial Sector Charter targets households to obtain housing finance in the gap market income category.

Developments in housing policy

- **Housing finance**
 - Despite the currently changing market and regulatory conditions progress in lending and provision of stock for the gap market is being made;
 - Regarding the R42 bn banks have reported that they have borrowed R28,9 bn assisting ±128 000 families with mortgage bonds & R9 bn assisting ± 358 000 families to improve their homes

Developments in housing policy cont.

- **Inclusionary housing**
 - Government & private sector agreed to accelerate housing delivery to address housing backlog;
 - Inclusionary housing policy collectively developed with relevant stakeholders;
 - To create integrated societies, especially in cities;
 - Commercially housing projects to include a certain percentage of lower income categories in these projects.

Developments in housing policy cont.

- Availability of land
 - Department wants to establish a Housing Development Agency (HDA);
 - HDA Bill is currently before Cabinet;
 - Strategy to release public land for housing purposes, e.g. medium density housing for inner city regeneration & suburban densification; and
 - Acquisition of private land for housing purposes.

Developments in housing policy cont.

- Integrated human settlements
 - Based on Comprehensive plan of the Department;
 - Focus is to build capacity at the 3 spheres of Government;
 - Empower housing consumers & provide support to emerging contractors;
 - Munic's have to develop housing chapters of IDP's;
 - Assistance being provided to support accreditation of targeted munic's;

Developments in housing policy cont.

- New norms & standards have been developed, e.g. 40 m² house is being introduced;
- Adjustment of the subsidy quantum on an annual basis; and
- The NHBRC to increase its enrolment of subsidised housing and enforce the new norm & standards.

Conditional grant exp 2006/07

2006/07									
Provinces	Voted	Additional Appropriated	Appropriated at Province	Total Available	Year to date (1 April 2006 - 31 March 2007)				
	R'000	R'000	R'000	R'000	Transfer-red Funds	Spent by Provinces	Unspent Funds	Spent as % of Total Available	Unspent as % of Total Available
Eastern Cape	761,994	-	-	761,994	676,700	637,695	124,299	84%	16%
Free State	522,601	-	6,028	528,629	522,601	528,412	217	100%	0%
Gauteng	1,757,666	-	-	1,757,666	1,757,666	1,748,283	9,383	99%	1%
KwaZulu-Natal	1,048,376	-	-	1,048,376	1,048,376	1,074,521	-26,145	102%	-2%
Limpopo	521,331	-	100,236	621,567	521,331	646,732	-25,165	104%	-4%
Mpumalanga	421,002	-	-90,918	330,084	361,933	329,949	135	100%	0%
Northern Cape	104,774	-	-	104,774	104,774	104,774	-	100%	0%
North West	613,405	84,014	2,496	699,915	697,419	696,484	3,431	100%	0%
Western Cape	598,800	388,206	11,137	998,143	987,006	768,209	229,934	77%	23%
Total	6,349,949	472,220	28,979	6,851,148	6,677,806	6,535,059	316,089	95%	5%



Number of planned units approved

NC	4,161	7,452	1,763	48,466	812	5,671	54,949
NW	1,790	7,570	23,543	177,831	14,778	19,440	212,049
WC	32,952	8,143	77,354	306,543	12,449	12,987	331,979
TOTAL	527,801	189,602	250,041	2,739,631	137,746	166,523	3,043,900

Housing units completed & in process of completion

PROV	HOUSING UNITS COMPLETED & IN PROCESS OF COMPLETION					
	02/03	03/04	04/05	05/06	06/07	94/95 to Mar 07
EC	58,662	27,119	37,524	19,825	16,526	288,231
FS	9,155	16,746	16,447	20,536	19,662	161,250
GP	24,344	49,034	66,738	59,310	77,044	592,457
KZN	24,485	33,668	36,734	35,872	38,290	390,098
LP	14,953	15,810	16,514	46,813	23,609	217,513
MP	21,649	21,232	18,000	14,986	10,651	169,962
NC	6,056	3,787	3,598	8,667	3,880	49,145
NW	23,784	10,484	10,037	35,515	46,972	228,361
WC	20,500	15,735	11,756	11,310	34,585	258,896
TOTAL	203,588	193,615	217,348	252,834	271,219	2,355,913

THANK YOU