

**AN EVALUATION OF THE HOUSING POLICY IN KWAZULU NATAL:  
A CASE STUDY OF THE DURBAN METROPOLITAN AREA**

**BY**

**NOMALADY M. NGWADLA**

**I hereby declare that this thesis is my own unaided work. It is being submitted in fulfillment of the Degree of Doctor of Administration to the University of KwaZulu Natal. It has not been previously submitted for any degree or any examination at any institute or university.**

**PROMOTER: PROFESSOR PS REDDY**

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## **DEDICATION**

**THIS IS DEDICATED TO MY LOVELY SONS, VIVI AND KWENZA FOR THEIR SUPPORT AND UNDERSTANDING FOR THE PAST FOUR YEARS. THEY HAVE RUN THE HOUSEHOLD ON THEIR OWN WITHOUT FAIL. BOYS, I APPRECIATE YOUR ASSISTANCE, WITHOUT YOU, THIS WOULD NOT HAVE BEEN POSSIBLE. I CANNOT FORGET A NEW MEMBER OF OUR FAMILY, WAKHILE WANDA (BORN 16 NOVEMBER 2004 AND DIED ON 6 JULY 2005). MAY HIS MEMORY BE AN INSPIRATION TO OUR FAMILY WHICH IS STILL STRUGGLING WITH HIS DEATH.**

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## TABLE OF CONTENTS

Dedication.....	I
Acknowledgements.....	II
Table of contents.....	III
List of maps.....	IX
List of graphs.....	IX
List of pie graphs.....	IX
List of tables.....	X
List of figures.....	XI
<b>Chapter 1: Introduction</b>	
1.1 Focus of study.....	1
1.2 Synopsis.....	2
1.3 General outline of chapters.....	3
1.4 Background.....	5
1.5 Objectives.....	10
1.6 Hypothesis.....	15
1.7 Limitations.....	16
1.7.1 The extent of the case study area.....	17
1.7.2 Time.....	17
1.7.3 Funding.....	18
1.7.4 Transport.....	18
1.7.5 Change in local political pressures.....	19
1.8 Definition of terms and concepts.....	19
1.8.1 Housing Policy.....	19
1.8.2 Low income group.....	19
1.8.3 Housing Subsidy Scheme.....	19
1.8.4 Local Authority.....	20
1.8.5 National Building Regulations.....	20
1.8.6 Inner City land / area.....	20
1.8.7 Provision of infrastructure.....	21

1.8.8	Topstructure.....	21
1.8.9	Beneficiaries.....	21
1.8.10	Planning and Development Legislation.....	21
1.8.11	Environmental Legislation.....	22
1.8.12	Land Reform Legislation.....	22
1.8.13	Stakeholders.....	22
1.8.14	Peoples Housing Process.....	22
1.8.15	Rural Subsidies.....	23
1.8.16	Institution Subsidies.....	23
1.8.17	Project Linked Subsidies.....	24
1.8.18	Consolidation Subsidies.....	24
1.9	Conclusion.....	24

**Chapter 2: Framework Development for the evaluation of housing policy and international perspectives.**

2.0	Introduction.....	26
2.1	Development of framework for the evaluation of housing policy.....	27
2.2	Housing Policy in Brazil.....	32
2.2.1	The construction of new homes.....	41
2.2.2	Intervention in Favelas.....	44
2.2.3	Urban legislation.....	52
2.2.4	A better housing scheme.....	60
2.2.5	Conclusion.....	64

**Chapter 3: The origins of housing problems in South Africa**

3.0	Introduction.....	67
3.1	The Origin of housing problems in South Africa.....	67
3.2	The role of regional government.....	78
3.2.1	Housing project management and insitu upgrading.....	82
3.2.2	The effectiveness of low-cost housing delivery in..... eThekweni Municipality.....	86
3.2.2.1	The housing issues at ..... eThekweni Municipality.....	87
3.2.2.2	Critical issues on housing delivery.....	93
3.2.2.3	Strategic housing plan for the..... EThekweni Municipality – 2002.....	97
3.2.2.4	Facilitating and contributing to.....	

	The management of human Settlements.....	98
3.2.2.5	The impact of finance on low cost Housing.....	102
3.2.2.6	Housing settlement conditions in Durban Metropolitan Area.....	104
3.2.3	Conclusion.....	109

## **Chapter 4: Review of recent legislative and policy developments**

4.0	Introduction.....	112
4.1	Policy Approaches.....	112
4.1.1	Existing Conditions.....	117
4.1.2	South African Housing Act, 1997 (Act 107 of 1997).....	123
4.1.2.1	Functions of the National Government.....	125
4.1.2.2	Functions of the Provincial Government.....	126
4.1.2.3	Functions of Local Government.....	127
4.1.3	National Housing Policy.....	127
4.1.4	KwaZulu Natal Housing Act, 1998 (Act 12 of 1998).....	131
4.1.4.1	The role of the Department.....	132
4.1.4.2	The role of the Municipalities.....	135
4.2	Status Quo.....	136
4.3	Peoples Housing Process.....	141
4.4	Procedure followed in the program.....	144
4.5	Rural Housing Subsidy.....	149
4.6	Provincial Housing Policy.....	151
4.7	Local Housing Policy: eThekweni Municipality.....	155
4.8	Institutional Systems.....	158
	4.8.1 Reasons for township establishments.....	159
	4.8.2 Township establishment procedures.....	159
4.9	KwaZulu Natal Planning and Development Act, 1998 (Act 5 of 1998).....	161
4.10	Lack of shared vision.....	164
4.11	Lack of intergovernmental co-ordination.....	165

4.12	Intra-governmental relations.....	167
4.13	Issues of capacity.....	170
4.14	Legal and procedural complexity.....	171
4.15	Legislative framework.....	172
4.16	Important issues on housing delivery from 1994 – 2002.....	175
4.17	Overall approach to housing.....	179
4.18	Conclusion.....	186

## **Chapter 5: Research methodology and design**

5.0	Introduction.....	189
5.1	Objectives.....	190
5.2	Research Methodology.....	190
5.2.1	The qualitative research methods.....	191
5.2.2	The quantitative research methods.....	192
5.2.3	The normative survey methodology.....	193
5.3	The description of the sample and the sampling techniques.....	194
5.3.1	Case study.....	194
5.3.2	Description of the sample.....	195
5.3.3	Sampling techniques.....	195
5.3.4	Brief history of each sample area.....	196
5.4	Data collection method.....	203
5.4.1	Literature or available documentation.....	203
5.4.2	Interviews.....	203
5.4.2.1	Advantages.....	205
5.4.2.2	Disadvantages.....	206
5.4.2.3	Interviewing process.....	206
5.5	Data capturing and processing.....	209
5.6	Data Analysis.....	209
5.7	The proposed housing model.....	209
5.8	Conclusion.....	210

## **Chapter 6: Presentation of results**

6.0	Introduction.....	212
6.1	The views of beneficiaries.....	212

6.2	Views of the DOH and Metro officials	
	On housing delivery.....	253
6.2.1	Opinion about current processes and procedure.....	253
6.2.2	Views about the current subsidy amount.....	254
6.2.3	Views on the level of standards required.....	256
6.2.4	Opinions regarding other policies and legislation.....	256
6.2.5	Views on Amakhosi role.....	257
6.2.6	Views on community participation.....	258
6.2.7	Problems experienced with acquisition of land.....	259
6.2.8	Improvement on the housing policy.....	260
6.2.9	Views on co-operative governance in relation to housing.....	261
6.2.10	General suggestions.....	262
6.3	Conclusion.....	265

## **Chapter 7: Analysis of Results**

7.0	Introduction.....	266
7.1	General overview of the findings.....	267
7.1.1	Comments on site and house sizes.....	273
7.1.2	Reasons for improvements/no improvement.....	275
7.1.3	Comments on location in relation to employment areas and facilities.....	277
7.1.4	The type of top-structure.....	279
7.1.5	Comments by officials, politicians and developers.....	283
7.1.5.1	Processes and procedures.....	283
7.1.5.2	Views about current housing subsidies.....	289
7.1.5.3	Views on the level of standards required.....	291
7.1.5.4	Opinion regarding other policies and legislation.....	294
7.1.5.5	Views on amakhosi's role and community participation.....	297
7.1.5.6	Problems experienced with acquisition of land.....	300
7.1.5.6.1	Location in relation to bulk services.....	300
7.1.5.6.2	Ownership of land.....	301
7.1.5.6.3	Database.....	303
7.1.5.7	Improvement of the housing policy.....	304
7.2	Controls and regulations.....	306

## **Chapter 8: Conclusions and Recommendations**

8.0	Introduction.....	309
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<b>8.1</b>	<b>Conclusions.....</b>	<b>310</b>
8.1.1	Summary of findings.....	310
8.1.2	Initial principles of housing re-visited.....	314
8.1.3	Changes made in the housing policy since 1998.....	317
8.1.4	Effects of the recommendations to the current.....	
	Changes of the housing policy.....	320
<b>8.2</b>	<b>Recommendations.....</b>	<b>321</b>
8.2.1	Roles played by the different spheres of government.....	321
8.2.2	Procedures and processes.....	324
<b>8.3</b>	<b>Increase in housing subsidy and future maintenance</b>	
	<b>of infrastructure.....</b>	<b>328</b>
8.3.1	Increase in subsidy.....	328
8.3.2	Maintenance of infrastructure.....	330
<b>8.4</b>	<b>People housing process.....</b>	<b>333</b>
<b>8.5</b>	<b>The rural housing approach.....</b>	<b>334</b>
<b>8.6</b>	<b>Proposed housing model.....</b>	<b>335</b>
8.6.1	The proposed procedures and processes.....	336
8.6.2	Administration.....	339
8.6.3	Topstructure.....	339
<b>8.7</b>	<b>Conclusion.....</b>	<b>342</b>
	<b>Bibliography .....</b>	<b>343</b>
	<b>Annexures.....</b>	
	• Questionnaires.....	354
	• House Models.....	363
	• Maps.....	365
	• Language Editor's note.....	367

## LIST OF MAPS

Map 1: KwaZulu Natal District Council Boundaries.....	341a
Map 2: Durban Metropolitan Area.....	341b

## LIST OF GRAPHS

Graph 1: Income profile of consolidators and non-consolidators.....	226
Graph 2: Gender and housing consolidation.....	227
Graph 3: Comparison on where most of the money is spent – consolidator.....	231
Graph 4: Comparison on where most of the money is spent..... Non-consolidator.....	231
Graph 5: Reasons why respondents thought it would be easy..... To sell their property.....	237
Graph 6: Reasons given as to why the respondents would not find..... It easy to sell their houses.....	239
Graph 7: House size.....	243
Graph 8: Satisfied / dissatisfied with the services.....	245
Graph 9: Improvements undertaken - services.....	248
Graph 10: “ - external.....	248
Graph 11: “ - internal.....	248
Graph 12: “ - extensions.....	248
Graph 13: “ - site improvements.....	248
Graph 14: Sources of finance.....	249

## LIST OF PIE GRAPHS

Pie graph 1: Comparison of monthly income distribution of the..... Total sample with that of consolidators.....	228
Pie graph 2: Vocational status.....	230

## LIST OF TABLES

Table 1: Per capita existing projects in Durban Functional Region (DFR).....	80
Table 2: Metro Housing Unit (MHU) strategies.....	90
Table 3: strategic Planning (MHU).....	101
Table 4: Projected Household income.....	137
Table 5: Sample.....	196
Table 6: Respondent's views on their new homes and location.....	214
Table 7: What the respondents like about their house and site.....	217
Table 8: What the respondents dislike about their house and site.....	219
Table 9: Issues that strongly influence improvement of house and site.....	221
Table 10: Reasons for being satisfied or dissatisfied with the facilities..... in their area.....	223
Table 11: Reasons respondents are satisfied or dissatisfied with their services.....	224
Table 12: Income profile of consolidators and non-consolidators.....	226
Table 13: Gender and housing consolidation.....	227
Table 14: Comparison of the monthly income distribution of the ..... total sample with that of the consolidators.....	228
Table 15: Vocational status.....	229
Table 16: Comparison on where most of the money is spent.....	231
Table 17: Likes and dislikes about home ownership.....	233
Table 18: Improvement or worsening of economic situation.....	235
Table 19: Reasons why respondents thought it would be easy to sell their ..... Property.....	236
Table 20: Reasons given as to why the respondents would not find it easy..... To sell their houses.....	238

Table 21: What they like about their property as it exists in relation.....	
To improvement.....	240
Table 22: What they dislike about their property as it exists in relation.....	
To improvement.....	241
Table 23: House size.....	243
Table 24: Satisfied or dissatisfied with the services.....	245
Table 25: Summary of all improvements undertaken by respondents.....	247
Table26: Sources of finance for the completed and planned improvements.....	249
Table 27: New subsidy amounts.....	319

## **LIST OF FIGURES**

Fig. 1 Urban and Rural Development Framework: Housing Code Chapter 2.....	181
Fig. 2 Legislative Framework.....	184

## **CHAPTER 1: INTRODUCTION**

### **1.1 Focus of the study.**

The aim of this study is to evaluate the housing policy in Kwa-Zulu Natal. The National Housing Policy was promulgated in 1994. The Provincial Housing Policies are based on the National Housing Policy. These policies were designed in such a way that the local authorities and the metropolitan councils could adopt and prepare policies that would meet the needs of the people within their administrative areas. Chapter 3 will deal with these policies, viz, national, KwaZulu Natal and the Durban Metropolitan Housing Policy.

This study focuses on assessing the impact of the Provincial Housing Policy in alleviating the housing crisis. The findings of the study will therefore establish whether the policy has been a success or a failure. This will be determined by various factors such as the quality of the unit, the size and the improvements on the property. There are some factors that affect the implementation of the housing policy in South Africa as a whole. In Kwa Zulu Natal these relate to:

- Other policies and legislative frameworks such as Ingonyama Trust Act, environmental legislation, planning legislation and building controls;
- Political factors relating to conflicts between the IFP and the ANC;
- Role of traditional leaders in the province that has caused so much dissatisfaction amongst traditionalists; and

- Economic factors that have an impact on job creation hence the increase in unemployment.

These factors are variables that influence the effective and efficient implementation of the housing policy in this Province. This has also affected the end product (top structure) due to the processes that are followed.

No other legislation other than the Development Facilitation Act, 1995 (Act No 67 of 1995) exists that can “fast track” development. All the other bits and pieces of legislation have a delaying effect on housing delivery. The housing policy does not take cognisance of this. In the light of the foregoing, it is clear that the housing policy on its own cannot function effectively and properly without resolving the other factors mentioned above. It is therefore imperative that when evaluating this policy, those responsible for other policies should be involved and consulted to ensure that the outcome is acceptable and implementable without delay.

## **1.2 Synopsis**

The study focuses on the evaluation of the housing policy in KwaZulu Natal (KZN) using the former Durban Metropolitan Area as a case study. This is based on the concern of various groups, which include the following:

- i) The delay in housing delivery. Breaking a promise of delivering one million houses within the first five years of office of the new democratically elected government;
- ii) The problems regarding the sizes of the subsidised houses due to financial constraints or low budgets;
- iii) The shortage of accessible land (accessibility in this instance referring to facilities and bulk services); and
- iv) Incorporating of other policies that might have an impact on housing delivery.

Notwithstanding all the above, the critical issue is the establishment of a model housing policy which could satisfy all those involved without compromising the standard of services and the structure itself. The availability of adequate funds and an implementation programme that is efficient and effective is lacking.

### **1.3 General outline of chapters**

This thesis is divided into eight chapters.

- Chapter 1 – This chapter introduces the topic, deals with the focus of the study, the background of the housing problems in South Africa in general and the objectives of the study. It furthermore looks at the hypothesis and

the limitations of the study. Finally, It deals with the definition of the concepts.

- Chapter 2 – This chapter deals with the Development Framework for the evaluation of housing policy and the international perspective. It focuses on the literature by various writers who were / are concerned by the housing problems in South Africa even before the new government. Some housing problems in Brazil are used as examples to establish how better to address the South African housing problems.
- Chapter 3- It deals with the origins of housing problems in South Africa. This section focuses on the history of housing problems in South Africa and how the apartheid government failed to address the growing housing need.
- Chapter 4 – This chapter deals with the review of legislation and policy development in South Africa. This chapter tries to incorporate various pieces of legislation that have an impact on housing development.
- Chapter 5 – This chapter deals with the research methodology. It introduces the mechanisms that were used in data collection and how that data was processed. It also gives an indication on how the results are presented.
- Chapter 6 – It presents the results both graphically and in written form. The presentation of results depicts the two types of questionnaires presented to the beneficiaries and the officials.

- Chapter 7 – It deals with the analysis of results and how this impacts on the whole housing policy in terms of its implementation and the end product.
- Chapter 8 – It deals with the recommendations (including the presentation of the housing model) and conclusions. The recommendations are based on the findings of the research and the views of the participants.

It should be noted though that chapter 2 begins with the theoretical framework using the literature that leads to the current policies. It has therefore, as a sequence, become logical to present the various policies at the end of the literature review. The other chapters are as indicated above.

#### **1.4 Background**

The following discussion is mainly based on both the formal and informal interviews and discussions with various people in the province.

Housing has been a problem in South Africa since the discovery of gold in the 1800s (Maasdorp & Humphrey: 1995: 23). Even prior to that period, when the first Whites settled in parts of the country that have developed as cities today, there was a need for black labour to assist with such developments. Various tactics had to be applied to ensure that Africans were

pushed from where they resided (rural areas) and pulled into the urban setting. Obviously, they had to be provided with accommodation.

On the other hand, prior to the invasion of South Africa by the White settlers, the Africans enjoyed a communal lifestyle. There were villages and everyone had access to a decent shelter (according to their accepted standards) food and security. In KwaZulu Natal (being the focus of the study), the survival of the people was in the hands of their leader who acted as their protector during invasion and wars.

History states that the White man destroyed the communal lifestyle in order to satisfy social and economic needs; as well as political needs (of divide and rule). The well-being of the Zulu people was destroyed through various tactics applied by the Whites:

- The land of the African people was taken away and their livestock was destroyed in various attacks;
- Tax was introduced which was to be paid by each household;
- Kings were banned or exiled, destroying the powers of the local leadership; and
- The KwaZulu area was divided into portions and the White settlers elected their own Amakhosi (those who accepted their rules).

At this stage various people within the communities revolted against these impositions in support of the then Zulu King (King Dinuzulu KaCetshwayo KaMpande). Amongst these was Bambatha KaMancinza who led King

Dinuzulu's amabutho during the rebellion against the hut tax. Because the Whites were so powerful in their alluring strategies, men left their wives and children for the urban areas. They were accommodated in hostels, which were far from being suitable for people to reside comfortably and hygienically. Furthermore, they were separated from their families for long periods. As such, the rural areas were left bare with only the elderly, the wives and children tending to the needs of the household. It is ironic that whilst African labour was needed in the urban areas, they were not accepted as residents in these areas. Because they were not provided with adequate facilities and services, the sanitary conditions were terrible. There were often outbreaks of diseases such as diarrhoea, tuberculosis, Bubonic plague and also influenza that killed a lot of African people (Lemon : 1991: 2). Such outbreaks led to an outcry from various quarters of the white community. Because the African people were residing in areas that were not demarcated for them at that stage, the municipalities were forced to identify land that was far away from city centres to ensure that there was no contact with the White communities. This was then the beginning of racial zonings.

It should be remembered that when cities were introduced in Europe, they were designed in such a way that the residential areas were in close proximity to the factories, railway line and rivers / water. Unlike the old forms of cities, where central to them were the recreational facilities and the Cathedral, the focal point of these new cities was the work place and transport. When the Whites settled in South Africa, they copied this type of development with only one exception; they did not know what to do with the African people. That is why prior to the outbreak of diseases, the Africans

were also residing in hostels in close proximity to their workplaces and white suburbs.

As the government of the day passed policies to remove Africans from where they were and relocated them to other areas, the main issue was to find accommodation for them. The government at the time was not prepared to spend substantial money on housing for black people. At the same time the push-pull factor was very strong, increasing the housing backlog was increasing. The establishment of townships did not solve the problem even though the Africans were generating substantial revenue for the state. The then government did not have a problem with the Indians and Coloureds initially as they were in small groups.

According to Maasdorp and Humphrey (1975: 27), the establishment of townships such as Kwa-Mashu, Umlazi, Soweto, Mdantsane, and Langa did not solve the problem of the housing crisis. This put pressure as the townships residents introduced backyard shacks to accommodate the newcomers. There were two types of tenants.

- 1) The first type was the spill over from hostels. The majority of the hostels were built by the employers to accommodate their employees. There were few government owned hostels, and these were always full of illegal squatting.
- 2) The second type was women and children. Whilst the man resided at the hostel, his visiting family would be accommodated at a shack in one of the townships. The man would pay the landlord/lady rent and

visit his wife and children over weekends or whenever he was off duty (Maasdorp and Humphrey: 1975: 27).

This carried on for years until the townships could no longer sustain this demand whilst at the same time, these tenant families were expanding and needed their own spaces.

To accommodate the above need, in certain instances the employer, who in most cases were the mines or the railway, bought pieces of land and built houses for their employees. The unfortunate workers, who were not given assistance by their employers, opted for invading land adjoining the townships and erected shelters as some form of accommodation. This was then the beginning of informal settlements in and around the urban areas. The government of the day should have seen it coming because as the people were running away from the impoverished areas (caused by the same government policies), provision for housing and other facilities should have been made.

The people could not build concrete and decent structures because there was no security as they could be removed at any time. Furthermore, they still had their rural bases that were required for customary and traditional activities. Henceforth they did not want to spend more money on land that did not belong to them. The government then passed various laws to curb the problem of land invasion in the urban areas. The government passed the 1923 land laws, influx control act, group areas act, etc. All these could not curb / control the problem. The introduction of the homeland system was

also one of the strategies to ensure that people were kept and employed in their respective homelands (Maasdorp and Humphrey: 1975: 24). One example is that of bussing people from Cape Town to the Transkei and leaving them stranded in Umtata in 1981. These people were kept in the community hall while negotiations were underway to return them to Cape Town. The author talked to these people and they revealed that the majority were born somewhere in the Transkei although they no longer had links with their rural bases, they therefore had nowhere to go.

The above therefore highlights the fact that the problem of housing dates back to more than 200 years ago. Thus when the ANC, in its 1994 pre-election campaign promised a million houses in its first term of office, many critics questioned the wisdom of such a statement as they knew the intensity of the problem. It was obvious that no housing policy would address the housing backlog within a short period of time as there were so many other problems linked to it, for example, land tenure, planning legislation and other contradictory legislation and policies. There were attempts to address the housing problem; but the delays in the actual delivery slowed the process of alleviating the housing crisis.

## **1.5 Objectives**

The main objectives of the study are

- To critically evaluate the housing policy and the respective roles of national, provincial and local government in housing delivery;

- To ascertain the views of the housing beneficiaries on the efficiency and effectiveness of the delivery system
  - a) generally in the Province; and
  - b) more specifically in the then Durban Metropolitan Area;
- To identify the main flaws and deficiencies in the housing policy and on the management of the housing delivery system;
- To ascertain the impact of the land issue on the provision of housing both provincially and locally; and
- Develop a model for the management of housing delivery in the Province, generally as well as specifically in the then Durban Metropolitan Area.

Based on the above objectives, it is the intention of the study to investigate effective means of designing and implementing a housing policy that would be beneficial and acceptable to all. The current policy deals with the housing delivery system by accommodating the various needs of the previously disadvantaged citizens of this country. In this regard, the policy focuses on various critical issues such as the implementation of the housing subsidy scheme, which is focusing on institutional housing, transitional housing, insitu upgrade and Greenfield developments.

All the above mentioned housing schemes have to be accommodated within the permitted maximum of R28 279.00 (excluding 15% allowance). It should be noted that the servicing of sites from the same budget has been received with dissatisfaction by the various sectors, particularly the beneficiaries, as the understanding at the grassroots level is that the subsidy

allowance is for the top structure not infrastructure. Some of the critics state that if the housing subsidies were increased every year (since 1995) to meet the inflation rate, the increase would have been above R40 000.00 per site by now and would deliver approximately a 45 square metre unit. The other issue that was not initially catered for in the in-situ upgrade was a compensation fund; which became problematic for local councils when they had to relocate people.

Notwithstanding the above, through the housing delivery process, the policy states that housing delivery should take cognisance of skills transfer, capacity building and upward mobility for both unskilled and skilled labour (Housing Policy: 1998: 9). The policy clearly states that there should be mechanisms that stimulate entrepreneurial development in creating new housing environments that maximise the participation of historically disadvantaged and emerging entrepreneurs. The policy also provides support for the role of women in the housing delivery process.

It should be realised that it is the intention of the policy that the housing delivery process be initiated on a sustainable basis, with short-term action not frustrating medium to longer-term interventions. On the other hand it provides for the redevelopment of the hostels and also the provision of the special needs housing that would accommodate the youth, the disabled and the aged (Housing Policy: 1998: 14). The policy also tries to address the issue of the payment of services by an incentive based approach in order to stabilise the housing environment. The study therefore focuses on the above policy issues that have an impact on housing delivery which at the end of the

day affect the end product. The issue of sustainability is debatable as the majority of the beneficiaries are unemployed. Presently, the basic needs are funded through grants (MIG), as the people cannot afford to pay rates. The question is, what will happen in ten years time from now, when it is time to replace / upgrade the services.

There are other problems as well which relate to the acquisition of land and the institutional arrangements. Urban land suitable for housing developments (with particular reference to low cost housing) is in short supply and expensive. The policy compels local authorities to have Land Development Objective (LDOs) before the approval of housing projects. Presently, the identification and acquisition of land for low cost public housing is the responsibility of local authorities (this is according to the prevalent housing policy).

The municipalities are finding it difficult to acquire such land given the supply thereof, the location of such land, as well as issues such as land claims. At present, the government is also committed to the restoration of land rights. Both programmes (housing and land restoration) might be competing for scarce resources (Makhathini: 1999: 4)

The other issue that is of importance is the institutional arrangement. The national government, together with the provinces and local government determines the national policy. The present policy was promulgated at national level. The provincial policies were therefore adapted from the national one. At provincial level, the MEC monitors performance. The

Housing Boards (since dissolved in KZN and replaced by the Housing Advisory Committee) both national and provincial played an advisory role. The local authorities are supposed to implement these programmes.

Since the implementation of the housing policy after 1994, the researcher has no knowledge of its assessment and evaluation being done. This therefore calls for its review to ensure that it is implemented in accordance with the needs of the people (where possible) and ensure the sustainability of the projects. There have been minor amendments to the housing policy prior to 1 April 2002 when there was a major increase in subsidy amounts. Since then, the housing subsidies have been revised annually.

To illustrate the problems faced by the provincial government in the provision of housing, a case study of the then Durban Metropolitan Area (DMA) is used. The DMA is constituted of a variety of housing programmes, ie rural and township establishments.

The research area focuses on evaluating the housing policy in KwaZulu Natal. Six key questions are addressed in the study:

- Is the current housing policy meeting the aspirations of the local communities?
- Is the housing delivery system efficient and effective?
- How does the current housing subsidy scheme affect the quality of the end product and sustainability of the project?

- What is the impact of planning and development legislation and building regulations / controls on housing delivery?
- How does the land issue affect the housing delivery process?
- What is the role of the different stakeholders in the formulation, development and implementation of the housing policy?

In light of the nature of the study and the information required, a survey research method will be used. Two types of questionnaires will be administered:

- 1) There will be a questionnaire that will be administered to the beneficiaries only; and
- 2) The other questionnaire will be administered to the government and municipal officials, the politicians and the private developers.

A clearly spelt out research methodology will be dealt with in Chapter 5.

## **1.6 The hypothesis**

The hypothesis that is tested by the findings of the study is

“The current housing policy has not delivered an effective and sustainable housing programme for the low income people in KwaZulu Natal (KZN).”

The hypothesis is broken down into sub-hypotheses as follows:

- The current housing policy has failed to provide adequate housing for the poor people of KZN;
- The categorisation of the housing subsidy scheme excluded the majority of the KZN citizens by way of focusing on income earners and excluding the unemployed;
- The low-income people prefer bigger houses to services and infrastructure;
- The local authorities are rigid and inflexible when it comes to the relaxation of standards and requirements;
- There is inadequate accessible land for low cost housing due to the lack of land in inner city areas and the rigid town planning and environmental regulations; and
- Bureaucracy frustrates the process by way of disorganised officials and confused / indecisive community structures, causing unnecessary delays.

In chapter 4, the relevant policies and their effect on housing delivery are discussed.

## **1.7 Limitations**

The major problems experienced with the study are the following:

### **1.7.1 The extent of the case study area:**

The study area is vast and conducting interviews in all the areas constituting the sample area was time consuming as it involved extensive travelling. Also the fact that interviews could only be secured during week-ends as most people are working during the week. Furthermore travelling to other provinces such as Gauteng, Mpumalanga and the Northern Province was costly and could not verify certain issues necessary for developing the housing model.

### **1.7.2 Time**

Securing time for interviews with senior provincial housing officials and the MEC, Metro housing officials, senior politicians and developers and contractors was very difficult. It should be realised that these people are very busy and it was not possible to secure quick appointments. Furthermore the time allocated for interviews was a major problem which was always rushed with the interviewer not having enough / adequate time to probe.

With regard to the developers and building contractors involved in housing development, one of the major problems was to locate them because some of the developments happened about 7 to 8 years ago. In this respect, the researcher had to rely on documents available to local authorities, which meant spending more than a day investigating such information, where available, or visiting the provincial offices.

Unfortunately, with the politicians, the interviews were conducted with the newly elected councillors, the majority of whom were not previously involved. This had its limitations mainly because they could not provide an informed comment from the councillor perspective. It was very difficult to secure appointments with previous councillors, as some of them were less interested and others were too busy in their new work places to grant an interview.

### **1.7.3 Funding**

As the researcher did not secure adequate funding for the study, it was difficult to find people to assist in administering the questionnaires. The researcher had to rely on unqualified people who were not in a position to probe further. These people were only limited to interviewing the beneficiaries and the researcher herself had to administer the interviews with senior officials, the Housing MEC, politicians, developers and building contractors.

### **1.7.4 Transport**

Because of the extent of the case study area, the researcher had to travel a lot, also transporting the research assistants around. This wasted a lot of time in administering the questionnaires as most of the time was consumed by travelling. Also the language was a limitation in the other provinces visited such as the Northern Province.

### **1.7.5 Changes in local political structures**

The changing of the MEC for Housing in the Province had negative dynamics, as there was a shift in ideology and commitment.

## **1.8 Definition of terms and concepts**

### **1.8.1 Housing Policy**

This refers to the housing policy as defined in terms of the Housing Act, Act No. 107 of 1994. A policy is therefore a general plan of action adopted by any government or political party. In this instance, the housing policy means, that, adopted by the South African government to guide the housing provision programme (Housing Act, 1994)(Act No.107 of 1994).

### **1.8.2 Low-income people**

In terms of the housing policy, low-income people are those people whose earnings are between R0.00 and R3 500.00 per month (National Housing Policy: 1994).

### **1.8.3 Housing subsidy scheme**

In terms of the National Housing Policy (1994), the government has made available financial assistance to the low-income people to promote housing

delivery by way of servicing the sites. This is guided by the individuals' personal income. The maximum subsidy amount at present sits at R28 279.00 per site and decreases as the individuals' income increases. This scheme only applies to the first time homebuyers (National Housing Policy: 1994).

#### **1.8.4 Local authority**

This refers to the municipality or responsible authority that administers the area as determined by the Demarcation Board and the Municipal Structures Act, 1998 (Act 117 of 1998).

#### **1.8.5 National Building Regulations**

These are standards and requirements that have to be met in terms of the quality of materials that should be used for a building, the size of the building, etc.

#### **1.8.6 Inner City land / areas**

This refers to the land that is located within or on the edges of the CBD. The main issue here is accessibility to the facilities and bulk services.

### **1.8.7 Provision of infrastructure**

This refers to the provision or supply of roads, water, electricity, drainage services, sewer, etc.

### **1.8.8 Top structure**

This refers to a dwelling unit that is constructed from residual funds (left when servicing the sites). It is called a top structure because the majority of these units do not qualify to be houses due to their size and quality in terms of the building regulations. Presently, the provincial government is insisting on the delivery of a 30-sqm house.

### **1.8.9 Beneficiaries**

Beneficiaries are those people who have been allocated sites and directly benefit from the housing subsidy scheme. They must be the first time homebuyers / homeowners.

### **1.8.10 Planning and Development legislation**

This pertains to regulations in terms of the KwaZulu Natal Planning and Development Act, 1998 (Act 5 of 1998) This Act is replacing the outgoing Town Planning Ordinance, 1949 (Act 27 of 1949) (as amended) which designates and proclaims townships.

### **1.8.11 Environmental legislation**

This refers to legislation that governs and protects environmentally sensitive areas in terms of the National Environmental and Management Act, 1998 (Act 107 of 1998).

### **1.8.12 Land Reform legislation**

This pertains to land distribution and land restitution. This is in terms of the Land Affairs Act, 1992, (Act 11 of 1992), the Restitution of Land Rights Act, 1994 (Act 22 of 1994) and the White Paper on Land Policy of 1997. This is designed to address land issues and land claims to, and by, previously disadvantaged communities.

### **1.8.13 Stakeholders**

This refers to the affected parties. In terms of housing development, the term stakeholder refers to provincial officials, local authorities, politicians, beneficiaries, professional assistants and developers / building contractors.

### **1.8.14 Peoples Housing Process**

The Peoples Housing Process aims to support households who wish to enhance their housing subsidies by building or organising the building of

their own homes themselves. This process is a method of accessing the Project Linked, Project Linked Consolidation, Institutional, or Rural Subsidies as well as technical and other forms of assistance in the house building process.

#### **1.8.15 Rural Subsidies**

This housing subsidy is available to beneficiaries who only enjoy functional tenure rights to the land they occupy. This land belongs to the State and is governed by traditional authorities. The subsidies are only available on a project basis and beneficiaries are supported by implementing agents. Beneficiaries also have the right to decide on how to use their subsidies either for service provision on building houses or a combination thereof.

#### **1.8.16 Institutional Subsidies**

The Institutional Subsidy is available to qualifying institutions to enable them to create affordable housing stock for persons who qualify for housing subsidies. The subsidy is paid to approved institutions to provide subsidised housing on deed of sale, rental or rent to buy options on condition that the beneficiaries may not be compelled to pay the full purchase price and take transfer within the first four years of receipt of the subsidy.

### **1.8.17 Project Linked Subsidies**

This housing subsidy mechanism enables a qualifying household to access a complete residential unit, which is developed within an approved project linked housing subsidy project for ownership by the beneficiary.

### **1.8.18 Consolidation Subsidies**

This housing subsidy mechanism has been designed to afford previous beneficiaries of serviced stands, financed by the previous housing dispensation the opportunity to acquire houses. A top up subsidy of R15 000 to construct a house is granted to beneficiaries with a household income not exceeding R1 500 per month.

## **1.9 Conclusion**

The introductory chapter has thus given an overview, as well as the background and the objectives of the whole study. It is clear, in the outlined objectives, that the housing policy is presently not meeting the expectations and the needs of the people. Even the government is not happy with the progress. The questions therefore are:

- i) what went wrong?
- ii) how can the situation be corrected?

As indicated, housing should be addressing the following issues.

- The accessibility to opportunities (facilities, services, employment opportunities) to cut down travelling costs;
- The provision of basic infrastructure such as water and sanitation;
- Provide protection from certain unwanted elements and warrant space for eating, sleeping, and relaxing, privacy and family life;
- The size of the site should be able to accommodate all the needs of the individual families;
- The beneficiaries / owners should be able to improve their properties;
- The local labour and contractors should be given job opportunities by way of refuse collection and the maintenance of the infrastructure;
- Adequate housing should be suitable for its social, political and cultural context, involving community participation in all contexts; and
- Forms of tenure, which do not discriminate against women, should be provided.

Finally, it is clear that the present system is experiencing problems particularly with regard to improving the quality of life and its sustainability. Some of these problems are due to the unclear and ineffective roles of the different spheres of government. There are also other problems that relate to the acquisition of land and the institutional arrangements. The study will therefore try and elucidate such problems and project how they could be solved.

## **CHAPTER 2: FRAMEWORK DEVELOPMENT FOR THE EVALUATION OF HOUSING POLICY AND THE INTERNATIONAL PERSPECTIVE**

### **2.0 Introduction**

This chapter is divided into two sections.

- The first, deals with development of a framework for the evaluation of a housing policy.
- The second, deals with international experiences on housing delivery. The focus is on Brazil as there are similarities with the South African housing policy.

It should be noted that there is not much comparison with international housing policies due to a lack of literature and limitation on accessing information. As much as South Africa is part of the global village, it is imperative to note that it is still testing some of its policies to ensure that there is a proper planning and implementation process. It is therefore in this light that the comparisons provided are based mainly on Brazil with a lesser reference to other South African provinces' housing types such as Gauteng, Mpumalanga and Limpopo.

## **2.1 Development of framework for the evaluation of housing policy.**

Prior to dealing in depth with the review of housing policy and development, it is imperative to look at the ultimate goals of the policy, and how those goals are intended to be achieved. This can assist in the ultimate evaluation of the policy based on whether such goals were achieved. According to Dewar and Ellis (1979:7) the goals of a housing policy may include intentions such as the stimulation of security of tenure, the stimulation of economic upliftment, the creation of employment, the provision of shelter, services and privacy to a level compatible with physical, mental and societal health.

After the first democratic elections in South Africa (1994) the main emphasis was to redress the imbalances caused by the apartheid system of government. Various options to stimulate the economy were explored. In this regard the Peoples Housing Process approach was introduced. To this effect, the Thematic Committee of Habitat Agenda (2001: 2) indicated that the Peoples Housing Process approach really addressed the issue of unemployment and the stimulation of the economy.

In South Africa, the right to housing is embedded in the Constitution. Article 26 of the Bill of Rights in the Constitution states that:

- “Everyone has the right to adequate housing;

- The State must take reasonable legislative and other measures, within its available resources to achieve the progressive realisation of this right; and
- No one may be evicted from their home, or have their home demolished without an order of court made after considering the relevant circumstances.” (Republic of South Africa Constitution: 1996).

Furthermore, the Housing Act, 1997 (Act No. 107 of 1997 commits the South African government to the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities in areas allowing convenient access to economic opportunities and to health, educational and social amenities in which all citizens and permanent residents of the Republic will, on a progressive basis have access to:

- Permanent residential structures with secure tenure, ensuring internal and external privacy and providing adequate protection against the elements; and
- Potable water, adequate sanitary facilities and domestic energy supply.

To successfully implement and evaluate the housing policy, the following should be noted:

1. The goals must be correctly framed. This could be achieved through policy goals that are appropriate, relevant, and synoptic which correctly reflect priorities, that may change with time;
2. The path chosen to achieve the goals must be appropriate and realistic. This could be achieved when the chosen path achieves the policy goals, and is realistic; and
3. The implementation mechanisms and procedures must be effective. This means that the appropriate tools and procedures must be used and must allow long-range solutions (Dewar and Ellis: 1979: 8-14).

According to Dewar, Andrew and Watson (1981: 3), there are other issues that should be looked at in housing delivery. They call these “housing principles”. These refer to the benefits of the policy being spread across the largest possible number of potential recipients. They also bring an important aspect of “affordability” where they state that there must be a closest possible fit between supply and what people can “afford to, or wish to, pay for housing”. In addition, peoples’ priorities should be known, as is a case of demand and supply. This leads to the communities being encouraged to take control over factors most closely affecting their lives, such as job creation and the circulation of income being widespread.

Furthermore, according to Dewar, et al (1981: 5) the system of housing supply should allow the ingenuity and ability of as many people as possible to be incorporated into the housing system. Finally, the system must

promote the maximum possible security of tenure and foster stability and continuity in the building sector.

What needs to be considered carefully are the key issues underlying the housing policy, that is, the amount available for housing and the way in which the money is spent. According to Dewar et al (1981:7), this pertains to an appropriate form of housing delivery.

Finance has always been a problem in South Africa in order to meet the housing backlog. As far back as in the early 1980's, the country was experiencing the same problem, although at that stage, the then government was focusing on certain areas. The present government has broadened its scope of delivery, but, with a different form of housing delivery as compared to previous times.

Dewar et al (1981: 8) stated that housing delivery funds would have to be substantially increased if the housing problem was to be tackled on a sustained and large-scale basis.

The form of housing delivery has always been a challenge of the housing policy. Dewar et al (1981: 8) argued that a range of delivery systems could be used to great advantage to supplement conventional housing programmes. These range from tenured sites, sites and services, services plus a fire wall, a

firewall plus a wet core, a wet core and one room, and a wet core plus two rooms. This approach also implies authority assistance in upgrading existing housing resources such as squatter housing or blighted formal housing areas.

The present government therefore considered most of the issues identified by Dewar et al (1981) in its housing policy. In 1994 the Reconstruction and Development Programme (RDP) was established. This Programme set a new policy agenda for the country based on the principles of meeting basic needs on a sustainable basis. In addition, to ensure that there is economic growth and a decline in unemployment, it introduced the Growth Employment And Redistribution (GEAR) macro-economic strategy. Both of these strategies have influenced policy decisions in this country.

Furthermore, the South African Housing Rights Commission was established in terms of Chapter 9 of the Constitution. It carries out and publishes an annual report on the realisation of the rights outlined in the Constitution (RSA: 1996) including the right to adequate housing. In addition, to ensure that low income people have access to housing finance, legislation has been introduced that requires financial institutions to disclose their mortgage lending activities.

Although the South African housing policy provides for an effective right to housing for all its citizens, the issue of prioritisation is important given the

context of extreme housing needs and shortages. In the Housing Act (1997) priority is accorded to the poor and the addressing of special needs.

## **2.2 Housing Policy of Brazil**

In 1983, a housing policy that recognised the existence of slum areas was promulgated. According to Hereda and Negrelos (2002: 6) this policy proposed the upgrading of these areas and community participation. This was influenced by the fact that from 1989 to 1992, there were interventions in 92 slum areas, representing more than 50% of the areas existing at that time. The main aim of the policy was to provide the infrastructure and urban services. The main focus however, was implementation of the basic infrastructure. This is emphasised by Cabannes (2002:7) who states that the changes in municipal policy was to promote the establishment of strong communities capable of managing their own housing infrastructure and services. To ensure that this was achieved, the communities were assisted to start up credit, technology and skills training.

Cabannes (2002:7) also mentions that a holistic approach was used to ensure that housing did not only limit itself to the provision of a topstructure and basic infrastructure, but also addressed the problems of employment, education and training, social facilities and services through a broad-based participatory approach to planning, decision making and resource management.

Notwithstanding the above, Hereda and Negrelos (2002: 9) argue that with the land becoming increasingly expensive, the occupation in the slums densified and environmental risk areas continuing to be occupied. They further suggest that (2002:9) the situation worsened due to the budgetary constraints as the municipalities provided the only financial resources without any support from the government.

Several interventions were proposed to address the situation. This was done through augmenting the amount of resources that go to the housing sector. Furthermore, the real estate market was regulated to facilitate the access of low-income groups to this market.

According to Cadaval Bede (1999: 14) favelas have been part of the cities since their creation a century ago. Similarly to South Africa during the early mining years, Belo Horizonte is a planned city and the original plans did not include areas where the families of labourers, who came to build the city, could live. So there arose the first irregular settlements or favelas to house those pioneers, who were excluded from the very city they were helping to build.

Cabannes (2002: 9) states that the main initiative was to improve the existing settlements through the formation of solidarity groups comprising of 10 to 15 families who were committed to improving their housing. Loans were provided to these individual families to improve their homes. As much

as the programme was successful, there were also major difficulties experienced throughout. One of the main problems was the security of tenure. This led to the families and groups being reluctant to borrow money to improve their housing and to gain access to public utilities such as water and electricity. This was overcome partially by the programme but had to be extended to inhabitants of the favelas as a whole, before large-scale transformation could take place.

With the acceleration of industrialisation and the subsequent urbanisation process, which began in Brazil during the 1930's, the number of favelas, increased. According to Cabannes (1997: 35) cities grew under the logic of industrial capitalism. State investment in urban infrastructure was to facilitate industrial expansion, which generated a high demand for popular housing. Neither public intervention nor the conventional private housing sector helped in this instance. In this way favelas and illegal land subdivisions developed. Both cases resulted in self-help housing schemes being started without any technical assistance or orientation from local government.

There was no policy that was capable of fulfilling the housing needs for the low income people. This was made worse by the policy towards favelas which attempted to eradicate or ignore them. At the beginning of the sixties, Cabannes (1997: 36) states that the gravity of the problem mobilised social movements for urban reform and land occupations increased. This political activity declined after the military coup but in the seventies returned as

opposition to the military government. The end of the seventies brought a revitalisation of the political process and popular movements regained an important role, whose objectives became incorporated into the strategy of the government and part of electoral campaigns. It should be noted though that the position of public administrators in relation to the leaders of popular movements was always one of co-option.

Bede (2001: 13) argues that the housing problem in Belo Horizonte was no different from other areas. He states that the number of favelas in the mid-70's increased with a vengeance. It was a time of extreme flooding (1979 and 1982) and grandiose public works, which resulted in many homeless families and evictions. This resulted in the establishment of a political union that defended the interests of favela dwellers. It had in the past used the tactics of large demonstrations as the principal form of defence against the clearance policies carried out by the local governments. Bede (2001: 13) further argues that after a change of strategy it entered a period of negotiation with local government, with the objective of winning compensation and fairer conditions for the affected families.

Bede (2001:17) states that, the State Government created a Programme for Community Development, PRODECOM, in 1979. In Belo Horizonte, PRODECOM had as one of its objectives the improvement of the favelas. It was an innovative programme that incorporated community participation at all stages of the planning process, although its approach was more superficial and more restricted than the one that exists today. PRODECOM

just worked on improving the infrastructure and social aspects, however legislation to land regularisation in the favelas still did not exist. Its importance was in the fact that, for the first time, the state was involved in improving housing conditions in the favelas and not attempting to eradicate them.

Bede (2001: 18) avers that in the same year, the Federal law was created, which established parameters for the subdivision of urban land. However the same law opened the possibility of specific parameters for housing settlements of special social interest such as favelas through municipal and state laws, and in this way allowing land regularisation. Belo Horizonte was a pioneer in the creation of specific legislation for these areas, and at the beginning of the eighties the PROFAVELA Municipal Programme for the Regularisation of Favelas, was created.

Bede (2001:21) further states that the structure of the PROFAVELA law had two main aspects: firstly legal urban parameters for the regularisation of land subdivisions in favelas and secondly criteria for the transfer of land from the local government to the occupiers. The two principal directives of PROFAVELA are: to respect the original characteristics of the favela as far as possible, and to establish the basic right of housing, for example each family can receive the title to just one plot which is the one they are occupying. The fundamental change that PROFAVELA introduced was that for the first time favelas were legally recognised as part of the city. Today

the popular movements that participated intensely in this process are considered to have played a great part in the creation of this law.

In addition, Cabannes (1997: 41) argues that local government, which had responsibility for the application of PROFAVELA law, created the Urbanisation Company of Belo Horizonte, URBEL. Their work began in the favelas that were located in areas of public property where implementation was easier and cheaper.

In the beginning the application of PROFAVELA suffered because urbanisation was not planned and it was not integrated in the process of land regularisation. He further argues that this practice did not contribute a lot to the effective improvement of the conditions of houses in the favelas because inadequate situations were being legalised such as:

- Extremely narrow access roads,
- The unequal division blocks of land where the majority of these blocks were very small plots;
- Residences without minimum conditions for natural light and ventilation due to high density of houses; and
- The absence of appropriate public space.

Cabannes (1997: 41) concludes that public investment was wasted as the population of the favelas got used to technically inadequate patterns of improvement.

In this period, the local government also built many housing estates. These were always in large numbers in the periphery of the city and without appropriate infrastructure. These establishments were in fact illegal because the projects were not catered for within the existing laws. Bede (2001:18) argues that up until today the families do not have any documentation that regularise their ownership of the land, it remains local government property.

In the beginning of the nineties, Bede (2001: 18) states that these popular movements for housing elaborated the proposal of a national system of housing, which incorporated community participation in the formulation and execution of planning, and whose priorities were the low-income population. However, this proposal was not taken up universally by the federal and state governments, and until today the local government continues to face this great social problem practically alone. This indicated a lack of co-operative governance as far as planning and housing was concerned.

Bede (2001:18) confirms that from 1993 a coalition of left parties took power in the municipal administration, and it introduced several changes in the way housing problems in the city were treated. Inspired by the proposals of these popular movements, Bede (2001: 19) argues that the new

administration created the Municipal System of Housing, constituted by structures known as:

- URBEL;
- The Municipal Council of Housing; and
- The Municipal Fund of Popular Housing.

The Council deliberated on the politics, plans, programmes and projects proposed by URBEL, authorising in this way the liberation of financial resources from the Municipal Fund for the execution of what was approved. The execution of projects was undertaken by URBEL, which then involved several partners.

In addition, the government representatives formed a Council that would assist the public in controlling the local government's decisions in this area. It is notable that it had been instrumental in the development of local housing policy.

Bede (2001:19) states that the local government established what is called "Participate Budget". This structure was established to channel funds for intervention into housing policy. This introduced some great changes from the attitude of previous governments, although the local government alone

has not been able to release enough resources to resolve the housing problem in Belo Horizonte.

Bede (2001: 19) further states that a Municipal Conference of Housing was created to deal with policies. This Council meets every two years. The policies which are approved by the Council and revised by the Conference define a home as being “a dwelling inserted into an urban context endowed with the whole infrastructure and the necessary urban services as conditions for dignified living” (Bede: 2001: 19). This definitely differs from the South African context as the definition of a home also includes both urban and rural housing.

The general guidelines of housing policy include the promotion of participation by the population in all the stages of the execution of housing policy, to stimulate the generation of income for the families benefited by the housing programmes and finally to adopt appropriate technologies to improve quality and to reduce the cost of interventions (Cabannes: 1997: 21).

Cabannes (1997: 47) adds that the housing policy has also established priorities to house the families involved in popular movements and the need for the housing policy to be integrated with the other urban policies in areas such as sanitation and transport.

Cabannes (1997: 43) argues that in Brazil, more than 80% of the housing deficit is constituted by families of low-income earners having an income of less than US\$650 per month per family. Some of them live in rented accommodation, sometimes spending almost all of their income on rent, or living with relatives or friends in cramped and inadequate conditions. For these families the housing policy proposes the construction of subsidised new homes, with finance plans. The other part of the housing deficit is constituted of families that live in their own homes but live in precarious conditions, such as in the favelas, with the lack of infrastructure and services. In other areas there are threats of landslides or flood and insecurity of tenure. For these families the housing policy improves infrastructure and establishes land regularisation. In this way URBEL is working towards the resolution of the two principal dimensions of this housing problem simultaneously. In Belo Horizonte there are 50,000 homeless families and 100,000 families living in favelas.

### **2.2.1 The Construction of New Homes**

Bede (2001:25) argues that, in the construction of new homes, the housing policy proposed is a quality leap in relation to the practices of the past. Housing projects are constructed in neighbourhoods endowed with infrastructure and services, preferably with a maximum of 300 units. To avoid great social impacts, these houses are constructed close to the original

location of the benefited families if possible. The land that fulfils these criteria is usually expensive, and for this reason the new housing projects seek to maximise the use of the land, whilst guaranteeing that the houses are comfortable and of good quality.

It is stated in Bede's discussion (2001: 19) that the more common type of construction used in Brazil is a two-floor house, or four floor building. This is meant to avoid the need for an elevator and thus reduce the maintenance cost for the families. The construction process can happen in several ways but the one that is more popular is where the undertaking is totally managed by the beneficiary families. These families constituted associations and housing co-operatives. They receive financial resources directly from local government through agreements. This allows an advanced level of participation, contributing to the growth of the organisation and to the sense of citizenship among the involved families. It also provides an economy in the production cost since it uses the non-paid work of the beneficiary families. This eliminates profit because the homes are more appropriate to the needs and interests of the future residents. For all these reasons this alternative is considered by the popular movements as the best alternative for the solution of the problems experienced by the homeless in Brazil.

Bede (2001: 18) argues that the next indispensable step for dignified conditions for the new settlement is land regularisation. All projects and works must obey the established parameters in the existing legislation so that the relevant government bodies can approve them. This has indeed been

done in recent years in spite of the great complexity of procedures. For the transfer of the property to the beneficiary families, the housing policy proposes a system of sale financed in a way that is a true instrument of social justice. Bede (2001: 18) further states that the value of each monthly payment is established with respect to the capacity of each family's ability to pay. At the end of the previously established maximum period of 18 years, the family can register the deed of the property in their name. In most cases the value paid is smaller than the value of the public investment. This practice is very different to the donations that occurred in the eighties, which were in many cases exchanged for political favours. Besides, it is a way for part of the public investment to return to help other families.

Trujillo (2002:2) stated that since the eighties communities began to work as "mini municipalities" where all negotiations between government and peoples' organisations took place. This led to the fight for poor housing, which developed into large municipal programmes called "favela-barrio" which refers to the participation of the organised poor. According to Trujillo (2001:2) these programmes worked on prioritising their initiatives and which resulted into

1. The real housing deficit being lowered significantly because of the collective loans for self-help housing schemes;
2. New social services have been created such as training/employment centre, cultural centre and sport centres; and

3. Inexpensive, conveniently located, the community has created fruit and vegetable shops.

There were other social needs that were addressed by these programmes.

According to Cabannes (1997: 41) and Bede (2001: 19), it is common practice that annually, the local government allocates resources for the needs of the homeless. These are discussed by the Municipal Council and in the “Participate Budget” proceedings. Since the Municipal Council was created, almost 5,000 families have already been assisted or are being assisted, through these housing programmes.

### **2.2.2 Intervention in Favelas**

Today 21% of the population of Belo Horizonte live in housing with the characteristics of favelas (Bede: 2001: 21). The incorrect way to apply PROFAVELA law, as in the period previous to the creation of the Municipal System of Housing makes work in these areas more difficult. Other factors in turn make interventions extremely complex in favelas. One of the principal factors is the location of favelas on very steep areas or at the edge of rivers. This is explained by the fact that historically, the favelas were established in underdeveloped areas. The fact that old legislation recognised the favelas as part of the city explains why residents felt safe and built their

houses with long term materials, consolidating the establishment of housing and for this reason hindering the establishment of permanent housing.

In what it refers to as the judicial aspect, Bede (2001: 15) states that the great difficulty is that 70% of the favelas in Belo Horizonte are totally or partially comprised of private property (many of the proprietors claiming legal tenure). This makes the procedure much more complicated than in the public areas. Firstly, the residents had to exercise a right gained in the Federal Constitution of 1988, and to benefit whilst the financial costs were low. However the difficulties in the application of these measures are many. The preparation and the implementation of these actions are very slow and a difficult process. Besides, the judiciary still maintains a conservative attitude in relation to property. The alternative when this law cannot be applied, (which involves a higher cost), is the public purchase of land or direct purchase by the residents. In this case, the government always mediates. Lastly, there are still some situations where the proprietor donates the area in question as part of a debt. Another challenge is the imprecise registration of property in the public registry offices, mainly because of differences in the dimensions, location of property, and also for the practice of the urban grillagem.

According to Bede (2001: 17) because of the level of education and low income of the population resident in favelas, local governments' intervention is hindered by mistrust in public institutions. Furthermore, the local organisations have little legitimacy. What worsens the involvement of this

population in collective projects is by their location on the fringes of society, and their individualistic attitude, and isolation of families.

Bede (2001: 18) adds that, the favelas are a phenomenon that has accompanied the creation and the development of Belo Horizonte. Therefore, they should be considered as part of the structure of the city and treated as such. Besides, the Brazilian experience in this field shows that the favelas can be transformed into appropriate housing. The cost of this per family would be at least three times less than the cost of production of a new home. Therefore, the correct public policy is to solve the problem of favelas by urbanising them and regularising the land and integrating them into the city. This would in turn reduce the housing deficit.

Bede (2001: 33) mentions that the concept of Structural Intervention was created to have as a final product, a favela that is totally urbanised, regularised with its environment re-established and integrated into the city. The actions are planned in the beginning of the intervention through the elaboration of the Specific Global Plan of each favela. This is constituted of the three fields, for example, physical and environmental recovery, land regularisation and community participation. Then action is planned in stages, in an organised and progressive way, as determined by the availability of resources. The global and integrated approach to the favela problem regarding planning and intervention, contributes to the optimisation of applications for public resources.

According to Bede (2001:35) the municipality has a Specific Global Plan that has as an objective to define guidelines for the intervention in a particular favela. There are stages followed in the process, for example the collection of data, diagnosis, definition of intervention proposals and the prioritisation of actions and works. This approach includes the whole establishment and involves the physical, judicial, and social aspects.

According to Cabannes (1997: 39), a structure known as the Group of Reference was formed to facilitate the community's participation in the process. This is constituted at the beginning of the elaboration of the plan. Residents' associations and churches, mandated to speak to the government's technical teams, constitute it. To ensure equal participation, such groups are trained.

Based on the above, Cabannes (1997: 39) illustrated that there is participation of the community at all stages of the process. This is conducted through periodic meetings with the Group of Reference and irregular meetings with the whole community, whenever it is necessary. He further adds that through these mechanisms and advice by the technical teams, the people discuss and decide on all the relevant areas of intervention. He added that the technical teams not only promote the actions of popular participation but also stimulate organisation within the community.

To prepare the community for this type of exercise, Cabannes (1997: 39) states that there is a training need to review information from the municipal housing policy and Structural Intervention, as well as relative concepts to the idea of citizenship and quality of life provided. This is also linked to educational actions, for instance on environmental subjects as well as social politics, culture, education, health, and employment generation. This aims at promoting projects in areas of Structural Intervention.

According to Cabannes (1997: 42), this intervention recovers areas degraded environmentally for the city and elevates the quality of the housing stock, solving relatively basic problems such as accessibility, safety, sanitation and comfort. It further promotes the creation of spaces destined for leisure and collective coexistence, as well as making possible access to urban services such as transport and collection of waste. Everything is done within the guidelines of PROFAVELA maintaining the original characteristics of the existing space, making changes only when necessary.

Bede (2001: 35) states that action is always taken when the internal division of blocks of land are extremely unbalanced, creating inequality. Plots of less than 10 sqm can be seen, others being fifty times bigger through spontaneous appropriation of land. An agreement is sought with the community on the basis that the collective interest should prevail over individual interests. The consolidation and subdivision of land within blocks provide an improvement on living for all. This is a difficult process involving a collective agreement, negotiating with individuals to ensure that there is a significant improvement in the quality of life.

This is not without problems. Each favela presents potential problems that are identified by the technical team and the community during the elaboration of the Specific Global Plan. The acceptable standards and the quality received are in turn established by the reality of physical, financial and legal considerations. In order to obtain satisfactory results within technically and culturally acceptable standards, there is always a need to relocate some families. Bede (2001:37) argues that about 15% of the population of the favela are forced to leave their homes whether to widen roads, to install infrastructure, to reduce the population density of the block or to recover an area at risk of landslide or flooding. What normally happens is that the community creates a directive that resolves this question through the subdivision of space within blocks of land and the construction of new homes, which are usually blocks of flats. When this is not possible, land near the favela is used so that neighbours and working relationships between families are not broken.

According to Bede (2001: 18) the process of land regularisation is carried out in parallel with the installation of urban infrastructure. The projects for the urban infrastructure construction are carried out according to PROFAVELA laws and the Specific Global Plan. After the necessary adjustments, which always occur because of changes to the physical reality of the favela, the relevant government institutions approve the projects. Only after the legal establishment of roads, squares and plots, can the titles be transferred to the resident families. At this stage these are established by an

act passed by the local government. Thereafter, rules for land subdivision, use, and norms of construction specifications specific to that particular project come into force in that favela.

It is stated by Negreles (2002:11) that when the land is privately owned, the problem has to be resolved using certain methods either through the exchange of land, or the sale of land before the approval by government institutions. The federal law that controls the land subdivision has established that only the landowners can take this initiative. When the land is a publicly owned PROFAVELA, such property must be transferred to the occupants through sale, with a value defined by the local government. Until today the value has been symbolic, and virtually a donation. This process should be better evaluated and perhaps revised because with the charge of a higher value, the government will be able to recoup at least part of its investment and therefore improve its service to homeless families.

As has already been stated by Negreles (2002: 11), the cost of this type of intervention per family represents approximately one third of the cost of construction of a new home. This includes the purchase of the land, urban infrastructure and the construction of a house. If the Structural Intervention is seen as a method of reducing the housing deficit it can be concluded that the cost / benefit relationship is very favourable (Cabannes 1997: 37). However, considering the scarcity of local financial resources and the large number of families living in favelas in Belo Horizonte, it will only be possible to bring about complete intervention by a few settlements each

time. In this way a strategy has been adopted for implementation in stages, following the Global Specific Plan for each favela and without prejudicing the final result. In this way the time for implementation of the Structural Intervention in a favela is extended, but in compensation, a larger number of projects can be dealt with simultaneously. In this way the Structural Intervention has been implemented as a general policy for favelas in Belo Horizonte.

Cabannes (1997:37) states that in parallel to the Structural Intervention, runs PEAR - Structural Programme for Risk Areas, whose objective is to co-ordinate the various municipal administrative institutions. In this instance, the community operates in areas of risk with a view to eliminating the dangers of landslide, flooding and housing collapse in favelas. In 1994 a study was carried out which identified and classified the areas of risk in the city, and the worst types of risk were found in at least 45 favelas involving more than 15,000 families. URBEL with the co-ordination of PEAR counts on the participation of various local government bodies involved in three different areas, emergency action, definitive stabilisation work, and social mobilisation.

Bede (2001: 19) states that the emergency service is restricted to the rainy season and includes the monitoring of high-risk areas, including the removal of families in great danger and carrying out small works with the objective of keeping families in their own homes. Projects for long-term stabilisation in more critical areas are executed as resources become available through the

Participative Budget and external funding. Social mobilisation generally occurs in the dry season and consists of stimulating the creation of civil defence centres known as NUDECS in each favela where there are areas of danger and promotes the training and awareness of the population.

### **2.2.3 Urban legislation**

According to Cabannes (1997:39), Belo Horizonte is known as being the vanguard of urban legislation in Brazil. It was the pioneer of PROFAVELA, an innovator in its Director Plan as well as the new law of Subdivision and Use and Occupation of Land, approved in 1996. In 1997 the Municipal Council for Urban Policy - COMPUR, was created whose principal objective is to regulate and monitor the application of these two local laws and to organise a conference every four years, responsible for evaluation and proposing improvements. COMPUR has a limited number of state and community representatives, but participation at the conference is open. This experience has been extremely interesting, because for the first time in the history of Belo Horizonte a discussion and negotiation between diverse interests in the city has occurred in a clear and democratic way. Cabannes (1997: 46) states that to accompany the application, evaluation and revision of law, is certainly a fascinating novelty and has a strong educative effect on all who participate in the process, and above all for the representatives of the popular movements.

With respect to housing problems, (Cabannes: 1997: 39) the new law of Sub-division and Use and Occupation of Land, created Zones of Special Interest to delimit favelas and open areas destined for the construction of housing for low-income families. ZEIS 1-3 are the areas where PROFAVELA is applied, and its regulations are nothing more than a revision of this law. This work is being undertaken with the participation of representatives from favelas and has already been discussed in the Municipal Council for Housing and in COMPUR. Some modifications and additions were proposed which amplified the gains of the favela movement and incorporated suggestions resulting from at least fifteen years of experience of implementing this law (until today PROFAVELA has enabled more than 6000 families to obtain the title to their plots).

According to Cabannes (1997: 43), the proposal for the revision of PROFAVELA incorporated the idea of Structural Intervention and accommodated the major demands from the leaders of popular movements. He further states that this establishes mechanisms of inspection to control the use of and the invasion of roads and the maintenance of urban infrastructure work already carried out. A question that may arise in this discussion in the case of public land is whether to permit the concession of use and allow the land to be used without selling it. Several Brazilian cities have adopted this policy since these procedures can be simplified and enhance the control of the state so that these areas represent a warranty to housing for the underprivileged. In the case of resistance by the favela

community a mixed system can be proposed combining concession of use with the option of buying after some time.

Cabannes (1997:40) argues that the regulation of ZEIS-2 has been elaborated and will establish special parameters of land usage with low production costs and high quality. The homeless asked for the delimitation of land as they have high expectations in the process.

In the Cabannes (1997: 39) discussion, it is established that the Director Plan determines the elaboration of a strategic plan for public investment in favelas. The aforesaid document was developed to make a general forecast for the favelas of Belo Horizonte. It also groups them by their typologies and will define general criteria for the prioritisation of this investment. It therefore becomes an important instrument for the housing policies of the local government and is slowly complemented by Specific Global Plans for each favela.

Cabannes (1997:41), in his paper in the publication, Environment and Urbanisation (Vol 9, April 1997) states that the Brazilian government introduced two new approaches to financing and supporting the improvement of housing and living conditions of low income groups in the poorest states, Fortaleza. Cabannes (1997:45) splits these approaches into the following:

- 1) Comunidades Program which focuses primarily on the development of new homes, settlements and income generating activities for the lowest income groups; and
- 2) The second programme is known as the Casa Melhor, meaning a better house, which provides loans and subsidies and technical support to households living in squatter settlements or other poor quality settlements to improve/rebuild or expand their homes (Cabannes: 1997: 31).

In this project the NGOs played a critical role through raising funds with the help of some government agencies. According to Cabannes (1997:45), the programme raised its finances through combination of savings, loans and subsidies and has achieved high rates of repayment for the loan component. The mutual housing aid (mutirao) was launched by the national government as a response to pressure from the urban social movements, which had played a major role in promoting democratisation. The community organisations were offered grants. Problems similar to South Africa were experienced, as the grants were insufficient to address the housing shortage. Furthermore there was a need for strong resident associations to push the development. In addition, those living in the new homes did not have land tenure rights and seemingly no one was willing to address the issue.

Like any other third world (developing country) the state of Fortaleza was faced with problems of mismanagement that led to the closure of the major Brazilian housing institution, the National Housing Bank. The

difference with South Africa was the provision for the land, infrastructure and building material free of charge by the state for all those who earned five times below the minimum wage (Cabannes: 1997: 33). The low income households could therefore develop their own homes unlike in the current housing policy where the funds were for the provision of infrastructure, the top structure being treated as a secondary issue. Whilst the national government of Brazil was reluctant to embrace the strong root organisations that longed for the adoption of this policy, various factors were taken into consideration in the Comunidades Programme. The difference between munitores (mutual and housing) of the comunidades programme and the conventional munitores was emphasised through the following:

- 1) The land should be given to the organisation;
- 2) The existing grassroots groups are respected and there is no creation of a new one;
- 3) The munitaro is not limited to the building of ones' house, but also to the development of the land with, among other things shops, workshops, and kindergarten and leisure areas;
- 4) Income generating components are integrated within the comunidades but are lacking within controversial munitores;
- 5) It is geared to strengthening community and providing jobs and not only building houses (Cabannes: 1997:35)

Notwithstanding the above, there are other issues that were taken into consideration in housing developments. These include:

- 6) A respect for the existing environment. Furthermore, this would take into consideration the prevailing winds, orientation, natural water drainage channels and existing trees;
- 7) A hierarchical street plan with different levels of roads, from paths and secondary streets, to main roads giving priority to pedestrians which is uncommon in low cost housing schemes;
- 8) Integration of the site into the structure of the neighbourhood both on the physical level and in terms of the relationships between the different neighbourhoods; and
- 9) The provision of smaller public spaces (squares) and public facilities (Kindergarten, shopping centre, and mini industrial zone (Trujillo: 2001:6).

The above is quite interesting, for in South Africa, only the environmental impact and the engineering requirements are the main focus. Other facilities including shopping centres and industrial developments are secondary.

In terms of the designs, there are differences only in the type of material used. The site is 33 m<sup>2</sup>. Concerning the former, this is dictated to by climatic conditions. The structures were built in the conventional method, i.e.

- 10) Foundations made of rubble, stones and sand/cement mortar;
- 11) Waterproof layer of mortar;

- 12) Regular hollow 10 cm brick walls for load bearing walls;
- 13) Wooden roof covered with clay tiles; and
- 14) Cement floor finishing. (Trujillo: 2001:7)

The building process was done in the following manner:

- 1) Members through mutual aid built the houses and community facilities;
- 2) Each group organised itself independently and made its own rules of operation; and
- 3) The infrastructure was the council's responsibility, which managed the resources received from the state for preparatory studies and for the levelling of the land and the construction of the network of drains, water pipes and streets (Trujillo: 2001:40 – 41).

Regarding resources and financing, the munitores in the Comunidades programme benefited from the budget approved by vote. This assisted in the:

- 1) Buying of building materials for the houses and community facilities;
- 2) Carrying out studies and installing infrastructure;
- 3) Ensuring availability of technical advice;
- 4) Building and equipping the mini-industrial zone; and
- 5) Training technicians and mutirantes through an integrated training and information programme.

There are impacts and limitations to the comunidades programme. These are elucidated, by Cabannes (1997: 37) as the following:

- Impact on public policy;
- Impact on practices and policies of popular initiatives; and
- Impact at international level

It should be noted that the first experiment of comunidades programme began in 1988 (Cabannes: 1997: 44). This is said to have continued without interruptions despite four changes of mayors from different political parties. Furthermore, things changed from projects being administered by NGOs to municipalities taking over, providing a budget to support the programmes. According to Cabannes (1997: 44), the changes since 1994 also saw the dawn of a separate budget allocation to the comunidades programme voted by the State Assembly of Deputies. These funds were transferred to community organisations and local councils. This had an impact on the public policy.

On the other hand, the comunidades programme was impacted upon by various practices and policies of popular initiatives. According to Cabannes (1997:51) several projects were reproduced and various principles learnt from the grassroots, and then formed a platform for organisations dealing with land and housing issues. In addition, Cabannes (1997: 51) states that the advice given to the National Housing Struggle Movement allowed some contracts with the movement to the enrichment of both sides. To crown it all,

conferences, workshops, and continual visits from representatives of Brazil's urban movement have made the Fortaleza projects national points of reference for community built housing.

Finally, the impact on the international level played a great role. For example, other city councils in other countries expressed interest in introducing a new housing and job creation scheme based on the outcome of Fortaleza experiment. To name a few, countries like Colombia, France and various European and Latin American Universities have undertaken some consultative missions and researches on mutirao principle as an alternative form of community built housing and there have been agreements and exchanges.

#### **2.2.4 A better housing scheme**

This is termed, "community people's housing". According to Cabannes (1997:44-57) the limitations of the comunidades programme was the lack of support for those living in "favelas or other settlements with very poor housing and living conditions to improve and extend their own homes ". It is further stated that the comunidades programme was to support the development of new settlements not to upgrade the existing ones. The difference to South Africa is that the government of Brazil only provided subsidies and financial support for this programme. There was no provision for the upgrading of the existing settlements.

Cabannes (1997: 53) states that the *casa melhor* financial system was intended to support the improvement and extension of the existing homes. This involved a lower level of subsidy where most of the organisations were not happy with the agreement signed. This was exacerbated by the fact that these organisations were aligned with different political parties. What also made things worse was the introduction of the credit component into the system. However, to address some of the problems, saving and loan groups were formed.

Due to the introduction of *casa melhor* and its growing demand, some initiatives within the housing fraternity were undertaken.

- 1) All the housing and development projects should have a clear vision of the economic dimension of the city;
- 2) To include and see the community built housing as part of the creation of the city, for example, build the city from the neighbourhoods up;
- 3) Proceed with the most crucial aspect of development which is one of the strengths of *Fortaleza*, that of a close and structured co-ordination of planning and construction of houses with job creation, income enhancement and large scale training both at the professional and the community levels;
- 4) The other issue concerns that of strengthening community organisations to allow them to fully realise their potential and work successfully with government institutions; and
- 5) Also mentioned is the role of the NGOs which should be recognised as

- Inter-institutional co-ordinators and catalysts of community movements;
- Teachers and trainers of the various actors involved in community based housing projects; and
- Producers of participatory methods and know how relevant these structures are to the community projects (Cabannes: 1977:56).

Furthermore, the following were identified:

- 1) The need for the decentralisation of local government is mentioned to ensure a positive contribution to community built housing and job creation;
- 2) The involvement of all stakeholders in community building is crucial (this includes residents associations, NGOs, etc);
- 3) The adoption of a participative process was seen as critical in shaping the neighbourhood to ensure that all the needs were met and addressed;
- 4) The project programme policy dynamics should be given special attention to ensure easier implementation and monitoring; and
- 5) Finally, appropriate techniques should be used to facilitate community building (Cabannes: 1977:57).

This is how Belo Horizonte stands today in relation to housing. On the one hand, there is a structured institutional system, a well articulated policy which fights housing deficit through different alternatives, progressive local governments who prioritise low income groups and invest in housing

programmes with advanced urban law which supports the specific solutions raised by this problem. On the other hand, there is this gigantic settlement that has been built throughout the last 100 years of chaotic city growth associated with the lack of social sensitivity from the federal government that does not support local housing policies. The popular movements that deal with housing at national level consider their main target as taking part in governmental decision-making through the national housing system. Only through the interference of those interested in this question, will there be a real perspective for progress.

A process that has been responsible for the major part of house construction for low-income people in Brazil has been followed, by which the actual family takes responsibility for the construction of the house including the labour. This was however, disturbed by political issues within the Brazilian government.

- A very common practice in the history of Favelas, where something is carried out only in exchange for a political favour;
- Brazil lived under military dictatorship between 1964 and 1979, thereafter, exiled opposition politicians returned;
- A Company where the majority of shares belong to the local government;
- The Participative Budget is a process of public discussion that defines how local government resources will be used. Approximately 15% of the favelas population live in high-risk areas, according to research carried out in 1994 by URBEL;

- The federal constitution of 1988 established measures to help those who do not possess any other property, occupied an area of up to 250 sqm for a period of more than five years used solely for the purpose of housing, and with no objections from the owner to take-over the ownership of the property;

The practice of urban areas consists of the action of people who sell plots of land that they do not own, through false documentation; and

- Recently this law has been altered to facilitate this process, permitting the governments' approval of land subdivision before the process of misappropriation (Cabannes: 1997:43).

The Director Plan is the principal law for organising municipal land, being responsible for general orientation of urban policy that orientates the elaboration of other municipal laws that establish urban parameters.

The law of Subdivision, Use and Occupation of Land based on the Director Plan, normalises the process of land subdivision and construction in the city besides determining the possible use of land.

### **2.2.5 Conclusion**

It should be realised that many issues affect Brazil's socio-economic environmental conditions. According to Fernandez (2002:1) this has led to the establishment of various movements such as the Landless Movement.

The housing issues raised above are a result of urban industrialisation, which has led to drastic socio-spatial changes. These have impacted negatively on issues such as access to land and housing, hence the fragmented cities. Furthermore, Fernandez (2002:2) states that large vacant tracts of land have been kept for speculative reasons. As a result, the urban poor have been segregated to living in precarious housing conditions in environmentally unsound, informal settlements in central and peripheral areas. This is complemented by low quality of urban living through the diversity of pollution forms, insufficient public services, lack of green areas, inadequate patterns of land use, low quality of building patterns and unfair distribution of collective facilities and urban equipment.

Fernandez (2002:2) points out that as much as the government is dealing with the housing for low income people in Brazil, there is a need to reconcile “the green and the brown” agendas. Also, a shift in migration has been noticed, with the population migrating to middle sized cities instead of capital cities.

Fernandez (2002:3) concludes by saying, that in order to address both the housing problems and other social needs in Brazil, the government needs to address its economic and fiscal policies to successfully face up to the accumulated economic and monetary problems. This would also address challenges of post-industrial production, especially growing unemployment.

Finally, Brazil needs to address the constitutional notion of the social function of property through urban policies that would tackle speculation, promote better access to existing urban infrastructure, democratise access to land and housing and regularise existing informal settlements.

## **CHAPTER 3: THE ORIGINS OF HOUSING PROBLEMS IN SOUTH AFRICA**

### **3.0 Introduction**

This chapter sets out the historical background of the housing problems in South Africa. It elucidates some of the steps that were taken to address these problems. It is no secret that the past government only focused on the black townships within the urban setting. This led to an enormous increase of the problem, as the rural-urban push-pull factors were too strong.

It is clearly stated that the housing problems were later on seen as regional problems as they are currently addressed at municipal level. This chapter paves the way for the current policies, which are meant to reverse as well as address the situation through the current housing policy, which now incorporates the rural housing subsidies.

### **3.1 The origin of housing problems in South Africa**

It all started with colonialism when the white settlers created cities with the intention of using them as their cultural domain. From the very beginning they needed black labour, but were reluctant to accept black people as fellow citizens and to be part of the city development. They were housed in hostels to avoid permanency within urban areas. This was perpetuated by, as Lemon states (1991: 47), the inclusion of racial exclusion clauses in suburban

property deeds. Municipalities established some of the townships in Cape Town, Johannesburg and Port Elizabeth in order to contain diseases such as bubonic plague, tuberculosis and influenza, which were caused by the unhygienic conditions that people were living under. Consequently, Johannesburg started its first African housing scheme, Soweto.

According to Lemon (1991: 47) the above culminated in the 1923 Natives Urban Areas Act that empowered, but did not compel local authorities to set aside land for African occupation in segregated locations to house Africans living in the towns. On the other hand, employers were required to do so and implement a rudimentary system of influx control. In addition, municipalities were then required to keep native revenue accounts and the revenue accruing from fines, rents and beer hall profits had to be spent on the welfare of the location. The majority of the larger municipalities embraced the Act immediately. But few local authorities were prepared to subsidise African housing from general revenue in the inter-war years. Furthermore, the income from native revenue accounts, though often substantial, never proved sufficient to meet the housing needs of Africans. Lemon (1991: 49) argues that the 1923 Act set a framework for future legislation as it embodied the central principles of segregation and influx control. All these principles were developed and strengthened in subsequent legislation up to, and in some respects, including the Botha Reforms of the 1980s.

The above then set the machinery in motion, providing for systematic influx control which was introduced in the 1937 Native Laws Amendment Act

(Lemon: 1991: 49). The Act represented an increase in centralisation, by allowing the then Minister of Native Affairs to compel a local authority to implement any section of the 1923 Act, or to have the section implemented by his own department. The municipal autonomy according to Lemon (1991:49) was further weakened by the 1944 Housing Amendment Act, which set up the National Housing and Planning Commission with powers to intervene in local housing policy. In Durban also, the whites were concerned about the Indians who were beginning to infiltrate predominantly white residential areas especially in northern Durban and trading areas in the then Transvaal towns.

The above culminated in the re-organisation of all the cities. Race zoning was introduced which greatly inhibited even the limited inter-group social contact, which might naturally occur in churches, sports clubs and especially schools.

Various racial groups (particularly Indians and Coloureds) were relocated every now and then. This does not mean that Africans were not victims of forced removals, it is just that, as stated by Lemon (1991: 54), they were excluded from official statistics of group areas removals because they were moved in terms of amendments to existing legislation without even the semblance of consultation embodied in the Group Areas Act.

As stated by Lemon (1991: 72), it was ironical that the implementation of group areas legislation led to the allocation of far greater financial resources to black housing than hitherto. They were directed primarily to the

fulfilment of an ideological commitment rather than to housing problems per se, thus consuming resources that could have been used to reduce the growing housing backlog.

There were different views about why there was a housing problem in South Africa. Some reasoned that Africans had themselves to blame for their endemic housing crisis, because they had been expanding rapidly without acquiring the resources to satisfy their most pressing needs (as if they had a choice). Some perceived the state as the trustee that should have made enormous strides towards bringing the problem under control if not solving it.

Hendler (1991: 37) argues that some of the parastatal technocrats charged with housing tasks were blamed. Organisations such as the NBRI during the 1950s were requested to research technical solutions for housing crisis. They accepted the state's ethnic categorisation of African people as given. Conservative liberals in the South African Institute of Race Relations (SAIRR) as well expressed similar views, reflecting the growing impact of an idealist anthropology at the universities that was pliable to the needs of administrators.

It was obvious that during the 1980s and 1990s the National Party was moving away from its traditional white support base. Only the Conservative Party and other right wing elements held on to apartheid interpretation of the housing question. At the same time the semi-autonomous Black Local Authorities relied on seconded white officials who were not used to

accommodating residents demands and had seen little to negotiate with representative township groups.

The government's liberal opponents developed an alternative to the dominant racist interpretation in the 1970s, 1980s and 1990s. According to Hendler (1991: 37) this was based on neo-classical economic theories which says that the natural relationship of individual consumers to individual suppliers and producers should not be influenced by the state and that individuals operating as homo economicus would ultimately better themselves and achieve parity through private markets and laissez-faire economic activity. In this respect the policy proposal emanating from this constituency emphasised the role of the housing market and technical and financial instruments in resolving accommodation problems.

According to Hendler (1991: 38) this perspective stimulated important housing and urbanisation debates by the more radically minded SAIRR liberals during the 1950s. The liberal point of departure also underlies the thinking of some constituencies in the African National Congress and the United Democratic Front.

Spontaneous migration by Africans from rural to urban areas and migration as a push - pull mechanism, emerged as the point of departure for the liberal urban studies corpus. In this respect migration was accorded a determining role in the genesis of the housing crisis.

The liberal urban scholars also looked at the South African State's interventionist policies and practices. Their investigation also included Group Areas Act population removals, and the prohibition of construction of dwellings for Africans and African home-ownership in South Africa's white designated areas. These finally proved to be the cause of the acute housing shortage despite the lifting of many of these restrictive laws in the 1990s. Shortages and relatively high costs have persisted probably due to the absence of clearly defined goals, objectives and roles in current government housing plans.

The liberal urban scholars also attributed the housing shortage to the absence of a private market due to the government policy and its restriction to the number of houses that could be built for Africans.

Whilst Dewar (1983: 9) and Hendler (1991: 41) addressed the access to fiscal resources issue, the question of why the township dwellers did not have money to house themselves was left out. Their approach to low income housing left serious political and economic issues unexplored, apart from focusing on power relationships considered worthy of central analysis was the oppressive role of the apartheid state. The logical progression from liberal and neo-classical assumptions is to overemphasise the removal of one form of political (apartheid) obstacles to the provision of affordable, adequate housing, but to underplay other political and economic power relations which also stand between township people and shelter. Therefore the housing crisis has historically been rooted in the land question and remains to this day a political issue and one therefore which may not be

resolvable solely through the removal of state intervention and the application of technical and financial stimulants to the housing market.

What should be noted is that negotiation demands, focused on removing apartheid regulations to the exclusion of examining specific social and economic processes that hindered the urban poor access to and ability to afford residential shelter. These are unlikely to lead to an improvement in residents' housing and living conditions. In this respect many of the assumptions underlying the Urban Foundation (UF) positions on urbanisation and regional development could be criticised for ignoring the hidden power imbalances between African working class consumers and capitalist suppliers in the African housing field. The UF (1991: 8) therefore came up with these proposals:

- Public sector subsidisation of land and first - time housing;
- Land investment trusts to control speculation in land prices and to specify the type of improvements undertaken; and
- Resolving conflicts over land through metropolitan land planning agencies and consumer grievances through proposed housing industry ombudsman, licensed private sector agents acting for consumers and an affordable legal aid system.

The above proposals represented a step towards securing an urban coalition on terms dictated by South Africa's ruling elites. It could also be possible for residents and community groups to engage with the UF and develop progressive content of these proposals and thereby begin to make the

exercise of grassroots community control over housing development a reality.

On the other hand, the neo-Marxist perspective was that of both the state and liberal policies causing conflicts over the distribution of the costs of production that resulted in the housing crisis (Maasdorp and Humphrey: 1995: 51). Policy positions emanating from the neo-Marxist assumptions focused on popular multi-class urban social movements and their resistance against the state mainly around the issue of housing. It was argued that increasing state intervention and the ensuing politicisation of consumption issues created a structural link with underlying capitalist production relations on whom urban movements might have a transformative impact. The implication was that a transition to a socialist society was the only guaranteed long - term solution to the housing crisis (Maasdorp and Humphrey: 1995: 51).

This group believed that for community negotiators the question of democratic community control over the terms of finance and development in concrete projects as well as over general processes of social reproduction and economic accumulation were of crucial importance. Also the nature of future local, incremental settlements to housing disputes and their impact on everyday life in the townships could depend to a large extent on how far the political actors were motivated to address these terms of the housing debate.

For the radical democratic views, one of the conditions for social emancipation is active participation. This is through the participation of

hundreds of thousands of residents in urban development and housing processes. The radical analysis stresses structural class interests but remains silent about the concrete interests of, for instance, ethnic and language groups, women, the aged and gays. These interests need to be translated into local demands, ie apartments accommodating single mothers, instead of local agendas becoming merely ways of resisting accumulation / reproduction processes.

Dewar (1998: 15) argues that the fundamental issue of housing is creating high performance urban settlements, not simply the provision of shelter. He further illustrates Uytendogaardts' position on housing that is based on a number of fundamental pillars. He states that:

- 1) Appropriate thought about urban settlements and the provision of housing begins with the pedestrian and with the need for efficient public transportation, for this describes the daily reality of the vast majority of people in developing countries. By definition, convenient pedestrian based environments require far higher densities than is currently the norm in South Africa;
- 2) Low income habitats are just one of a range of living choices in urban settlements and that they should be fully integrated within urban systems – not peripheralised and treated as a problem that must somehow be solved through some special means;

- 3) The quality of the public spatial environment is critical in giving settlements dignity and a sense of confidence and permanence (necessary qualities to attract on-going investment). All public spaces including street spaces are social spaces or urban living rooms, which accommodate most collective human activities. If properly made, they also operate as extensions of private dwelling units, thereby removing pressure from those units. The primary function of housing and other buildings, therefore is to bind or give scale definition to the public places; and
- 4) Complexity is an essential quality of positive settlements, but this cannot be designed. It results from freedom of action and the creative input of many. Plans, therefore should be minimalist: they should give strong direction while allowing considerable freedom of interpretation overtime” (Uytenbogaardt in Dewar: 1998: 17).

Dewar (1998: 17) argues further that Uytenbogaardt’ work was never accepted in South Africa because of his views. It is stated that after designing two projects (Belhar and Mitchell Plain) in the Western Cape, he was never again given a government commission after these two projects were thrown out.

Dewar (1998: 18) quoted one of Uytenbogaardts’ extracts:

“The housing problem is not simply one of ensuring the provisions of adequate levels of shelter, although this is clearly part of the problem.

The real issue is creating total settlements which are good places in which to live: settlements which not only accommodate the complex patterns of human needs and activities that characterise human life, but which do so in such a way that those activities are enriched and that a wide range of economic and social opportunities are created. Moreover, they need to be able to address the dynamics and uncertainties of growth and change. No settlement is a static, completed entity: settlement areas are always increased. They need to be able to accommodate growth in such a way that growth enriches and improves environmental quality over time, but at each stage of their development they need to reflect the quality of wholeness. To address this problem, therefore, it is necessary to focus not just on shelter alone, but also on achieving urban qualities, in addition, stimulating adequate levels of shelter. When people are poor, the reality is that they cannot afford large capital outlays on motorcars, but the sub-urban or township model cannot operate unless car ownership is the norm..... Until this seminal point is accepted, there can be no significant large scale improvement in living conditions” (Uytenbogaardt in Dewar: 1998: 18).

It is stated that out of the work he did, only two projects were completed and these low-income projects (a portion of Belhar and Springfield Terrace) in Cape Flats and Cape Town, remain amongst the most interesting and innovative housing schemes in the country.

### **3.2 The role of the regional government**

According to Hindson and McCarthy (1994: 201), the first task of the regional government was to review the process of all the housing projects under its authority to ensure that they conform to new national and regional guidelines. This would facilitate their implementation and the assembling of a complete set of information on projects across the entire region.

They (1994: 201) state further that the second task was the formulation of the informal settlements policy. This was to be designed in the context of the RDP policies especially those sections dealing with housing and the public works programme. An informal settlements policy was to be developed with a clear understanding of the short and long term relationship between housing and informal settlement upgrading and development. The policy had to be based on an approach which squarely addressed the needs-sustainability dilemma in such a way that short term relief measures and investment in longer term projects are correlated and contribute to sustainable development in the long term.

In addition, Hindson and McCarthy (1994: 203) mention that the third task was to develop a coherent overall policy for the region which links economic housing and residential development policies. There was to be an integration of an informal settlements policy and also a housing programme with the regional economic policy aimed at setting the conditions for long-term economic revival and growth. The economic strategy would deal with:

- Opportunities arising out of upgrading and development programmes for employment and income generation;
- Opportunities for employment and income generating activities in informal settlements via the informal and small business sectors; and
- Employment opportunities for residents of informal settlements within neighbouring urban or rural areas, with location relative to employment zone being a decisive factor.

Their final view was that the regional government had to address the spatial framework to undo the legacy of apartheid where the poor and needy people were located at inaccessible areas. The aim was to facilitate the integration of urban rural and environmental policy at the metropolitan, urban and regional scales.

As far as KwaZulu Natal is concerned, Hindson and McCarthy (1994: 204) mention that formidable financial and institutional resources already exist to undertake housing, upgrading and development programmes. The challenge therefore facing the region is to re-deploy these finances to give effect to the aims of a new regional policy of reconstruction and development and to ensure that the manner in which development is undertaken is both economically and socially sustainable and builds the skills and capacities of recipient individuals and communities.

The following tables indicate the allocation of funding comparing both the formal and informal areas (Durban Central formal and informal housing)

**Table 1** The funding of projects (per capita) in Durban Functional Region (DFR) as of 1994.

Rands million

	Formal Areas	Informal Areas	Total
South	546	198	744
Per capita	(1070)	(601)	(885)
North	560	201	761
Per capita	(1754)	(207)	(590)
West	402	234	637
Per capita	(1922)	(554)	(1007)
Central	205	10	215
Per capita	(9761)	(444)	(5052)
TOTAL	2388	693	3081
	(2254)	(398)	(1099)
DFR			725
Residential area not specified			(1099)
Grand Total			3806
Grand Total			(1358)

(Residential area not specified) 725 (1099) **(1358)** Source: DBSA (1994) in Hindson & McCarthy (1994)

As indicated on the above table, these funds were committed to housing, infrastructure, roads and related services operative in black residential areas during 1993. Through the inheritance of the Independent Development Trust (IDT) policy, far smaller amounts were allocated to housing although these are by no means insignificant. The only hope for additional funds was from the funds allocated for housing in the RDP. The only problem was that there is no explicit separation of funds allocated for upgrading existing settlements. However, consolidation subsidies for those who earn less than R1 500.00 are limited to R16 581.00

What should be pointed out is that the allocations made up about 50% of existing projects, a much lower allocation for human resource development, institutional and capacity building. It was hoped that these distributions were a reflection of inherited policy and that they would alter future projects. Hindson and McCarthy (1994: 205) indicated that there was pressure for an increase in funds allocated to institution and capacity building, whether this was being done via housing and development project allocations or through the funding of institutions specifically designed to provide education and training in various spheres.

Hindson & McCarthy (1994: 205) touched on institutional capacity in relation to housing delivery. They argued that this be approached in terms of the concept of capacity mismatch introduced by Xaba and Coovadia in Hindson & McCarthy (1994: 194). This relates to the standstill in development, in black residential areas as a result of opposition to illegitimate government and administration and widespread internecine

conflict resulting from internal power struggles within and between black residential communities. The point being made here, is that whilst the financial, technical, planning and managerial capacity of formal housing and infrastructural development exists within the private and public sectors, the deployment of this capacity results in forms of development which may deliver inappropriate products for the communities concerned.

The concept of mismatch seeks to resolve an impasse in the debate about delivery and process in housing and development projects in disadvantaged and impoverished communities. It does so by recognising organisational and political capacities within communities and the need to combine these with financial, technical and managerial capacities in the public and private sectors in a manner which leads to a transfer of skills, capacity building and hence the empowerment of previously disadvantaged individuals and communities.

It has been established that considerable capacity exists on the planning, technical and design sides of development, however there is a delay on the implementation of housing programmes.

### **3.2.1 Housing project management and insitu upgrading**

It is realised that the most effective delivery takes place within a facilitative legislative and macro-economic framework. One of the most important aspects of housing delivery is project management in order to ensure the correct delivery of a product within a defined period of time and within a

defined budget. Project management also involves strategy that attaches fundamental importance to project planning and control in order to maximise product delivery and minimise resource utilisation.

When development is viewed in a context, it is realised that it covers both the socio-political, economic, legal and institutional framework within which development occurs. What should be noted, says Taylor in Hindson & McCarthy (1994: 206), is that each project has an element of uniqueness that makes it improbable that universal norms of delivery could easily be achieved.

Due to the current state of socio-political issues, the communities still behave in an individualistic manner which according to Xaba and Coovadia in Hindson & McCarthy (1994: 204) is attributed to the nature of survival strategies, which characterise the behaviour of the poor. Furthermore, the communities that have no access to services and urban amenities struggle to establish a community identity that affects the scope for participation in development projects. Also, the absence of effective structures, impacts on community participation. This calls for funding for the development of capacity to ensure progress in development. Real participation in technical processes can only occur as a product of educational empowerment in the area of decision-making. Xaba and Coovadia (1994: 195) concluded that this participation is only co-option and manipulation that is unlikely to lead to empowerment and reallocation of resources. One other issue, which is critical in development, is to understand the dynamics of the surrounding communities to ensure co-existence.

The economic factors are also very critical in housing delivery as the anticipated outcome is that of the improvement of the lives of the target community. Job creation opportunities are created with any housing development even if these are short lived. What should be understood is that the new housing development projects require the beneficiaries to pay for services and also to pay rates. This might cause a strain within the households unless some employment opportunities are created.

On the other hand, there is the institutional framework for development which includes policy, funding, legal and jurisdictional frameworks. In KwaZulu Natal there are certain complexities, foremost among them being multiple jurisdiction over settlement areas and highly differentiated levying of service charges. Funding by means of capital subsidies has many implications. The key characteristics being:

- That site and servicing must proceed at a level and pace agreed to by the community, the developer and the funder;
- That individual freehold tenure must be granted to a qualified subsidy recipient; and
- That the developer receives payment of a fixed amount for each site delivered. Tax liabilities and escalation are deductible.

The intention is that the receiver of the subsidy (beneficiary) becomes a purchaser of the site provided by a developer. The funds are channelled through the developer. The developer therefore identifies the purchaser.

Identifying a purchaser in an informal settlement is not difficult, but legitimising the purchasers right to receive the title deed is a complicated process. The development logic is that security of tenure is an essential ingredient to ensure that communities begin to invest their own resources in further improvements.

It should also be mentioned that Billy Cobbett (1998:7), a former Director General of National Housing, made some observations on how housing delivery could be successful in South Africa. He (1998: 8) raised the following points:

- The establishment of a partnership between the community, the public sectors and the private sector. This was seen as a vehicle for delivery; and
- The promotion of a savings driven delivery system that would empower the beneficiaries. This would assist in the delivery of a better quality and bigger size topstructure.

Based on the above, the project manager should move as rapidly as possible on infrastructure installation and to minimise the gap between service cost outlays and the tenure delivery. The entire motivation should be toward delivery rather than a participatory process and community empowerment.

### **3.2.2 The effectiveness of low cost housing delivery in eThekweni Municipality**

In the report prepared by the Built Environmental Support Group (2000), three important issues that have a bearing on housing delivery in South Africa have been raised. The first being the assumptions made by BESG that an increase in subsidy allocations would have an added value by not only improving the quality of housing, but cuts in the budget of sectors such as transport, security, health and education. It should be remembered that integrated development planning basically calls for the inclusion of the aforementioned sectors.

On the other hand, the Cape Metropolitan Council queries the expected high housing standards, based on the fact that the beneficiaries cannot afford to pay for the basic services. It further poses a question of whether the hidden subsidies attached to the management and delivery of low-income housing constitutes an unfunded mandate (South African Local Government Briefing: 2002: 16).

The last issue is the one raised by the Gauteng Department of Housing that states that the social demographic and attitudinal developments in four informal settlements proved that non-payment issues are related to a strong sense of community consciousness. This is also seen as the key to the achievement of higher levels of payment for services (South African Local Government Briefing: 2002: 23).

### **3.2.2.1 The housing issues at eThekweni Municipality**

The Metro Housing Unit of the eThekweni Municipality is currently facing challenges that include the following:

- Inappropriate national and provincial policies;
- Low staff morale and productivity in some of the provincial and council departments;
- Increasing politicisation of the housing programme and political interference;
- High levels of crime and lack of community stability; and
- Incorporation of vast rural areas with the new demarcation increasing the backlog in the provision of services and housing. This requires a qualitatively differential approach to delivery.

The extent to which the housing programmes of the government and the municipality correspond to the land reform make it essential that housing provision be made an integral part of land reform. The Housing Act, 1997 (Act 107 Of 1997), incorporates the provision of a sustainable housing development process. The foregoing therefore operates in parallel to the land reform activities.

Jointly, the Department of Housing and the Metro Housing Unit have facilitated the housing development programmes in the Durban Metropolitan Area. Similar to other provinces, the following subsidies are available:

- Project linked subsidies, which apply to housing projects that may be initiated by communities, government or private developers. Presently private developers are prohibited from identifying land and applying for subsidies;
- Individual subsidies are allocated to individuals and apply to sites or houses outside a housing project;
- Consolidation subsidies are available only on a project basis to people who have received a serviced site as part of the previous governments' housing programmes or from the Independent Development Trust (IDT) schemes;
- Institutional subsidies are applied for by an institution which will be responsible for the project and provide rental and ownership options. As an incentive to promote social housing, the state has adjusted the subsidy so that all income groups under R3 500.00 qualify for a full subsidy;
- Discount benefit scheme is available to tenants to buy state financed rental houses. This scheme gives a discount of R7 500.00 towards the cost of buying the house; and
- Project facilitation entails the preparation of an application to the Department of Housing. A facilitation / project preparation grant can be requested from the Department of Housing prior to the project starting. Alternatively, the application can be lodged with the Department of

**Housing on lodging of the conditional approval application in terms of chapter 3 of the Housing Code.**

The Metro Housing Unit has embarked on a consultative process for establishing a housing strategy. This process initiated during mid – 1998 is an evolving one and designed to test proposed strategies with stakeholders and housing service providers within a flexible strategic framework. The housing vision and mission being:

- **The creation of sustainable human settlements by ensuring that by the year 2015 all residents will have access to housing opportunity including basic services and secure tenure;**
- **To achieve the vision within a framework of sustainable and integrated development framework;**
- **An annual delivery of at least 16 000 to 24 000 housing opportunities over the next twenty years;**
- **To establish housing as a leading economic and social sector;**
- **To achieve a more compact and sustainable urban environment; and**
- **To provide a range of tenure options and housing opportunities.**

Metro Housing Unit (MHU) has developed strategies (see Table 2)

Table 2: Metro Housing Unit Strategies

Strategy 1 - Delivery	Strategy 2 – Facilitation	Strategy 3- Co-ordination
Project implementation	Project process facilitation	Sectoral co-ordination and strategic planning
<ul style="list-style-type: none"> <li>• Public – private - community partnerships</li> <li>• Capital subsidy facilitation programme</li> </ul>	<ul style="list-style-type: none"> <li>• Land identification and packaging</li> <li>• Linking capital subsidy project approvals with LDOs</li> <li>• Monitoring and facilitation of capital subsidy projects.</li> <li>• Engineering standards and plan approvals</li> <li>• Environmental and urban design inputs</li> <li>• Trouble shooting and political support</li> </ul>	<ul style="list-style-type: none"> <li>• Intra-sectoral co-ordination</li> <li>• Inter-sectoral co-ordination</li> <li>• Integrated spatial development plans</li> <li>• Fiscal sustainability</li> </ul>
Delivery of land tenure <ul style="list-style-type: none"> <li>• Land identification and assessment</li> <li>• Land acquisition and assembly</li> <li>• Rapid land release programme</li> <li>• Tenure reform</li> </ul>	Finance facilitation <ul style="list-style-type: none"> <li>• Working capital loans</li> <li>• Bridging subsidies</li> <li>• Establishment and equity contributions.</li> <li>• Top –up funding</li> <li>• Strategic grants</li> <li>• Bulk infrastructure loans</li> <li>• Housing support</li> <li>• End user finance</li> </ul>	Research and policy <ul style="list-style-type: none"> <li>• Research</li> <li>• Monitoring and evaluation of delivery</li> <li>• Monitoring and evaluation policy</li> <li>• Lobbying</li> </ul>
Bulk infrastructure delivery and co-ordination <ul style="list-style-type: none"> <li>• Access finance</li> <li>• Planning co-ordination</li> </ul>	Community empowerment <ul style="list-style-type: none"> <li>• Community governance</li> <li>• Community development plans</li> <li>• Conflict resolution</li> <li>• Organisational development and training</li> <li>• Consumer protection</li> </ul>	Communications and outreach <ul style="list-style-type: none"> <li>• Information networks and data base</li> <li>• Mass communication</li> </ul>
Housing consolidation <ul style="list-style-type: none"> <li>• Providing housing support service</li> <li>• Promoting local economic development</li> <li>• Affirmative procurement practices</li> <li>• Business, vocational and skills training</li> </ul>	Institutional establishment <ul style="list-style-type: none"> <li>• Facilitate set-up</li> <li>• Financial support</li> </ul>	

Source: Metro Housing, February 2000

Whilst the primary function of the MHU is the facilitation and packaging of projects, it is also a direct service provider in a number of projects, particularly the innovative types of projects.

On the other hand, the delivery of rural housing projects in Tribal Authority areas has always been beset by lengthy bureaucratic delays in securing development agreements via the Ingonyama Trust. The transfer of R293 Townships to local authorities has opened up housing delivery in these areas. In order to facilitate the implementation of housing projects in rural areas, a rural housing subsidy scheme is drafted. The Ingonyama Trust Board has also recently been established to facilitate the development of Tribal Authority areas.

Since one of the fundamental delivery products of Provincial Housing is tenure delivery, the rural housing subsidy scheme deals extensively with the types of tenure delivery available and the appropriate development legislation to be used. The scheme suggests that acts such as Upgrading of Tenure Rights Act, 1991 and the Interim Protection of Informal Land Rights Act, 1996 that are administered by the Department of Land Affairs, may be used to improve ownership rights that are primarily a permission to occupy or an acknowledged right. However, despite the foregoing suggestions by Provincial Housing, the KwaZulu Amakhosi and Iziphakanyiswa Act, 1990 may also be used to upgrade ownership to a Deed of Grant in Tribal Authority Areas. Notwithstanding the above legislation, housing delivery has been achieved in Tribal Authority areas. The main reason for this non-delivery is the suspicion held by traditional tribal leaders regarding possible

alienation of their control over land resources as well as lengthy delays experienced in dealing with the Ingonyama Trust.

Having mentioned the changes in housing by MHU, a recent one is that of Shayamoya in Cato Manor that caters for rental accommodation. This project has used the institutional subsidy and funding from the Malaysian government to provide good quality rental housing stock in a double storey format through a section 21 company as delivery agent. Extensive training in home ownership and building management is also provided to project beneficiaries to ensure that adequate skills exist in operating the social housing section 21 companies.

The positive factors from this social housing delivery is that, apart from promoting housing densities, this rental housing product surpasses that delivered through the top structure residual available from Provincial Housing project linked subsidies. However, it should be noted that the cost of servicing the interest on additional funds affects the income category of beneficiaries in that social housing is actually unaffordable to the poorest of the poor.

Another innovative programme (administered by BESG as well) is a small emergent contractor delivery programme, which is responsible for housing delivery in Pinetown South. This project has trained and empowered emergent contractors into aspiring entrepreneurs who contract with housing beneficiaries to construct houses. The materials distribution and construction supervision is provided by BESG and the then Inner West Council is

responsible for administration. There is a small project office, which operates from the office of the development committee. The project office is the hub of the housing delivery process with beneficiaries being assisted in respect of building plan preparation, contractual matters with emergent contractors and material advice. Several local building suppliers have registered as material service providers and beneficiaries order material from the cheapest supplier. This form of housing delivery that empowers local emergent contractors and the community is a growing trend within the housing industry, especially as there has been a withdrawal of many traditional housing developers.

Another form of housing that seems to be growing in prominence is self-help housing. Low income residents are increasingly asking to be given the opportunity to access land on which they will build their own houses with the available grant monies, either with the assistance of a locally appointed contractor, or by the individual himself.

### **3.2.2.2 Critical issues on housing delivery**

BESG moves from a point where it concludes that the right to adequate housing is “currently not being fulfilled in South Africa mainly because the national housing budget is too small” (SALGB: 2000: 3).

BESG ((SALGB: 2000: 3) states that initially, the government had intended to spend 5% of the budget on housing. However, this is not happening as only 2% of the budget is spent on housing. It should be noted though that

there is a need to balance issues. Probably, BEG is looking at housing as topstructures, infrastructure and services. Their comment on the fact that an increase in the housing budget would facilitate the provision of adequate housing which would have some spin-offs with regard to the reduction of spending on health problems caused by inadequate housing and services, falls short. It should be illustrated that health spending is a component of housing spending as housing means taking care of houses (structures), education, health, roads, etc.

BEG ((SALGB: 2000: 4) further argues, that the value of the state housing has decreased by 25% between 1995 and 1998 and is depreciating further. The type of structure that could be delivered was a two-roomed house with water borne - sewerage and an in-house water connection. This would be provided with a maximum of R17 250.00 subsidy in 2000. This dramatically changed where the same amount of subsidy could only provide a one-room framed house (shelter).

BEG puts the blame on the lack of co-operative governance and linkages between the government sectors. BEG established this in a European Union Foundation for Human Rights funded survey. The recommendation therefore made by BEG was that the national / provincial, local government, civil society and households all need to work together to ensure that the right to adequate housing is fulfilled. BEG claims that this report responded to concerns about the low quality of new housing projects, which is partially the result of a narrow technical focus on housing.

The aim of the study therefore is to raise awareness of decision makers and communities about issues regarding the provision of adequate housing and suggestions as to ways in which adequate housing could be achieved. The focus of the report was primarily on those households that relied on government housing subsidies only as they could not afford mortgages from formal financial institutions.

Whilst most of the beneficiaries feel that there should be relaxation of regulations with regard to the provision of infrastructure, it should be noted that there are linkages between housing and health cannot be ignored. For health purposes it is essential that everyone have access to adequate water supply, wastewater disposal and sanitation. However there are areas that still provide VIP latrines, particularly those projects that were started by IDT in the late 1980s to early 1990s. Such sanitation measures were in most areas rejected by the communities although the subsidies were at that stage very low at R7 500.00.

The other contentious issue is about the size of the dwelling. BESG argues that in terms of the United Nations, International Union of Family Organisations and the International Federation for Housing and Town Planning requirements, the ideal minimum house sizes range from 38 square metres (three room) for a family of two to a 62 square metres (five rooms) for a family of six. For low-income households it is impossible to afford this, hence the introduction of the incremental approach to housing.

According to BESG (2000:6), it is recommended that a typical household of five could start with a minimum of a core house of 20 to 30 square metres which could be enlarged overtime to a more ideal size of 40 to 60 square. In this discussion though, BESG is only focusing on the size of the dwellings not the site size, which is another controversial issue particularly with the African people who need more ground space for traditional activities and ceremonies. Furthermore, the proposed incremental approach to housing would require the following:

- 1) Sizeable land to accommodate extensions; and
- 2) Supervised location of the house to ensure that extensions are possible.

BESG has done some assessment with regard to the cost of the core house which is estimated at about R25 000 to R30 000 in which the then maximum subsidy level of about R18 000 for top structure and internal infrastructure and R3 000 for bulk infrastructure was obviously too low. BESG argues that this might have been caused by the fact that subsidies had not kept pace with inflation, the value of the maximum housing subsidy in real terms decreased by about 25% in the 1995 to 1999 period. It should be noted that if the subsidy had kept up with inflation, it would have been approximately R28 000 by 2000 which would be a realistic amount for the provision of adequate housing.

The other problem identified by BESG is that of access to credit facilities to low income earners to ensure that they can get better homes by

supplementing their subsidies. The government has, to no avail tried to convince the financial institutions to be more lenient in assisting the low-income people regarding credit facilities.

### **3.2.2.3 Strategic housing plan for the eThekweni Municipality - 2002**

The eThekweni Municipality has realised that in order to deliver as required by the government, planning and thinking strategically is the only solution. They have identified certain targets and actions that need to be taken. They have categorised these into two broad areas.

- 1) This is said to have a demand and a supply side. The demand side relating to the beneficiary, for example, access to subsidies, end user finance and the establishment of Body Corporate; and
- 2) On the other hand, the supply side focuses on the relationship with the development partners, for example partnerships and procurement, streamlining planning approvals, and providing working capital loans. There have been many complaints in this regard from other development partners as the Metro Housing Unit has been accused of disregarding other departments to achieve its goals. Presently, a working group has been formed to address this issue. Its first meeting sat at the end of June 2002.

#### **3.2.2.4 Facilitating and contributing to the management of human settlements.**

One of the main issues in this category is the improvement of the quality of life in informal settlements, new developments, hostels and Council housing rental stock. This further requires that the new locations provide improvements in basic health and safety.

According to the MHU Strategic Housing Programme (2002), there are three pillars on which the housing plan is built. They are facilitation, co-ordination and delivery. The cornerstone of this being

- Equity;
- Efficiency;
- Quality;
- Affordability;
- Sustainability;
- Integration;
- Spatial; and
- Restructuring.

It is stated in the MHU Strategic Housing Programme (2002) that these pillars are “inextricably” linked, mutually dependent and reinforcing. It promotes sustainable human settlements through the development of sustainable total living environments, which is seen as the overarching goal of strategic interventions. Delivery and facilitation are said to be providing

the conceptual framework within the strategic interventions, with the sectoral co-ordination considered essential to achieve the effective implementation of the first two strategic pillars

The eThekweni Municipality Area Strategic Plan (2002) is summarised as follows:

- Engage in delivery that entails the realisation of housing opportunities with associated infrastructure. This will include the delivery of land, tenure and bulk infrastructure as well as project implementation and consolidation activities. Whilst the local authorities have been key players in direct delivery in the past, with the new procurement policy, the role of local authorities in direct delivery is expected to increase. One of the main challenges in delivery systems is that of ensuring that money is geared in from other departments. There are several initiatives aimed at accessing funds from other national departments. This includes the Department of Land Affairs (planning grants), the Department of Agriculture (urban agriculture) and the MIG funding for bulk infrastructure. As housing delivery does not only mean a physical structure, the Departments of Education and Welfare are also involved in human settlements; therefore they need to be engaged in the process. There are various programmes that are involved in this process. These include informal settlement programmes, vacant land audit exercises, and calculation of the current and projected housing backlogs.

- Facilitation is very crucial to housing delivery as it creates an enabling environment. This includes facilitation of the process, facilitation of development finance, development of housing institutions, community empowerment programmes and facilitation process to end-user finance.
- Also important to housing delivery is the co-ordination function. This pertains to inter-sectoral co-ordination and strategic integrated planning. To facilitate this, are research and policy functions as well as information systems and communications. It should be noted that the housing sector is multi-faceted as it involves both the public and private sector role players. Below is the range of strategic interventions that have been identified and which will go a considerable way towards meeting the challenges currently faced by the housing sector.

**Table 3. The housing delivery process**

Strategy 1 <b>DELIVERY</b>	Strategy 2 <b>FACILITATION</b>	Strategy 3 <b>CO-ORDINATION</b>
<b>PROJECT IMPLEMENTATION</b> Public-Private-Community. Partnerships Capital Subsidy Facilitation Programme Hostels and Townships upgrading	<b>PROJECT PROCESS FACILITATION</b> Land identification and packaging Linking capital subsidy project approvals with LDOs Monitoring and facilitation of capital subsidy projects Engineering standards and plan approvals Environmental and urban design inputs Trouble shooting and political support	<b>SECTORAL CO-ORDINATION</b> Intra-sectoral co-ordination Inter-sectoral co-ordination Integrated spatial and development plans Fiscal sustainability Transformation and customer focus
<b>DELIVERY OF LAND TENURE</b> Land identification and assessment Land acquisition and assembly Rapid land release programme Tenure form Discount benefit scheme programme Re-housing options	<b>FINANCE FACILITATION</b> Working capital loans Bridging subsidies Establishment and equity contributions to housing institutions Top-up funding Strategic grants Bulk infrastructure loans Housing support End user finance	<b>RESEARCH AND POLICY</b> Research Monitoring and evaluation of delivery Monitoring and evaluation of policy Monitoring and evaluation of programme impact at city level Lobbying
<b>BULK INFRASTRUCTURE DELIVERY AND CO-ORDINATION</b> Access finance Planning and co-ordination	<b>COMMUNITY EMPOWERMENT</b> Community governance Community development plans Conflict resolution Organisational development and training Consumer protection Poverty alleviation programmes	<b>COMMUNICATIONS AND OUTREACH</b> Access to information networks and databases Mass communications Masakhane campaign
<b>HOUSING CONSOLIDATION</b> Providing housing support services Promoting local economic development Affirmative procurement practices Business, vocational and skills training Maintenance of Council rental stock	<b>INSTITUTIONAL ESTABLISHMENT</b> Facilitate set-up Financial support Facilitate set-up of and support to bodies corporate	<b>COMMUNICATIONS AND OUTREACH</b>

Strategic Planning: 2002: 9

### **3.2.2.5 The impact of finance on low cost housing**

One of the most important issues cited is the lack of clarity by the Housing Act, 1998 with regard to the full financial implications concerning the responsibility of providing access to housing and services. However, the local government is required to deliver housing that is financially and socially affordable and sustainable. This is questionable particularly in the Cape Metropolitan area where approximately 80% of households or 44% of the population qualifying for housing subsidies have monthly incomes of less than R1 500.

The Cape Metropolitan Council has a unique system of housing delivery. Whilst the local housing projects are implemented through the national housing capital subsidy, the difference is that financing for housing management and administration is currently from loans, reserves or rate appropriation accounts as set aside by local government. Additional funds are collected from housing rentals and administration charges received in the payment of monthly home - ownership charges. In the light of the above, the general consensus and understanding is that the current housing policy and legislation could impose unfunded mandates on local government. This was based on the assumptions that:

- The constitution and housing legislation makes local government responsible for the provision of basic services to the population in its area of jurisdiction. The lack of funds available for services and housing places a

constraint on the eThekweni Municipality and the Cape Metropolitan Council to meet this obligation;

- Current initiatives to formulate a strategy to deliver services and housing are limited due to insufficient information with regard to the actual costs of delivery of services and housing;
- To determine the full financial implications of the delivery of the new services and housing, the administration of the existing housing and informal settlements should be upgraded and reinforced. This and other information would then inform a detailed housing and service strategy; and
- An investigation was therefore carried out on selected local authorities such as Blaauwberg, Cape Town, Osterberg and South Peninsula. With Blaauwberg Municipality, a section 21 company was established. Its main aim was explicitly for the purpose of delivering social housing. The company was also to raise additional finance.

Whilst BESG has laid down some of the issues relating to present day housing delivery problems, it should be noted that the apartheid city planning impacts upon these issues. Such planning designed the development of the black areas in such a way that expansion and accessibility to basic services were impossible. Furthermore the people were never given an opportunity to buy land and build their own houses in urban areas, for example, they had to carry dompas. In addition, all Xhosa speaking people belonged to the Former Transkei and Ciskei, Zulu speaking

people belonged to KwaZulu and Sesotho, Tsonga, Venda etc belonged to one homeland or another. This has resulted in the current housing backlog, which the current housing policy is battling to cope with.

### **3.2.2.6 Housing settlement conditions in Durban Metropolitan Area**

The housing settlements in the Durban Metropolitan area are characterised by the following:

- No access to resources within the urban system, ie, a shopping centre, public transport, or open air spaces;
- Lack of infrastructure;
- Inadequate space (sites about 300 square metres in extent) and people cannot perform their traditional activities; and
- According to Joanne C. Butler - Adam (1978: 4), planners have no control over what is happening as there are no Town Planning Schemes. They have to use their own knowledge and experience to address all the needs and requirements.

According to Butler-Adam (1978: 5), the conditions of the aforementioned informal settlements are an “eye-sore and cancer in potentially healthy urban and rural environments”.

On the other hand, a paper by Hindson and McCarthy (1994: 136) addresses the issue of informal settlements in the metropolitan area. It should be noted that whilst the topic is on evaluating the housing policy, the issue of the informal settlements could not be left alone as this is the result of a lack of

housing in the country. In order to address the housing delivery problem, all the details of the low-income needs in relation to land acquisition, infrastructure and the provision of services should be dealt with accordingly. This is not only the problem of South Africa, but a global problem as well.

It has been noted that for the past thirty years, there have been shifts in ideas about appropriate shelter and settlement policies in developing countries. This has significantly affected policy and practice among developing country governments, international aid agencies and academic communities.

It was always the assumption of the 1960s that the public sector could provide shelter for low-income groups. The shelter policy objective was the delivery of safe, decent and sanitised housing for all people. This meant flat developments that required very high monthly subsidies, and increase of informal settlements in cities of developing countries. The attitude then towards informal settlements was that of total neglect and massive demolitions without any considerations of insitu upgrading or legalising of these settlements by way of provision of services. Instead the trickle of conventional housing projects continued. This was caused by the high cost of well-built houses that were out of reach of the poor people. Only the middle class citizens benefited from such schemes.

As time went by, there were major policy shifts with growing support for unauthorised settlements as a means of housing as many people as possible. Self-help advocacy was promoted. Research into low-income groups and settlements in developing countries revealed the potential for self build

urban development. This focused on an attempt to understand housing issues and the development of squatter settlements through a series of theoretical examples using the western urban land use theory of modernisation, originality and dependency theory (Informal Settlements in KwaZulu Natal, 1994: 46). It also included an analysis of a body of data on housing and squatter problems on the neighbourhood, urban and national scales that described existing conditions and calculated future housing needs.

The research based on the above two points ultimately served as the catalyst for developing housing policies and programmes for low income people. This is consistent with both the scarcity of public resources available to implement them, and the scarcity of private resources available to families to take advantage of them.

In the 1970s, site and service projects were introduced. Such projects were tackled by the partnership between government agencies, community associations and households. In today's language this could be called CBO/NGO-Public partnerships. The role of the government was to make land available that was graded, serviced and subdivided into plots. On top of this, the government was to make funds available for construction loans. Community associations screened applications for residency and distributed loans. The beneficiaries (households) built their own dwellings, developing them over time.

This became a favoured idea by the mid 1970s since these projects introduced concepts of affordability and cost recovery that significantly

reduced the subsidy element of publicly provided shelter. Site and service projects became the bulwark of the World Bank's lending for housing in the developing world.

With the change of attitude towards informal settlements, settlement upgrading recognised the basic worth of informal and often illegal settlements regardless of their existing standard and focused investment on providing essential minimum infrastructure, which was missing. With the security of land tenure and the provision of infrastructure, the residents tend to invest substantially in improving their shelters. All this resulted in the World Bank projects being combined with site and service and upgrading initiatives. This consolidation was seen as an integral part of the scheme. In the context of informal settlements, this refers to a process whereby land is legally acquired, shacks are incrementally replaced by more permanent dwellings. These dwellings are constructed with orthodox materials, services are installed and social and commercial facilities are established. This included the decriminalisation of squatter communities and their incorporation into the political and social structures of the city. Strategies like this are explicitly designed to help participants move beyond shacks that are seen as simply the first step in a process of incremental shelter upgrading.

In the early 1980s the appraising of the self-help scheme was received with mixed feelings. There is widespread disappointment at its slow rate of consolidation of site and service schemes that was ascribed to the lack of secure tenure, inability to acquire small loans for home improvement and the

lack of community mobilisation. These schemes were found not to serve the poorest of the poor but the lower middle class.

Another reason was that many developing countries were only willing to undertake site and service projects on a trial basis. This resulted in few countries radically changing the way in which housing resources such as land, materials and labour were allocated. Only a few cities claim that site and service projects have enabled the supply of new units to keep pace with demand. In cases where demand outstrips supply, competition increases between all income groups and the affluent are always able to outbid the poor.

It has been realised that market forces in land and property markets, benefit upper and middle income groups and some at the upper end of low income groups, but isolates the poorest groups still further from suitable housing and employment opportunities (Hindson and McCarthy: 1994: 48).

One of the issues that affect land acquisition is the high cost of urban land that leaves new developments being located on public owned land, or cheap private land. The only land that has been available is land located on the periphery, low lying, steep or otherwise difficult to develop. This increased the costs for construction, site development and transport.

### **3.2.3. Conclusion**

In the light of the above, the dialogue over the last decade has been directed at specific aspects of informal settlements, for example the role of informal housing in the broader housing policy. This included contributions made by the public, private and popular sectors. Furthermore, the ways of securing the participation and development of informal settlers and the consolidation of informal areas were discussed. This resulted in the formation of new ideas. These provided the framework for new approaches to informal housing. Most ideas focused on the importance of community participation, more constructive roles for government and other actors and the influence of politics.

The evidence from the international community suggests that community participation in the construction and management of site and service and upgrading initiatives is crucial to successful consolidation. Community participation provides two important roles. The first role; is the facilitation of the implementation of informal housing strategies by ensuring the legitimacy of project interventions. It also brings about the closest possible fit between projects and the needs of the participants. It also builds local capacity for ongoing management of the project and shares project costs via the mobilisation of community resources such as labour, capital and management. The second role is the potential to transform communities by allowing access to decision making, facilitating organisations around issues of local concern and promoting political awareness.

Things changed by the mid 1980s. Schon (1987: 35) states that governments were urged instead, to focus on providing infrastructure and management for strategic interventions aimed at facilitating the shelter activities of private agents. Governments were seen as creating an environment conducive to spontaneous, incremental building through policies affecting access to land, standards, construction and finance. Despite this, new supporting roles for governments were identified, based on more positive interventions in land and property markets, and the greater use of their considerable legislative and fiscal powers.

The governments began to use their powers to legalise informal settlements and ensure that there was an adequate supply of land for formal housing. Presently, the security of tenure is emerging as a key consideration. The governments are presently adopting new policy interventions. Fundamentally, this has begun to change the way in which housing resources such as land, capital, material and labour are allocated. The revision of official standards, building codes, minimum plot sizes, building permits, building materials etc is seen as an extremely encouraging development. Also the recognition of the role of municipalities in housing delivery and the improvement of their capacity is critical. In addition, the low income settlement policies were imperiously affected by the regulation of activities of informal land developers, material suppliers and others achieving a more equitable distribution of resources. Furthermore, these services impacted upon the income groups, considering the spatial implications of informal housing development plans and implementing training programmes.

In other countries like Latin America, governments responded differently at different political conjunctures. During periods of hostility, they were virulent to informal settlements whilst at other times they were tolerated. More recently, some governments have supported informal settlements. Local politics also had an effect on these, ie warlordism and general political manipulation of the poor.

Consequently, further land invasions occurred necessitating insitu upgrading later on. Policies with regard to illegal occupation of land have been passed to alleviate this problem.

## **CHAPTER 4: REVIEW OF RECENT LEGISLATIVE AND POLICY DEVELOPMENTS**

### **4.0 Introduction**

This chapter introduces all the legislation that impacts on housing delivery. It also assesses the role that each piece of legislation plays in the processes as well as the actual implementation of the housing policy.

It has been established in certain instances that some of the policies passed by the various departments have a negative bearing on housing delivery. The intention therefore, is to ensure that ultimately all the government systems and structures move towards achieving a common goal, that is, housing the poor people of South Africa.

### **4.1 Policy approaches**

It should be noted that in KwaZulu Natal, efforts to contain the spread of informal settlements were thwarted by the scale and rapidity of spontaneous settlements. The number of people residing in settlements sanctioned by the authorities far outweighs those who have found places in de-concentrated areas. To respond to these problems, the national housing forum debate was instituted. The issue of national policy towards informal settlements became clouded in the last few years as a number of multi-party forums emerged to debate future urban policy while national negotiations over the constitution were under way.

In the national housing forum a debate occurred around the informal settlements and site and service schemes in new housing development strategy. Some also argued that given the scarcity of resources for housing and development and the cost of formal housing, the upgrade and development of well-located settlements should be made an important part of the overall urban strategy.

Furthermore, there is a belief that the answer to the problem of informal settlements lies in massive state subsidised housing programmes. However, there is a counter argument that attempts to upgrade settlements in this manner will merely perpetuate problems of poverty and inequality. Unfortunately, the informal settlement issue was never resolved by the national housing forum, hence no policy exists in this respect.

Counter views and arguments came from the different groups involved in these discussions. Hindson and McCarthy (1994:21) state that some national housing forum members (the extra parliamentary groupings) assumed that subsidies devised by the National Housing Forum (NHF) were oriented to the formal low-income housing market. However, others such as the Independent Development Trust (IDT) assumed that given the lack of mortgage finance, subsidies would be mainly used in site and service schemes. The NHF also devised a subsidy scheme for consolidation in previously subsidised site and service areas for use by provinces and IDT.

There have been different responses to informal settlements. Some view them as an embarrassment to be avoided whilst others, the radical free

marketers, see informal settlements as a supposed solution to the housing crisis. This, combined with an apparent racial selectivity in support for such solutions, the occasional biased supposition that shacks were good enough for blacks, had dampened enthusiasm for site and service schemes and informal settlement upgrade for some. Another issue is that many of the informal settlement (informal) dwellers have been residing in these areas for decades. Their removal would result in traumatic conditions and social disruptions. Relocating these millions of people to new houses is impossible, as the government does not have funds and the developmental capacity to make this a realistic short or medium term plan. This has also been recognised by other countries as well with a similar level of development to South Africa.

It should be noted that housing delivery in KwaZulu Natal is very difficult as the informal settlements are so extensive and well integrated into the overall settlement system and regional economy. To this effect it is concluded that most will remain and need upgrading. This upgrading has become part of a broader low income housing effort in the province in which formal housing delivery also constitutes an important element.

The most important policy trade-off is that of need versus developmental impact. Often the most poverty stricken settlements are those least sensibly located with regard to site conditions, work opportunities and bulk infrastructure.

It should be noted that for some time now the key policy challenges in the area of low income housing as well as informal settlements upgrade has been perceived to be that effecting an optimal balance between the rate of delivery of hard products and the extent and depth of community participation in project planning and implementation. The hard product otherwise impresses both the politicians and the officials as this shows results, whilst the consumers and the civic organisations are satisfied by extensive community participation as this establishes a sense of ownership and pride.

The aforementioned issues indicate a complex problem. Whilst the delivery of a concrete product is envisaged, in many shack areas warlordism is prevalent. For a democratic government concerned with expediting development, this constitutes a key dilemma. Local and regional government will have to consider its implications. It is suggested by Hindson & McCarthy (1994: 25) that one way of escaping this impasse is to link the upgrading of informal settlements to a parallel effort based on accountable and open local governments that are also focussing on development centres. In addition, it is important to shift the focus of decisions taken in communities from local power structures to individual and household beneficiaries. This has to be done through the formation of beneficiary groups such as housing clubs. Another is through extension of rights of ownership of land and property to individual occupants.

The concept of governance is important since, as already noted, many squatter communities have a history of conflict and enmity with the previous

regime. This sometimes translates into suspicion of non-governmental or other bodies seeking to assist settlements. Yet, the project's research also shows that squatter communities are characterised by a complex set of stages, of politics, and resistance versus negotiation. Elucidating the more constructive and developmental forces in such communities should be a major objective of local governance.

The researcher is of the view that, in order for development to continue, there is a need for stabilisation within these communities. One of the contributors is the variety of tenure forms that have emerged spontaneously within settlements. Together with the private tenure, these need to be incorporated into upgrade programmes. Another stabilising element is capacity building within the communities. What is required is a more effective combination between the hard resources and skills of the state and the latent energies and abilities of local communities, a new thinking around new institutional forms with new roles emerging for state officials, civic and development agencies. The purpose of these should be to expedite delivery by creating greater synergy between elemental forms gleaned from the past.

In order for the policy to be implemented, Hindson and McCarthy (1994: 32) state that the social compact formation is done in such a way that it does not hinder the housing and development process. Furthermore, there is a need to regularise the housing and development process with new local authorities taking on the key role. Finally, as the shift to legitimate local authority occurs, it will remain important for mediation and participatory principles of compact formation to be carried over into the practice of the new authorities.

#### **4.1.1 Existing conditions**

According to the Housing Policy (1998), to address the problem of the housing backlog, there is a need for a governmental intervention, which is to provide broad options for the rapid attainment of secure tenure. It identifies enormous constraints to solving housing problems of this country. These constraints are:

- The scale of housing problems pertains to the current backlog and rapid growth in demand. In addition to this are the disparities between rural and urban housing as well as disparities between provinces. The other issue is that of incomes where the low-income groups cannot afford adequate housing using their own financial resources.
- The organisational structure of South Africa's human settlement also contributes as a constraint to housing development. There is a high need of housing in urban areas due to the high rate of urbanisation caused by the underdevelopment of rural areas. Furthermore, the notion of inefficient and inequitable cities contributes to the problem. The geographic segment of living areas according to race and class, urban sprawl and disparate levels of service provision and access to amenities in different areas make South Africa's cities very inequitable, inefficient and relatively expensive to manage and maintain. On the other hand, dispersed rural settlement structure hampers servicing and makes access to socio-cultural amenities problematic.

- The institutional framework governing housing has resulted in numerous constraints to housing delivery in South Africa. This is as a result of the fragmentation of the housing function that was racially and geographically based (the TBVC states). This resulted in duplication, overlapping and confusion within and between housing institutions, hence inefficiencies and wastage. On the other hand, many local authorities were poorly resourced and politically incapable to undertake certain responsibilities, resulting in delays to the housing development process. Finally the slow process of local government transition resulted in delays to the housing process. However, the government promulgated legislation and procedures that would alleviate any problems associated with the collapse of local government. This required a more co-ordinated policy at higher levels.
- The housing policy framework suffered many setbacks due to two issues. The first being the lack of overall housing strategy. This resulted in inadequate definition of roles and responsibilities of all role players in the housing sector. Also the lack of a coherent overall housing strategy has contributed to the present confusion and breakdown in delivery. Also the exclusion of rural housing needs in the mainstream of housing policy approaches was a case of concern which is presently being addressed through the housing code. The second issue is the multiplicity and duplication of legislation governing housing, land and services.

- One of the constraints is the structure and the availability of end-user finance for housing and housing subsidies. This has resulted in housing funds being utilised for diverse purposes such as funding for bulk infrastructure, community facilities, interest rates and rental subsidies. These funds ended up being used in a diluted, dispersed and inadequate impact of state expenditure. Other subsidy systems have been duplicated, racially segmented, poorly targeted at poor households and often inadequately funded and largely unsuccessful in mobilising significant levels of non-state investment. The issue of formal financial institutions' reluctance on financing low-income categories impedes the ability of many households to access adequate housing even though they may be able to afford it.
- Land and planning also plays a critical role in housing delivery. The historical and existing patterns of land use and allocation as well as the legislative and policy framework associated with land, provides an immense challenge and constraint. This calls for a new approach to land use and planning which would impact on both professions and the communities.
- The inability and unwillingness to release sufficient suitable land and housing continues to be a constraint to timeous housing delivery. This is a result of a shortfall in a coherent policy on land, land identification (characterised by previous racial zonings, reluctance to accept low cost housing in certain areas by certain authorities), constraints to land assembly where land is too expensive to release for low cost housing, for

example, industrial and commercial land invasion and land title which refers to different tenure arrangements.

- The housing construction sector also faces some problems with an inadequate development framework where the identified land has poor, or no access to bulk infrastructure networks and lengthy planning procedures which hampers the developers ability to undertake housing development expeditiously. The other factor is the limited capacity in the construction sector and building material supply industry. This is due to an economic recession and production slump, which require rebuilding to enable delivery to be boosted. Also the geographic distribution of demand does not match location of construction capacity and building material supply.
- The policy touches on sociological issues focusing on issues such as high expectations from people after the democratic elections, crime and violence, poor consumer education, perceptions on housing as a means of increasing equity and security, non-payment of services which constrains the viability and sustainability of housing production. The issue of special needs is mentioned in housing provision such as old age homes, homeless shelters and frail care facilities. Some of the issues that complicate this was circular migration and dual households, hostel accommodation, the prevalence of single and female headed households, cultural and legal impediments to access for women to housing and traditional tenure systems (Housing Policy: 1998).

The 1998 housing policy offered an opportunity for participative, consultative and transparent development process. At that stage structures such as the National Housing Forum were established to assist with this process. However, presently this structure oversees the establishment of other committees that are tasked with the overall housing strategy, housing subsidies, retail lending initiatives and the provision of housing credit, institutional arrangements, fund mobilisation and national housing budget. The other issue tasked to this structure was land and planning, hostels sector, efficiency, effectiveness and rural housing policy and programmes. It should be noted that all key housing policy recommendations were then referred to the National Housing Forum (NHF) and National Housing Board (NHB) for comment.

The national housing strategy, as part of the housing policy, dealt with the basic trade-offs facing South Africa in accommodating the national housing vision and goals, some basic points of departure and underlying strategy, underlying policy approaches and considerations, and the overall approach to be adopted in relation to:

- Stabilising the housing environment;
- Supporting the housing process;
- Mobilising housing credit;
- Mobilising savings;
- Subsidisation to alleviate affordability constraints;
- Institutional arrangements; and

- Land and co-ordination of development efforts and fund allocations within the state.

The state noted that with the current housing backlog and the available budget, there was only a limited amount that could be used for a housing subsidy. In order to address this problem, the main challenge was the economic growth and the creation of employment opportunities through a comprehensive programme of economic reconstruction and development embarked upon by the government.

It was realised that appropriate housing policies and delivery systems can contribute to employment creation and economic growth, but cannot be drivers of such growth. As such the housing policy therefore favours the involvement of small and medium sized business and labour intensive approaches in order to maximise the economic growth and employment impact of such policy. In order to solve this country's housing problems, it is imperative that there is full mobilisation and harnessing of diverse resources, innovation, energy and initiative of individuals, communities, the state and broader private sector so that the challenge can be met effectively. This therefore calls for a housing policy and strategy that is multi-faceted in an approach towards serving all segments of the market, with, particular emphasis on the poor. This should essentially be driven at a local and provincial level.

#### **4.1.2 South African Housing Act, 1997 (Act 107 of 1997)**

It should be noted that the Housing Act, 1997 (ACT No. 107 of 1997) arises out of the policy approach, as expressed in the Housing White Paper to rationalise institutional capacities. The process of rationalisation was initiated under the previous Housing Arrangements Act, 1993 (Act No.155 of 1993), which, for example, resulted in the creation of a single national housing fund out of five racially, based statutory funds. The Act, therefore, furthers the process of rationalisation and brings housing legislation in line with the imperatives of the Constitution.

In light of the above, the Housing Act, 1997 (Act no. 107 of 1997) is the supreme housing law in the land. When this Act was promulgated, it replaced all previous housing legislation, clarifying the roles and responsibilities of the three spheres of government in respect of housing. Some of these undertakings have since been repealed or amended such as the Provincial Housing Board in KwaZulu Natal. It also ensured that all housing activities in South Africa occur within the framework of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) The Housing Act, therefore:

- Prescribed the principles applicable to housing development, to which all spheres of government must adhere;
- Clearly defined the housing-related functions of each sphere of government;

- Provided for the establishment of a South African Housing Development Board (SAHDB) and the continued existence of Provincial Housing Boards (PHBs) under the new name of Provincial Housing Development Boards (PHDBs);
- Addressed the financing of the national housing programmes, with specific reference to the role of each sphere of government and the procedures that are applicable;
- Provided for the termination of previous housing arrangements; and
- Repealed all previous housing legislation.

The Housing Act had six components, namely:

- The principles applicable to housing development that are binding to all spheres of government;
- The different roles of the spheres of government;
- The statutory bodies that monitor the implementation of the national housing policy, such as the South African Housing Development Board (SAHDB). At Provincial level, there are Provincial Housing Development Boards (PHDBs). To this effect, the KwaZulu Natal province has since established a Housing Advisory Committee (HAC) replacing PHDB.
- The financing of housing development that ensures sustainability;
- The termination of housing arrangements and debts that were created under the old dispensation by means of housing development loans; and

- The key provisions for the publication and / or establishment of norms and standards, the national housing code and a national housing data bank and information system.

The Housing Act, 1997 (Act 107 of 1997), elucidates the function of each sphere of government, starting with the national, provincial and local governments. As stated in the previous sections, each sphere of government has designed a housing policy based on the National Housing Policy.

#### **4.1.2.1 Function of the national government**

The national government acts through the Minister of Housing. There is consultation with every MEC and the national organisations representing municipalities in terms of section 163 (a) of the Constitution. The role of the Minister is to determine a National Housing Policy, set national housing delivery goals and facilitate the setting up of provincial and local government through the MECs. One of the roles of national government is to assist provinces to develop the administrative capacity of municipalities, promote consultation with civil society and finance housing goods or services. Also consultation with provincial and local government and other stakeholders within the housing fraternity is promoted.

The other function of the national government is the publishing of the code called the National Housing Code, which contains the national housing policy that includes administrative and procedural guidelines in respect of effective implementation and application of national housing policy and any

other issues incidental to the policy. Every provincial government should have a copy of the Housing Code. If the housing policy is amended, the provincial governments should be notified of such amendments and within three months publishes a revised Housing Code, with a copy circulated to all provincial governments.

The South African Development Housing Board was established to advise the Minister on matters relating to housing development and monitoring and the implementation of national housing policy. The Minister appointed the members of the Board.

#### **4.1.2.2 Function of the provincial government**

The provincial government has to consult with organisations representing municipalities and must do everything in its power to promote and facilitate the provision of adequate housing in its province within the framework of the national housing policy.

When the Provincial Housing Board is established, the MEC appoints and fills any vacancy in the office. The procedure is the same as the establishment of the National Housing Board. It operates similarly to the national board with regard to the code of conduct. In KwaZulu Natal, the Housing Board has since been dissolved. In its place, a Housing Advisory Committee has been established.

### **4.1.2.3 Functions of the local government**

The local municipalities should each follow the requirements of both national and provincial governments through the preparation of IDPs to ensure that the inhabitants have access to adequate housing, remove or prevent any conditions that are conducive to health hazards. Furthermore, they have to ensure that there is safety, provision of services such as water, sanitation, electricity, roads, storm-water drainage systems and transport. Municipalities have to prepare and implement the housing policy in line with the national guidelines.

### **4.1.3 National Housing Policy (1995)**

It is imperative that prior to delving into the various legislative frameworks impacting on the housing policy, the national housing policy vision is addressed.

Housing, according to the National Housing Policy (1995), is defined as “a variety of processes through which habitable, stable and sustainable public and private residential environments are created for viable households and communities”. This recognises that the environment within which a house is situated is as important as the house itself in satisfying the needs and requirements of the occupants.

The National Housing Policy (1995) states further that government strives for the establishment of viable, socially and economically integrated

communities, situated in areas allowing convenient access to economic opportunities as well as health, educational and social amenities within which all 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 unwanted elements; and
- Potable water, adequate sanitary facilities including waste disposal and domestic electricity supply.

Despite the constraints in the environment and the limitations on the fiscus, the government declared its commitment that every effort will be made in order to realise this vision for all South Africans. In this respect, the government recognises the need for general economic growth and employment as well as the efforts and contributions of individuals themselves and the providers of housing credit as pre-requisites for the realisation thereof.

However, as far as economic growth is concerned, the GDP still sits at about 3.5% and there is a decline in employment. It should also be realised that it is still a battle for the low-income people to access credit through the financial institutions based on the criteria and requirements set by the institutions.

In order to meet the housing challenge in the country, "government aims to establish a sustainable housing process which will eventually enable all South Africa's people to secure housing with secure tenure within a safe and

healthy environment and viable communities in a manner that will make a positive contribution to a non-racial, non-sexist, democratic and integrated society within the shortest time frame” (Government Gazette: 1994: 25)

The National Housing Policy informs the provincial and local housing policy and guides all policies pertaining to housing. As the area of study is in KwaZulu Natal, both the KwaZulu Natal Housing Policy and the eThekweni Municipality Housing Policy are also dealt with. However, it should be noted that these policies are the same as the national policy; therefore most of the details are discussed in this policy. There have been attempts to elaborate on the provincial and municipal policies, leaving out those issues that are a duplication of the national policy.

Taken from the preamble of the housing policy, “housing the nation”, the South African government had for the first time a housing policy framework for all its citizens. What is important is the establishment of an enabling environment in addition to the publication of a new set of rules. This aims at contributing to the certainty required by the market and giving both the provincial and local government their capacity to fulfil their constitutional obligations.

Throughout the policy, the partnerships between various spheres of government, the private sector and the communities are emphasised. This is seen as a fundamental pre-requisite for the sustained delivery of housing at a level unprecedented in the history of South Africa. In addition to the housing delivery challenge, another challenge facing all the role-players is the

creation of a public environment conducive to attracting private investment. Success in meeting the housing challenge is seen as one of the cornerstones of rebuilding our social structures and regenerating the economy.

In the light of the above, the housing policy has its basis on its relationship with the macro-economy guiding economic growth, distribution of income, employment, investment, savings, fiscal deficit, inflation, balance of payments and policy implications. All these factors have an impact on the delivery process. For example, in a state where there are problems with economic growth, there is usually a problem with all the other factors mentioned. This results in an unequal distribution of income. The current debate is that of an increased distribution of income to the lower income groups. This could have an impact on housing delivery. It is evident that the priorities of a low-income group are specific needs such as education, clothing, housing and food.

Due to a slight increase in the economic growth rate, there is less impact on unemployment. This has a negative impact on the demand and investment in housing, diminishing the government's resource ability to assist the poor and unemployed. It is clearly stated in the policy that a solution to this problem is fundamental to a sustainable solution for the housing problem. It should be noted though that housing delivery has a high direct and indirect economic multiplier effect through programmes that satisfy basic as well as provide a sound basis for job creation and economic sustainability.

In order to stabilise the economy that had an impact on the factors mentioned above, a broad economic policy framework is required to facilitate a significant increase in the delivery of housing. The policy should focus on the higher rate of economic growth and in particular, rising and more equitably distributed real per capita income. Also an increase in the level of employment will encourage a greater incentive to save. Finally, there should be a reduction in government dis-saving and an effective containment of the rate of inflation.

As indicated, the above factors serve to create an environment conducive to saving for an investment in housing. In this regard, the government has adopted a long-term policy approach in mobilising higher levels of investment from the private sector, particularly from the contractual savings industry.

#### **4.1.4 KwaZulu Natal Housing Act, 1998**

The KwaZulu Natal Housing Act, 1998 (Act No. 12 of 1998) was assented to in 1999. The main aim of this Act was mainly to provide “sustainable housing development process”. To ensure that this was achieved, a KwaZulu Natal Housing Board was established. However, in 2000 the section of the Act establishing this Board was repealed. The Housing Advisory Committee replaced the Housing Board.

The Act made provision for the establishment of KwaZulu Natal Housing Fund. The Fund is constituted of the following:

- “ Assets transferred from the National Housing Fund;
  - Assets of the Provincial Government transferred to the Fund;
  - Any amount which is paid into the Fund in terms of section 13 (1) of the Housing Arrangements Act, 1993 (Act No. 155 of 1993)
  - Any amount appropriated to the Fund by the National Parliament in terms of section 12 (1)(a) of the Housing Act, 1997;
  - Any amount appropriated to it by Parliament;
  - Any amount borrowed in terms of section 26; and
  - Any other amount, which may accrue to the Fund”.
- (Section 12, Act No.12 of 1998)

#### **4.1.4.1 The role of the Department**

In terms of the Act, the powers and duties of the Department are to ensure that there is proper administration, and co-ordination. Furthermore, the Department has a responsibility, among other things, to undertake projects, determine provincial policy, promote adoption of provincial legislation to ensure effective housing delivery, and prepare and maintain a multi year plan.

Section 15(3)(a-f) states that the Department may transfer

“its interest in any complete or incomplete dwelling or project to a Municipality provided that any dwelling or project in respect of which some interest has been transferred, shall be deemed to be a dwelling

or project for which the Municipality received a grant or bridging finance in terms of this Act”.

Furthermore, the Department could in certain instances carry out the duties and responsibilities of a Municipality whenever the Municipality is unable to do so or where no Municipality exists. In terms of this Act, the Municipality also has a duty and responsibility to take reasonable steps to support and strengthen the capacity of Municipalities to effectively exercise their powers and perform their duties in respect of housing development.

The KwaZulu Natal Amendment Act, 2000 (Act No. 8 of 2000), provides under Section 15A the general powers and duties of the Minister. This section states that:

- The Minister must administer all national and provincial housing programmes through the approval of projects and the financing thereof from the (funds within the Provincial Housing Development) Fund;
- He must also determine housing development priorities in the Province;
- The Minister must institute a process to enable the Department to evaluate and access project applications to ensure a healthy balance between priorities and needs of all stakeholders, development priorities and technical expertise;
- He must also establish norms, standards, frameworks and provincial policies which are not inconsistent with the Housing Act, in order to

deal effectively with matters pertaining to housing development that require to be dealt with uniformly across the Province.

- He must accredit any Municipality, which may apply for accreditation, provided that the Municipality concerned satisfies the accreditation criteria as agreed between the Minister and the National Minister of Housing.
- The Minister should also allocate money from the Fund to any accredited Municipality, provided that the Municipality concerned maintains a separate account for the administration of national housing programmes;
- He should establish targets in respect of housing delivery in the Province;
- The Minister should encourage and develop new ways of reducing the cost of housing developments and diversify the type of design and layout used in provincial projects.
- It is also the Minister's duty and responsibility to appoint a panel of experts to advise him on request on any matter relating to housing development in the Province.

Based on the above, it is obvious that the Minister is vested with a lot of power and responsibility. This also calls for innovation by the Minister to ensure that there is improvement on the delivery mechanism and designs.

The Amendment Act as well, touches on a very crucial issue, that of public participation. The Act mentions a participation forum, which is constituted of all the major stakeholders in civil society and local government and the

Provincial Government. This forum would discuss all the matters pertaining to Provincial Governments policy, legislative role and funding role. It is not clear whether the newly launched Housing Forums at Municipal level are these participatory forums. It should be noted that presently, the only participating community structures in housing delivery are the Section 21 Companies and Development Committees / Forums. With the introduction of the Rural Housing Subsidies, Isigungu Senkosi (Tribal Authority) is the main forum to ensure a smooth delivery process, particularly the allocation of land.

#### **4.1.4.2 The role of the Municipalities**

It is important that the Municipality ensures that the inhabitants of its municipal area have access to adequate housing, sustainable housing delivery goals, identify and designate land for housing purposes. They also have to ensure that the services are provided and maintained in an economic, efficient and effective manner (KZN Housing Act, 1998). The Municipalities should also initiate, plan and execute the projects, facilitate and co-ordinate housing development. It should be noted that previously, the private sector could initiate housing projects but this was also repealed with the Amendment Act of 2000.

In conclusion, in terms of Section 18A(1) of the Amendment Act (2000), it is stated that, "it must be a condition of every housing subsidy, as defined in the Code, granted to natural person in terms of any national housing programme for the construction or purchase of a dwelling or serviced site

that, notwithstanding any provisions to the contrary contained in any other law, such person or his successors in title or his or her or their creditors in law must not sell or otherwise alienate such dwellings or site within a period of eight years from the date on the property was acquired by such person or of the date of registration of a mortgage bond, as the case may be, unless such dwellings or site has first been offered for sale to the department”.

These sections therefore protect the beneficiaries from being offered cash in exchange of their houses and move back to shack dwellings. This is still common in green field developments. However, the rate is lower in in-situ upgrade.

#### **4.2 Status quo**

The housing policy was designed to address the projected current situation (1995) of an estimated 42.8 million people with an annual growth rate of 2.27%. The projected population increase between 1995 and 2000 was 47.4 million people. The statistics estimated that the total number of households in South Africa is 8,3 million with a projected 2.0 million single people. The estimated average of new households annually was at 200 000 between 1995 and 2000. It should be noted that the extended households and circulation migration is considered in this estimation. At the time of the writing of this policy, the government was in the process of establishing a Housing and Services Information System. (White Paper: A New Housing Policy and Strategy for South Africa: 1995)

Also the issue of urbanised population of 66% still has to be verified due to the circulation migration and the fact that these people still have their rural households.

**Table 4: The projected household income distribution in 1995**

<b>NUMBER</b>	<b>CATEGORY</b>	<b>PERCENTAGE</b>	<b>NO.OF HOUSEHOLDS</b>
1.	0 – 800	39.7	3.30m
2.	800 – 1500	29.0	2.41m
3.	1500 – 2500	11.8	0.98m
4.	2500 – 3500	5.6	0.46m
5.	+3500	13.9	1.15m
<b>TOTAL</b>		<b>100</b>	<b>8.3m</b>

Source: White Paper: A New Housing Policy and Strategy for South Africa (1995)

The above table estimates that about 8.3 million people earn less than R3 501 per month. This could have changed either way. Unfortunately, new projections at the time of writing could not be found.

In 1995, the basic living conditions in South Africa were intolerable, with about 61% of urban households living in formal housing estimated at 3.4 million units (this includes formal houses, flats, Townhouses and retirement homes) with formal housing for low income people being less than 20 000 units.

About 1.5 million urban informal housing units existed in the urban areas. This included 620 000 serviced sites delivered through the old provincial

authorities and Independent Development Trust Capital Subsidy Programmes. 5.2% of households reside in the hostels with a third of the hostels (58) housing approximately 100 000 people.

From these, 13,5% (1.06 million) households live in squatter housing, mostly in free - standing squatter settlements on the periphery of cities and who are battling to come to terms with the subject matter and in the backyards of formal housing in towns. It is estimated that approximately 150 000 new squatter households per annum arose.

With regard to rural housing, it is estimated that about two thirds of the 17,1 million people living in poverty live in rural areas. About 14,5 million people living in the rural areas, reside outside the commercial farming areas. In these areas there is a mix of both formal and informal housing structures with inadequate access to potable water and sanitation and general insecurity of tenure.

The final category is that of “farm worker housing”. What should be realised is that farm workers do not have security of tenure hence they are reluctant to invest their earnings into housing. With regard to access to basic services, it should be noted that about one quarter of all functional urban households do not have access to piped potable water supply. An estimated 48% do not have access to waterborne sewage or VIPs, whilst 16% have no access to any type of sanitation system. An estimated 85% of rural households have some form of sanitation whereas 49% rely on the veld for this purpose. Concerning electricity, about 46,5% are not connected to electricity supply,

and other facilities such as schools, clinics, good roads and recreational facilities.

This problem needs to be addressed by all three spheres of government. The government could save funds by eliminating duplication within the housing sectors. These savings could be used to increase the local authorities equitable share. As such, the local authorities would have to take it upon themselves to provide infrastructure and services.

Presently there have been significant declines in housing delivery in other provinces since 1994. However, KwaZulu Natal has continued to keep pace with the ever increasing demand for housing. According to the Independent on Saturday (24/09/05), a Provincial Budgets and Expenditure Review released by the National Treasury indicated that housing delivery has dropped steadily as compared to the past few years following the euphoria of the first democratic elections in 1994.

Whilst the quantity might have dropped, surely the quality has improved. The Independent on Saturday (24/09/05) further states that only two provinces seem to be making strides in housing provision, ie Gauteng and KwaZulu Natal. KZN is said to have doubled its output from just over 14 000 in 2001 to about 37 000 in 2004.

As much as the Province wants to increase the delivery to between 45 000 and 50 000 per annum, the MEC cautioned that “we might run a risk of overspending hence whatever we do must be within the Mid Term

Expenditure Framework (MTEF) allocation” (the Independent on Saturday: 24/09/05).

The success of KZN is attributed to five key elements as contained in a five year strategic housing plan. These include:

- Focus on slum clearance;
- Rural housing;
- Hostel upgrading;
- Rental housing; and
- Green field housing development.

One of the key challenges is the unavailability of land as KZN has the highest concentration of people and ever-changing migration patterns. The eThekweni Municipality is a typical example.

Recently poverty alleviation has become an important issue as well. Housing delivery has been seen as an employment tool to fight poverty. This is done through labour intensive construction methods. The local labour is given preference to stimulate local economies.

The rental housing scheme has also become very important. The Breaking New Ground (BNG) housing policy (2005) has been adopted. The primary aim of this policy is to cater for young and single individuals not yet ready to own their properties. This is done through bond financing by financial institutions.

In addition, there is new category of those people who earn between R3 000.00 and R7 000.00 but who could not qualify for home loans. To address this category, an agreement has been reached with the Banking Council of South Africa (BCSA) to assist with housing loans. Already they have committed R42 billion.

The Minister of Housing stated that the housing backlog sits at 20% of the total population (Housing Indaba: 23-24 September 2005). It was further stated that about R32 billion has been spent on housing delivery since 1994 (Independent on Saturday: 24/09/05).

#### **4.3 People's Housing Process**

The National Housing Policy deals with a variety of issues. However, what is important in the study, is the aim of the policy; its fundamental principles, institutional arrangements and the different roles of all involved in terms of initiating the process, approval of applications, participative / consultative processes, and the housing subsidies and grants.

It should be noted that the government promulgated the White Paper on Housing (23 December 1994), aiming at mobilising and harnessing the combined resources, efforts and initiatives of communities, the private sector, commercial sector and the state. The focus was specifically on the poorest of the poor families who only have access to housing subsidies and wish to enhance their subsidies by building or organising the building of

their homes themselves. One of the negative factors impacting on these families is that they cannot access credit or accumulate significant savings to enhance their subsidies hence the need for a rapid economic growth and job creation. One of the issues that were to be entrenched in the Reconstruction and Development Programme is the principle of “a people driven” process within the housing development.

The fundamental principles are, that opportunities be created for poor families to enhance the value of their subsidies by, contributing their own resources and taking key decisions in the design of their houses, method of construction and choice of building materials. In addition to the above, recognition of skills and initiatives of potential beneficiaries are to be regarded as the primary resource. Furthermore, the programme guidelines and procedures are designed to be as flexible as possible to accommodate and encourage the widest range of innovative approaches and contributions. Also the governments’ contribution that is both financial and institutional has to be sustainable.

It should be noted that the national housing policy promoted the achievement of the synergy between the programme and those existing national programmes capable of adding value to the People’s Housing Process. Furthermore, the programme has to recognise and contribute wherever possible to the broader socio-economic and development context within which housing needs are being met.

The National Housing Policy also provides for institutional arrangements through support organisations, funding, decision-making, monitoring, provincial and local government, People's Partnership Trust, and savings and credit in respect of People's Housing Process.

The institutional arrangements as stated above call for organisations that would assist or be legal entities known as support organisation in securing housing subsidies, facilitate the acquisition of land and provide technical, financial, logistical and administrative support. The government therefore provides facilitation and grant funding for the preparation of the establishment of housing support. The MEC has to account to the provincial legislature on how the funds have been utilised.

With the dissolution of the Housing Board in KZN, the MEC has added powers, and is also assisted by the Housing Advisory Committee (HAC). On the other hand, the monitoring role is given to the Minister of Housing with the provincial housing furnishing reports, returns and other information as the Minister may require. It should be noted though that provincial as well as local governments have vital roles to fulfil in the successful implementation of the programme's activities.

The policy also stipulates that there are international organisations that have committed themselves to supporting this programme through the People's Housing Partnership Trust. The role of the Trust is that of advocacy, promotion and creation of support for the programme. It furthermore has to promote the streamlining of the operational procedures for the delivery of

land, finance and infrastructural services. The Trust has also to assist local organisations in their efforts to organise and support the programme initiatives. One of the most crucial roles of the programme in the development and promotion of technical skills at all levels of government, CBOs, NGOs, communities and private sector bodies who presently lack these skills and or capacity, and intend to implement support for the programme.

The policy states that in terms of savings and credit in respect of the People's Housing Process that is investigated by the Department, the National Housing Finance Corporation and other organisations share this commitment.

#### **4.4 Procedure followed in the programme**

There are several routes followed in the programme in initiating these projects. The policy states that (People's Housing Process: 6) it can be done in the following manner:

- Where a group of families or a community based organisation forms a legal entity themselves to assume the functions of a support organisation; or
- Where a group of families or a community based organisation identifies a legal entity such as a local government, NGO or other body and enters into a contract with it to act as a support organisation

on their behalf. Such contract needs to specify the roles and functions and responsibilities of all relevant parties; or

- Where a legal entity such as an NGO, local government or other body interested in becoming a support organisation, takes the initiative and identifies a group of families as the target group. It concludes an agreement with them to act as the support organisation specifying the roles, functions and responsibilities of all relevant parties. The role of CMDA in eThekweni Municipality, for instance, can be classified under this category although there have been complaints regarding the delay in the delivery of housing in Cato Manor.

The policy further provides for the families themselves to form a support organisation through the establishment of a company in terms of Section 21 of the Company's Act, or a trust or a voluntary association. It also lists organisations that can play a role to the support organisations. Without copying the list, it is clear that any organisation can play this role as long as it meets the policy requirements.

The establishment of the support organisation is generally to provide the technical and administrative support to the beneficiary families. Assistance starts from the identification of land, layout plan, preparation, lodging of housing subsidy applications, submission of layout plan for approval to PHDB, organising of building materials, preparation and acceptance of design of houses, supervision of building work and the general certification and management of the operation. Also, through the existing non-

governmental organisations the support organisation may provide capacity building programmes to capacitate the community.

In the whole process, the MEC for housing plays a critical role through the allocation of funds from the provincial housing allocation. These funds are allocated in two stages, facilitation grants to undertake the preparatory work and housing subsidies and establishment grants on approval of the application by PHDB.

The facilitation grants are made available to any group of families to assist in the establishment of a support organisation. This facilitation grant can also be made available to any other organisation or company that operates as a support organisation, which is assisting the beneficiary families in the preparation of a business plan and project application. The PHDB therefore considers the merits, needs and requirements of the application prior to approval.

Similarly, prior to the approval of the housing subsidies and establishment grants, a project application and a business plan including the running costs for the support functions should be submitted. Approval therefore depends on the availability of funds and the compliance of the application with all the other requirements, ie Part 10 of the Housing Subsidy Scheme Implementation Manual, acceptance of business plan and the project consistent with the provincial government's priorities.

The policy states clearly the categories of potential beneficiaries. The first category is constituted of people with ownership rights but no formal houses and this category is termed owners. The second category is of people settled on land on a rental basis with no formal houses. This category is known as non-owners. The third category refers to those who occupy land that they do not have rights upon and have built a form of housing. They are referred to as occupants. The fourth category does not have a place of its own; for example, they live in hostels, backyard shacks and various other forms of accommodation and are referred to as landless people. The final category is those people who have functional security of tenure in terms of Interim Protection of Informal Land Rights Act, 1996. This category is referred to as rural families. These categories therefore inform the type of subsidy application to be followed. For the owner's category, a consolidation subsidy is used. On the other hand, non-owners, occupants and landless people qualify for project linked subsidy or institutional housing subsidy. With rural families, the rural housing subsidy is used.

Regarding establishment grants, they vary in amount depending on the number of families involved, which do not exceed R800.00 per subsidy per beneficiary family. These grants are paid to the support organisation. These funds are supposed to be utilised for the establishment of facilities (physical), essential staff, service providers and basic office and construction equipment. One of the most important issues is that on termination or completion of a housing support project, all relevant equipment and material left over should revert to the Department of Housing for re-use or re-allocation to associated projects. What is not mentioned are the

administration costs of these projects. The researcher came across a situation where the support organisation was charging R500.00 administration fee per subsidy, deducted from the residual.

The policy makes it clear that there is a difference between funding for servicing sites and funding for top structures. It is indicated that in both project linked and institutional subsidies, the support organisation has to open a bank account (separate). An Account Administrator who is entitled to make progress payments from the specified account to beneficiaries on the certification that agreed milestones have been reached should administer this account.

There should also be a qualified certifier who is an independent person who can either be employed by the provincial government, local government or a person from a private sector or community. The role of the certifier amongst others is that of inspecting the work done by the participating beneficiaries and if satisfactory, certify that by means of a progress payment certificate that a milestone has been reached. The Account Administrator therefore pays an amount for the value of work done. Also the Account Administrator has to provide monthly reconciliation statements to the Department of Housing.

However, on the completion of the project, a final reconciliation statement is required and the interest earned by the funds in the account should be paid to the PHDB. The above seems to be very complicated and can lead to the use

of more funds for administration purposes. The red tape created by the policy, seems not to solve the problem, however it worsens the situation.

The consolidation subsidies in terms of the policy are top structure subsidies, as they are made available to enable beneficiaries to provide or to upgrade top structures on sites already owned by them.

#### **4.5 Rural Housing Subsidy**

The difference between the rural housing subsidy and the project linked, individual and consolidation subsidies is that:

- In project linked subsidies and individual subsidies, the beneficiary acquires title to a particular piece of land; and
- In consolidation subsidies, the beneficiary already holds title to a particular piece of land.

However, rural subsidies may accordingly be made available to persons who occupy the land in the following manner:

- By virtue of the laws and customs of a tribe, if the land is State land;
- As holders of registered quitrent tenure rights or registered rights / permission to occupy in terms of any of the included enactments;
- By virtue of the administrative practice, which previously existed, if the land occupied is State land. This category includes all unregistered

quitrent tenure rights and unregistered rights / permissions to occupy granted in terms of the included enactments; and

- The Interim Protection Act grants protection not only to persons who occupy land, but also to persons who have access to land in terms of the various informal rights detailed in that Act.

One other issue that has been raised is that the beneficiary rights must not be contested. Any beneficiary therefore who occupies land and wishes to obtain a rural subsidy should accordingly produce a certificate from the leader of that community in order to confirm his or her rights. Furthermore, the beneficiary should also provide documents confirming qualification in terms of quitrent rights or permission to occupy.

The policy states that the continuous occupation of state land for five years and more will ensure that they enjoy functional security of tenure even if they do not have documentary proof. The occupation of this land can be proved as follows:

- The beneficiary must submit an affidavit to the Provincial Housing Development Board (Housing Advisory Committee in KZN - HAC) in which the details of the nature of tenure rights held by the beneficiary in respect of the land that the subsidy is applied for;
- The applicant must obtain and submit to the PHDB / HAC affidavits by all the adult members of the household, which occupies the allotment in question, in which those persons confirm that no person has contested the applicant's rights to occupy that allotment; and

- The applicant must obtain and submit to the PHDB – HAC a certificate from the registered owner of the land in which that owner certifies that there are no competing claims in respect of the allotment.

However, the above does not guarantee that the PHDB / HAC will be compelled to approve any application without investigating its validity. Furthermore, the nominal owner of all state land is the Minister of Land Affairs. In this respect, any group of people wishing to access rural housing subsidy for development on a State Land must;

- Prepare a development proposal;
- Indicate the criteria used in identifying beneficiaries; and
- Obtain approval from the Minister of Land Affairs.

Similar to the PLS (Project Linked subsidies), the Rural Subsidies have to be lodged in two phases. Chapter 3 of the Housing Code requires that an application for Conditional Approval be lodged first. Once this has gone through, a detailed application is submitted for approval.

#### **4.6 Provincial Housing Policy**

As indicated in the National Housing Act, the Minister and the Department are responsible for housing in the province. The role of the Minister and the department is that of managing the provision of housing in the province. It should be noted that the actual implementation process is not the function of

the provincial government, but ensures that the process happens within the framework of national and provincial policy.

Ideally, local government should assume full responsibility for the housing delivery process so that the Minister and the department are confined to policy and control issues.

The housing delivery programme serves as an extension to the Department of Local Government and Housing. The primary purpose is to assist the department in fulfilling its role and responsibility in the housing delivery process. The housing delivery programme operates within the guidelines laid down by the Provincial Housing Board. To speed up the process, the then PHB initially appointed six project management firms for each of the three regions. The Coastal Region being serviced by Africon and Procon-Africa. Inland Region serviced by Yakhani Project Managers, LH Kunene, Dave Hall & Associates. The Northern Region serviced by ZAI and Ethusini Housing (forming Sakhasonke Joint Venture). This was reviewed leading to:

- The dissolution of the Provincial Housing Board;
- The termination of contracts with the project management firms; and
- The appointment of housing monitors and facilitators.

Initially, the vision of the programme was to deliver housing on state land within the R15 000.00 subsidy scheme which has since been revised to R29 000. In the then delivery system, the Department would act as a developer where it would enter into land availability agreements with local authorities

and developers. However, the new Procurement Act, has changed the whole process.

Various committees were formed to ensure a smooth delivery process. One of these committees was the Housing Management Committee which was constituted of the Deputy Director General: Housing, Superintendent General of the Department of Local Government and Housing, Deputy Director General: Local Government and Chairman of the then PHBKZN. The role and function of this Committee was to provide policy directives and guidelines at provincial level for the implementation of the programme, as this was the role of the regional co-ordinating committee.

The regional co-ordinating committee was constituted of the Regional Chief Director, Director Social Empowerment, Director Land Planning and Survey Services, Director Engineering Services, Director Housing Administration, Director Local Government, Director Land Administration and Regional Project Manager, representing the project manager on behalf of the Sakhasonke Joint Venture.

The role and function of this committee was to give effect to the policy decisions and guidelines formulated by the Housing Management Committee. It also had to ensure that they are implemented with due regard to the local circumstances. This committee was therefore involved in the day-to-day implementation of projects and the housing management committee focused on policy.

The programme managers mentioned previously were tasked with the role of the overall management of the housing delivery programme. This included determining the scope of the programme, planning, including assessing alternative implementation methods, programming and integrating financial planning and control, organising and communicating with functionaries on a day to day basis, identifying and managing risk, directing the regional project managers, overall control of the programme and reporting to the housing management committee.

Within the province, there are various development options, within the local councils or within regional councils. Within the local councils, the development is either by the local municipality or through assistance by the Department of Housing with the level of assistance being defined. Ownership of land could be a local authority, state, Ingonyama Trust Land or private land.

There are various processes and procedures that are followed. This all depends on who owns the land. However, in cases where the municipality is the developer, a Land Availability Agreement (LAA) is signed with the landowner. The LAA is therefore forwarded to the Department of Housing with the Project Linked Subsidy application (PLS). It should be noted that the Department of Housing has power to directly liaise with the beneficiary community and act as a developer. In this instance, the department initiates a public request for development proposals. It enters into an agreement with the successful Implementing Agent (IA) and ensures that there are proper structures on the ground such as a S21 Company to ensure proper

management and accounting procedures. On the other hand, the department can in special cases develop land directly. This is a least preferred option.

It should be noted that the District Councils can no longer manage housing developments as this is solely a function of the local municipality. The department can develop in consultation with the District Councils as they are in charge of MIG funding and the supply of water except eThekweni Municipality.

It should be noted that special arrangements could be made with regard to the development of Ingonyama Trust Land. With regard to the development of private land, it can be purchased and development facilitated.

#### **4.7 Local Policy: eThekweni Municipality**

The eThekweni Municipality has its own housing policy to guide and ensure a smooth delivery of housing. When the Metro Integrated Development Plan was prepared, the housing strategy was one of the crucial strategies designed. The housing strategy was integrated into the above - mentioned IDP. It would be implemented within the context of local or metro policies regarding procurement and job creation, land invasions and housing allocations.

The housing policies exist within other policies, particularly the land invasion policy. The latter policy became a necessity due to massive threats of land invasion that were taking place within the DMA.

The Ethekwini Municipality has adopted the following types of housing subsidies, viz:

- a) consolidation;
- c) project linked;
- d) rural;
- e) Institutional; and
- f) Hostel development.

- **Consolidation subsidies:** this refers to those housing developments that involved assisting land owners who qualify for the housing subsidy, to improve their properties by way of extensions. This further incorporates old age homes and orphanages.
- **Project linked subsidies:** this refers to a process where land will be identified and bought as part of the housing subsidy process. The beneficiaries will therefore be allocated sites, be given title deeds, have their sites serviced and a 30 square metre unit built.
- **Rural subsidy:** this has recently been introduced in rural areas. The beneficiary community has to establish a Communal Property Association (CPA) as the land cannot be transferred to individuals. Once this CPA has been registered in Pretoria, the land can therefore be transferred to beneficiaries. An allocations policy will therefore need to be adopted.

- Institutional subsidies: these are available to qualifying institutions who can provide affordable housing such as rent-to-own schemes.
- Hostel redevelopment: these are mainly for the upgrading of the existing hostels either to family or individual units.

In order to accommodate homeless people, a housing allocations policy had to be set up. This policy states that housing development on vacant land should, in principle, be available to any qualifying beneficiaries in the DMA. Furthermore, insitu developments will largely cater for existing informal residents. The special needs groups will be targeted for particular forms of housing. These groups may include relocatees, physically disabled, employer-linked groups, single parents and so on.

The allocations policy is facing challenges as well, for example:

- The implementation of metro-wide allocations policy without undermining local conditions, ie, community dynamics and gate keeping.
- HAC criteria has proved to be limiting in many ways and therefore need to be revisited, that will involve lobbying the provincial government.

With regard to the above, a need has been identified to re-look at the allocations policy so as to come up with a metro wide agreed policy. This will be done through consultation with all stakeholders as was done with the initial policy.

## **4.8 Institutional systems**

It should be noted that the White Paper on Local Government proposes two forms of Metropolitan Local Government. The first is the Metropolitan government with ward committees, ie, single city. This type of government would exercise the complete range of local government powers and duties, with area based ward committees that have advisory powers and some form of delegated powers and functions. The second form of metropolitan government is one with substructures. This includes a metropolitan council with legislative, executive and administrative powers with substructure councils that have developed powers and functions with advisory, supervisory and decision-making powers.

Due to the problems experienced with regard to the institutional systems, the EMA proposes that the gearing of funds and the initiation of the various housing programmes and projects reflect the commitment of all stakeholders to the housing vision.

The major challenge therefore of the EMA is to maintain and increase this momentum throughout the restructuring process necessitated by the creation of the Unicity. It is stated that the restructuring process creates an opportunity for change, but also brings with it uncertainty as to how the transformed Council will perform.

It is imperative that housing delivery should be amalgamated with the other service providers, ie, water, electricity, etc to ensure a holistic approach, using the township establishment process as a guideline.

#### **4.8.1 Reasons for township establishment**

This is designed to ensure an orderly development of land to protect peoples' interest. Unfortunately, as mentioned earlier on, there are so many different acts and pieces of legislation that guide this process. In addition to the transport policies, and township establishment acts; there are still the following pieces of legislation, the Town Planning Ordinance of 1949; the Less Formal Township Establishment Act (Act 113 of 1991); the Ingonyama Trust Act; KwaZulu Land Affairs Act (Act 11 of 1992); and the Development Facilitation Act (Act 67 of 1995).

#### **4.8.2 Township establishment procedures**

The Department of Traditional and Local Government Affairs, with the Directorate of Land, Planning and Survey being directly involved, manage this process.

In this process, for a land development application to be approved, regardless of whether one opted for an Ordinance route or DFA route, the following information is required:

- Surveyor – General diagram of land development;

- Title Deed;
- Servitudes;
- Site locality plan;
- Layout plan with contours, existing infrastructure, boundaries, number of sites proposed;
- Locality plan in relation to surrounding areas;
- Sites drawn to scale and numbered;
- Names of surveyor;
- 1-100 flood line;
- True north;
- Geotechnical report;
- Environmental scoping;
- Local authority conditions and support;
- Social compact agreement;
- Conveyancer certificate;
- Mineral rights certificate;
- If DFA route is taken, any letters suspending the existing regulations is required; and
- Confirmation that the proposed site is not subject to a land claim application.

It should be noted that it is all of the above that delay the housing delivery process as these involve other government departments. There are several things that need to be satisfied prior to declaring the township, for the complete servicing of the area prior to the opening of the township register, the registrar of deeds will not open a township register until a certificate of

completion is issued. In the instance of where the title is not issued, the development cannot proceed. This becomes very critical, as no transfer of funds will take place prior to authorisation of P4 and P5 swop.

Township establishment in rural areas takes a totally different format. In such areas, no individual titles are issued to the beneficiaries. A communal Property Association (CPA) has to be lodged and registered prior to land being transferred. The CPA therefore will have to adopt a Housing Allocations Policy to guide this process.

However, in terms of the land development area being declared, all the requirements mentioned in both formal and less formal township establishments have to be followed.

#### **4.9 KwaZulu Natal Planning and Development Act, 1998 (Act 5 of 1998)**

It should be noted that the issues raised in the problem statement of the draft green paper, are to the present day still shared by the writer hence their inclusion in this document. It is therefore the intention to include and make some recommendations pertaining to this legislation as well.

The planning system emerged due to influences by British planning, the Second World War and post reconstruction efforts, the post 1948 era and grand apartheid, the Soweto uprising of 1976, and the post 1985 late apartheid reforms. This system is characterised by a complex fragmentation

that is across scales, race groups, ethnic lines, geographic areas, provinces, jurisdictional boundaries, sectoral uses and jurisdictional instruments.

Spatial planning has since 1994 been influenced by the constitution, the Development Facilitation Act, new planning laws passed by some of the provinces and the various national pieces of sectoral legislation that have had planning implications.

Starting with the Constitution, it has a bearing on the planning system in those new constitutional requirements, such as co-operative governance and procedural and participatory rights have been enforced to ensure accountability for decision-making, the promotion of social and economic rights, and the protection of the environment. These create imperatives that profoundly affect planning. The new constitutional model redefines the relationships between government by replacing the system of a vertical hierarchy of tiers with three overlapping planning processes and sets of plans, each relating to a different sphere of government. In this regard the national parliament may not pass provincial planning laws unless the purpose of the legislation is to maintain national security, economic unity or essential national standards, to establish minimum standards for the rendering of services, or to prevent a province from taking unreasonable and prejudicial action. This intervention legislation only prevails when there is a conflict between a provincial and national law on provincial planning.

Many provinces have been formulating their planning and development laws in an attempt to create legal uniformity and to redress the legal and

administrative chaos apartheid had caused. It should be noted that a number of laws with powerful implications have been enacted. These laws are the Local Government Transition Act, the National Environmental and Management Act, the Housing Act, the Water Services Act and the regulations passed in terms of the Environmental Conservation Act. These superimpose a powerful set of procedural obligations on other spheres of government, especially local government.

Notwithstanding the above, planning as stated in the White Paper on Local Government has an impact on each of the legislations mentioned in the previous paragraph. This is seen as a centre for planning for better human settlements. This is founded on the new municipal planning system that is known as developmental local government, which emphasises integrated development planning as a tool for realising the vision of developmental local government. In addition to these there is the urban and rural development frameworks that provide positive and common vision for the achievement of rapid and sustainable reduction of poverty.

There have also been spatial development initiatives and proposed industrial development zone policies, which are presently poorly co-ordinated. There has been the introduction of the Development Facilitation Act that is linked to planning. This Act was introduced to specifically address those extraordinary land development projects. There has been some confusion with regard to the main focus of the Act whether it is on land development projects generally or is focussing on RDP projects. A legal opinion was sought to clarify this issue. The adjudication basis is on rationalising all laws

by introducing the DFA that simply superimposed overall existing laws governing land development.

It therefore laid down general principles to govern land development throughout the Republic of South Africa. These principles also serve as guidelines to which any competent authority “shall” exercise discretion or take any decision in terms of this act or any other law dealing with land development. The legislature further authorised the provincial tribunals to dispense with the requirements of certain laws when such dispensation is necessary in the case of specific land development applications.

With regard to traditional and tribal leadership, the Constitution does give some recognition to the role of the traditional leaders although it does not specify the nature and scale of their involvement. This has led to significant uncertainty, confusion and even challenge over the decision-making powers of these authorities in development processes. In the past traditional leaders had powers to allocate resources in rural and informal communities, and they also played an administrative role.

#### **4.10 Lack of shared vision**

The planning legislation is blamed for the lack of a shared vision, for example, it focuses on particular sectors or geographic areas rather than being concerned with the totality. Reference is made to the urban development framework that does not say much about how their intentions should be achieved and what their implications are for planning. They also

lack a powerful political facilitator. There is little evidence that these documents have information about the work of other departments or the national allocation of resources. In this, the main business of the Department of Housing includes only a small part of the broader urban issue. In this regard, the urban development framework makes a strong case against urban sprawl. Despite this, provincial housing boards continue to award housing subsidies in outlying areas where the land price is cheaper.

#### **4.11 Lack of intergovernmental co-ordination**

There is evidence of considerable confusion about the roles of different spheres of government and their relationships with each other. There has been a major attempt at national level to change the dominant planning paradigm from a control driven one to a more proactive developmental model. However, the significance and implications of this shift has not been adequately communicated to other spheres of government and in many places, the shift is being resisted.

The relationship between national and provincial planning is particularly unclear. The DFA is one major piece of national planning legislation introduced since 1994. It fails to provide a clear framework within which provinces can draw up legislation that is provincially specific, but still conforms to national principles. Furthermore national initiatives are frequently not informed of provincial plans and may ride roughshod over them.

According to the Green Paper on Development Planning (1999), there is confusion between provincial and local spheres of government. This is based on the following reasons:

1. There is no clear conception of what the spatial elements of a provincial development plan should include. Many of the provincial growth and development plans are relatively weak in terms of spatial recommendations. Furthermore those spatial decisions that have been taken have frequently not been the result of consultation and collaboration with affected local authorities. Certain new provincial bills and acts, such as the KwaZulu Natal Planning and Development Act and the Planning bill for Gauteng, include specific requirements for co-ordination with local plans. In other provinces, this is not the case.
2. There are concerns in local government about the powers of intervention and approval resting in provincial government via the responsible MECs. For example, certain laws such as the Less Formal Township Establishment (LEFTEA) and the ordinances are seen to give too much power to the MEC. LEFTEA empowers the MEC rather than an independent body such as a tribunal or local council to make decisions on proposed development. The township board, an institution set up by some of the old provincial ordinances, does not have final decision making powers on new land developments, it must have its decisions confirmed by the MEC. There are feelings in some quarters that the new provincial legislation does not go far enough to correct this. For example, the KwaZulu Natal Planning and Development Act

(1998) provides for local authorities to undertake their own planning, but gives the MEC the power to intervene if he or she is of the view that a local plan is not in accordance with the principles in the Act or any provincial policy or any provisions of the act. Some argue that the intervention powers given to the MEC is so strong so as to effectively remove the constitutional right of municipalities to undertake their own planning. Most local authorities have told the Planning and Development Commission that they favour a facilitative, supportive and co-ordinating role for provinces in relation to local government planning, not a controlling and monitoring one.

It should be noted that the constitutional principle of co-operative governance is vital in establishing a positive, reinforcing spatial planning system. Putting this into practice requires reinforcement and support.

#### **4.12 Intra-governmental relations**

On a national level, most national government departments (constitutional development, land affairs, housing, transport, environment and trade and industry) have policies that could be described as falling within the spatial planning field.

There has been enthusiasm, creativity and energy invested in reforming these sectoral areas that is reflected in a rash of legislative and policy programmes. On the other hand these efforts have occurred largely in isolation with each department, understandably placing itself at the centre

stage of its programme. There are also disturbing tendencies towards competition for turf, something which has profoundly negative consequences. All these factors have made the task of producing a coherent policy framework at provincial level extremely difficult.

The primary consequence of local government is a plethora of unfunded mandates. Local authorities are required to operate within a variety of laws, reporting procedures and even approval procedures that impose work loads far beyond their capacity to produce.

Compliance with the requirements encourages the tendency for sectoral issues to be considered in isolation, outside of any concern for the operation of the settlement as a totality. This makes sound decision making almost impossible. The separation between spatial development in the form of IDPs and LDOs, transport, water and environmental issues is particularly worrying. There is real danger that if environmental issues are considered independently by an environmental agency, they will no longer be considered independently, and will no longer be considered a factor when town-planning approval is sought.

The private sector has to deal with unacceptable time delays and consequently, land holding costs are being incurred. This is a result of new requirements for additional approvals, coupled with decreasing capacity within local authorities and the need to deal with a variety of line-function departments. The potential outcome to this is that developers will increasingly flout the law by not bothering to seek approvals.

In provincial and local governments, the main intra-governmental problem is the line function fragmentation. Each province tends to have a department that deals with spatial planning, but related and integral planning functions often occur elsewhere in the provincial government structure. This creates competition, severe co-ordination problems and duplication.

In local government, similar problems of line function fragmentation and co-ordination are aggravated by the fact that metropolitan and district councils have the same third-sphere status as the structures of which they are comprised. While the Local Government Structures Act sets out the division of powers and functions between local councils and district councils, much work is required to iron out confusion and settle the division of functions more effectively. This allows for some degree of negotiation regarding the division of powers.

The problem of inordinately slow decision-making is also experienced in many local authorities. Attempts to speed up decision-making through the ability of DFA tribunals to override restrictive legislation have not yet had a wide impact for the following reasons:

- Very few tribunals have been established;
- Too few applications have been made in terms of DFA;
- There have been procedural teething problems that have slowed down implementation;

- No efficient administrative procedures with regard to the roles of the Local Authority and the Development Tribunal once decisions have been taken; and
- The DFA is not a preferred option as it is not mandatory to use it (Development Facilitation Act, 1995).

#### **4.13 Issues of capacity**

There are many issues relating to capacity that have been raised, however, the most relevant ones are the following:

- There are many decision-makers particularly in local government who have had no previous experience in spatial planning related matters and who are battling to come to terms with the subject matter.
- There are shortages of suitably qualified people in all spheres of government.
- The more discretionary normative planning system ushered in by the DFA in 1995 and reinforced by other subsequently normatively based legislation requires a different kind of capacity to that required by the previous more rule based system. Many officials in the field of spatial planning and development management are finding their original training inadequate to meet these demands.

- The problem of planning demands being made by other spheres of government, particularly in local government is compromising the problem. Many local authorities are simply unable to meet the demands being made on them and have nowhere to turn to for assistance.
- The capacity problems lead to delays of approval of developmental applications in both large and small municipalities. What is more frustrating, are the new approval routes such as the EIA and the inability of the majority of local authorities to meet the requirements for more public participation in decisions.

#### **4.14 Legal and procedural complexity**

Nationally, the establishment of a new government in 1994 did not wipe the slate clean and usher in a new set of laws for the new democracy. This resulted in the adoption of many of the old laws in collaboration with the new national sectoral laws that also deal with planning matters.

The various laws became even more complicated when certain areas of the country opted for independence and self-government. These territories repealed the planning laws to suit their needs. Presently these laws are still in force thus making planning very difficult. Also, there is still confusion in peripheral areas of former white South Africa where the absence of town planning schemes and the applicability of the relevant ordinance resulted in little effective land use planning control. Similarly, in local government there is legal confusion with a number of the planning tools deriving powers

from different legislation. Procedurally, many of the complexities created through national and provincial legislation are played out in this sphere. Trying to do away with the historical legislation of master plans, structure plans; town-planning schemes etc has created more confusion with the introduction of Land Development Objectives (LDOs) in terms of the Development Facilitation Act (DFA) and Integrated Development Plans (IDPs).

Some of the procedural complexities are related to the land reform act that prohibits any planning activities relating to subdivision, rezoning and leasing of land, which is subject to land claim. This therefore has an impact on housing delivery, as the necessary procedures cannot be undertaken.

#### **4.15 Legislative framework**

The historical legacy of apartheid led to a housing backlog especially in the African community. As such, in its campaign for elections in 1994, the African National Congress (ANC) focused on housing delivery. It promised a million houses by the end of its first term. Immediately after the elections, the National Housing Policy was promulgated in 1994. It elucidated the roles of the three spheres of government relative to housing. The national sphere is responsible for the policy, legislation and the provision of funds. The provincial sphere through various structures administers funds. The spheres of government through their structures are responsible for the implementation of the housing policy through co-ordination and approval of development plans and funding. The third sphere of government ensures that

land is available and that development is in accordance with the current legislation and by-laws.

Whilst the housing policy is in place and all those other spheres of government are active in housing delivery, the national government has to address other legislative requirements to ensure speedy delivery. Such legislation relates to the acquisition of land, development planning and environmental legislation. Because of the delays caused by various pieces of legislation, the national government promulgated the Development Facilitation Act, Act No 67 of 1995. This Act is designed to speed up the development process (mainly housing delivery) without the land development applications having to go through the various departments. This act overrides any other legislation. There is however controversy as to whether other land development applications other than housing could go through this process. A legal opinion was requested, and it confirmed that the Act does specifically state “service delivery”.

In KwaZulu Natal the full implementation of the housing policy is faced with different challenges that tended to oppose most of the legislation, causing delays in housing delivery. An example is the promulgation of the Development Facilitation Act and its regulations that was implemented almost two years after Gauteng. The Planning and Development Act Regulations are still not promulgated (although circulated for comment more than once), causing delays in the implementation of development controls that might complement the housing policy.

Furthermore, the Ingonyama Trust Act also has its own problems where access to the Ingonyama Trust Land is difficult. This therefore affects both urban and rural housing development. In addition, the political influence is also delaying housing delivery. This has resulted in the standoff between the ANC government and the Amakhosi regarding their role in the new government.

In light of the above, the national housing policy makes provision for a maximum of R28 279.00 subsidy for income groups ranging from R000.00 to R3 500.00 per month. It should be noted though that many of the projects being implemented presently fall under the old housing subsidy scheme as the new subsidy (R28 279.00) only became effective in May 2004. This caters for both infrastructural development and the construction of the topstructure. The focus presently is on insitu upgrade, transitional and greenfield development. In implementing this policy, it is stated clearly that cognisance should be taken of skills transfer, capacity building, the involvement of small intermediate enterprises and women. However, whilst this is mentioned in the housing policy, the problem is that there is no mechanism that ensures that housing delivery incorporates the above issues.

In order to establish the role played by each piece of legislation in the housing delivery process, each respective policy or act will be discussed.

#### **4.16. Important Issues on Housing Delivery From 1994**

As far back as 1985, the National Building Regulation (SABS 0400) was promulgated and the standard included a minimum house size of 30m<sup>2</sup>. In this respect, the Agreement Board was responsible for approving innovative building methods by issuing Agreement Certificates. This Board also issued Minimum Agreement Norms Technical Advisory guide (MANTAG) Certificates for building methods for low-income housing. However, in terms of the Less Formal Township Establishment Act, 1991 (Act 113 of 1991), building regulations and standards did not apply in low-income housing developments established under this Act.

The Council formulated the existing sets of guidelines for layout planning and infrastructure for the Centre for Scientific and Industrial Research (CSIR) in 1994. These were combined into the guidelines for the provision of engineering services and amenities in residential township developments (the Red Book).

Notwithstanding the above, in terms of numbers of houses delivered in the period between 1994 and 1998, subsidies to 937 000 beneficiaries were approved and 692 000 subsidies were spent (CSIR report: undated). With regard to expenditure, between the period 1998/9, the government spent R3.7 billion on housing and the Department of Constitutional Development spent R700 million on subsidies for bulk infrastructure (CSIR report). What should be realised is that only a few of the houses delivered during this

period conformed to the National Building Regulations in terms of size and quality.

There are also other issues that are related or have an impact on housing delivery, such as HIV/AIDS, education and communication, operating costs of housing and community values.

HIV/AIDS has a significant impact on housing delivery in the following manner:

1. Decrease in economically active people due to HIV/AIDS related illnesses. This results in deaths and children headed families; and
2. Elderly people left in charge of young children after the deaths of their parents.

The above leads to extreme poverty and a dire need for a different form of housing, such as old age homes, orphanages and hospices. To address this problem, the Department of Welfare and Population Development is suggesting that rather than building orphanages, the extended family members should take over the responsibility of young orphans and apply for the government grant. The same people (relatives) could qualify for housing subsidies, as these children would be their dependents when they apply for housing subsidies.

Education and communication are critical issues that need to be known to assist in sustainable housing delivery. It is crucial to inform beneficiaries

about the larger role and impacts on housing in the economy and society to help consumers make well-informed decisions for their families. This is complemented by the need to extend and broaden access to housing finance by bringing more credit options into the lower income housing market and enabling greater access to different kinds of housing, depending on family needs.

Rhodes (USAID: 2000:2), states that there are various priority issues that need to be addressed in housing delivery. One of these is to ensure that there is greater support for multiple housing options at both the low and middle-income levels. Furthermore, there is a need to assess more thoroughly the long-term costs of inhabiting a dwelling, especially from transportation, energy and other service perspectives with a view to expanding the understanding of the overall quality of the living environment and the costs involved. In addition, Rhodes (USAID: 2000:3) states that housing should be of economic value to communities. It must be an asset, a transferable asset, which the owner should be able to use as collateral.

In 1999, the Development Action Group (DAG) reviewed the impact of the National Housing Policy in the Western Cape during the period 1994 to 1999. This report by Thurman (1999: 7) highlighted the following relevant issues:

- 1) That housing delivery had taken place on a significant scale in the small and medium towns (66.5% of all subsidies allocated) but in Cape Town and surrounding areas delivery was poor;

- 2) That the typical residential unit produced through the formal developer route was small ranging from 12m<sup>2</sup> to 31m<sup>2</sup> and often of poor quality;
- 3) That the support by local and provincial government regarding PHP was, at best poor, and at worst an impediment to progress. This was because of a desire to control the process and a lack of understanding of how to support it;
- 4) That access to additional funding was limited and this, in turn, affected the beneficiaries' choice over the housing product and process; and
- 5) That there was a lack of capacity within the Provincial Administration and the local authorities to support the housing process.

The other important issue on housing delivery is the government's procurement policy. According to Watermeyer (1999: 12) the Constitution of South Africa states that when Organs of State contract for goods, it must do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective. The procurement system should therefore provide employment and business opportunities to marginalized individuals and communities and allow social objectives to be linked to procurement.

It has been established though by Grobler and Pretorius (2000: 3), that 29% of the building and civil engineering projects in South Africa are delivered by means of the design and build BPS (building procurement systems) and 9% by means of other forms of building procurement systems.

However, the question that needs to be answered is whether the traditional building procurement system (TBPS) is the most appropriate building procurement system of low-income housing projects, despite it being the most popular form of procurement. According to Kwelamila 1997:1) the TBPS is out of date, inefficient and expensive and does not adequately reflect an appropriate relationship between the client and the contractor.

#### **4.17 Overall approach to housing**

As indicated above, there are several policy documents that inform the housing policy. Some of the problematic issues have been raised above. This section of the chapter therefore adopts an overall approach to addressing the housing problems in South Africa. In doing this, revisit some of the legislation and apply its relevance to the housing policy.

In this section, reference is made to Chapter 2 of the Housing Code. This section revisits the following issues:

- The vision for housing in South Africa;
- The national housing goals; and
- The framework for national housing policy

As much as these have been dealt with in the above sections, the policy has been revised to accommodate the changing needs and aspirations of South Africans.

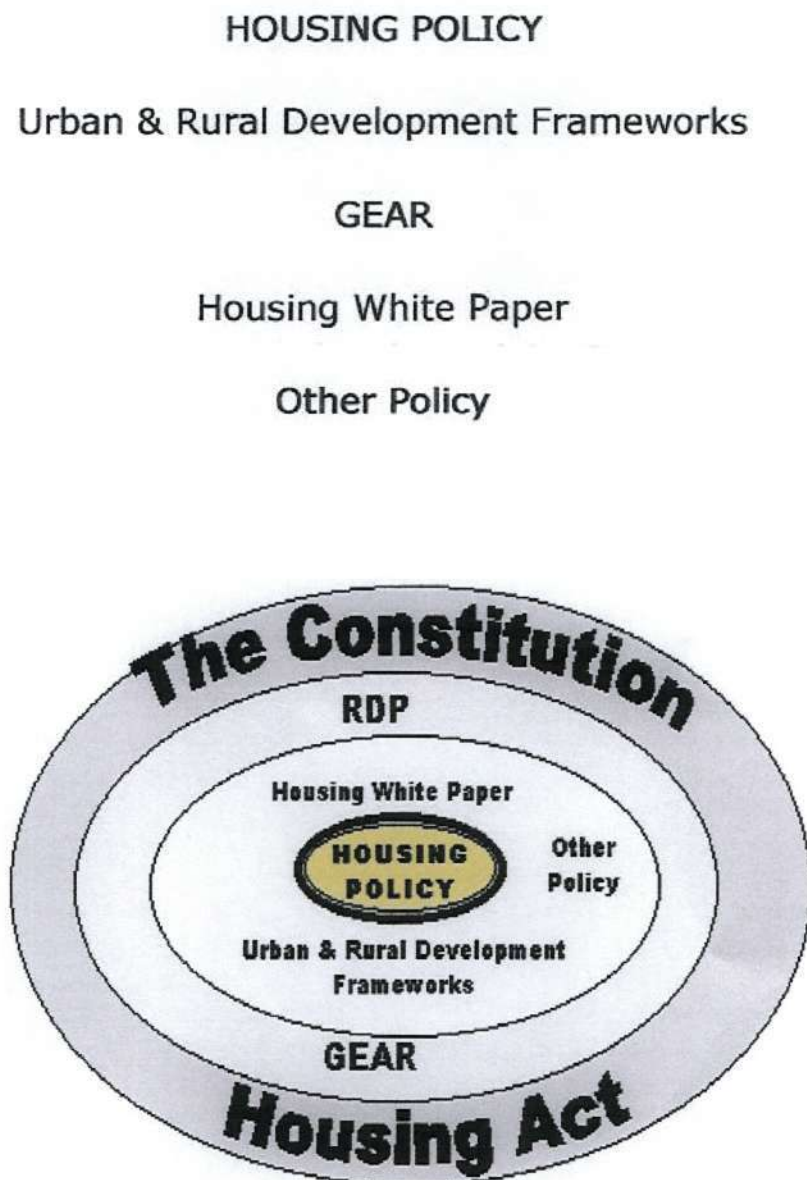
- **Vision**

Chapter 2 of the Housing Code (2004: 1) includes the values of sustainability, viability, integration, equality, reconstruction, holistic development and good governance. Constraints in the environment and the limitations on the fiscus have been identified. However the national housing vision has to remain paramount in the minds of all role-players in the housing sector.

The importance of the environment within which the house is situated is recognised as equally important in satisfying the needs and requirements of the occupants in both the urban and rural development frameworks. Furthermore, the housing process must make a positive contribution to a non-racial, non-sexist, democratic and integrated society.

The main intention in both urban and rural areas is to improve the quality of living of all South Africans. However, the emphasis is on the poor and those who have been previously disadvantaged. Since the urban and the rural areas have different needs, the housing vision is split accordingly.

**Fig: 1 Urban and Rural Development Frameworks : Housing Code  
Chapter 2**



Urban Vision	Rural Vision
<p data-bbox="225 237 651 264">Urban settlements that by 2020 will be:</p> <ul style="list-style-type: none"> <li data-bbox="225 331 794 495">• Spatially and socio-economically integrated, non-segregated, free of racial and gender discrimination, enabling people to make residential and employment choices to pursue their ideals.</li> <li data-bbox="225 517 794 633">• Centres of economic, environmental and social opportunity where people can live and work in safety and peace.</li> <li data-bbox="225 656 794 864">• Centres of vibrant urban governance, managed by democratic, efficient, sustainable and accountable metropolitan and local governments in close co-operation with civil society and geared towards innovative community-led development.</li> <li data-bbox="225 887 794 1182">• Environmentally sustainable, marked by a balance between quality built environment and open space; and between consumption needs and renewable and non-renewable resources. Sustainable development meets the needs of the present while not compromising the needs of future generations.</li> <li data-bbox="225 1205 794 1321">• Planned for a highly participative fashion that promotes the integration and sustainability of urban environments.</li> <li data-bbox="225 1344 794 1460">• Marked by housing, infrastructure and effective services for households and business as the basis for an equitable standard of living.</li> <li data-bbox="225 1482 794 1599">• Integrated industrial, commercial, residential, information and educational centres, which provide easy access to a range of urban resources.</li> <li data-bbox="225 1621 794 1783">• Financed by government subsidies and by mobilising additional resources through partnership, more forceful tapping of capital markets, and via off-budget methods.</li> </ul>	<p data-bbox="817 237 1281 264">Rural settlements that by 2020 will ensure:</p> <ul style="list-style-type: none"> <li data-bbox="817 331 1386 539">• Much greater access for rural people to government support and information and to commercial services, with a more logical spatial network of towns, services, roads and transport systems serving both market traders and customers;</li> <li data-bbox="817 562 1386 678">• Close availability of water, sanitation and fuel sources, giving everyone more time for economic productivity and better health; and</li> <li data-bbox="817 701 1386 909">• Dignity, safety and security, access for all, especially women, to useful employment, housing, and land, with people able to exercise control over their society, community and personal lives, and to invest in the future.</li> </ul>

Housing Code Chapter 2(p2)

- **Housing Goals**

For the government to deliver effectively on its goals, it has to look at its fiscal affordability. The governments' intention is to increase its housing delivery on a sustainable basis to a peak level of 350 000 units per annum until the housing backlog is overcome. In order to achieve this, all three spheres of government have to be committed through accommodating the budget allocation and delivery programme.

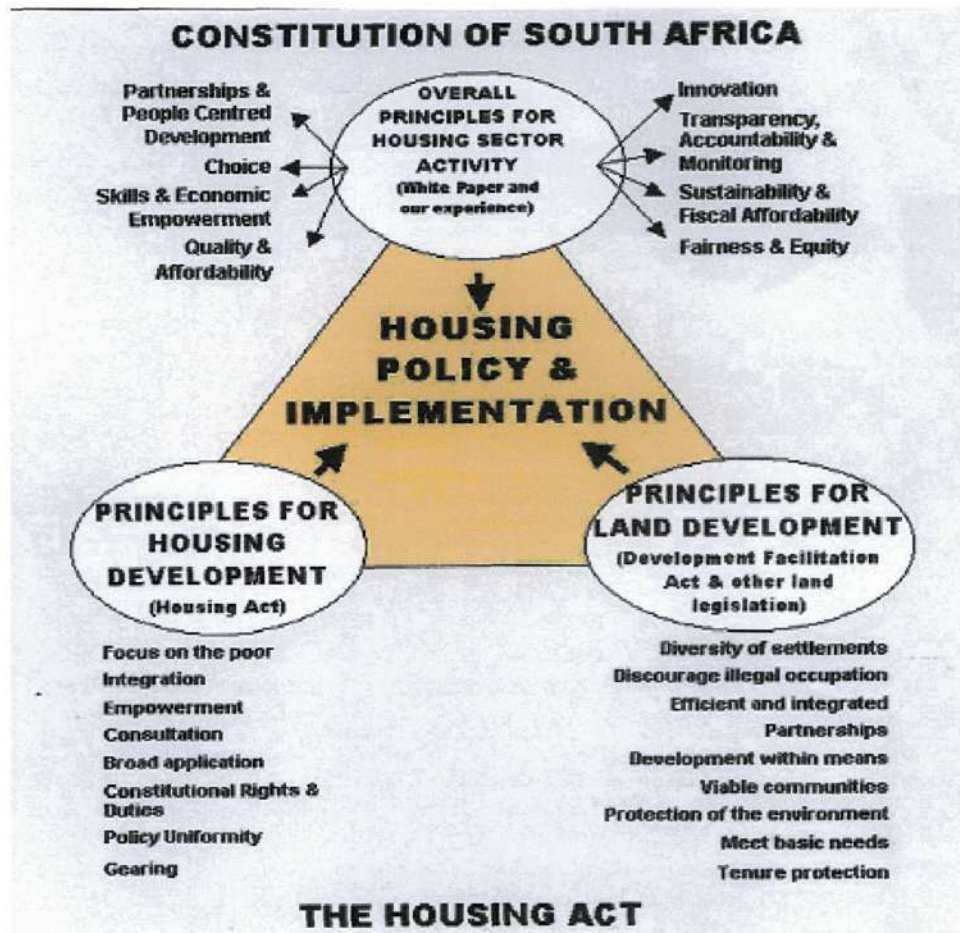
- **Framework**

The housing policy is operating within a framework set by the hierarchy of policy. The following are very critical as the basis of the housing policy in South Africa:

- The Constitution of the Republic of South Africa, 1996 ( Act No. 108 of 1996);
- The Housing Act, 1997 (As amended) (Act No. 107 of 1997);
- The Reconstruction and Development Programme (RDP);
- The Growth , Employment and Redistribution Strategy (GEAR);
- The Housing White Paper;
- The Urban Development Framework; and
- White Papers and Policy Frameworks pertaining to local government and the Public Service.

The following diagram (Fig 2) indicates how these influence the housing policy.

**Fig : 2 Legislative Framework**



The most relevant section of the Constitution is Section 26 (1996) which states that everyone has the right to access to adequate housing and that the state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right. In this respect, the National Parliament has to make laws that are adopted by

a provincial legislature to meet this need. This is further cascaded down to local level where the municipalities have to implement the policies thereof. The Provincial Governments are constitutionally responsible for supporting municipalities in the carrying out of their housing responsibility and ensure that these functions are carried out effectively.

As indicated in the previous sections, the RDP and GEAR seek to co-ordinate government's developmental efforts into a broad framework of interventions, in pursuit of a common vision of reconstruction, development, growth, employment and redistribution. Within housing delivery, the RDP would be conceptualised within the context of meeting basic needs, whereas within the GEAR programme the key issue is to ensure that funds are available for housing. It is therefore stated that a more stringent fiscal policy is required, increasing awareness of the need for alternative and additional resources. Housing policy on the other hand must promote efficient and cost effective delivery programmes that achieve maximum gearing of public investment with other resources.

The housing challenge is approached through the eight broad principles for Housing Sector Activity:

- People Centred Development and Partnerships;
- Skills Transfer and Economic Empowerment;
- Fairness and Equity;
- Choice;
- Quality and Affordability;

- Innovation;
- Transparency, Accountability and Monitoring; and
- Sustainability and Fiscal Affordability

#### **4.18 Conclusion**

The foregoing section highlighted some of the critical issues impacting on housing delivery. These issues are crucial in assessing the viability and sustainability of low-income housing delivery in South Africa.

The legislation discussed above also includes other Acts of parliament that have an effect on co-operative governance. There is the Municipal Structures Act, 1998 (Act No 117 of 1998) that plays a critical role on the formation of municipalities and their councils. There is the White Paper on Local Government, which also states categorically how the three spheres of government are supposed to operate.

From the procedures and processes followed in the various pieces of legislation mentioned, the delay in the housing delivery process is inevitable. The impact caused by this legislation is too costly to ignore in the sense that the involvement of experts to resolve both the engineering, planning and other land related issues reduces the limited available funds at the end of the day. More funds are used during the facilitation stage.

The above presentation of the legislative framework proves the fact that the promulgation of such policies is not done in conjunction with the various

departments to ensure that there are no discrepancies when it comes to the implementation. The role of planning legislation for instance plays a crucial role in housing delivery. Township establishment on its own could take anything up to two years, hence the promulgation of the DFA that allows a maximum of 120 days in which a decision should be taken on an application. Unfortunately in KZN not many housing projects have gone through this route. The housing projects have gone through the normal procedures.

Apart from the planning policies that also require some engineering input, there are other policies that include land reform laws and environmental laws. The land reform laws also have an impact on housing development as they mainly deal with land redistribution and land restitution. The focus is on land development projects not on housing per se.

This presents a conflicting situation, as funds for housing have to be provided by a separate department. This conflict of interest therefore does not address the problem holistically. On the other hand, the environmental laws prohibit housing development in certain areas, such as wetlands, flood lines, flood plains, etc. However the environmental laws tend to designate areas that are not environmentally sensitive for conservation purposes. Nature should be appreciated, therefore, prior to these areas being reserved, consultations with the various departments should be undertaken to ensure common and shared interests.

To conclude, in the spirit of co-operative governance, all policies should be reviewed to ensure a swift delivery of housing by the local sphere of government. The common areas affecting housing delivery should be identified and addressed. This would ensure that the procedures and processes run concurrently to alleviate any delays that might be caused.

## **CHAPTER 5: RESEARCH METHODOLOGY AND DESIGN**

### **5.0 Introduction**

The main purpose of this chapter is to give an insight on how the research has been conducted, the participants involved and the location of the research. It further provides justification for methods and analytical techniques used in the study and explain why triangulation is the most common and appropriate methodology for realising these objectives.

The first part of the chapter deals with the objectives, followed by the description of the qualitative and quantitative approaches, and the sampling techniques. This is followed by the case study and data collection methods. Data capturing and processing techniques are also discussed. Finally, the data analysis and presentation methods are alluded to.

It should be noted that some major changes have taken place within the former Durban Metropolitan Council (DMC). The seven sub-structures have amalgamated to constitute Ethekewini Municipality. Whilst the changes within the housing policy are acknowledged, the case study and the whole research are still based on the former Durban Metropolitan Area because there were major problems with initial housing delivery. Those problems have not been resolved completely. However, there has been an improvement on the housing policy in terms of the size of the structure and quality. This improvement has not addressed the problems identified in the survey. The use of the former

Durban Metropolitan Area housing projects as the basis for the evaluation of the housing policy, provides a valuable ground for policy recommendations.

## **5.1 Objectives**

As indicated in chapter 1, the main objectives of the study are to:

- Critically evaluate the housing policy and the respective roles of national, provincial and local government in housing delivery;
- Ascertain the views of the housing beneficiaries on the efficiency and effectiveness of the delivery system generally in the province and more specifically in the Durban Metropolitan Area;
- Identify the main flaws and deficiencies in housing policy and furthermore management of the housing delivery system;
- Ascertain the impact of the land issue on the provision of housing both provincially and locally; and
- Develop a model for the management of housing delivery in the province generally and more specifically in the Durban Metropolitan area.

## **5.2 Research Methodology**

This section introduces the concept, triangulation which has been used widely by researchers. It has been given different definitions and interpretations by different writers such as Ertner (1997: 169) where he refers to it as being used in all types of qualitative researches in multiple data collection methods, data sources, analysts, or theories to check the validity of the finding.

Creswell (1994: 7) points out that this method has its own problems, for instance, using both qualitative and quantitative paradigms in a single study can be expensive, time consuming and lengthy. However, Mouton and Marais (1990: 169) argue that social researchers are often forced to use both methods as the phenomena that is investigated. They are so enmeshed that a single approach can most certainly not succeed in encompassing human beings in their full complexity.

It has been identified by Creswell (1994: 173) that there are three possible designs used for combining the qualitative and quantitative paradigms in a single project. He calls the first a two-phase approach in which the researcher proposes to conduct a qualitative phase of the study and a separate quantitative phase of the study. The second is the dominant-less-dominant model in which the researcher presents the study within a single dominant paradigm with a small component of the overall study drawn from the alternative paradigm. The third is the mixed methodology design model in which the researcher would mix aspects of the qualitative and quantitative paradigm at all or many methodological steps in the design.

### **5.2.1 The qualitative research methods**

The qualitative research method is a broad term that encompasses a variety of approaches to interpret research. According to O'Sullivan and Rassel (1999: 36) it is difficult to convert qualitative data into numbers which therefore limit the research in a way.

According to Burgess (1984:4) the primary aim of all qualitative research is the interpretation or construction of the lived experience of the subjects. Furthermore it is stated that qualitative research aims at understanding phenomena within a particular context whereas quantitative research on the other side uses universal propositions and generalisations as a point of departure. It is further pointed out by Schrink (1998:241) that this type of research tries to understand and interpret the meanings and intentions that underlie everyday actions. This type of research does not necessarily require a formal questionnaire. It requires selected people who have distinct and important perspectives on the theme of the research question. In this research, this has been accommodated as several officials were targeted for the research. The questions posed to them were open ended as they were required to give their views on several issues.

### **5.2.2 The quantitative research method**

The quantitative research method tend to convert their data into numerical indices and to employ statistical analysis techniques to generalise the findings from a sample of respondents to a population (Leedy: 1997:189). In order to be able to apply quantitative methods certain requirements have to be met. According to Redelinghuys et al (1996: 5), the following have been identified as essential:

- The problem has to be properly defined;
- Analysis of such a problem must be meticulous and comprehensive; and

- Solutions must take place constantly, rationally, logically, systematically and scientifically.

In addition to the above, Mouton and Marais (1990: 155) have also identified the following characteristics of the quantitative approach:

- It is more highly formalised as well as more explicitly controlled;
- Its range is more exactly defined than the qualitative approach; and
- It is relatively close to the physical sciences.

### **5.2.3 The normative survey methodology**

This survey method was selected as the appropriate research methodology for the quantitative segment of this thesis. Leedy (1997: 190) defines the normative survey as the method of research that looks within intense accuracy at the phenomena of the moment and then describes precisely what the researcher sees. The basic assumption underlying such an approach is that given phenomena usually follow a common pattern, or norm.

The use of a normative methodology is based on the nature of the research objectives whose major goal is to establish the general view of the housing beneficiaries and the municipal officials with regard to the housing policy.

To be effective, this methodology is used jointly with the qualitative and quantitative methods.

## **5.3 The description of the sample and the sampling techniques**

### **5.3.1 Case study**

A case study of the former Durban Metropolitan Area was used to evaluate the housing policy in KwaZulu Natal. As the former Durban Metropolitan Area was constituted of seven operational entities, various housing projects had been identified from selected entities. However, to ensure that the rural housing subsidy is covered, Mgigimbe Rural Housing Project is used in the model together with Emalangeni insitu upgrade.

There were seven operational entities forming the Durban Metropolitan Area, Outer West, Inner West, South, North, South Central, North Central, and Umkomaas.

Each operational entity had a Development Section that assumed project management and project facilitation roles. The Development Section prepared the applications and submitted them to the Housing Board. In most instances, these projects were initiated by the operational entities. Furthermore, there was also a Metro Housing Department (presently known as Metro Housing Unit) that was linked to the operational entity's housing section. The role of this department was not clear as it was also involved in the implementation of housing projects. This will be illustrated later. But with the Unicity taking over, it was obvious that there would ultimately be one housing department within the Durban Metropolitan Unicity Council, with the seven operational entities housing sections being amalgamated with the Metro Housing Department.

The Durban Metropolitan Council had its own housing policy and intended to deliver about 17 000 houses in 2001. However, in order to achieve that, it needed support and collaboration from all the stakeholders in housing delivery.

### **5.3.2 Description of the sample**

Because the housing policy is a complex issue that is impacted upon by various factors, it was decided to interview the following persons:

- The MEC and the Director General of Housing in KwaZulu Natal;
- High ranking officials in the Durban Metropolitan Council, ie Executive Directors and Directors;
- Senior politicians, ie Mayor, Chairperson, Chairpersons of Social Economic Development Committee and Town Planning Committee;
- The developers and the building contractors involved in housing development in selected case study areas; and
- Beneficiaries from selected housing projects within the case study area.

### **5.3.3 Sampling techniques**

With regard to the beneficiaries, a sample of 500 people (excluding politicians, officials and developers) was interviewed. The sample included both consolidation and project-linked subsidies. The 500 people were selected randomly from the seven operational entities. The distribution of the sample is as follows:

**Table 5:** The sample areas

<b>AREA</b>	<b>SAMPLE</b>
Hambanathi	50
Lovu	50
Lusaka / Moorton	50
Waterloo	50
Wiggins Fast Track	50
Dube Village	50
KwaDabeka	50
Mshayazafe	50
Umkhumbaan	50
Umbhedula	50
<b>TOTAL</b>	<b>500</b>

#### **5.3.4 Brief history of each sample area**

##### **Hambanathi**

Hambanathi is located in the North Operating Entity, the Tongaat area. Housing development started in 1997. The residual available to the lowest income group is R7 500. The people were offered various options.

- The provision of shower, toilet and tap; and

- The provision of a 23-sqm one-room house or a 36-sqm slab, corner columns and roof and 17-sqm rooms completed, the cost per square metre being R326.00.

The local people were trained to build their own houses with technical support provided by some Community Based Partners such as Khaphuka of New Way. However their involvement in site servicing was very low.

### **Lovu**

Lovu is located in the South Operating Entity. The housing development started in 1997/98 with a residual to the lowest income being R8 250.00. The housing options offered were:

- Toilet, shower and kitchen sink;
- Completed house with a deposit of R1000 / 12 sqm unit or with a deposit of R4 500 / 24 sqm unit; and
- The cost per sqm for 12 sqm was R770 and 14 sqm was R531.

There was no technical support and the developer appointed small emerging contractors. The community in this instance was not involved.

## **Lusaka / Moorton**

It is located in the Central Operating Entity, bordering the Welbedagt area. The housing development started in 1998/99 with a residual of R7250.00 and the cost per sqm was R402.00. The housing options offered were:

- Toilet, shower and kitchen sink;
- 18 sqm unit; or
- Materials to the value of the residual.

In the whole project, there was a high beneficiary involvement. The developer appointed the building contractors. They constructed the foundations and slabs and the local / external sub-contractors were contracted to do the brickwork, plumbing and roofing. Where the materials option was taken the beneficiary could self - build or employ a labour only builder / small contractor.

## **Waterloo**

This project is located in the North Operating Entity, in the area of Tongaat Hullet / Mount Moreland. The project started in 1998. The residual available is R5 400.00. The option offered is building materials vouchers. The level of beneficiary involvement is non-existent in site servicing and high in house construction phase. The housing delivery mechanisms used are:

- Self build;
- Beneficiary appointed labour only contractor; and

- Beneficiary appointed small contractor.

The housing support centre facilitated building skills training and provided technical advice during the house construction.

### **Wiggins Fast Track**

This project is located in the Cato Manor area in the Central Operating Entity. The project started in 1995 / 99 with a residual of R8 300 with the cost of R395 per sqm. The housing options offered were a 21-sqm house with internal toilet and shower.

The beneficiary involvement was very low in site servicing phase but high in the house construction phase. The house delivery mechanisms were:

- Self build; or
- Beneficiary appointed local small contractor. CMDA appointed local small contractors to build houses on about 150 sites.

Housing support centre advised people regarding building plans and provided technical advice before and during house construction. Homeowner training was also provided.

## **Dube Village**

Dube Village is located in the Central Operating Entity in the Inanda area. It has a residual of R6 700 with the cost of R335 per sqm. The project started in 1999. The housing options offered were a 20-sqm one-room unit without slab, no windows and no doors. An enclosed toilet with a slab was provided. The unit is bag washed and painted externally with cement.

The level of beneficiary involvement is very high with the contractor appointed by the developer. The contractor dug the foundations, installed the toilet, completed the roof and supplied materials to the labour only local sub contractors employed to do the brickwork.

Advice was provided whilst the houses were being built. Metro Housing Unit had, via the housing support centre, facilitated basic building skills training. There was also leadership training for committee members.

## **KwaDabeka Unit 1**

KwaDabeka Unit 1 is located in the Inner West Operating Entity. The project started in 1996/97 with a residual of R5 740. The cost per sqm is R337. The housing options offered were a 17-sqm-roof structure with supporting columns, no slab and an enclosed toilet and shower. Bricks sufficient to enclose the walls were delivered to each site.

The beneficiary involvement was high. The developer set up an on site materials depot and used his own staff to train and work with local labour teams. Advice was provided whilst the house was being constructed. Some local people were sent on a general building skills course run by the local training centres. Two local people were sent on a management skills course. One of the trainees was employed in the building materials depot.

### **Mshayazafe**

Mshayazafe is located in the Inanda area, Central Operating Entity. The project started in 1996/98 with a residual of R5 800. The building costs were R290 per sqm.

The housing options offered were a 20 sqm one roomed house with high quality foundations or materials to the value of the residual. The beneficiary involvement was very high. The developer appointed a contractor who set up a materials depot and trained local people to work in one of the following special teams, foundations, walls and roofing. Initially, local labour only contractors were appointed to build the whole house. This system was stopped as it was too slow and the quality of the housing built was poor. Most of the households that opted for the materials option employed a local labour only builder to construct their house.

On the job training relating to one area of house construction was used.

## **Umkhumbaan**

Umkhumbaan is located in the Central Operating Entity. The project was started in 1997 / 1999 with a residual of R4 500.00 at R321 per sqm.

The beneficiaries were offered two options, the first option being a 14-sqm one-room unit with enclosed toilet, shower and kitchen tap. The second option was that of the beneficiary being given building materials. The beneficiary would therefore employ a builder to construct his house. Only 68 households made use of this option.

With regard to the housing delivery, the developer issued building contracts to four small contractors. The housing support centre provided some technical advice.

## **Umbhedula**

Umbhedula is located in the Inner West Operating Entity. The project was started in 1998 / 1999 with a residual of R4607.00 at the rate of R287 per sqm. The beneficiaries were also given two options, that of accepting building materials or a house.

The housing delivery mechanism was that building material vouchers were issued to each beneficiary. A building advisor monitored the quantity and quality of materials delivered and the quality of house construction.

## **5.4 Data Collection Method**

### **5.4.1 Literature or Available Documentation**

Two methods of data collection were used. The first method was literature or documentation within the local councils. This information gave an insight on the processes and procedures followed. Furthermore, it also gave names of the stakeholders (ie professionals, building contractors, community representatives officials and politicians) involved in the project, the commencement and the completion date of the project. In addition, the amount of subsidies and the leftovers used for the top structure. This information was very valuable as it formed the basis for the interviews.

Furthermore, other information from the previous studies has been incorporated in the report, ie BESG.

### **5.4.2 Interviews.**

A structured questionnaire system has been used. This involved open-ended and close-ended questions. The open-ended questions were addressed in a separate questionnaire that was administered to the officials. The closed-ended questions were administered to the beneficiaries although they were also afforded an opportunity to explain certain issues. In this regard some open-ended questions were also included in the beneficiary questionnaire.

- **Open ended questions**

In this instance, the respondents answer the questions in their own words. This provides the respondents with an opportunity to express their views and opinions. They are also given an opportunity to address issues left out by the questionnaire. This stimulates the interest of the respondents as it generates information that no other question type can ascertain. According to Vockell and Asher (1995: 130) the major advantage of the open-ended format over the structured format is that with the open-ended format it is the respondents themselves who take the initiative in deciding what answer to supply.

- **Closed-ended questions**

The closed-ended questions offer the respondent the opportunity of selecting one or more response choices from a number provided. Foltz (1996: 83) identified the following advantages of closed-ended questions:

- The degree, frequency and comprehensiveness of a phenomena can be ascertained quite meaningfully by means of closed questions;
- The data from closed-ended questionnaire is easier to code and to process and hence the results of the investigation can become available fairly quickly; and
- A good response list offers a common frame of reference to maximise reliability.

The disadvantages are caused by lack of knowledge of the topic, hence it will be difficult for the respondents to answer. In addition, the researcher decides on the type of information that is required, limiting the contribution of the respondents.

The questionnaire could be administered personally or by post. However, the most preferred method is through interviews as this could offer the interviewer an opportunity to observe other issues that are not covered in the questionnaire. Furthermore, the interviewer could probe further and clarify the question to those respondents that are not well informed about the topic. Interviews have also their own advantages and disadvantages.

#### **5.4.2.1 Advantages.**

The advantages of interviews were that there was an interaction between both parties, with an opportunity to ask probing questions. Furthermore, this gave the interviewer an opportunity to assess the impact of the development with regard to the improvements of the quality of life. Also the visual impact played a critical role where the responses were linked to the status of the property and the development at large. In addition, the researcher/interviewer had an opportunity of having first hand experience regarding the type of structure, size and services. This assisted in viewing and understanding how people have benefited from the scheme.

#### **5.4.2.2 Disadvantages**

The disadvantages of interviews are that the interviewer was, in most cases, biased and the visual influences dominated regardless of what the beneficiary was saying. In some instances, deeper probing influenced the responses of those interviewed.

#### **5.4.3 Interviewing process**

It should be noted that when conducting interviews, the age dimension was also very important. Any person under the age of eighteen years was not interviewed. Also in selecting the people to be interviewed, the interference of other community members or leadership was not encouraged and the interviewees were assured of the confidentiality of their responses.

It should be noted that before the interviews commenced, the leadership of the area was informed of the process. An appointment was secured and the intentions and the whole process were clarified with the community leaders. The objective of the research was also explained.

A pilot survey was conducted, using 10 households in one of the study areas. This helped in determining whether the questionnaire was addressing the real issues. After the pilot study some changes to the questionnaire were made. Some of the questions were dropped and new ones added. Only the crucial and critical questions were included in the questionnaire. (See annexure B)

Since a structured questionnaire, with both open-ended and close-ended questions was used, structured interviews were conducted. During the interviewing process, some of the issues that arose, which were not catered for in the questionnaire, were noted on a separate sheet of paper. Important and relevant information was picked up from observations. There is certain information that the interviewer picks up during discussions which the respondents do not willingly / consciously reveal.

In conducting interviews, the questionnaire played a critical role as all the issues were addressed without leaving a single question that needed to be addressed. The pilot survey ensured that the critical questions were posed and unnecessary ones discarded.

The questions asked were split into three.

### **Beneficiaries**

The information required was in relation to:

- The demographic information;
- The previous type of dwelling occupied;
- Access to services and facilities;
- The current types of dwellings;
- Whether people used bonds or loans to build their houses; and

- Views and opinions on the housing scheme in relation to whether people place importance on inter alia top structures or on roads, water, drainage, electricity, etc.

### **Officials, politicians and developers**

View on the required standards in terms of the current legislation:

- The ups and downs of the acquisition of land;
- The view on the location of low cost housing developments;
- The view on the housing policy in relation to processes and procedures and also funding;
- The view on the different roles of the spheres of government (co-operative governance);
- The views on how the policy can be improved; and
- The problems encountered during the preparation and building stage.

### **Rural Households**

- What do they understand about rural housing subsidies?
- How should it be implemented in rural areas?
- What do they see as their role in the whole process?
- The demographic data;
- The distance to facilities and services; and
- The state of the infrastructure.

The above information is critical, as it has given a full picture of what people have benefited or lost from the housing policy and their views on how the policy could be improved. These issues will be discussed in chapter 6.

### **5.5 Data capturing and processing**

A coding list was prepared and the data was coded and captured in Excel. It was then arranged into segments in accordance with key questions and project areas. Thereafter, it was analysed, assessed and tested. Results are presented in various forms, for example, in charts, tables, graphs and statistical summaries. Responses to open ended questions and discussions with the various senior officials are presented separately.

### **5.6 Data analysis**

The data was analysed using the various methods, ie descriptive frequencies in terms of percentages and inferential methods in terms of correlation.

### **5.7 The proposed housing model**

This is based on the housing project in the Outer West Operational Entity, known as Emalangeneni Housing Project and KwaDukuza Municipality known as Mgigimbe Integrated Rural Housing Project. This is an insitu upgrade. Emalangeneni Phase 1 involves relocating households that are in the way of infrastructure and services. There are two types of houses:

- Those who have houses no bigger than 30 square metres, get a 30 square metre house with one partition wall. The house was built at a cost of R16 300.00.
- The second type is a 58 m<sup>2</sup> house which is allocated to all those who are relocated from houses that are from 35 square metres and above. The cost to build this type of house was R28 600.00

It should be noted that the above is based on the 2001/2002 figures.

These types of houses are based on a housing project based in the Northern Province. The researcher is involved in the Emalangen Project, from the design of the structure, buying of quality material to the employment and training of the local builders. In the model, this type of house (30 square metres) will be developed further.

The Mgigimbe rural housing project is a partnership between KwaDukuza Municipality, the Department of Land Affairs and the Department of Housing. Mgigimbe is a sugar cane farm and the Department of Land Affairs is buying the farm to resettle formerly displaced communities. This is being developed under the Rural Housing Subsidy Scheme.

## **5.8 Conclusion**

It should be realised that since 2001 there have been many changes in the housing policy and the cost of building material. However, not much has been done to change the size of the structure whereas the quality has been improved.

The proposed housing models are therefore based on what is believed to acceptable to the beneficiaries.

Presenting two types of questionnaire is meant to ensure that all the stakeholders participate and share their views. It is undisputed that the official viewpoint will always be different from the beneficiary viewpoint. This has also been illustrated in the literature used.

## **CHAPTER 6: PRESENTATION OF RESULTS**

### **6.0 Introduction**

As indicated in the research methodology chapter, two questionnaires have been administered. The first questionnaire dealt with the views of the beneficiaries whilst the second one dealt with the views of the officials, politicians and developers.

The questions posed to the beneficiaries related to their satisfaction with regard to the delivery system and the end product. Furthermore the issue of improvement of the structures is quite imperative, as this would indicate the success of the housing policy in terms of people appreciating the efforts of the government and the fact that they see this as an opportunity to improve the quality of their lives.

### **6.1 The views of beneficiaries**

The statistics presented in this section have been obtained from BESG. BESG conducted research on behalf of the Metro Housing Unit to ascertain the views of beneficiaries in selected housing projects in Durban Metro. The research was conducted and the report released in October 2000. The data has been manipulated to suit the study.

The report highlights the main objectives of the housing policy, ie kick-starting a process of housing consolidation through its housing subsidy scheme. It should be noted that in various projects, not much has been left for a top structure. In this respect, the beneficiaries had to contribute to ensure that there was a proper structure on the ground. Furthermore, it is a requirement of the provincial government that a 30 square metre top structure be delivered at the end of the day. Due to the topography and the geotechnical conditions, it became very difficult for this requirement to be met.

**Table 6: The respondent's views on their new homes and location**

Sample Area	Job/loss unemployment/ Remittance reduced	No improvement in lifestyle/ employment opportunity	Financial burden of maintaining property	Daily needs taken care of	High cost of living/ inadequate	Can now afford to make improvements	Has a job/income/own business	Improve to better access to facilities	Ownership of property	Financial burden reduced as no rent	Transport difficulties/facilities too far away	Still live in shacks as subsidy house is incomplete	TC AL
Hambanathi	14.8	4.3	6.4	28.6	14.3	50.0	10.5		13.3	10			9.5
Lovu	4.3	4.3	11.0	7.1	17.9			10.5	6.7		83.3		10.
Lusaka Morton	7.0	10.1	9.9	14.3	7.1		10.5	10.5	33.3	16.7			9.9
Waterloo	13.0	2.9	13.4	14.3	3.6				26.7	3.3	11.1		9.9
Wiggins Fast Track	8.7	8.7	13.4	7.1	17.9		15.8	5.3		3.3			9.9
Dube Village	11.4	14.7	8.8	0.1	3.4		15.8		6.7	13.4			9.7
KwaDabeka	4.3	23.2	6.4		17.9		10.5	21.1		20.0			9.7
Mshayazafe	13.9	15.9	8.1	7.1	14.3	25.0	15.8	21.1		10.0			11.
Umkhumba	11.3	7.2	11.6	14.3	3.6		21.1	31.6		10.0			10.
Umbhedula	11.3	8.7	11.0	7.1		25.0			13.3	13.3	5.6		9.3
TOTAL	100	100	100	100	100	100	100	100	100	100	100		

In Table 6, the responses were very much influenced by the respondent's location in relation to facilities, employment areas, the size of the house and the state of the house. Hambanathi (14.8%), Mshayazafe (13.9%), Waterloo (13.0%) and Umkumba and Umbhedula (11.3%) felt that the new location has a great impact on their job loss and reduction of remittances.

KwaDabeka (23.2%), Mshayazafe (15.9%) and Dube Village (14.5%), all insitu upgrade stated that they do see an improvement in their lifestyles. A very

low percentage, 2.9% in Waterloo, felt that there was no improvement to their lifestyle. As indicated above, the size is the mostly complained about issue.

It is noted that 13.4% (being the highest) complained about the new housing developments being a financial burden as compared to 20% (highest) who believe that the financial burden has been reduced specifically where rent is concerned. However, it should be noted that the new housing developments are seen as financial burdens due to the fact the respondents now had to pay rates, pay for electricity and water unlike in shack dwellings. This is complemented by 17.9% (highest) who claim that this has brought a high cost of living. Only Hambanathi with 50% and Mshayazafe and Umbhedula (25%) claim that they will be able now / can afford to do some improvements to their households. Umkhumbaan with 31.6% claim to have done improvements due to the fact that they have better access to facilities and services. KwaDabeka and Mshayazafe follow this with 21.1% each.

One of the issues raised by the respondents is the difficulty with transport facilities. The worst area is Lovu with 83% complaining about inadequate transport facilities, Waterloo only accounting for 11.1% and Umbhedula 5.6%. Dube Village is the most affected with regard to the topstructure (100%), as they still reside in shacks because the subsidy house is still incomplete. To conclude, Mshayazafe, Umkhumbaan and Lovu registered the most dissatisfaction. Also the state of completion of the project should be taken into consideration. In this respect, these subsidy projects cannot be fairly compared to each other. This could be done if they had the:

- The same amount of subsidy;
- The same site size;
- The same unit size;
- They delivered the same type of house; and
- The same finishing touches

Table 7: What the respondents like about their house and site

Sample Area	Serves as Shelter	Condition of land on which property is built, no erosion etc.	Big site/ house easy to extend	Suitable for my needs/ meets basic requirements	Ownership of property/ no rent	Nothing	Location in close proximity to schools/ transport/ friends	Good view	Permanent structure/ formal house	Sense of independence	Good construction/ large windows/ ventilation /indoor toilet	Comparatively cheap/ free	TOTAL
Hambinathi	10.8	6.7	5.3	4.1	15.2	7.5	4.8	11.1	10.7	16.7			8.9
Lovu	13.5		17.0	16.3	6.4	7.5	14.3			8.3			10.3
Lusaka Moorton	8.1	33.3	16.0	12.2	8.0	3.8	14.3						10.1
Waterloo	10.8		3.2	2.0	16.8	18.9	1.6	22.2	7.1	25.0	28.6		9.9
Wiggins Fast Track	21.6	6.7	9.6	12.12	7.2	5.7	15.9		7.1		14.3	20.0	10.1
Dube Village	8.1	13.3	2.1	6.1	5.6	20.8	15.9		7.1				8.0
KwaDabeka	10.8	6.7	4.3	8.2	6.4	13.2	4.8	55.6	7.1	33.3	57.1	40.0	9.7
Mshayazafe	8.1	6.7	17.0	2.0	20.0	11.4		11.1	32.1	8.3		20.0	10.1
Umbhedula	8.1	13.3	9.6	16.3	8.8	1.9	14.3		17.9	8.3		20.0	10.1
Unkhumbaa n	13.3	16.0	20.4	5.6	9.4	14.3		10.7			20.0	10.5	
TOTAL	100		100	100	100	100	100	100	100	100	100	100	100

Table 7 indicates what the people like about their houses per project area. This has also been worked and presented in relation to the improvements done and seen in the respondents' property. It was then established whether those who have improved their properties were happy / liked their houses.

There were various responses with regard to why the respondents liked their houses. The most popular ones were ownership and no rent paid, big site / house and easy to extend and suitable for their needs. Quite interesting and impressive as well, there were some that claimed that there was nothing they liked. In this instance Dube Village led by 20.8%. This is understandable as they still reside in shacks, as the development is not yet complete. Waterloo follows with 18.9%. Generally, the area that has more things that it likes about their property is Mshayazafe (12.7%), followed by Umkhumbaan (10.5%), Lovu (10.3%) and Lusaka Moorton, Wiggins Fast Track and Umbhedula with 10.1%

Table 8: What the respondents disliked about their house and site

Sample Area	House site is too small	Difficult to extend as land is not suitable	Nothing	Incomplete/badly constructed/poor materials/damp/leaks	Badly maintained yards	Poor location and access to transport	Close to electricity Poles	Infertile land, erosion and unsafe plots	Financial burden of home main-tenance	Fighting for house – legal difficulties	Everything	TOTAL
Hambanathi	9.2		9.4	11.9			100		25			9.7
Lovu	6.9	25.0	14.1	9.4		6.7		16.7				9.9
Lusaka	7.5		14.1	9.4		20.0						9.7
Moorton												
Waterloo	20.1	8.3	5.5	1.9	50.0	6.7						9.5
Wiggins Fast Track	13.2	8.3	4.7	11.3	50.0	6.7						9.9
Dube Village	12.6	8.3	4.7	10.7		6.7						9.3
KwaDa-Beka	8.0	33.3	5.5	11.9				33.3	50.0	50.0	100	9.9
Mshayazafe	7.5		9.4	20.8								11.7
Umbhedula	4.6	8.3	14.8	10.1		26.7		16.7	25.0	50.0		9.9
Umkhubaan	10.3	8.3	18.0	2.5		26.7		33.3				10.3
TOTAL	100		100	100	100	100	100	100	100	100	100	100

The above table deals with what people dislike about their houses and sites. There seems to be a contradiction about KwaDabeka where 5.5% indicated that there is nothing they dislike about the project. On the other hand 100% dislike everything. Looking at the percentage, it shows that the KwaDabeka people dislike the project. Basically, all the sample areas are dissatisfied with the house and site size, the incomplete and badly constructed houses. There are only three reasons why the beneficiaries dislike their housing project. The first reason is because it is a financial burden, with Hambanathi (25%), KwaDabeka (50%) and Umbhedula (25%) leading. Only Hambanathi, KwaDabeka and Mshayazafe claim to be experiencing transport problems. Furthermore, all but Hambanathi, LusakaMoorton and Mshayazafe stated that they experience difficulties in extending the houses due to land being not suitable. The areas that experienced most difficulties were KwaDabeka (33.3%) and Lovu (25%).

**Table 9:** Issues that strongly influence improvement of house and site.

Issue	Hambanathi	Lovu	Lusaka/ Moorton	Waterloo	Wiggins Fast Track	Dube Village	KwaDabeka	Mshayazaf	Umbhedula	Umkhumbaan
The maintenance of the streets and availability of community facilities	18.0	45.0	23.0	30.0	14.0	8.0	22.0	30.0	27.0	26.0
What your neighbours are doing to their houses	6.0	27.0	16.0	4.0	14.0	6.0	12.0	12.0	18.0	9.0
Your attitude towards your community	6.0	28.0	33.0	2.0	6.0	12.0	10.0	23.0	29.0	20.0
Location of your house in relation to job	27.0	59.0	42.0	20.0	4.0	9.0	10.0	25.0	27.0	22.0
Location of house in relation to family and friends	2.0	25.0	25.0	6.0	2.0	16.0	18.0	27.0	14.0	13.0
The existing level of crime	31.0	37.0	35.0	44.0	6.0	30.0	42.0	46.0	25.0	18.0
Lack of knowledge to build house	4.0	37.0	10.0	6.0	3.0	10.0	32.0	17.0	18.0	14.0
Lack of good builders in the area	6.0	41.0	23.0	10.0	0.0	8.0	24.0	20.0	20.0	13.0
Availability of material close by	14.0	43.0	31.0	12.0	2.0	16.0	16.0	19.0	31.0	16.0
The quality of the house you have	27.0	22.0	41.0	26.0	33.0	42.0	42.0	48.0	41.0	20.0
The size of the house you have	32.0	47.0	37.0	44.0	41.0	46.0	56.0	44.0	49.0	27.0
The size of your plot	25.0	37.0	41.0	50.0	48.0	58.0	58.0	44.0	50.0	38.0
The number of people in your household	30.0	39.0	31.0	42.0	31.0	42.0	54.0	40.0	41.0	34.0

Table 9 indicates influences that prevail and encourages the respondents to improve their households. It is imperative to note that the size has the greatest impact on housing improvement. Dube Village and KwaDabeka registered the highest (58%) followed by Umbhedula and Waterloo (50%) and Wiggins Fast Track at 48%. Lovu (59%) indicated that the location of the project in relation to job opportunities play a critical role.

All the issues raised above are critical and they vary from area to area. The ones that scored relatively high in all areas were:

- The location of house in relation to place of employment;
- The quality of house;
- The current size of house;
- The size of the plot; and
- The number of people in the household.

The issue of the maintenance of streets, the availability of facilities, and distance from the place of employment, is prevalent in Lovu than in any other area.

**Table 10:** Reasons for being satisfied or dissatisfied with the facilities in their area

<b>Sample area</b>	<b>No facilities available</b>	<b>Facilities such as school and clinic in vicinity</b>	<b>Facilities appear to be improving</b>	<b>Inadequate facilities/expensive</b>	<b>TOTAL</b>
Hambanathi	8.1	14.9	27.3	3.4	9.9
Lovu	19.3	2.8		6.8	10.1
Lusaka/Moorton	13.7	5.5	18.2	6.8	9.3
Warerloo	7.6	5.0	18.2	20.5	9.9
Wiggins Fast Track	7.6	13.8	36.4	3.4	9.5
Dube Village	10.7	10.5		6.8	9.5
KwaDabeka	1.5	23.8		3.4	9.9
Mshayazafe	9.7	11.0		8.5	9.5
Umbhedula	10.7	7.7		23.9	12.5
Umkhumbaan	11.7	5.0		16.2	10.1
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Table shows that Mshayazafe and Waterloo are dissatisfied with inadequate and expensive facilities (23.9 and 20.5%). Umkhumbaan (23.8%) is happy with facilities such as schools and clinics. Wiggins Fast Track (36.4%) and Hambanathi (27.3%) stated that the facilities are improving. Lovu (19.3%) and Lusaka Moorton (13.7%) declared that there are no facilities at all.

**Table 11:** Reasons respondents are satisfied or dissatisfied with their services.

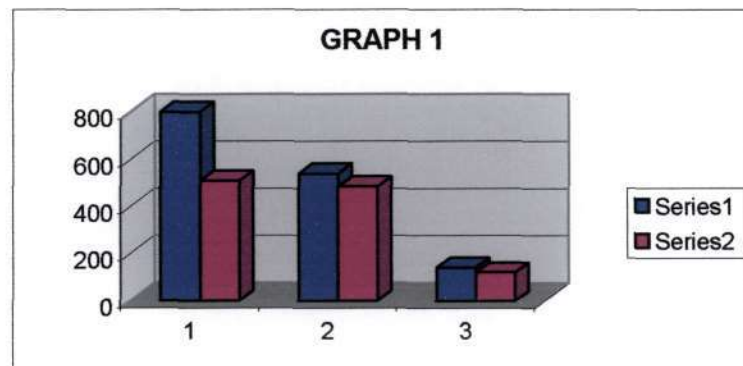
Implementation Area	Things are being done to improve standards	Rates for electricity/ Water/rent not expensive	Services are expensive	Services are being delayed/are not working/are too far away	Services are alright	TOTAL
Ambanathi	13.8	8.3	11.4	5.8	1.4	9.3
Lovu	10.0	16.7	22.9	9.0	2.8	9.7
Musaka/Motom	18.4	8.3	5.7	3.2		10.1
Nararloo	13.0	8.3	17.1	2.6	11.1	9.7
Wiggins Fast Track	10.5	33.3	14.3	7.7	5.6	9.7
Dube Village	1.3	8.3	2.9	28.8		9.7
MwaDabeka	10.9			9.0	13.9	9.7
Mshayazafe	1.3			16.7	47.2	12.3
Mmbhedula	6.7		18.6	12.8	16.7	9.9
Mmkhumba	14.2	16.7	17.1	4.5	1.4	9.7
TOTAL	100	100	100	100	100	100

In the above table, the majority are generally satisfied with the services provided. However, a high percentage in Dube Village (28.8%) claims that the services are either delayed or not functioning at all (those services that are already implemented). They have to travel long distances to access facilities (where not available). 22% in Lovu claim that they are expensive whilst 47% in Mshayazafe claim that the services are passable. Wiggins Fast Track (33.3%) say rates are not expensive. This should be looked at in the context of

where the employed and well-paid respondents will be comfortable with the rates and levies as compared to the unemployed.

**Table 12:** Income profile of consolidators and non-consolidators

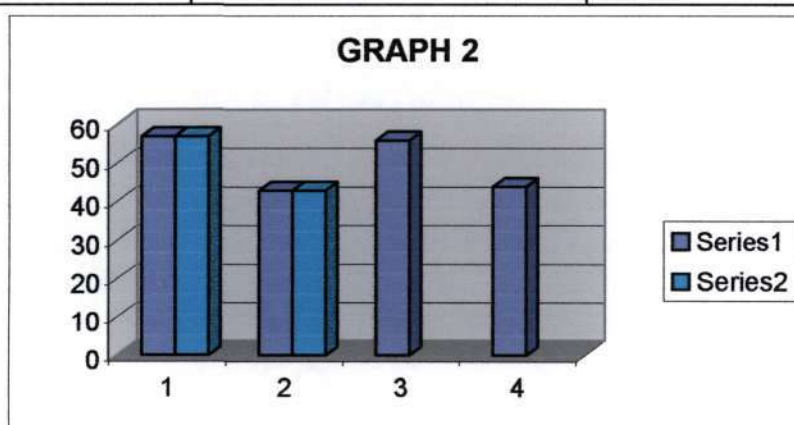
Income related data	Consolidators	Non-consolidators
Median total monthly wage income household head and spouse	R800.00	R510.00
Median household monthly income from wages and other sources	R540.00	R485.00
Median per capita income	R140.00	R120.00
Dependency ration (wage earners divided by resident household members)	9.0 persons	10.9 persons
Dependency ration (wage and non-wage earners divided by resident household members)	5.1 persons	5.5 persons



The above indicates that the more income per household the better the chance to improve.

**Table 13:** Gender and housing consolidation

	Consolidators	Non-consolidators
% male households undertaking improvements	57	57
% women headed households undertaking the improvement	43	43
% of total no. of improvements in male headed households	56	
% of total no. of improvements in woman headed household	44	

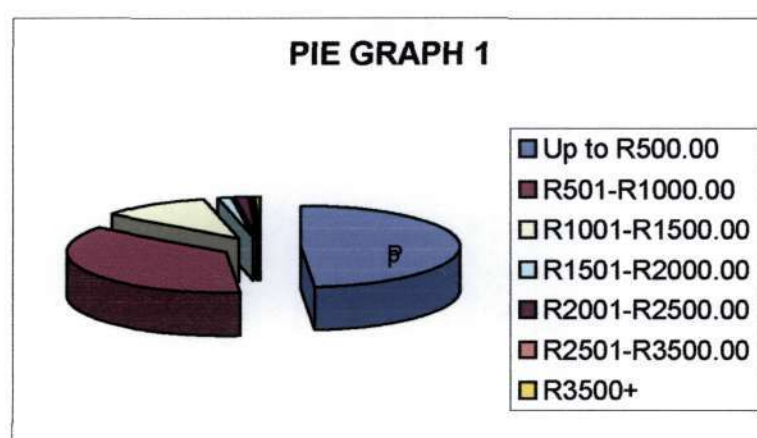


The above indicates that an equal percentage (57%) of male-headed households improve their houses. The same thing happens to the female-headed houses

(43%). But males head the most improvement scale with 56% as compared to women with 44%.

**Table 14:** Comparison of the monthly income distribution of the total sample with that of the consolidators.

Income wage and other sources	Total Sample %	Consolidators %
Up to R500.00	46.4	45.7
R501-R1000.00	34.9	35.6
R1001-R1500.00	10.6	10.1
R1501-R2000.00	1.3	1.6
R2001-R2500.00	1.3	1.6
R2501-R3500.00	0.4	0.5
R3500+	0.4	0.5
TOTAL	100	100

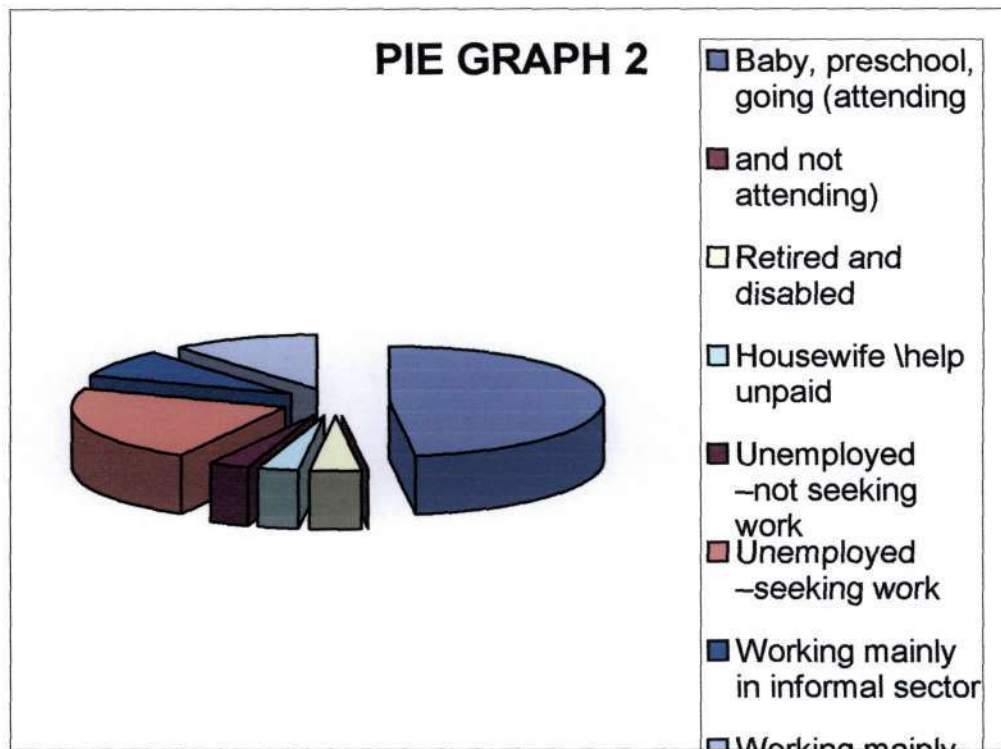


The above table illustrates that the majority of the beneficiaries earn below R1000.00 per month. Similarly improvements in the households increase with more earnings. This is indicated with those who earn between R2501 and R3500, as there is an increase in the improvements.

**Table 15:** Vocational status

Vocational status	% consolidated (n=1899)	% non- consolidated (n=423)	% Total
Baby, preschool, going (attending and not attending)	48	45	46
Retired and disabled	4	4	4
Housewife \help unpaid	3	3	3
Unemployed –not seeking work	3	3	3
Unemployed – seeking work	22.5	27	24
Working mainly in informal sector	8.5	9	11
Working mainly in formal sector	11	9	11
TOTAL	100	100	100

## Vocational Status



This indicates the level of unemployment with the majority working in the informal sector (11%) and only 9% employed in the formal sector.

**Table 16:** Comparison on where most of the money is spent

	Consolidator			Non consolidator		
Purpose that the savings were used for	Purpose 1 % (n=123)	Purpose 2 % (n=110)	Purpose 3 % (n=83)	Purpose 1 % (n=23)	Purpose 2 % (n=17)	Purpose 3 % (n=12)
Food	57	17	12	74	0	25
Transport	4	18	12	4	35	25
Clothing	1	8	21	4	18	33
Education	18	37	24	18	41	8
Improving this house	18	14	17	0	6	0
Other	2	4	14	0	0	8
Total	100	100	100	100	100	100

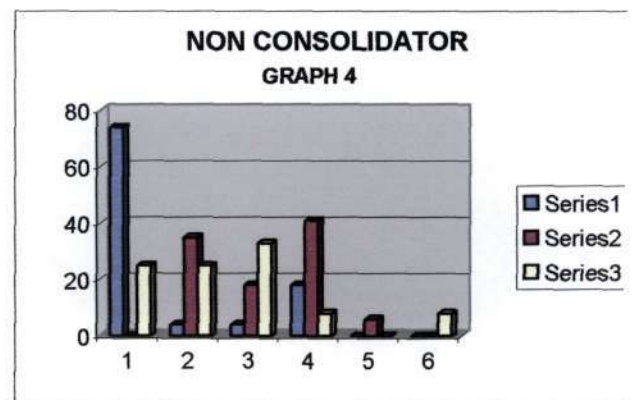
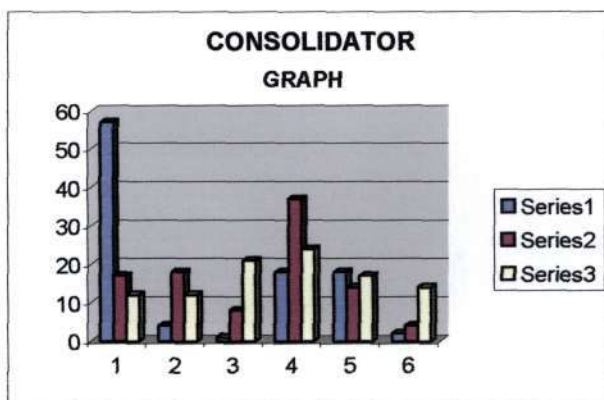


Table 16 indicates that the respondents spend most of their money on the basic needs.

**Table 17:** Likes and dislikes about home ownership

Response	Consolidators	Non consolidator	Total
Likes	%(n=740)	%(n=185)	%(n=935)
Stability	22	23	22
Freedom to make improvements	27	22	26
Knowledge that its your own property	37	39	38
No threat of eviction	4	5	4
An Investment	10	9	9
Other	1	2	1
TOTAL	100	100	100
Dislikes	(n=520)	(n=118)	(n=638)
Financial burden	61	64	61
Ties a person down	13	18	14
Limited incentives for improvements	17	8	15
Nothing	9	6	8
Other	1	3	1
TOTAL	100	100	100

It is surprising that the majority of the respondents see home ownership as a financial burden (61%) as compared to those who see it as an investment (10%).

**Table 18:** Improvement or worsening of economic situation

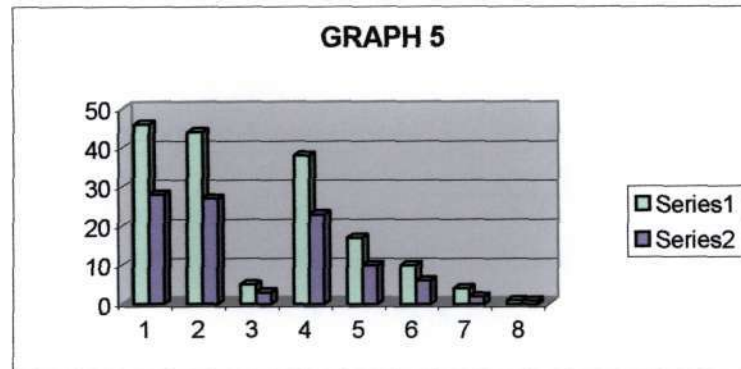
Response	% Consolidation	%Non consolidation	% Total
Job loss/ employments remittances reduced	28	29	29
Financial burden of maintaining a property	45	36	43
High cost of living	8	4	7
No improvement in lifestyle or employments opportunity	14	29	17
Transport difficulties	5	3	4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

43% stated that homeownership comes with financial burdens whilst 29% experienced job losses / unemployment or reduction in remittances.

**Table 19:** Reasons why respondents thought it would be easy to sell their property

Reason	Frequency	%
Good location / convenient	46	28
Great demand for housing	44	27
Cheaper than other areas	5	3
Improvements have been made	38	23
Large house or plot	17	10
Good materials well constructed on a good site	10	6
Access to facilities and transport	4	2
Area unsafe bad reputation	1	1
Total	100	100

## Reasons why respondents thought it would be easy to sell their property

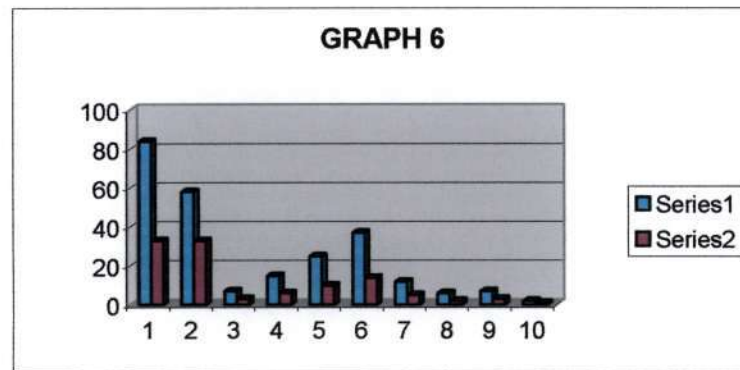


Proper location for housing projects scored high (28%) followed by the great demand for housing (27%). This indicates that there is a great demand for housing, however, people still prefer to be located in areas with great opportunities, ie access to transport, work opportunities and social facilities. Furthermore, prospective buyers do consider the state of the house (whether improvements have been made or not). Also the size of the site is considered.

**Table 20:** Reasons given as to why the respondents would not find it easy to sell their houses

Reason	Frequency	%
House badly maintained	84	33
Not considered selling house/reluctant to sell	58	33
Houses the same	7	3
Will not fetch a good price as the market is weak	15	6
Bad location with poor facilities services and transport	25	10
Houses sites too small	37	14
Unpopular neighbourhood crime too high	12	5
Owners have been told not to sell	6	2
Poor site conditions	7	3
Owner does not have title deeds	2	1
Total	253	100

## Reasons why the respondents would not find it easy to sell their houses



The majority (28%) feel that they can sell their houses because they are in a good location and convenient spot. 23% believe that with the improvements they have made, they will be able to sell. On the other hand 33% indicate that due to the poor quality of their houses they would not be able to sell.

Table 21 below gives an indication of the views of the beneficiaries regarding their properties. The majority (25%) like being owners and paying no rent. Others (19%) are grateful that they have a big site / house and easy to extend. Also being close to facilities plays a crucial role.

**Table 21:** What they like about their property, as it exists in relation to improvement

Response	% Consolidator (n=400)	%Non consolidator (n=98)	% Total (n=498)
Serves as shelter	7	10	7
The quality of the site	2.5	5	3
Big site house easy to extend	19.5	16	19
Meet basic requirements	10.5	7	10
Ownership no rent	24	30	25
Location close to friends, transport	14	14	14
Good view	2	2	2
Permanent structure, formal house	6	5	6
Good construction	1	2	1
Nothing	10.5	12	11
Other	3	4	3
Total	100	100	100

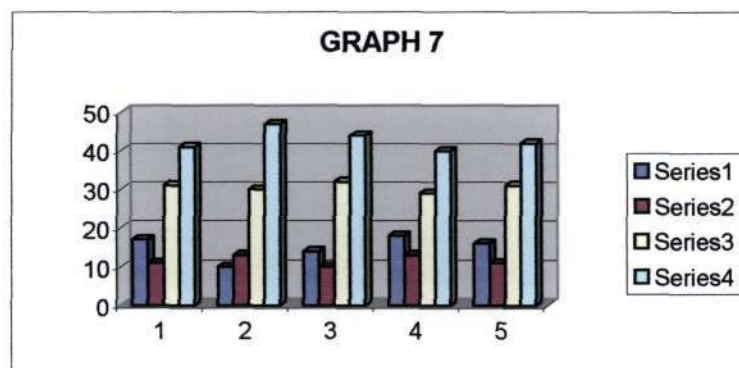
**Table 22:** What they dislike about their property as it exists in relation to improvement

Response	% Consolidation (n=408)	% Non consolidation (n=97)	% Total (n=504)
House site too small	36	29	35
Difficult to extend	3	1	2
Incomplete badly constructed	30	36	32
Poor location and access to transport	3	2	3
Infertile land erosion unsafe plots	1	1	1
Financial burden of home maintenance	1	0	1
Nothing	24	31	25
Other	2	0	1
TOTAL	100	100	100

Most people dislike their properties (35%) because the site and the house are too small. Following this (32%) complain about the fact that the houses are incomplete and badly constructed.

**Table 23:** House size

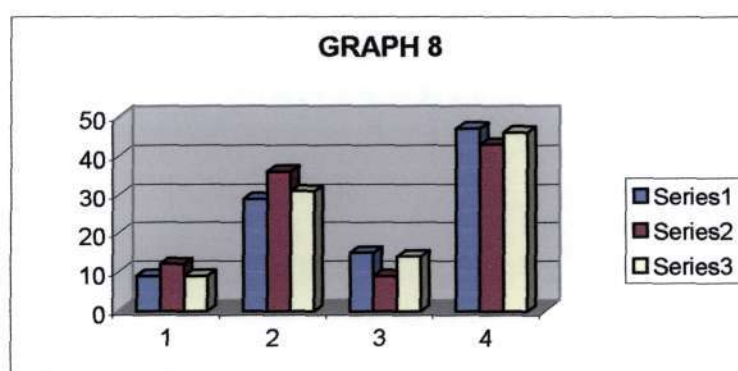
Response	% Consolidation (n=420)	% Non consolidation (n=101)	% Institutional area (n=271)	% Greenfield (n=251)	% Total (n=522)
No influence at all	17	10	14	18	16
Some influence	11	13	10	13	11
Strong influence	31	30	32	29	31
Very strong influence	41	47	44	40	42
Total	100	100	100	100	100



The above table indicates that the house size has a great influence in deciding upon improvements on the house. It further shows that 41% feel very strongly influenced by the size of the house.

**Table 24:** Satisfied / dissatisfied with the services

Reasons satisfied/ dissatisfied	% Consolidators (n=413)	% Non consolidators	% Total (n=515)
Rates for water electricity rent are high	9	12	9
Services are being delayed not working or too far	29	36	31
Services are alright	15	9	14
Things are being done to improve services in the area	47	43	46
Total	100	100	100



The above table presents the results of the satisfaction and dissatisfaction of the respondents by the services they receive in the project area. 31% are not satisfied with the current services as they feel that they are not implemented on

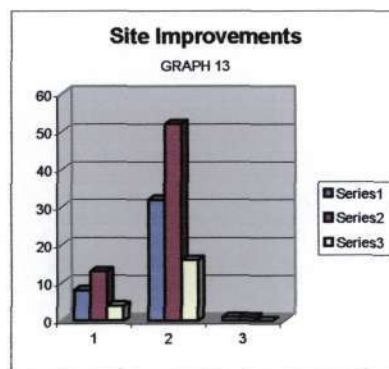
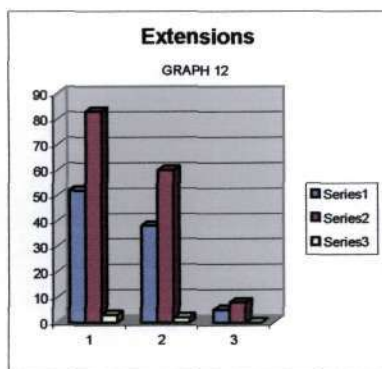
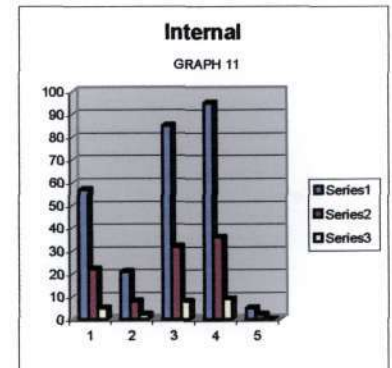
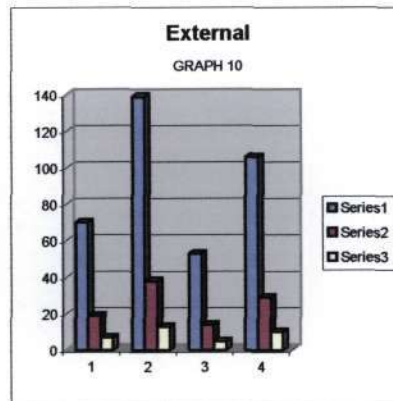
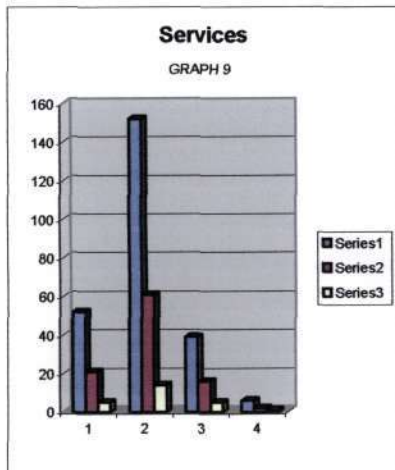
time, sometimes they are not functional and occasionally too far. 46% still has hope that things are being done to improve the level of services.

Surely, there have been improvements on the dwelling units. However this has been influenced by various factors. Table 21 gives the summary of all improvements, ranging from service improvements, external improvements, internal improvements, extensions and replacements and site improvements.

**Table 25: Summary of all improvements undertaken by respondents.**

Type of Improvement	Frequency	% Within improvement category	sub	% of all improvements
Service improvement water connection	52	21		5
Electricity connection	152	61		14
Plumbed toilet, bath and kitchen	39	16		5
Phone	6	2		1
<b>SUB-TOTAL</b>	<b>349</b>	<b>100</b>		<b>24</b>
External Improvements Minor improvements	70	19		7
Plastering	139	38		13
Roofing and gutters	53	14		5
Windows and doors	106	29		10
<b>SUB-TOTAL</b>	<b>368</b>	<b>100</b>		<b>35</b>
Internal Improvements minor improvements	57	22		5
Internal divisions	21	8		2
Plastering	85	32		8
Slab and filling /carpeting	95	36		9
Internal doors	5	2		0
<b>SUB-TOTAL</b>	<b>263</b>	<b>100</b>		<b>24</b>
Extensions replacements New internal rooms	52	38		5
New external rooms	83	60		8
Shacks replaced with house	3	2		0
<b>SUB-TOTAL</b>	<b>138</b>	<b>100</b>		<b>13</b>
Site Improvements Fence perimeter wall retaining wall	8	32		1
Path driveway	13	52		1
Garden/ agricultural & decorative	4	16		0
<b>SUB-TOTAL</b>	<b>25</b>	<b>100</b>		<b>2</b>
Other	17	0		2
<b>TOTAL</b>	<b>1060</b>			<b>100</b>

## Summary of all improvements undertaken by respondents



Interestingly, the highest on the improvements list is electricity connection (61%). Close behind are new external rooms with 60%. Plastering and carpeting follow with 38%. In addition to the list of improvements noted is fencing (32%), windows and doors (29%) and water connection (21%).

**Table 26:** Sources of finance for the completed and planned improvements

Source of finance	% Completed improvement (n=1093)	% Planned Improvements (n=515)
Saving of head spouse/partner	72	60
Contributions from children	7	6
Contributions from relatives	7	4
Loans from micro-lenders	3	10
Loan from bank	2	11
Loan from employer	6	5
Loan from friend	1	2
Gift/grant	2	1
Other	1	1
TOTAL	100	100

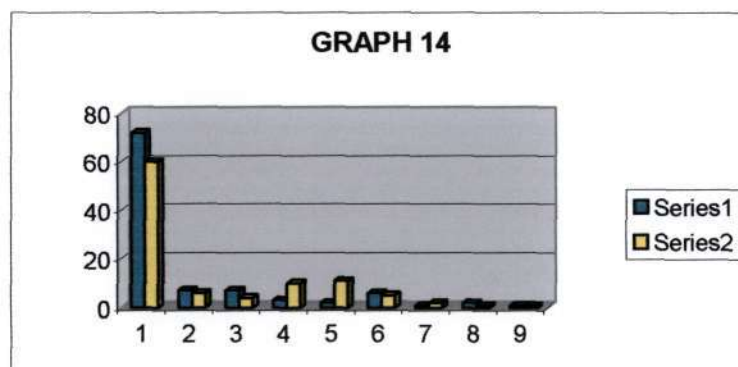


Table 26 clearly states the dedication of the beneficiaries to improve upon their houses. 72% had already completed whatever additions or improvements to their properties they envisaged whilst 60% had planned improvements that will be paid from their personal savings. Also the low contribution of the financial institutions (2%) towards this type of housing is clear. The employer contribution as well is low as they only account for 6%, considering the 72% of the respondents who have managed to use their own savings for the above.

The dissatisfaction of the beneficiaries with their houses is based mainly on the delivery system used by the developers. A separate study in this regard was conducted (commissioned by Metro Housing Unit) by BESG in October 2000. Two separate projects were used in this case study. The projects were Luganda and Zilweleni. Both projects were implemented before the introduction of the government's People's Housing Process.

BESG claims to have used the best delivery system where the beneficiaries were at the centre of the housing delivery process that went beyond the construction of houses. There were four key principles guiding the process viz.:

- The decisions with regard to the selection and design of the delivery system should be located at community level;
- The decisions with regard to the use of the subsidy should be located at beneficiary level so that beneficiaries have maximum choice;
- A building materials voucher system that accommodates a wide range of housing options; and

- A housing delivery system designed primarily around local labour especially builders.

In this delivery system, the beneficiary had all the leeway to decide on how he / she wanted his / her house built. The project manager in this instance had a facilitating role of appointing material suppliers and accrediting builders. Furthermore, BESE (2000) assessment was that the residual was maximally used. R7 500 built 28 sqm and R5 000 built 15 sqm with the quality to the satisfaction of BESE and the beneficiaries.

According to BESE (2000), the success of these projects is attributed to

- A dedicated, skilled leadership that is highly committed to the housing delivery system and capable of performing the role of developer;
- A vision within the leadership and the community, of the subsidy project being one step in a longer process of community upliftment;
- The locus of decision-making with regard to use of subsidy money at household level;
- A proportion of the beneficiaries resident on the site at the start of the project;
- The availability of sufficient, skilled local builders;
- The availability of material supply outlets within walking distance of the project areas;
- A subsidy value which at minimum translated into a one room structure;
- A housing support centre (HSC) staffed by people able to work with the community and trained to handle their jobs;

- Skilled external people who acted as consumer protection watch dogs with regard to the quality and price of materials, performance of the material suppliers and building quality; and
- A sound, efficiently managed beneficiary database and financial management.

While BESG (2000) saw the above as the strengths and opportunities of the project, it is queried though whether the people and beneficiaries, translated this into the success of the housing policy in terms of the size and finishings of the houses. This will be dealt with later in the chapter when the views of the beneficiaries are presented which was not part of the above study.

#### **Fulfilment of the aims of the community and conformity with PHP**

While the beneficiaries in this instance were fulfilled as they were part of the process and had a choice on how they wanted their houses to be constructed, this also made them participate fully in the delivery process. When they were asked whether they were satisfied with their houses, 87% said yes particularly with regard to the quality and appearance of the house. However, they were unhappy with the size. They also indicated that they were happy with the approach and did not need amendments. Also the project succeeded in creating job opportunities. Whilst the beneficiaries were generally happy with the houses, some were unhappy with the builders' work.

BESG (2000) claims that the housing delivery system in the two projects worked well based on the fact that:

- The locus of decision-making with regard to the selection and design of the delivery system was at community level;
- The locus of decisions with regard to the use of the subsidy at beneficiary level so that they are able to exercise maximum choice as to how the subsidy funds are used;
- A building materials voucher system that is not linked to a specific set of house plans; and
- A housing delivery system designed primarily around local labour - only builders.

Based on the experiences learnt on these projects, this approach can also be applied to green field projects, as it is done in Waterloo. This could succeed if the beneficiary households already have a representative structure in place, as the tasks are too demanding. Also, the beneficiaries should live close by to safeguard their materials.

## **6.2 Views of the Department of Housing and the former Durban Metropolitan officials on housing delivery**

The first part of this section deals with responses from the various officials dealing with housing delivery within Durban Metro and KwaZulu Natal province. The presentation of their responses is in terms of the questions posed to them (as presented in the questionnaire).

### **6.2.1 Opinion about current processes and procedures**

Four of the five interviewed officials expressed their concern about the long, complex and time-consuming red tape. Only one municipal official indicated that the procedure was “OK” although the requirements were problematic.

### **6.2.2 View about the current subsidy amount**

The general view then was that this subsidy amount is too low and unrealistic especially now that the provincial government is demanding that a 30 sqm house be delivered. Furthermore the 15% allowed for the bad terrain is not accommodating. This subsidy amount has since increased from R16 000.00 to R28 279.00 and the delivery constraints are still the same.

It was indicated that what makes things worse is the fact that expectations were created. This was never looked at in terms of the general backlog versus people’s aspirations and the national policy.

It was also mentioned that the debate of the early 1990s was two fold

- To spread thinly small houses over a large area; and
- To give fewer people better houses and take two generations to meet the backlog.

One view is that, nobody is prepared to wait for two generations, hence the creation of a housing opportunity where people are provided with a serviced

site, infrastructure and a small house with the hope that they will be able to extend and develop the house further (if people have resources).

The problem of “entitlement” was also raised as the major concern with the housing sector. There is a general belief amongst the poor people that it is the government’s obligation to provide free housing for the people. These people also claim that the national housing budget is huge and that they should be provided with bigger houses for bigger families. From the officials’ point of view, this is not realistic as people choose to have bigger families. Therefore this should not be used or influence the type of housing that the government delivers. This shows that family planning is still not an issue in the low-income category.

Also the issue of the poor quality of houses was raised. It was claimed that the majority of these houses are on raft foundations. Some do not have concrete floors and the majority are half built and not plastered. The poor quality of these houses was attributed to the available residual. It is claimed that people are just given a very basic structure and they have to improve upon it.

However, it was mentioned that there is a problem with regard to the improvement of these structures as the majority of the people are unemployed and cannot invest in their newly acquired homes. It was indicated that in certain instances people erected low quality houses to supplement their small houses. This is not helping the situation.

### **6.2.3 Views on the level of standards required**

The respondents had different views that are listed below.

- Will not compromise on infrastructure, as it cannot be incrementally improved;
- Will also not compromise on building material, hence the small houses that the owner will augment;
- There should be a difference between areas, lower standards to provide better top structure. Different types of material accepted such as corrugated iron;
- Each area to set up its own standards based on available funds. Upholding the standards is problematic and costly; and
- Current processes and specifications are not a problem.

The above indicates the diverse views on this issue. This is translated into the type of delivery system that is seen across the eThekweni Municipality area.

### **6.2.4 Opinions regarding other policies and legislation**

- The township establishment process is too long, the town planning processes too complex and the frustrations of red tape;
- Whilst DFA is pro-active, it is too costly and has not proved itself useful;
- The environmental legislation, on the other hand has good argument and principles, but slows down the process. It also conflicts with other policies when it forces people to move / relocate;

- Land reform legislation is also problematic and a major deterrent to development. Part of the problem is land invasion and the control of illegal buildings;
- There are also land acquisition problems due to complexities relating to the ownership of land, ie Ingonyama Trust Land, State land and private owned land;
- With state land, the problems pertain to the identification of the correct department, and the bureaucratic system where the request / application has to go to various committees and not knowing who is responsible;
- With privately owned land, the problem lies with the deceased estates, multiple owners (common within the Indian community) and expropriation; and
- Permission To Occupy (PTOs) also plays a great role. However in most cases no records are kept, some are stolen and then it becomes impossible to sell the land.

#### **6.2.5 Views on Amakhosi role**

Tribal land is one of the easiest to apply for. Applications are submitted to the Ingonyama Trust Board through the Inkosi. It was mentioned by the Inner West Operational Entity that no problems have been experienced with the Ingonyama Trust Board up to the present moment.

All the respondents however have the same view with regard to the role of the Amakhosi. The general feeling is that their role within the Unicity needs to be

defined as they presently sit as observers. They should be involved in the political buy-in.

Also infrastructural levels in rural areas are still debated with no bulk services being provided. Furthermore, the majority of the people have houses and mainly need services. However, the peri-urban settlements still have housing problems.

Finally, land tenure is another issue. If rural communities are surveyed and given ownership, they will be liable to pay rates. It is therefore imperative that the issue of whom the land is transferred to, is resolved with the Amakhosi to determine their role and the status in the rural areas. The Amakhosi need to be incorporated into the existing structures, for example the Section 21 Companies that are established to facilitate development.

#### **6.2.6 Views on community participation**

There were different responses and views on this question.

- Some of the people are negative and they come with their own agendas, personal interests and cause problems;
- The involvement of the community's work forms a crucial part of the development process;
- Their involvement is very crucial, but it has its problems, ie too much consultation gives a perception that the beneficiaries have authority to dictate and this delays the whole process. In areas where there is little

consultation, there is good progress. Areas with Development Forums progress well because everything is organised and structured, for example Inner West Operational Entity; and

- The areas with housing support centres such as Inanda, Umlazi, Briadene, Luganda and Zilweleni have progressed very well. Through the PHP, these communities have been given additional funds R570 for each subsidy for training labour and the establishment of support centres through the Peoples Housing Process. Locals have therefore been involved in manufacturing their own materials to build better houses for themselves.

Community participation is two-fold. In greenfield developments there is less consultation as compared to insitu upgrade. In the latter, there is a lot of delay due to community interaction. On the other hand, there are other issues that need to be addressed, viz.:

- The preparation of a layout plan, and the relocation of people making way for infrastructure could be very problematic and complex;
- The provision of community facilities becomes difficult; and
- The whole process is conducive to being dictated to by one person.

The above therefore require some careful preliminary planning prior to the project being given “a go ahead”.

### **6.2.7 Problems experienced with the acquisition of land**

The following issues were identified as being the key problem areas with regard to the acquisition of land.

- The purchase of private land is too costly (in inner city areas - inner city densification);
- The housing Subsidy Scheme does not allow purchase of some of this land due to its location;
- It has to be established that there are no land claims on the proposed housing site;
- There is a lack of understanding as communities have their own perceptions regarding low cost housing;
- The policies do not allow for the expropriation of land from Black landowners;
- Some areas are not interested in development but need services (Georgedale);
- Underlying properties - old land issue in Mpumalanga and Cliffdale. Land left in a Trust by their forefathers and this being difficult to resolve; and
- Some land owners set very high prices for their properties / land.

It therefore becomes very difficult to secure the right piece of land at an affordable price, and at a good location.

### **6.2.8 Improvements to the housing policy**

There are various issues that need to be improved upon in the housing policy.

The following have been mentioned as the key issues:

- The subsidy amount is presently sitting at R29 670.00 per beneficiary (this includes 15% Geotechnical allowance). This is inadequate and needs to be revised;

- The land acquisition process is very long and can delay the whole housing delivery process;
- The land tenure process requires careful consideration. A PTO should be good enough. The Province should have a legal team to go through and sort out PTOs;
- There is a need to improve cash flow; money takes too long to reach various projects;
- The Department of Housing should consider seriously the “Accreditation” issue, not only for the larger municipalities, but the small ones as well.
- There is a need to consider improving the transfer of assets process;
- The housing policy should focus on an integrated development approach; for example, incorporate the Departments of Education and Health in order to ensure the provision of schools and clinics; and
- The procurement policies should be spelt out in the Act (1997).

Notwithstanding the above, there are other pertinent issues that might be included in the list. Furthermore, it should be realised that the Housing Policy (1998) is reviewed every now and then to ensure that it encompasses relevant issues.

### **6.2.9 Views on co-operative governance in relation to housing**

Different views on co-operative governance were shared as follows:

- This issue is problematic, however, the intentions are good, but there is too much bureaucracy. The Province has enormous problems regarding its delivery strategy. There are rumours that the constitution is to change and

housing is to be a local government responsibility as it is closer to the people;

- Some of the local authorities do not have the same capacity;
- Accreditation will lead to a bigger share of the budget, for example, 51% from Province to Metro. This proposal on accreditation needs to be pursued;
- The Department of Housing does not have the ability to deliver. There are serious staff implications in the province. The question is, what is province without Metro?
- There is a need for people who will be looking for solutions rather than problems; for example, individuals required should look at how the projects should be implemented and not focus on why this is not happening; and
- There is a need to sort out the land acquisition processes.

Presently, there are unsatisfactory issues particularly with the rural and smaller municipalities about the approach used by the Department of Housing. In certain instances, the municipalities feel that Province is ignoring them since certain projects are started without proper consultation with the municipalities. A typical example is that of Maphumulo Municipality's Amangcolosi Rural Housing Project. It is therefore very crucial for the Department of Housing to ensure that all the participants get involved in the project from the initial stages.

#### **6.2.10 General suggestions**

The interviewees were asked to give their own views with regard to what could be done to improve the current housing policy. They suggested the following:

1. The areas that are closer to bulk services should be considered first;
2. Province should exclude land from the subsidy. Furthermore, an office for previously disadvantaged people should be opened for advice rather than go to conveyancers who are quite expensive;
3. It should be noted that housing delivery is clearly a local authority responsibility;
4. It should be realised that it is government funding, therefore, they need to be allocated to the local sphere;
5. Land banks should be established, with an entire department focusing on feasibility and sort out all the legal issues prior to land being identified for housing;
6. Every piece of land should be correctly identified to determine whom it belongs to. All the details, (ie held by which department, who is the signing authority) should be provided;
7. A task team constituted of the local authority, registrar, surveyor general and deeds office should be established to ensure that records match, for example, R293 townships;
8. Acquisition costs should not be restricted by the subsidy;
9. Rates issues hold up development and transfers needs to be addressed;
10. There is a need to resolve conflicts over land rights;
11. There is a need to process land claims speedily as they delay the development process indefinitely;
12. Illegal sales should be controlled;
13. People need to be educated on land rights, land ownership and how to protect their land (title deeds);

14. Clarity should be given on the traditional and western ways of land ownership. Presently in the traditional sense, women are not allowed to own land / property even when the property is in the woman's name, the husband has a final say;
15. There is a need for more expertise in housing delivery;
16. The whole land acquisition process should be revisited. Once the land availability agreement is signed, the delivery process should go ahead. All other processes should follow, especially when people are already residing on the land;
17. Elected councillors should put their foot down in certain instances to allow development to go ahead;
18. The land release issue is very important. PTOs should be dealt with at local level. A second stage should be the lodging of applications for subsidies;
19. The genuine welfare cases should be dealt with separately. This should happen after the infrastructure has been provided;
20. In instances where the budget is very low, the provision of shell houses should be considered;
21. High-density developments (flats) should be encouraged; and
22. It should be decided on the type of houses to be constructed by involving the beneficiaries, for example, introduce rondavels.

The above suggestions indicate that the policy-makers still have to work hard to ensure that the housing policy addresses the needs of the poor through proper identification of land, proper planning and involvement of all the stakeholders.

### **6.3 Conclusion**

The above analysis clearly indicates that as much as the beneficiaries appreciate the provision of housing, the majority (41%) are not satisfied with the size of the house and to a lesser extent, the quality. This has an impact on the willingness to improve the house.

It is also established that there is a need to improve the housing policy in terms of the subsidy amount and the procedures and processes followed to acquire a subsidy. Instead of simplifying the requirements, they are becoming difficult to accomplish.

## **CHAPTER 7: ANALYSIS OF RESULTS**

### **7.0 Introduction**

This chapter focuses upon six issues. These issues are based upon the discussion in chapter 4 and are informed by the various policy aspects. The approach used in this chapter will be to give a general overview of the findings of the study, thereafter, deal with specific and critical issues as established during the research and interviews. The specific issues dealt with are as follows:

- Comments on site and house sizes.
- Reasons for improvements / no improvements.
- Comments on location in relation to jobs and facilities.
- Type of structure (quality, completion status and finishings).
- Comments by officials, politicians and developers on
  - Processes and procedures followed;
  - Views about current subsidy;
  - Views on the level of standards required;
  - Opinion regarding other policies and legislation;
  - Views on the role of the Amakhosi and on community participation – What does the current legislation say?
  - Problems experienced with the acquisition of land – role of the Department of Land Affairs; and
  - What needs to be improved in the housing policy (including co-operative governance).

- Controls and regulations (town planning, building lines, height, NHBRC, etc)

## **7.1 General overview of the findings**

There are various elements that indicate the success of a policy. In the case of former Durban Metro, a different approach to low cost housing has been used in many projects and has proved successful. The success of such projects depends upon the way they are looked at. The housing consolidation approach is a yardstick for success used in the majority of the projects. This is based on encouraging and developing sustainable human settlements. This comprises of the following key elements (BESG: 2000: 54):

- Providing housing support services: This involves the provision of technical and building advice, making standardized plans and materials lists available and promoting emerging contractors. It also involves conducting on-site plan approvals and inspections and establishing field offices. (HSC's and mobile or satellite support centers) which can act as a point of connection between householders and the relevant service providers and other sectors.
- Facilitating local economic development: The promotion of small, medium and micro-enterprises and mitigation of leakage from the local economy is advocated. Specific mention is made of labour based construction methods and maximizing the use of emerging contractors and suppliers.

- **Business, vocational and skills training:** It is proposed that the housing unit contribute towards training initiatives but not to be seen as the unit primarily responsible for these initiatives.
- **Enabling access to end – user finance:** This involves the strategic leverage of private sector (or other) finance to facilitate the granting of loans to those householders generally excluded from accessing mortgage loans. It is also proposed that the council, via Housing Support Centers (HSC) and mobile or satellite HSCs, provide an interface between prospective borrowers and lending institutions.

BESG (2000: 54-55) argued further that the housing sector should be in a position to co-ordinate itself internally and externally with sectors and actors, based on the following key elements:

- **Co-ordination of strategic planning:** This involves the co-ordination of plans, processes, funding procedures within the EMA, within the housing sector and other sectors that contribute to the establishment and maintenance of human settlements.
- **Research and policy:** This is seen as a form of support or facilitation as well as being a precursor to co-ordination and policy formulation. In addition, research serves as a monitoring and evaluation mechanism.

- **Communication and outreach:** The integration of information networks and databases and community empowerment through mass communication are the key elements of this area of intervention.
- **Fiscal sustainability:** This ensures that housing interventions are affordable in the longer term. In particular, it requires the adequate allocation of national and provincial housing funds, the sustainable use of available funds, the trade off between capital and maintenance costs and the payment of services and rates.

In terms of the outcome of the research, it has been established that the housing consolidation approach has an impact on housing delivery through various factors. One of them being the overflow of consolidators needing advice and the HSC's being unable to cope with the demand and sustain the post subsidy project phase. This calls for the evaluation of the HSCs. Furthermore, the builders' reliability and honesty were identified as a major problem, a more in depth understanding of why builders behave the way they do, may make it easier to identify what the most appropriate form of corrective action would be. It is stated that this could be due to the timing, type and target of the building skills training.

There were other problems relating to the supply of materials to respondents. This calls for more investigation as to how the supply of materials to low cost housing projects should be handled. The Metro Housing Unit (MHU) could base the poor service by suppliers, on the lack of supervision and co-ordination. Furthermore, the role of MHU in terms of its strategy needs to be

revisited to ensure that the strategy is properly defined. The most critical issue here is the pro-active facilitating role that should be played by MHU to ensure that the project areas are properly consolidated in the neighborhood. An example of KwaDabeka Unit 1 is appropriate as the area is poorly maintained and the site conditions are difficult. Consolidation in this instance could also look at involving public works programmes to address the issues of storm water control, retaining walls, maintenance of roads and the development of areas for children to play.

Some of the issues raised from the study pertain to the sustainability of home ownership. This will be addressed in the section on recommendations. As shown by the research, the majority of the people cannot afford to improve their homes. This raises a question of the nature and form of housing delivery and the most appropriate way of providing poor people with secure tenure and the infrastructure, services and housing they need.

It has been noted that the material supply system works better as the beneficiaries appoint their own builders. This has been tested in Luganda and Zilweleni projects (BESG: 2000). One of the pitfalls found in these projects was that of specifications in terms of the material to be used so that the supplier provides quality material.

One of the questions asked is whether this system could work in greenfield projects. This could work, but would have major problems regarding the safety and security of materials on site. Hence it is easier to implement it in an insitu upgrade. The other aspect is that the Luganda and Zilweleni approach was

based on the community based organization being the developer (BESG: 2000). In a green-field development, it would require the beneficiary households to contribute and participate in the development process. Presently, the most appropriate approach is to have a local authority taking over the responsibility of being a developer.

The applicability of the approach to the residual of project linked subsidy projects is crucial. This approach could be applied with the only constraining factor being on the financial side particularly if the project is not developed in terms of the Peoples Housing Process (PHP). It has been established that non-PHP projects would require bridging finance to cover the house construction phase of the project and would not qualify for the establishment grant that is issued to set up a HSC. The reason for this is that the P5 payment (payment for topstructures), for projects which supply building materials, is only paid out on completion of the house and submission of receipts for materials signed by the beneficiary and certificates signed by the building inspector.

Finally, the financial risks of PHP and consolidation subsidy projects are much lower than the conventional project linked subsidy projects. Projects developed in terms of the PHP are able to specify in their business plan how they would like the subsidy draw down system to work. They can motivate that the residual be treated in the same way as the housing consolidation subsidy and by so doing avoid the need to raise bridging finance.

This type of approach differs from other approaches in that everything is managed at the site office. Furthermore, the beneficiaries have more say in

deciding on the nature and type of the house, on the builders and so on. Furthermore, there is monitoring on the quality of houses constructed. Luganda and Zilweleni projects approach could be developed and fine tuned for future purposes. However, the study area experienced problems that are different from these areas. The majority of the beneficiaries voiced unhappiness with the end product (BESG: 2000). In addition, the local authorities voiced some dissatisfaction regarding the way these projects are implemented. The following discussion therefore will provide an analysis of specific issues that have a negative impact on the housing policy. It should be noted that the intention is not to find fault, but to evaluate its impact on housing development. However, more negatives have been picked up than positives. The positive being that people have ownership of properties and the negatives are numerous and will be dealt with in the next sections.

In the general analysis, it has been established that the beneficiaries are not satisfied with housing delivery in the province at large. This has been the view of all concerned, the beneficiaries, the council officials, the politicians and the developers. In this instance the beneficiaries are at the receiving end of a policy that was meant to afford them with the opportunity to own a property, and access to services and infrastructure. Unfortunately this is not meeting the expectations of the beneficiaries, as the understanding is that the whole subsidy amount is for a top structure. Contributing to the confusion as well is this new requirement by the Department of Housing of delivering a 30 square meter house without a relative increase in the subsidy amount. The local authorities are now forced to find the balance.

### **7.1.1 Comments on site and house sizes**

The majority of the beneficiaries are not satisfied with the site and house size allocated to them. In all the sample areas, the biggest house ever built is a 28 square meter house. The finishings in many of these structures are not satisfactory, either a shell house or no concrete floor.

Considering the household size, this raises a question of whether or not people are being encouraged to build more shacks in order to accommodate their large families. There is one major flaw with this policy; the beneficiaries should have been categorized into:

- Those who are employed and can afford to contribute towards bigger structures and improvement of their properties.
- The unemployed who can only rely on the government subsidy. With the latter, the policy would make a provision for municipalities' or/and the beneficiaries to put in additional funds so that at least a 40 square meter house could be provided. This would be much bigger than the 30 square meter house that the provincial government is demanding to be delivered by the municipalities. Brazil is providing a bigger unit of 33 square meters. In Zimbabwe, the Bank advocated smaller houses of between 20 to 29 square meters to maximize affordability whilst the Zimbabweans wanted 50 square meter houses on 200 square meter plots (Uipress.Org: Effective Housing Delivery: 2005).

In KwaZulu Natal (and South Africa in general), the issue of “house size” is critical particularly when the extended family issue is considered. Certain families are taking on additional members due to Aids-related deaths. This is encouraged, by the new legislation that has been passed by the Department of Population and Social Development, which urges the incorporation of Aids orphans into family structures of relatives. It is known that the majority of these families live below the poverty line and rely on welfare grants for survival. This calls for a delivery of a shelter that will accommodate large families. In this respect, housing should be looked at holistically, not as four walls.

Notwithstanding the above, the site sizes are as important as the house sizes. The site sizes range between 150 and 200 square meters. This leaves less room for improvement. Some of the houses are designed in such a way that it is difficult to extend. Some of them are orientated badly within the site; for instance, the house just fits in within the boundary lines. This requires some education and close monitoring during the construction stage, to ensure that the beneficiary will not have problems in improving or extending the house.

- In other third world countries as well, the issue of site sizes is very critical. In Zimbabwe, the people envisage at least 200 square meter sites whilst in Pakistan, they are provided with a 150 square meter sites. In Africa the site size is very crucial as most of the ceremonies and/or celebrations are conducted outside. Small sites cause problems, as

people cannot fulfill their customary obligations (Uipress.Org: Effective Housing Delivery: 2005).

### **7.1.2 Reasons for improvements / no improvements**

This is an important indicator of the success or failure of the housing policy. People expect to be provided with facilities and services once they have moved out of the informal settlements. Any improvements that take place are based on whether people like or dislike their new homes.

Being satisfied with the new home is informed by several factors. One of these factors is ownership of land. This has been noticed even in formal residential areas of Indian and African people. In such instances, people lived in rented houses and once ownership transfers took place, people started extending their houses. In the case of the study, a high percentage (33% and 26% respectively) of those residing in Lusaka / Moorton and Waterloo expressed their eagerness to improve their homes based on the fact that they owned their homes. This also indicates that people live in shacks not necessarily because they do not have means but because of the land tenure system problems.

The second issue that promotes improvement of homes is better access to facilities. This has to do with the location of the settlement. People prefer to be located close to towns so that they can walk to facilities and places of employment. An area like Umkhumbaan had the highest percentage (31%) of home improvement. This made the respondents happy to improve their homes.

Notwithstanding the above, people were still dissatisfied with other issues. These are related to the economic problems of the country, for example, unemployment, difficulty in maintaining the properties, high cost of living, etc. This indicates clearly that housing cannot be excluded from other sectors such as transportation, education, health, economic development and so on. The economic problems have contributed to the lack of improvement of the new homes, as people cannot afford the added expenditure.

In the study area, Lovu is the most disadvantaged in terms of location and in geotechnical conditions. This area is located south west of KwaMakhutha and west of Amanzimtoti. People travel long distances to Durban and Isipingo where the majority of them work. The public transportation facilities are a nightmare. One would ask, what happened to the principles of accessibility. There is a lot of vacant land within and around KwaMakhutha and Amanzimtoti that could be used for housing development. For the then Housing Board to approve this project is questionable as the majority of the beneficiaries are from KwaMakhutha, which is closer to Isipingo and Amanzimtoti than Lovu. 83% of Lovu beneficiaries indicated their dissatisfaction with transport and geotechnical constraints which make it difficult to extend their houses.

The other issue raised is that of a lack of qualified builders within the project areas. However, a pilot project by BESSG (2000) in Luganda and Zilweleni proved otherwise. The beneficiary communities became part of the whole housing process. They contributed in decision-making regarding training requirements, and in the selection of trainee builders. During this process,

BESG played the role of co-coordinator and supervisor. Whilst these projects were successful, there were minor complaints, viz.:

- i) the houses were incomplete;
- ii) the lack of ventilation; and
- iii) leaking roofs.

It should be noted that with the low cost housing, building plans are not submitted for approval, hence there are no inspections from the municipal officials during construction with regard to the environmental health requirements. Some of the problems mentioned by the beneficiaries could have been avoided. Furthermore, the current system with regard to the building construction is very complicated and can cause delays. Consequently low cost housing has been excluded from other processes to avoid the red tape and fast track the housing delivery process. Whilst this is assisting the housing delivery process, it is imperative that quality housing is delivered at the same time.

It should be noted that badly constructed buildings deter the beneficiaries from improving their buildings as this would not improve the appearance and the value of the structure.

### **7.1.3 Comments on location in relation to employment areas and facilities**

It would have been appropriate for all the low cost housing projects to be located within reach of facilities, services and employment areas. In terms of the study, there is only one area that could be said to be in an appropriate

location ie., Umkhumbaan. Other areas that were found to be suitable are: Lusaka / Moorton, Umbhedula and KwaDabeka. With regard to the latter, Pinetown has some of the best industrial developments in the province, if not in Africa as a whole.

In most areas, such as the Inner West Entity, research into available land for low cost housing development was undertaken. However, the criteria set aside was not satisfied. In terms of the criteria, the areas that would be appropriate would be: close to employment opportunities, bulk services, close to facilities, close to transportation routes and preferably within city centres (hence inner city densification). The intention was to discourage urban sprawl to minimize the cost of infrastructure. However, this was not to be. The following problems were experienced:

- There is a problem with the ownership of land. Most of the inner city land is privately owned and the purchase price very high;
- Most of the public owned land within the inner city areas is zoned public open space and were unsuitable for development due to their environmental sensitivity and geotechnical instability; and
- Also the communities within and around these areas strongly object to low cost housing development as such communities are seen as high risk areas where crime is concerned. Trying to resolve such issues is costly and time consuming as the system (in terms of regulations) still supports the objectors. In this respect, the alternative is to look for land

somewhere else, encouraging urban sprawl. This leads to the criteria being thrown out of the window as two options only become feasible. The first being Greenfield developments on the fringes of the urban area. The second option is the insitu upgrading of informal settlements. This is difficult to plan and implement. The people now end up traveling long distances to work and to access facilities. In certain instances, transport becomes difficult. Due to the lack of bulk services, people battle with sanitation, as there are no sewer disposal facilities.

In the study area, most of the projects lie outside the accepted distances to facilities due to problems (as indicated above). This is one of the problems that is difficult to resolve and is worsening the economic conditions of the low cost housing settlements. For example, Lovu and Waterloo are the furthest from the city center and the beneficiaries experience hardships.

#### **7.1.4 The type of top structure (sizes, quality, state of completion and finishings)**

The type of top structure is not satisfactory in terms of size, quality and finishings. The size has already been dealt with. The plan itself in terms of the roof, location of windows and doors is not acceptable. The projects vary though as they depend upon the developer. This is causing problems, as some of the people have to demolish the subsidy houses when they decide to extend. This situation is caused by lack of consultation on such issues prior to implementation. This should probably be the task of the municipality so that

those who can afford bigger units could contribute. This could work out cheaper as extending is costly.

The construction of these structures varies as well. Some are a wet core without a concrete slab. Some are developed in the form of a shell. Most people complain about having to use curtaining to partition rooms. And these rooms, being very small, also intrude on the privacy of senior members of the family.

Surprisingly the majority of the beneficiaries (not only in KwaZulu Natal) seem not to appreciate these RDP houses as they are called. They want this government to deliver the four-roomed (later known as “match box”) houses that were built in the black townships by the former regime. These houses were strong and big as compared to what is delivered today. Furthermore the people were paying rental (99 year lease). These comments are based on the condition of the current structures regardless of the fact that the then housing development was focused on certain areas.

The difference with today’s housing delivery is that the focus is on the poor whereas before it was on the working class as there was no room for the unemployed in the urban areas. With the focus having changed, the poor and unemployed cannot afford to pay rentals. Therefore the government makes it the responsibility of the beneficiary to improve and maintain the house. The maintenance of the infrastructure is therefore cross subsidized from the rates paid by the affluent communities.

Presently, the housing development focus is not only on specified areas, but also on housing the needy and the homeless. Also the criteria have changed as the income groups have been categorized. Those without income complain the most, as they cannot afford to improve the structure delivered during this process. They find themselves forced to live in unacceptable conditions due to lack of finance, namely congestion.

In this respect the government has failed to address the housing needs of the low-income people in South Africa, hence the current debate among certain sectors. There is a view that the government should subsidize those who can afford to improve on the structure provided by the government. But it is still undecided on which category this should be. The majority feels that all those who earn from R1500.00 upwards per month should qualify for the housing subsidy. The issue at hand is “what happens to the unemployed and those who earn below the cut-off point of R1500.00

A critical issue in general is the non-completion of the houses. This is caused by various factors, viz.:

- The duration of completion. For example, a project that began 3 years ago when the subsidy was low, faces tremendous problems presently as material prices increase. This results in the developer abandoning the project and the affected beneficiaries not having much say.
- Lack of consideration for the geotechnical reports during the planning stages. Once the project starts, the developer establishes that more funds

will be spent on the roads and infrastructure. The housing policy in this instance is very rigid, as it does not make provision for this 15% allowance to be increased. In areas like Durban Metro, the housing policy should have allowed some flexibility in this regard due to the topography and geotechnical issues. In one of the housing projects (Emalangen) Metro demanded that 50 % of the budget be used on roads, the residual be spent on the top structure. The criteria used in this instance, is not clear.

On the other hand, the provincial Department of Housing demands the delivery of a 30 square meter house without increasing the subsidy amount (there is a very strong debate that this be increased in a market related manner). The probability is that the municipality that can afford might be forced to top-up. However, municipalities like the eThekweni Municipality might afford to make a contribution, but what about the small municipalities that are struggling financially? This might lead to the unequal levels of delivery standards across the province.

The issue of finishings should be discussed with the beneficiaries so that whatever they are entitled to and can be achieved, should be included. There are housing projects where windows and doors are not included. These are very critical as the majority of people are unemployed and cannot afford to buy these primary requirements.

As much as the people have been housed in better quality houses, this does not have a major impact on their quality of life. The basic needs today are no

longer food, shelter and clothing only. These also include access to health services, education, employment opportunities, water and public transport. What needs to be clearly stipulated is the distance these facilities are from the residential area. Unfortunately, as noticed in the previous discussion, some of the new low cost housing settlements do not meet these criteria, for example Lovu. Seemingly, the planning and the thinking behind the low cost housing delivery is still dictated to by the apartheid system of planning, and discrimination in terms of where the low income people should be located (ie. on the outskirts of the city). Furthermore, this class issue of the rich people not prepared to reside next/close to low cost housing, requires close attention. One of the problems raised is the devaluation of their properties; and yet another is exposing the neighboring residents to crime.

#### **7.1.5 Comments by officials, politicians and developers**

The comments from the municipal officials, politicians and developers are invaluable as they greatly inform the recommendations in the next chapter. The discussions with them were focused on crucial issues that inform housing delivery through better processes and procedures, different roles played by all stakeholders, the level of standards required and where improvements can be made.

##### **7.1.5.1 Processes and procedures**

The processes and procedures followed in low cost housing development are very frustrating. From land identification to the lodging of the application, a

whole lot of involvement is required from engineers, environmental specialists, town planning, environmental health and the communities themselves. This is time consuming; hence the whole township establishment could take about two years to be declared/promulgated. There are various checkpoints one has to consider, viz.:

- Ensuring that the project identification process is followed correctly, ie that it is part of the IDP;
- Land suitability and assembly is undertaken. This involves geotechnical investigation and environmental scoping. During this stage, the type of subsidy is decided and the relevant process is followed, either DFA OR ordinance route;
- Town planning layout / settlement plan is prepared;
- Top structures are designed and costed;
- Social compact agreement is signed; and
- Finally, the project is submitted to the Department of Housing for approval.

It has been established from this research study that this process frustrates the beneficiaries, including the municipal officials. There are no short cuts except for using the DFA route that might also take up to 120 days before the application is approved. In the Durban Metro area there have not been many DFA applications made.

As much as there are complaints regarding the delays in township establishment, the conservative officials (municipal) still prefer the old system, ie. the Ordinance route. On the other hand, the developers prefer the DFA route

as it incorporates all the other issues that might have necessitated several applications in one, for example, the approval of the layout plan, the rezoning (if required) and the opening of the township establishment register.

The concern about the DFA, from the municipal official side, is based on the disagreement with the waiving of certain requirements. Furthermore, some of the more conservative planners who sit in the Tribunal are unhappy with the way decisions are taken. There were even arguments about the role of the Tribunal and the nature of the applications it should deal with.

Based on the requirements of each municipal department, and the contradicting needs of the provincial housing department, it has been established that delays in housing delivery cannot be avoided. This is an indication that the two spheres of government still operate as separate entities. It has been realized that the two spheres of government overlap in certain instances, this could be avoided and the delivery system fast tracked.

The political components of the municipalities do not understand what is happening. They always accuse the municipal officials of the delays in housing delivery. There is a lack of understanding that they (politicians) play a crucial role in fast tracking housing delivery, through change in legislation and policies. Considering that everything is influenced by politics, the role of the political component becomes critical. Therefore the change in policies, informing processes and procedures has to be considered seriously by the politicians.

Presently, there is much controversy around projects that were approved about 3 or more years ago. Most of these projects were awarded to private companies (mainly Section 21 companies) to implement. The process followed the private company together with the community identifying a piece of land for low cost housing. They would go through the process of identifying beneficiaries, allocating sites, preparing a layout plan and submitting the application to the Housing Advisory Committee (HAC) for approval. Only then would the municipality be involved in commenting on the application.

It has been established from some of the developers, (Section 21 Companies) during the interviews, that they have experienced difficulties in housing delivery mainly because:

- They were incapacitated for various reasons;
- They had other priorities which did not include low cost housing;
- The conditions and agreements with the Provincial Housing Department had very high specifications that could not be achieved with the available budget. One of these companies is Cato Manor Development Association, which is also encountering difficulties in delivering. The communities affected by this mainly are Chesterville, and they are openly voicing their dissatisfaction.

What should be realized with the above is the fact that the Metro Housing Unit, in terms of the Ordinance, 1949 (Ord No 27 of 1949) cannot assist with top-up funds for the infrastructure. They can only assist in the construction of the

infrastructure. In projects like Chesterville, the Metro Housing Unit has already donated some money.

What puts the whole Metro Housing Unit in jeopardy is the fact that the housing subsidy delivery condition is that a 30m<sup>2</sup> unit with a “wet-core” should be delivered. This can be achieved with the new housing subsidy approvals. But with the old ones, it is problematic. One asks a question, how do you deliver a different product to the same needy people? Even the “slum-clearance” programme has set a precedent of a certain type of product that needs to be delivered.

Some of the S21 Companies handling similar projects such as Chesterville have handed over these projects to Metro Housing Unit, as they cannot deliver what was agreed upon with the Department of Housing. This agreement was based on

- 20m<sup>2</sup> unit with a wet-core
- Strict specifications on door frames and window frames.

These projects had a residual ranging from R5 500.00 to R7 500.00 owing to inflation and escalation. The municipality has requested for additional funding from the Department of Housing.

Some of the developers interviewed put the blame on the housing policy, claiming that it is not conducive to housing delivery. However, it has been established that the government was also very negligent in following up on

these projects, until it realized that there was no progress. This resulted in the promulgation of the KwaZulu Natal Housing Amendment Act, 2000 (No.8 of 2000), which became effective from April 2000. In terms of this Act, Provincial and Local Government are the only developers.

As the current situation calls for the government to top-up, automatically, the private developers are out of the equation as they have failed to deliver as per their agreement and contract with the government.

On the other hand, the private companies have let the Department of Housing down, as they have not delivered on time. There is no excuse as the subsidy allocated is with effect from the date of the approval not the date of submission. This indicates that these companies were never ready for development, as they had had adequate time to prepare themselves whilst waiting for approval.

These companies awarded tenders to big contractors who could not fulfil their obligations within the budget due to their high overheads. They were also reluctant to give jobs to the so-called “emerging contractors” as they had no track record, financial security, nor cash flows to sustain the project. They never realized what the inflation was doing to the low cost housing industry or were just being ignorant, thinking that the Department of Housing would make additional funds available whenever required.

Based on the above, the housing backlog that exists still remains, as the government has now to add more funds to finish/complete projects that began 3 to 5 years ago.

#### **7.1.5.2 Views about the current housing subsidies**

There was an outcry about the slow pace in increasing the housing subsidy. The report by BESH (2000) actually indicates that if the subsidies were increased (market and inflation related), it could have increased to about R26 000.00 per unit (in 1999 / 2000). In 2000 / 2001, the subsidy was R18 400.00 including the 15% allowance. However, for the projects that were approved from 1 April 2005, the housing subsidy increased to R28 279.00 excluding 15% topography allowance. It should be noted though that there are some projects, which were approved sometime ago, that the Minister has requested should be re-submitted, so that they can benefit in the new scheme.

The outcry is threefold. The municipalities are under an obligation to deliver a 30 square meter house. Whatever the residual is, they have to identify some funds to deliver the prescribed unit. The small municipalities are the hardest hit by this policy. However, the inland areas have a better topography and geotechnical requirements. For example, in Melmoth, they have delivered bigger units as compared to eThekweni Municipal area because the land is relatively flat and most of the subsidy is utilized for the top structure. Similarly in the Gauteng and the Limpopo Provinces, an R18 400.00 subsidy in 2001 delivered a 50 square meter unit including infrastructure (but no black topped roads) because the land is topographically feasible. Due to the low subsidies,

the municipalities are not very proud of what they deliver, and the beneficiaries are not satisfied with the product as well.

On the other hand, the developers are faced with a severe predicament. Only a few survive this onslaught. As much as they would like to deliver a better structure, they are constrained by the budget. At the end of the day, the beneficiaries blame them for the unacceptable delivery. Many of the emerging contractors have not survived, as they could not keep up with the expectations and make a profit. The general feeling among the small contractors and developers is one of dissatisfaction. Survival in this sector depends upon the size of the project and careful planning, as the profits are minimal. In some of the projects, the developers are squeezed and only make a profit of R400 per unit. This therefore requires a project of about 1000 units, which would have to be completed in six months in order to make a profit.

The councillors are not satisfied with the present delivery based on the dissatisfaction shown by the beneficiaries regarding the quality, finishing's and sizes of the houses. Understandably, the councillors have to voice and show their support for their constituency, not necessarily for the good of the community, but also to furthering their own political careers. The expectations of the communities affect the performance and acceptance of the councillors by their respective constituencies. The dissatisfaction emanates from the fact that the majority of the councillors grew up in townships that had four roomed structures of a better size and quality as compared to the current ones. There are concerns presently (Sowetan, 6 Feb 2002) about the asbestos roofing, which posed a health hazard to residents many years ago.

In the light of the above, the current subsidies are not market related and do not meet the needs of the people. However, for some this is an opportunity not to be missed.

Despite dissatisfactions with the size and quality, the politicians on the other hand, appreciate this, as it shows that the new government is delivering and people are no longer housed in shacks. Furthermore, housing creates opportunities for the unemployed.

#### **7.1.5.3 Views on the level of standards required**

The level of standards referred to, pertain to the infrastructure and the quality of the site. Under normal circumstances, there are certain standard requirements for roads, ie single / double seal, width of roads and kerbing. However, the laying down of storm water pipes and sewer lines is standard. It should be noted that some of these standard requirements could be relaxed depending upon the topography and soils.

In the Durban Metro area, this differs from entity to entity, as was the case when these entities were known as local councils. Some of the engineers still do not want to compromise the standards applied in the formal townships. This results in a huge amount being used in infrastructure rather than top structure.

The officials and developers views differ in this instance. The standard required by the local authorities are too high. This therefore affects the budget of the developer. Some officials stated their views by saying that they tended to

relax the standard a bit to ensure the construction of the top structure. Whilst this is the case, caution is taken to ensure the safety of the residents.

In other provinces such as the Limpopo Province, the standard level of services and roads is very low. This is based on the fact that the topography is relatively flat and the soil stable. The roads are merely compacted. Storm water drainage, is not a requirement. In Durban, there is no way that this could be omitted, as the whole development would be in danger due to steep topography.

The politicians as well as beneficiaries have a different view on this. The majority do not see reasons why roads should be tarred and provision made for storm-water as the funds could be used for the construction of a bigger top structure. The utilization of the funds on infrastructure has a grave impact on the quality of the infrastructure as sub-standard material is being used in the construction of the houses. Cheap labour is also secured.

The beneficiaries feel that there is no need for tarred roads, as they do not own motor vehicles. All they need is water, electricity and proper access to their homes. The question asked is why can't the municipalities make provision for the infrastructure in their budgets as servicing is their function. To ensure good quality and an acceptable level of standards, both the provincial and local government should meet one another half way. However, presently the Metro Housing Unit does contribute towards infrastructure, an amount ranging from R4000.00 to R6000.00.

The level of standards regarding the top structure has been discussed previously. It should be noted that this is determined by the availability of funds. Because there is a need to maximize the use of available funds to ensure the delivery of a bigger structure, some developers opt to buy cheaper material, and use cheap labour. This becomes a problem with the municipal driven projects, unlike the private developers, who have to adhere to the conditions stipulated by the Department of Housing. Furthermore, the majority of the builders are inexperienced and the quality of their work is very poor. In most instances, the beneficiaries complain about the end result, but what they do not understand is that the use of qualified, experienced builders would mean the reduction in the size of the structure and an improvement in the quality as these builders charge higher rates.

Later on, after the beneficiary takes occupation of the house, some technical problems are experienced, either with the structure itself or problems pertaining to engineering issues. What should be realized is that, as required in the formal housing development, no building plans are lodged for these houses. The plan submitted and accepted during the proposal stage is used. The relevant departments do not scrutinize the details of the development. This therefore causes problems, for example, no ventilation in certain units is provided. Unlike the top structure, the road designs are scrutinized and approved by engineers prior to development taking place. Of course, the development monitored by the private developers should in all respects be “perfect” as they are supposed to follow the conditions. In certain instances they have not been paid until they have met the requirements.

Notwithstanding the above, it should be realized that in terms of the housing policy, the housing subsidy provided is for servicing the sites, not the construction of housing. As is clearly stated, the subsidy is designed to afford the beneficiaries an opportunity to be homeowners as they are entitled to title deeds. What is not catered for is the most crucial and critical issue to the homeless, a shelter. In the Gauteng Province, in green-field developments, they (the local authority) initially provide infrastructure (including toilets, water and roads). Once people are allocated their sites, they are told to construct their own shelters until funds are available from the provincial government. The municipal and CMIP funding would provide the infrastructure. The whole housing subsidy would then be utilised for top structures.

The level of standards required needs to be reassessed and reviewed in relation to the availability of funds. The level of standards should be in accordance with the various policies to ensure proper and safe environments for all concerned. Whilst the standards should not be compromised, the people should be provided with the best service and top structures.

#### **7.1.5.4 Opinion regarding other policies and legislation**

This has an impact on the processes and procedures mentioned above. When the housing policy was promulgated, it was to address the problems and backlog of housing facing this country. The existing legislation and other relevant policies needed to be reviewed. The then Minister of Housing, Mr Joe Slovo, was under pressure to deliver when he came to office. He instituted a programme of delivering small cheap houses. However, there were certain

issues that were never considered that lead to problems. The process of housing delivery was very slow. This was due to the requirements by various departments. The process to proclaim a township takes approximately two years.

The most critical legislation and policies affecting housing delivery are the planning legislation, engineering policies and environmental legislation. The planning legislation, being the most critical, consumes most time during the preparation and approval of layout plans. Engineer's comments are also required prior to the approval of the layout plan and the proclamation of the township. At the same time, the Housing Board cannot approve any funds without the township being proclaimed. The only budget that is available at this stage is for development facilitation.

The officials in the housing sector always feel that the planning officials are holding up and delaying development purposely. On the other hand, the planning officials cannot approve the development without the necessary policies being amended in order to facilitate quick delivery. Also, in terms of the housing policy, various issues have to be addressed, like the signing of the social compact agreement with the communities. The process itself is long as the beneficiaries have to be satisfied with the proposed development.

All the officials involved in housing development would like to see the red tape and bureaucracy being removed to ensure quick delivery of houses. As much as this is necessary, the issues dealt with by the various departments are very important. For example, town planning has to ensure there is accommodation

for all the facilities in the area. The housing policy clearly stipulates that such housing developments should be accessible to all facilities and bulk services. The town planning function is therefore to scrutinize and ensure that this requirement is met. In some of the former R293 and R1888 townships, such facilities were not provided for, except for hostels. In certain instances, these facilities are not used effectively, for example tennis courts are utilized for car repairs, washing lines, etc. In areas like Clermont, it is an uphill battle to find land for community facilities and the local authority has to buy land from private landowners to meet this need.

On the other hand, due to the high demand for housing, all the available vacant land is either invaded illegally by people who erect shacks or is used by the housing department for low-income housing. Ironically, once there is no more land for housing, the residents will demand provision for the community facilities through their elected councillors. The people will want to use every open space for such facilities. Whilst the delays are noted, the town planners are required to assess these layout plans to ensure that the above problems are not experienced in the near future.

The environmental officials also play a critical role, as they have to protect the land against environmental degradation. There is a misconception that this only deals with natural environment. Of course, some of the officials see themselves as protectors of natural environment against predators such as humans who intend to destroy it to make way for buildings and highways. Such officials should also be concerned with the built environment to ensure that the residents

enjoy a good quality and tranquil environment where there is no surface or air pollution.

The environmental policies tend to drag the process in terms of its requirements such as EIA and their attitude towards proclaiming all public open space as D'MOSS. There should be a balance, as people should respect nature, as it is part of their livelihood.

The government has tried to address these delays by promulgating legislation that overrides all the other legislation, the Development Facilitation Act (DFA). The DFA takes a maximum of 120 days to approve a land development application. However, there are still complaints from certain quarters that the government is steam rolling the development process and along the way, overlooking problematic issues that might catch up with it later on.

It has been realized by the various departments that there is a need to sit together and discuss possible ways that will cut the red tape to ensure quick delivery of houses. The politicians become so impatient with the process, probably not understanding that it is their responsibility to change the policy. Due to conflicting and contradicting legislation, some of the beneficiaries have lost hope of ever owning houses.

#### **7.1.5.5 Views on Amakhosi role and community participation**

This issue is presently very sensitive in KwaZulu Natal as it affects the power base of the Inkatha Freedom Party (IFP). The general feeling is that the role of

the Amakhosi should be entrenched in the constitution to ensure their full participation. Their role is very critical, mainly in the Ingonyama Trust land where a permit to occupy land has to be obtained from the Ingonyama Trust Board for any form of development in such areas.

Presently, there are limited areas that have been developed for housing impacting on the Amakhosi areas. The areas that have presently been developed have been formally proclaimed as townships, therefore the municipal regulations and bylaws apply. In other words, these areas and the residents see themselves as forming part of the urban community. In other areas such as KwaNdengezi in the Inner West Entity, the community is divided into two. There is KwaNdengezi Formal Township under the municipality that is guided by the R293 township regulations, and there is KwaNdengezi rural area under the Ingonyama Trust land. People living in these areas see themselves as part of the urban area. They are also involved in activities that the formal townships engage in. However, the only difference is that there are neither bylaws nor legislation that guide development in these areas.

The majority of these areas are presently being upgraded and some have already lodged application for housing subsidies. Councillors have been elected from the same areas to represent them in the council. The Amakhosi also sit in the Council although they have an observer status. This is where the conflict of views starts because traditionally the Amakhosi are custodians of the land and amasiko (customs). Not being involved in debates reduces their status to nothing. This delays progress regarding housing development, as the process of consultation takes longer because of these problems.

In the fight against the intrusion of municipalities in Amakhosi areas, there has been organized land invasion where the Amakhosi allocated people land in areas adjoining the formal townships and in certain instances within the townships. Thus, the Amakhosi have allocated undeveloped land set aside for community facilities. It therefore becomes difficult for the municipal officials to act against some of the residents as they have Permission To Occupy Certificate (PTOs), which are legal documents in tribal areas, proving ownership.

On the other hand, community participation at large is required in all the housing projects. There is no way that this can be changed, as it is a legislative requirement. The feeling is that communities should be consulted up to a certain level. However, the issue of this process delaying progress in housing delivery cannot be avoided.

The consultation process is organized as the communities elect community development forums or development committees. These structures are consulted and assist the process of housing delivery through negotiations with the council on the nature and type of structures. They also, at a final stage, sign the social compact agreement.

The comments from officials and developers is that councillors should have overriding powers to ensure that development progresses. This means that decision-making should lie with the elected councillor. Democracy, in most instances, does not prevail in these structures, as the councillor might become

unpopular and not be elected in the next round of elections. Some of the community structures have taken it upon themselves to decide what the land should be used for. Some of the council officials have been threatened by this and succumb to their demands, hence the need to ensure that these structures are aware of the limits of their involvement. All in all, this is a legislative requirement, which requires that all the stakeholders need to be involved in the process. However, a way of ensuring lesser delays is required.

#### **7.1.5.6 Problems experienced with the acquisition of land**

For housing development, particularly low cost, certain criteria have been set to ensure that the needs of the poor are met. Unfortunately, as indicated in the discussion with the council officials, there are enormous problems with the acquisition of land. This is in relation to three factors.

##### **7.1.5.6.1 Location in relation to the bulk services.**

Because of the high cost of the provision of services, one of the suitability criteria for low cost housing land is that there should be bulk services in close vicinity. However, the land within these areas is neither too small to provide a cost effective and feasible housing development. For a development to be feasible, about 300 units are required to be developed. In this respect, most of the inner city land, which has access to bulk services, is not feasible for such development. The topography as well does not help the situation.

#### **7.1.5.6.2 Ownership of land**

This has been mentioned as the major obstacle towards housing. Most of the land is owned privately. Unfortunately, the cost to purchase such land is very high. This makes it very difficult to purchase this land, as there will be nothing left for the construction of the top structure and installation of the infrastructure.

It becomes difficult to purchase some of the land, as the zoning is industrial and commercial. The cost of such land is exorbitant and the owners are reluctant to lease it at low residential rates as they could have profited by using or selling it for industrial and commercial purposes. The areas affected by this are mainly land owned by the Mariannahill Mission Institute and the Indian landowners in the Welbedagt and Cliffdale areas own some of the land.

The municipality cannot, even if it wants to, service and develop certain areas, as they are privately owned. These land owners allowed people to reside in such areas informally without providing them with water and toilet facilities. Whilst at the end of the month they collect rent, they incorrectly informed their tenants that it is the responsibility of the municipality to provide them with proper services (including sanitation) and housing. Areas that are greatly affected by this are Clermont and Georgetdale. In the case of Clermont, it is even difficult to get into contact with the landowners, as they do not reside in the area anymore.

Based on the above, it is difficult to deal with the informal settlements without the co-operation of the private landowners. Unfortunately, these informal settlements are in appropriate locations, that is, closer to employment opportunities and other facilities. To relocate them to the outskirts of the area is impossible as the majority literally refuse and state that they would prefer to be relocated within the inner city area. One would ask, where within the inner city area, as there is no land available for development.

There is also some state owned land that is not readily available. The problem with such land is that various government departments own it. The disposal of such land is a long process. Most of the land is owned by the Department of Education and to a lesser extent by the Department of Transport and Public Works. Railway / Spoornet also owns vast tracks of land. The location of this land depends upon who owns it. It is obvious that the land owned by the Department of Education will be in the middle of residential areas. This land is available mainly in the former white suburbs. Who wants a low cost housing development in their backyard? There has been opposition towards developing such land for low cost housing. Apart from the fact that to acquire such land takes forever, the main issue is that of objections from neighbouring residents and the town-planning scheme, which has been designed in such a way, that developments are per income groups.

With regard to the land owned by the other departments, ie the Department of Transport, it is not feasible to develop them as they are not large pieces of land but mainly strips of land. They are also mainly located next to major provincial roads or freeways. Railway land also follows the same pattern. Big

vacant pieces of land can only be found on the outskirts such as Cato Ridge and Camperdown areas in the west. This therefore does not help the situation, as in terms of the housing policy such housing schemes should be located in close proximity to services and facilities.

There is also the Ingonyama Trust land, which is under the Amakhosi. As much as this is treated as government land, to acquire such land follows a totally different process and procedure. This issue is still very sensitive as there are still unresolved political issues. Giving up land for an urban form of development means losing people by the Amakhosi. What is an Inkosi without people? “An Inkosi is an Inkosi with its subjects”. This is a Zulu saying which will never change.

#### **7.1.5.6.3 Database**

One of the problems identified is a lack of a database of all the available public land. This would assist in knowing which land is available, detailing information such as the current zoning, size, etc. This could be done for the privately owned land as well as including the selling price and details of the landowner. Most of the information could also be accessed through the GIS that could be linked to the provincial Department of Housing. This could fast track the process of land acquisition and the proclamation of the township.

#### **7.1.5.7 Improvement of the housing policy (including co-operative governance)**

The main issue mentioned is that of the responsibility of housing delivery. The general feeling is that the constitution should change to allow local government to take the responsibility of housing delivery. However, this will need close scrutiny, as local government does not, (at the present moment) have the capacity to handle this. It only makes sense that this function is shifted to local government, as it is the only sphere of government that is closer to the people.

Once the constitution is amended, this will call for the amendment of the housing policy. This will resolve a lot of problems, viz. the delays caused by the red tape and bureaucracy within the two spheres of government.

Furthermore, the provincial government makes certain demands from the municipalities such as the delivery of a 30 square meter unit. The provincial government is now considering additional grants to those housing projects that were approved prior to 1998. Furthermore, to facilitate a quick delivery, it would only be fair that the housing budget allocation be transferred directly from the national government to the municipalities to ensure that this forms part of the municipal budget. There have been comments about the overheads incurred by the Department of Housing which could be cut down should the municipalities take over

On the other hand, the municipalities have not been fulfilling their obligation of providing services to all when it comes to low cost housing. The focus has

always been on the developed areas. Neglecting, or not providing services to the new areas has caused a negative impact on the housing policy and its failure to address the needs of the poor. This is based on the nature, size and quality of the structures. Presently, the main focus is on the infrastructure, which is contrary to what the people want, ie., better top structures.

Co-operative governance in housing leaves much to be desired. The provincial government still sees itself as a big brother not as an equal partner geared towards achieving the best for everyone concerned. Both local and provincial governments presently lack a coordinating structure that would deal with all the housing programmes.

In most instances (if not all), the municipalities are required to act as developers, provide the bridging finance for the project and either act as project managers or appoint consultants to undertake such projects. There are costs involved, which further reduce the budget allocated for that project.

What is critical, is the power and the responsibility that each sphere has. It is supposed to be a relationship that is holistic in addressing housing delivery. The respective provincial departments are presently not co-operating as they are guided by different policies, hence the delay in housing delivery.

There is also duplication in roles, which results in inefficient and ineffective delivery of housing. There is a need to clearly define the roles of each sphere. The municipalities are required to apply for accreditation so that they can get a

share of the budget. This would assist in better planning and implementation of the housing policy.

There is also a need to combine and make sense of all these housing policies, the housing policy in terms of the Housing Act, 1997 (Act 107 of 1997), the Peoples Housing Process, and the Durban Metropolitan housing policy. If the different pieces of legislation can be brought together, maybe the confusion could be avoided. The provincial government should make sure that all the municipalities operate within the same parameters to ensure equitable distribution of resources.

There is a need for the improvement of communication and the sharing of responsibilities. It should be clarified as to whether or not the respective municipalities have the capacity to handle the added responsibilities. The two spheres need to co-operate, not only the housing authorities, but also to bring on board the various departments that need to contribute towards a successful housing development.

## **7.2 Controls and regulations**

This issue is still being debated as to how far this should be taken. It has always been the feeling that low cost housing developments should be exempted from certain requirements, such as the lodging of building plans, observing building lines, coverage and floor area ratio. This is also affected by the fact that during project implementation stage, no building plans are lodged for approval. Also the orientation of the building on the site sometimes causes problems later on.

Historically, all the less formal housing even before 1994 were not guided by building regulations and controls. An example is that of the Less Formal Township Establishment Act, 1991 Act 113 of 1991). However, those areas are fully developed. The owners want to extend their houses through mortgage bonds. Prior to a bank providing that facility, they require approved plans and all the other things that go with it in order for a building to get approval and a completion certificate. Furthermore, the very same owners want to apply to operate businesses from home and this puts both the municipality and the owner at a predicament in the following way

- The owner starts a business from home that might be toxic or noisy. Such a business has no room in a residential area as it can cause a health hazard.
- The municipality sits with a problem, as there are no bylaws regulating the area, as it is known as a non-scheme area.

On the other hand, people just build houses using any building material, which might be hazardous in certain instances. No inspections are done, as there are no building plan approvals. Unfortunately, the building advisors / inspectors are picking up many “illegal” structures in their daily routine inspections. Consequently, the municipality is faced with a problem of not being able to deal with the problems, as there are no controls.

The general view is that communities are poor, and they must be exempted from such controls. However, in the long run, the same poor communities find themselves in a disadvantageous situation. The problem is that all involved do not learn from past mistakes. With the new housing programs, similar decisions, as in less formal townships, are repeated. Bylaws and regulations are later passed and in certain instances, the damage has already been done. The town planning schemes and health bylaws end up having clauses like “pre-scheme uses” which do not help much as they cause much cluttering and inconsistency in such developments.

Issues like building lines, height restrictions and floor area ratios should be established prior to a development commencing to ensure proper orientation of structures on the sites. Because these sites are very small ( $\pm 300$  square meters), there is a need for careful planning to ensure maximum use of space within the property. At the same time, the development should not cause hazards to the residents. What should be remembered is that all the bylaws and regulations were / are made to ensure maximum safety of the residents. The low-income developments as well, qualify for this, and it should not be seen as restrictive and prohibitive, but as protective and secure.

This whole issue still needs to be revisited within the housing policy to ensure a balanced and equitable approach to development without prejudicing those who live in disadvantaged and poor areas. Their exclusion from the main stream does not assist them at all.

## **CHAPTER 8: CONCLUSIONS AND RECOMMENDATIONS**

### **8.0 Introduction**

This chapter deals with conclusions and recommendations of the findings. These recommendations are based on the contributions made by the stakeholders during the research process. The key issues raised by the stakeholders are listed below, thereafter the conclusions and the recommendations.

- Problems relating to procedures and processes, and what can be done to alleviate such problems;
- Subsidy amount in relation to the provision of the infrastructure and a 30m<sup>2</sup> unit, as required by the provincial government. The recommendations should focus upon the amount of a possible subsidy increase;
- The roles to be played by the different spheres of government for effective delivery of houses. This would also include financial contributions that could be made by each sphere of government;
- Future maintenance of the infrastructure based on the rates levied by the local authorities; and
- Discussion and evaluation of the peoples housing process as a delivery option.

Presentation of the housing model is based on the Emalangen Relocation Housing Scheme. The intention is to improve on what was delivered in terms

of the size, quality and finish of the structure (including the project cycle in the introduction).

## **8.1 Conclusions**

This section provides the summary of the findings and conclusions made by the researcher. It is imperative that these are not seen as a repetition of what has been said or discussed in previous chapters. However, some of the key issues identified and discussed in previous chapters will be dealt with in the context of highlighting and emphasising certain issues that could be helpful in addressing the problem.

The discussion is divided into three sections. The first, illustrates the summary of the findings. The second revisits some of the initial key principles that informed the Housing Policy, 1998 and the impact that this has today. Finally, the amendments made after 1998 to the housing policy are discussed.

### **8.1.1 Summary of findings**

As indicated in previous chapters, lodging is quite a complex issue that involves many stakeholders. The following questions are asked:

- 1) Are these stakeholders properly involved; and
- 2) Is the end product satisfactory?

As mentioned in Chapter 5, the cumulative process and the end product have satisfied some, whilst dissatisfaction prevails among others. It is therefore the view of the researcher, that a huge volume of effective, well-planned and much constructive work needs to be done in order to deliver housing effectively and efficiently.

In the whole document, there has been mention of contradicting policies and corruption in the procurement procedures, allocations policy and the lack of dedication from housing officials. Mainly all the parties involved in development have given these comments. The sad fact is that through the entire process, the end user is normally forgotten.

The study clearly pointed out the following:

- 1) The officials within the study area are very casual about housing delivery. There is a system that is in place where consultants will be appointed to work as project managers and be given offices within the municipal offices. From interacting with a few of these “consultants” the effectiveness of their role need to be investigated. They operate exactly like the officials instead of being dedicated to fast track development.

There are projects that were approved 2002 and have not been completed. If one asks about progress on these projects, the response is never satisfactory and whoever asks these questions, ends up being unpopular.

- 2) The tendering process is also not clear. There are many contradictions in terms of who takes the decisions. In Metro Housing Unit, if the development committee and the councillor agree, together with the officials on appointing a certain company due to its track record, a report with a recommendation could be prepared and submitted to the then Land and Housing Committee. The then Inner West Operational Entity supported this view. However, the then Outer West Operational Entity had a different opinion. The researcher was informed that the procurement committee takes decisions on the awarding of tenders and that the community structures and the councillors do not have any say on this. This is not acceptable as in terms of the current policy, the whole process should be community driven. This is based on the RDP principle of “people driven development”.
- 3) There have been instances where certain companies were appointed through directives from above. Some dissatisfaction was voiced by some of the project managers, that companies from outside the province were awarded projects because certain political figures are involved. Such appointments are closed from the members of public. These project managers stated that it becomes very difficult to communicate with them as they have other interests and priorities.

The above leaves certain questions unanswered:

- a) Is the eThekweni Municipality area lacking in black owned companies?
- b) Why is it that people from outside are given preference over the locals?
- c) Will the skills of the local developers ever be developed?

Notwithstanding the above, due to the low subsidy, the topography and the demands of the local labor, most contractors move away or are not interested in low cost housing anymore. They prefer to tender for the building of halls, clinics, roads and schools.

- 4) Having scrutinized both the role of the provincial Department of Housing and the Metro Housing Unit (including the various entities), there is a lot of duplication. This is costing the taxpayers a lot of money on overheads. A huge chunk of the budget goes to the operational costs of the Department. The duration that it takes for the two spheres of government to communicate and agree on certain issues is abhorrent. The researcher attempted on various occasions to set up an appointment with some of the senior officials of the Department of Housing, without success. Also the researcher monitored the attempts made by the Metro officials to secure crucial appointments with the provincial housing officials to discuss the top-up subsidies. It took more than three weeks for such an appointment to be secured. The conclusion of the researcher is that housing should be a local government function.
  
- 5) The private developers have dismally failed in housing delivery. This category includes the section 21 companies that were awarded contracts by the Department of Housing to package and develop certain sites. This came to an end on 1 April 2000. All over the province especially in eThekweni municipality, the Department of Housing is inundated with calls or requests for top-up funds for those projects that were approved a few years ago.

The researcher was informed by the Department of Housing that only those projects that were approved after 1998 (Chief Director: Municipal Housing: 2001) qualified for the grant. Regarding the projects that were approved before 1998, the Department is still investigating the options that could be taken to address the problem. Also in terms of the policy, the respective companies are supposed to pay penalties for failure to deliver within the specified period of time.

- 6) Surprisingly, the research established that the South African housing problems are similar to other developing countries. This indicates the difficulty that all the third world countries face in trying to house their poor. The biggest structure is a 33 square meter unit. Probably, the rental stock is an option, but this requires some commitment from the tenants to maintain these buildings. Sustainability becomes an issue in this regard.

### **8.1.2 Initial principles of housing policy revisited**

In 1998, four years after the first democratic elections, suggestions pertaining to better options for housing delivery were already made.

- 1) The beneficiaries' status needed to be upgraded. The beneficiaries are to be given a choice ranging from deciding on the size of the topstructure, the level of services, and who the supplier should be.

- 2) It was also realized that the housing policy was under-performing in a number of areas (an interview with Billy Cobbet: 1998: 3). The major failure mentioned is that of the establishment of a successful partnership between the community, the public sector and the private sector. He stated that the partnership was the fundamental promise that underpinned the 1994 White Paper on Housing and the housing policy of 1998. This was based on the premise that the state on its own could not solve the housing problem.

Whilst this has failed, the proposed partnership at that time was designed to trigger responses from the communities and the private sector. This meant having the courage to genuinely empower the communities with something “more than rhetoric”. He further alleged that local authorities and politicians are reluctant to actually and meaningfully allow decision - making over choices to move to communities. He quoted that “people empowerment for them is very often synonymous with councillor empowerment”. He also blamed the private sector for a lack of response, which had an impact on the action of the public sector.

- 3) A savings driven delivery system, which would empower the beneficiaries was seen as one of the solutions to housing problems. This would address the question of the private sector finance. This has however been introduced in this new / amended housing policy. As from 1 April 2002, the beneficiary contribution is set at R2 479.00.
- 4) The clarification and definition of the people’s housing process and the issue of beneficiaries being “ dumped” on land that they did not choose and

to be expected to develop was said to be unacceptable. It is therefore understood that the peoples housing process means the involvement of the beneficiaries in the identification of land and all the other processes that follow.

- 5) Also the issue of institutional housing was mentioned as being very critical. This also included its relationship with local government and the flow of funds associated with that. In this regard, Cobbett's argument in 1998 focused on the Constitution, which promotes a strong central government, strong provincial government and strong local government. It is believed that in reality, to operate in such establishments is a nightmare, hence the delays and frustrations with delivery.
- 6) The rental housing issue was also raised. As much as this was seen as a solution to the housing problems, mass rental schemes produced by the local authorities are often criticized on the basis of the high cost of running the scheme, maintenance, and default in the payment of rent. This also promotes underdevelopment as the majority of the tenants never own private properties and move elsewhere.
- 7) On the other hand, rental housing is a solution to housing needs of the migrant workers who have their rural homes and would not want to live in urban areas permanently. To such people, rental housing then becomes an option. In eThekweni Municipality area, there are also areas where people prefer rental as a form of tenure as they still prefer to live in the rural areas.

For example, the prevalence of people residing in hostels is an indication of this.

### **8.1.3 Changes made to the housing policy since 1998**

Surprisingly, not many changes have been made to the housing policy since these comments were made in 1998. Only two major policy changes have been made.

- 1) As from 1 April 2001, some drastic changes were made to the Procurement Act. The private sector can no longer initiate housing projects. The tasks now lie in the hands of the local authority and the provincial department of housing. Unfortunately, these agencies have failed to deliver as presently requests have been made to the department for additional grants.
- 2) As from 1 April 2005, some major changes have been made to the housing policy:
  - The capital subsidy has been increased;
  - Introduced national norms and standards;
  - Introduced beneficiary contribution of R2 479.00. This promotes the saving driven process. However, the Peoples Housing Process projects are exempted from this, and therefore, qualify for R28 279.00 housing subsidy (excluding 15% geotechnical contribution); and

- Special assistance to the aged, disabled and indigent is provided. Also in this category, the beneficiaries will qualify for an increased subsidy amount of R16 581.00 and no contribution will be required from them.

The above changes are an indication that the government still believes in increasing the capital subsidies. However, the main stumbling block is the state of the South African economy and the high unemployment rate.

The above issues make it difficult for the beneficiaries if the increase of governments housing subsidy will be based on a rand to rand basis.

As of 1 April 2004, the housing subsidies were adjusted (see table 27). For any new projects to be submitted, the beneficiary contribution policy will apply. However, the government is still going to inform the municipalities on the collection procedure.

- 3) The current adjustments to the housing policy make no reference to the improvement of the partnership with the community. This needs to be looked at, as the beneficiaries at the end of the day should be happy with the end product.
- 4) Below are the current changes / increases to the subsidy amount.

**Table 27: New subsidy amounts**

<b>Income category</b>	<b>2000/2001</b>	<b>2001/2002</b>	<b>2002/2003</b>	<b>2003/2004</b>	<b>2004/2005</b>
R0 to R1 500	R16 000.00	R20 300.00	R23 100.00	R25 800	R28 279
R1 501 to R2500	R10 000.00	R12 750.00	R14 200.00	R15 700	R28 279
R2 501 to R3 500	R5 500.00	R7 000.00	R7 800.00	R8 600	R28 279
Consolidation subsidies: up to R1 500.00	R8 500.00	R10 900.00	R12 521.00	R14 200	R16 581
Consolidation subsidies: old aged, disabled & indigent	R8 500.00	R13 400.00	R15 000.00	R16 700	R16 581
Institutional subsidies: R0 to R3 500.00	R16 000.00	R20 300.00	R23 100.00	R25 800	R28 279
Hostel Redevelopment Programme: Families					R25 800
Hostel Redevelopment Programme: Individuals					R6 400

#### **8.1.4 The effects of the recommendations to the current changes of the housing policy**

The following changes need to be effected:

- Communities ought to become involved in the procurement process as they are not presently on the tender committee;
- A 58 square meter unit, with two bedrooms, a toilet / shower and a kitchen / lounge area should be provided. The roof should be in a gable form;
- The beneficiary community should be encouraged to contribute towards achieving the above goal through PHP; and
- The role played by MIG in housing delivery should be crucial. MIG is not only tied to housing delivery, but to other bulk services' projects. This is causing problems particularly in KwaZulu Natal where the priority lists are confirmed and finalized by the District Councils. Some of the project applications are not processed by the Department of Housing because they are not priority projects in terms of the District Council list. This is causing some political uproar, as some of the people involved believe that there are some political games being played by the district councils. This problem is rife in the rural areas. It would be appropriate for the Department of Housing to address this issue with the respective departments as MIG funding is from the government funds. It is therefore recommended that funds for bulk services linked to housing delivery should be channeled through the Department of Housing.

The social housing aspect is not presently promoted nor is it part of the research. A further consideration may well include orphanages, as a result of the crisis in AIDS-related deaths.

## **8.2 Recommendations**

### **8.2.1 Roles played by the different spheres of government**

As indicated in the Housing Act, 1997 (Act 107 of 1997), there should be co-operation between all spheres of government. Each sphere has a role to play, which has to coincide with one another. For example, the National Minister of Housing determines national policy, sets national delivery goals and facilitates the setting up of provincial and local government structures through the MEC's. In addition, the national government is supposed to assist provinces to develop the administrative capacity of municipalities and promote consultation with civil society, financing housing, goods or service.

The national government is also responsible for housing which has to be adopted and amended as required by the provincial government. The local government on the other hand, has to encapsulate both the national and provincial codes through the preparation of IDP's to ensure adequate and proper delivery of housing. It must be realised though, that the reality is a huge backlog in housing.

There is a need to do away with the red tape. Only two spheres of government should deal with housing delivery, ie, the national and local sphere. This would also cut down on the unnecessary administration costs and the delays in

approval of housing projects. To ensure that housing delivery progresses well, the national government has to increase the capacity of the municipalities. The current structure of government is repetitive. There are metropolitan councils and district councils – this calls for the improvement of the capacity of both the metropolitan and the district councils to ensure that they operate within accepted levels.

It should be noted that the National Housing Policy promulgated in 1995 was the first housing policy framework that the South African Government had. The most crucial challenge identified and faced by the government in the housing delivery is that of an enabling environment conducive to attracting private investment to rebuild the social structures and regenerate the economy. Whilst most analysts would not see the relationship between the economic growth and housing, the implications are enormous. With the decline in economic growth, this means less money generated (in taxes) by the government, which results in the redistribution not happening as expected.

Also, the decline in the economic growth increases the unemployment rate. With the majority of people unemployed, the impact of the housing policy is minimised by less improvements or additions to the housing scheme. Furthermore, the AIDS issue is critical and this needs to be addressed as it has a long term impact on the growth of the country's economy.

To facilitate the delivery of housing in the province, the Housing Advisory Committee appointed six project management firms for each of the three regions. The focus was then on the delivery of housing on State land as well as

land offered by the private landowners to the municipalities for low cost housing development. However, the Department decided to appoint housing monitors who replaced the aforementioned project managers. This proved cost effective as each project management firm was paid R40 000,00 per month. The current problem though, is the lack of capacity within the municipalities and limited knowledge of some of the housing monitors.

One of the main problems that has been identified is the filtering or cascading of information from national to provincial as well as vice versa. To ensure that there is co-operation in this regard, housing forums should be established between:

- (1) The Provincial Housing Department and Metro Housing Unit; and
- (2) The Provincial Housing Department and District Councils.

Once these are established, a good working relationship, devoid of complexity and duplication will ensure that the approach used is compatible with the various structures and stakeholders involved. There are housing forums at some of the municipalities, but they are not inclusive, ie the District Councils do not participate.

There are presently complaints of disregarding the provincial structures by Metro Housing. Metro Housing wishes to operate independently of province, hence their recent application for accreditation. If this could be done, it would be an achievement in fast tracking housing delivery.

There is also a need for effective communication among the spheres of government, intra departmental as well as the community, NGO's and CBO's. Presently, the housing delivery process is very much affected by the lack of communication and understanding of the process and procedures by the officials from both local and provincial spheres. The important component that is required is an intensive training programme for all housing officials from housing conception to handing over of keys to the beneficiaries. This is influenced by the project cycle like any other project. This calls for the unpacking of the project cycle. This will be dealt with in the presentation of the housing model in the next section.

### **8.2.2 Procedures and processes**

There are currently problems regarding the current procedures and processes followed in housing development. The process is presently two-fold:

- (1) The development facilitation process could culminate into controversy, i.e. identification of land for developmental purposes. Furthermore, local politics also impact on progress, particularly when it comes to the choice of beneficiaries as well as site and house size.
- (2) The approval of the layout plan, including specifications regarding the level and standard of roads and other services. Finally, the proclamation of the township could take a year or two. Metro Housing has housing project applications that were submitted three or four years ago, which have not yet been approved.

There are two options that could be followed to speed up housing projects.

1. Establishment of a housing forum constituted of both metro and provincial officials to deal with applications.

- Establishment of a land bank where appropriate land for housing development would be kept. The necessary feasibility studies should be conducted and all aspects (both negative and positive) of the proposed land should be identified and captured on the database. Geotechnical reports should be prepared first to ensure the availability of that information on the GIS. This will assist in deciding which land could be developed.
- The existing community structures should be empowered. It is very time consuming to establish a community structure during the project stage. Within the former Durban Metro Area, only the Inner West Operational Entity has established development forums successfully. Rather than establishing a new structure whenever a new project starts, it would be appropriate to use the existing structure and co-opt members of the beneficiary group as additional members.

It is therefore imperative that eThekweni Municipality establishes these forums. This would fast track the signing of the social compact agreements, which is usually one of the problems facing the programme. In addition, the structures should be constituted of knowledgeable people

who will be able to represent their communities because of their understanding of important issues. In well-developed areas, members of such structures are well informed of their rights and the issues that are taking place within and around them. Due to poor understanding of issues, the previously disadvantaged people have difficulty enjoying any benefits, as developmental issues are still new to them. With these structures being trained and empowered, there would be a free flow of work with fewer stumbling blocks caused by a lack of understanding.

- It has also been realised that the housing development facilitation officials are also not skilled and sufficiently trained to deal with the challenges. Some of them often misinform the beneficiaries and the respective community structures, just to get the project going. There have been complaints and dissatisfaction from the beneficiaries regarding critical issues that were never discussed and resolved satisfactorily. All these officials, including the housing monitors (provincial) need to be trained effectively. From an informal discussion with the provincial housing monitors, the main problem pertains to lack/poor project training, as most of the obstacles encountered could have been addressed during project preparation. Council officials also need training.

The housing monitors/housing development facilitators together with representatives from the community structure should also be part/present at housing forum meetings when discussing specific projects. Such discussions will inform the communication process as all the decisions

taken and issues discussed, will reach all stakeholders within the accepted time frames. This would also close the gap between the provincial and council housing monitors as the two are operating independently.

- To facilitate quick delivery, anything pertaining to the application should be tabled at the housing forum meeting. All that will be required will be to circulate all documentation prior to the meeting and make sure that decisions are taken. For example, the layout plan, road designs, and house plan should all be circulated prior to them being tabled at the forum. These should be circulated one week before a forum meeting, where all the crucial decisions should be taken. This would drastically reduce the time taken in getting the comments back from circulation, addressing them and sending these for further comments. All such pertinent issues could be discussed around the table with everyone agreeing on new changes.
2. The Development Facilitation Act, 1995 (Act 67 of 1995) could be used as another option. As much as it is a quicker option, the aforementioned consultation structures could still be used with minor amendments.
- Rather than to fast track the process, the housing forum should still see the application and make joint comments to ensure consensus.
  - There should be no need for rezoning, as that would have been addressed during the land identification stage. This would minimise

problems with adjoining residents as that will have been resolved and dealt with upfront.

- The service providers should be involved to ensure maximum use of resources, rather than duplication. The housing development plans should be in line with the service providers' plans, i.e. make sure that once the development is complete, the community will have access to schools, water, telephone and health services. In this regard the service providers should be invited to the housing forum meetings, and the IDP's to be inter-departmental throughout the spheres of government.

To conclude, the DFA route does not take more than 120 days for a decision to be made. Probably all housing projects should go this route to ensure that the housing delivery process is fast tracked.

### **8.3 Increase in housing subsidy and future maintenance of infrastructure**

#### **8.3.1 Increase in housing Subsidy**

There are various views and recommendations regarding this issue. The increase in housing subsidy should automatically mean an increase in the house size. Since 2002, the housing subsidy is being adjusted annually.

This yearly increase in housing subsidies is supported. However, it is recommended that it should be inflation related. Furthermore the government

should also look at improving the nature and size of the top structure. It is understandable that the government does not have adequate funds to deliver the traditional four-roomed house as envisaged by the people. However, there is a need to be creative about this.

As indicated, one of the ways to measure the success of the current housing policy is by the improvements undertaken by the beneficiaries on the house. There are usually two types of improvements:

- The construction of an umjondolo (shack) to supplement the available space. In most cases umjondolo is used as sleeping quarters for the children (especially boys) or for cooking purposes. This is the worst and most undesirable type of improvement.
- Additions to the existing structure, fencing, establishment of a garden and any other positive improvements.

The above improvements can be co-ordinated to ensure a cost effective and efficient housing delivery system. This could be done in the following manner:

- Right at the project planning stage, people should be encouraged to start saving for the proposed house. It is high time that people were not just given a house for nothing. A trust account for that particular project should be opened. All those who receive an income one way or another, should save some money (deposited in the trust account) for a minimum

period of one year. This will therefore mean that a person will be able to get a larger structure. The developer might not agree this, as it would encourage the delivery of different types of structures. This will curb the problems faced by the beneficiaries who usually demolish some of these structures and build better houses. This is a waste of money. The building plans will therefore have to be lodged for approval and each person will get a house in accordance with how much she/he has saved on top of the existing subsidy amount. This will also address the issue of choice.

- Those who do not earn an income and could not save and make a contribution would have (without any choice) to be accommodated in the institutional housing category. This is a better option than single stands. Also the target group in this category are those people who still have rural bases and do not want to make the urban areas their permanent home. This kind of information should be extracted from the beneficiaries upfront, possibly have it as a requirement that all beneficiaries complete a questionnaire which, amongst other things, would determine the residential status of the individuals.

### **8.3.2 Maintenance of infrastructure**

Presently, the eThekweni Municipality has a policy regarding the cut-off point for the payment of rates. The question asked is, “how are the services and infrastructure going to be maintained in the non-rateable areas”. In the former black townships, the infrastructure was seldom maintained during the apartheid

years. Nothing much has changed. Now, with the dawn of democracy, people have started to question and voice certain issues, such as:

- (1) Unemployment and affordability levels;
- (2) Pensioners; and
- (3) Level of standards pertaining to services and infrastructure.

With the present government being sympathetic to the masses, the national government introduced policies that will benefit the poor at the expense of the wealthy areas. These policies were implemented in the following way:

- (1) Residents consuming less than 60kl of water will not pay/be charged
- (2) Increase of rates (in certain areas by 300%).

Politicians argue that this is to rationalise and have a uniform rating system across the municipal area. The government policy presently stipulates that the first 60kl is free.

What does this mean to the ratepayer? The affluent areas thereby subsidise the poor areas with regard to the provision and maintenance of services.

Rather than people not paying rates at all, a low amount could be levied from them by putting into effect the following suggestions:

Every month, the residents should pay a R10.00 flat rate towards road maintenance. The same should happen to electricity, rather than residents paying R7.00 for Metro Beat. It is a well-known factor that people cannot

do away with this, as water and electricity services will be cut off if people do not pay. People are forced to pay and whereas some of the funds could be redirected to train the communities in servicing and maintenance of roads. This should also be addressed during the project preparation stage where locals could be trained and be involved in roads, infrastructure and services construction to ensure that they undertake the maintenance later on. They should also be aware that they would be compensated with a small fee, which will be guided by the amount of rates collected from the area.

The above calls for a system whereby rates collected from each area should be declared during the budgeting process. This cross-subsidization process will work for now, but in the long term each community should be able to generate enough revenue for its upkeep. There will be a time when the whole issue of redistribution and transfer of wealth from the “haves” to the “have-nots” will have to be reviewed, as society should strive for equality in terms of economic growth. The other components of growth should be included here, viz., education, skills training and social development. This will improve the employment levels in the country.

This calls for an integrated and holistic delivery of housing where within such areas there will be employment opportunities, i.e. these should be in close proximity to existing employment areas, and land for future industrial development should be designated to cater for future growth. School sites and other facilities should be designated and the Department of Education, Health and Social Welfare should be made aware of this to

ensure that such services are delivered simultaneously with the houses, to ensure that there is no gap/time where the residents will be disadvantaged as they will have no access to such services and facilities.

This confirms the notion that housing is not only “four walls”, rather it includes various functions, which will improve the quality of life of the people of South Africa.

#### **8.4 The Peoples Housing Process**

This is currently of primary importance in the eThekweni Municipal area. However, with the new requirements in terms of the Housing Policy, viz. that the people should be registered with NHBRC and that a qualified and registered engineer should issue a completion certificate. This poses a problem for the Peoples Housing Process (PHP) as the beneficiaries are trained to build their own houses. This of course, excludes those municipalities that are registered with the NHBRC.

As a reminder, the PHP involves the construction of the houses by the locals themselves. This is not in line with the new policy. To address the above concerns, the following points need consideration:

- Having trained the locals, the job should be given to a contractor, registered with NHBRC, and which can hire the services of an engineer.

- The supporting organisation to register and ensure that the locals are under their supervision and guidance, ensuring both quality and quantity control.

The whole PHP needs to be evaluated and reviewed (in a separate exercise). There have already been problems and complaints from the beneficiaries about the quality of houses constructed in this manner.

### **8.5 The rural housing subsidy approach**

With the introduction of rural housing subsidy, there are critical issues that should be considered:

- The incorporation of the existing structures in the whole process. There is currently conflict between the proposed rural housing delivery and the approach that is used. The question asked is who should bring development to the rural communities? Is it the Amakhosi or the elected Councillors? The former should be the key people in housing delivery as they have played a critical role in administering land use development in the rural areas for years.
- To ensure that the Amakhosi participate on the same level as their counterparts, it is crucial that they undergo some training through participatory peoples housing process workshops. This has worked well in the Maphumulo Municipality where the traditional structures were involved in the Amangcolosi Rural Housing Process. This helped in allaying any fears of their powers being taken away as they are involved in the whole process. All the workshops included the

S21 Company and both the elected and proportional representative councillors.

- There is a need to incorporate the other legislation during the whole packaging process. The Department of Traditional and Local Government Affairs in the past couple of years has been involved in the establishment of Land Use Management Systems for the rural areas. This has not been received well by the traditional structures. The Department is currently involved in some consultative processes with the respective authorities. It is therefore critical that during the housing packaging stages, the rural communities go through the processes of managing the land use development of their own areas. It is therefore suggested that workshops into this regard should take place to ensure that the existing management systems are documented and used as a development guide for these communities.

## **8.6 The proposed housing model**

Deductions have been made from the empirical and qualitative surveys. These indicated that the housing subsidy beneficiaries are not satisfied with the housing delivery processes and implementation.

The KwaZulu Natal Housing Act, 1998 (Act No 12 of 1998) clearly states that its purpose is to provide for sustainable housing development in the Province within the framework of National and Provincial Housing Policy. However, the

procedures and processes; and other pertinent factors that are followed, still require attention to avoid unnecessary delays.

#### **8.6.1 The proposed procedures and processes**

As indicated at 8.1 above, there are various procedural requirements that need to be satisfied prior to the application being approved. The issue raised in this section pertains to legislated procedures that could be amended. However, in this section, the procedures and processes mentioned relate to details that are not legislated and require attention of the responsible officials to achieve the intended goals.

Presently, there are various procedures and processes followed by the Department of Housing and the Municipalities. The following are designed to establish whether it is feasible to develop a particular piece of land.

- The Municipalities identify housing needs through their IDP. However, the proposed location of the project (site) is usually not identified during this process.
- The Department of Land Affairs / Commission on the other hand usually identifies land for restitution and redistribution purposes without discussing the issue with the municipalities and the Department of Housing to establish whether that could be accommodated in the IDP; and confirm the availability of funds from the Department of Housing for such development.

- The Councillors (through ward committees) identify housing needs that inform the IDP process.

These processes are frequently not co-ordinated. The Department of Housing will be approached with a list of projects and the process of sorting them out could be time consuming. This could result in a housing backlog, as funding would have to be identified. During this period, an intensive interaction with the various authorities will take place. This has further been complicated by the fact that no housing projects are approved without confirmation that there is MIG funding.

To address these complications and problems, the following is proposed:

- 1) During the IDP preparation stage, once a housing need is established, land for development should be identified. In addition, a preliminary environmental and geotechnical assessment should be undertaken.
- 2) A steering committee constituted of the Departments of Housing, Land Affairs / Commission, Traditional and Local Government Affairs, Agriculture and Environmental Affairs, Municipality, MIG, Service Providers, and Councillors should be convened.
- 3) The IDP steering committee could also be extended for specific items to include the above-mentioned stakeholders. This steering committee would have to

investigate and evaluate the proposed land in terms of the following:

- its legal and ownership status;
- servitudes;
- environmental issues;
- geotechnical issues;
- land claims; and
- access to services and facilities.

Once the above investigation is completed, the “housing needs” can then be incorporated into the IDP of the municipality. This would facilitate a quicker delivery process as all the obstacles that usually hinder the packaging of a housing project have been addressed at land identification stage.

The model also looks at the tendering process. Presently, this does not fully benefit the locals. In this respect, the terms of reference of the Implementing Agent (IA) should include training of the local contractors and supervision during implementation. This will empower and capacitate the local contractors. The scheme will maximise the residual required for the topstructure. Furthermore, the money generated during the construction phase will remain within the beneficiary community.

### **8.6.2 Administration**

The KwaZulu Natal Housing Amendment Act, 2000 (Act No 8 of 2000) makes provision for the municipality, as a Developer to take responsibility for accounts management and a technical certifier. However, the major problem is that some of the municipalities do not have capacity and cannot manage the project effectively and efficiently. This could cause delays in the payment of the contractors.

In the light of the above, in order for the project to be administered properly and avoid frustrations, a committee constituted of the municipality, Department of Housing and the Implementing Agent (IA) should be formed to discuss and authorise payments. In addition, the Department of Housing can second its own accounts administrator to manage the books. Alternatively, the IA could be asked to undertake this function and responsibility. Once the project is complete, the committee will be responsible to balance books and close down the project.

### **8.6.3 Topstructure**

At present, the housing subsidy is R28 279.00. This includes 15% geotechnical allowance. For the proposed model to work, the government needs to increase the housing subsidy amount to R38 500.00 (excluding 15% geotechnical allowance).

There are two types of housing structures that are recommended, the freestanding 58m<sup>2</sup> house and a 58m<sup>2</sup> rondavel (see attached at annexure C). In both the rural and the urban setting, the main issue is a house that can accommodate the family.

The small units presently delivered, cannot accommodate or provide privacy for the people. The new aspect of personal contribution towards housing is a better option. The critical issue then becomes the drive to save. This could be achieved in the following manner:

- To identify the beneficiaries first and start a saving scheme. It should be noted that under normal conditions, a PHB application takes about two years. By the time the project starts, beneficiaries could have saved up to R10 000.00. Another way of generating high interest, this money could be invested in a stokvel where only members will qualify for a loan.
- The Department of Housing refrain from reducing the subsidy amount should any other department get involved. It is disturbing to note that if the Department of Land Affairs buys the land, the Department of Housing will reduce the subsidy amount by the same.
- A rand for a rand top-up by the Department of Housing could be another option for housing delivery. This means that, in addition to the subsidy, if a beneficiary has saved R5 000.00 towards house construction, the Department of Housing should contribute the same amount of R5 000.00. However, a monitoring system would have to be instituted to

prevent fraudulent claims. The Department of Housing and the Municipality will have to design mechanisms of control.

Currently, a 58 square metre unit (basic) costs about R38 500.00 including wet core. The only problem with the municipalities is that they set very high standards. What should be understood is that the beneficiaries can do these things themselves. However, in cases where there is a successful saving scheme, a better end product would be delivered. The 58 square metre unit could also be delivered in different shapes, ie rondavels, six or eight corner.

Presently, the researcher in conjunction with Infraserve is designing a model of the above structures that will have a foundation and a roof certified by the engineers. This structure will work well in PHP housing projects and will be erected on the respective sites. The beneficiaries will only brick up the structure and partition where necessary.

## **8.7 Conclusion**

New issues, comments and views of all those interested in housing delivery have been incorporated. Some comments made as far back as 1998 have been used to table the discussion as they touch upon various issues of the housing policy.

This however is an onerous task. Many issues were raised when the research was conducted. However, six months later, some of the clauses in the housing

policy were amended. Furthermore, the research or information used did not seem relevant to the other issues at the time of finalization of the thesis. However, the issues relating to satisfaction with quality, process and procedure as well as subsidy amount are still relevant, because the amendment only applies to new housing projects.

The researcher urges policy makers and executors of the Department of Housing to read this thesis. It is hoped that this information could assist in the future development and amendment of the policy.

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## BENEFICIARY QUESTIONNAIRE

This questionnaire captures two main issues

1. The achievements of housing consolidation through the housing scheme
2. The success of project linked subsidy schemes.

**1. Status of respondent (     )**

- Female Headed
- Male Headed


**2. Highest standard passed (     )**

- No education
- Higher Primary
- Secondary
- Tertiary


**3. Vocational Status ( √ )**

- Housewife
- Self-employed (state)
- Informal Sector
- Formal Sector
- Unemployed (seeking)
- Unemployed (not seeking)
- Retired/Disabled


**4. Income (joint with spouse) ( √ )**

- Up to R500.00
- R501 – R1000.00
- R1001 – R1500.00
- R1501 – R2000.00
- R2001 – R2500.00
- R2501 – R3500.00
- R3500 +


**5. Where most money is spent ( √ )**

- Food
- Transport
- Clothing
- Education
- Improving house
- Other


**6. Likes and dislikes about home ownership ( ✓ )**

**Likes:**

- Stability
- Freedom to make improvements
- Knowledge that it is your own property
- No threat of eviction
- An investment
- Other

**Dislikes:**

- Financial burden
- Ties a person down
- Limited incentives for improvement
- Nothing
- Other



**7. Improve or worsen the economic situation ( ✓ )**

- Job loss/reduction of remittances
- Financial burden to maintain property
- High cost of living
- No improvement in lifestyle or employment
- Transport difficulties (too far)


**8. Reasons why respondents thought it would be easy to sell their property ( ✓ )**

- Good location/convenient
- Great demand for housing
- Cheaper than other areas
- Improvements have been made
- Large house or plot
- Good materials, well constructed or good site
- Access to facilities and transport
- Area unsafe, bad reputation
- Other


**9. Reasons why respondents would not find it easy to sell ( ✓ )**

- House badly maintained
- No considered selling house/Do not want to sell
- Houses the same
- Will not fetch a good price as market weak
- Bad location with poor facilities
- House sites too small
- Unpopular neighbourhood (crime)
- Owners told not to sell


Poor site conditions  
Owner does not have Title Deeds  
Other


**10. What they like about their property as it exists in relation to improvement ( √ )**

Serves as shelter  
The quality of the site  
Big site - house easy to extend  
Meet basic requirements  
Ownership – no rent  
Location close to friends, transport  
Good view  
Permanent structure, formal house  
Good construction  
Nothing  
Other


**11. What they dislike about their property as it exists in relation to improvement ( √ )**

House site too small  
Difficult to extend  
Incomplete/badly constructed  
Poor location and access to transport  
Infertile land, erosion, unsafe plots  
Financial burden of home maintenance  
Nothing  
Other


**12. Influence of house site on improvements ( √ )**

No influence at all  
Some influence  
Strong influence  
Very strong influence


**13. Satisfied or dissatisfied with the services ( √ )**

Rates for water and electricity high  
Services are being delayed or too far  
Services are alright  
Things are being done to improve services  
Other


**14. List of improvements made as categorised ( √ )**

Service improvements

--

External improvements

Internal improvements

**15. Sources of finance for improvements ( √ )**

Joint savings of head/spouse or partner

Contributions from children

Contributions from relatives

Loans from micro lenders

Loan from bank

Loan from employer

Loan from friend

Gift grant

Other

**16. Reasons for not being satisfied with end product with local labour/contractors ( √ )**

Did not complete house

Ventilation

Leaking roof

Door frame

Windows

Wall not straight

Floor slab

No lintols

Not high enough

**17. Respondents views on their new homes and location per sample area ( √ )**

Job loss/remittance reduction/unemployment

No improvement in lifestyle/employment opportunity

Financial burden of maintaining property

Daily needs taken care of

High cost of living/inadequate

Can now afford to make improvements

Has a job/income/own business

Improvement/better access to facilities

Ownership of property

Financial burden reduced/no rent

Other

**18. What the respondents like about their house and site per sample area ( √ )**

Serves as a shelter

Condition of land on which property is, no erosion

Big site/house easy to extend  
 Suitable for my needs/meets basic requirements  
 Ownership of property/no rent  
 Nothing  
 Location in close proximity to schools/transport/friends  
 Good view  
 Permanent structure/formal house


**19. What respondent dislikes about their house and site per sample area ( √ )**

House/site is too small  
 Difficult to extend and land not suitable  
 Incomplete/badly constructed/of poor material/damp/leak  
 Badly maintained yards  
 Poor location and access to transport  
 Close to electricity poles  
 Infertile land, erosion, unsafe plots


**20. Issues that strongly influence improvement of house and site per sample area ( √ )**

Maintenance of streets  
 Neighbours activities  
 Perception of community  
 Location of house in relation to job  
 Location of house in relation to friends/family  
 Level of crime  
 Lack of knowledge to build house  
 Lack of good builders in the area  
 Availability of materials close by  
 The quality of the house  
 The size of the house  
 The size of your plot  
 The number of people in your household


**21. Reasons for being satisfied or dissatisfied with facilities in their area ( √ )**

No facilities available  
 Facilities such as schools and clinic in vicinity  
 Facilities appear to be improving  
 Inadequate facilities/expensive  
 Other


**22. Reasons respondents are satisfied or dissatisfied with their services (√)**

- Things are being done to improve standards
- Rates for electricity/water/rent not expensive
- Services are expensive
- Services are being delayed/are not working/too far
- Services are alright
- Other

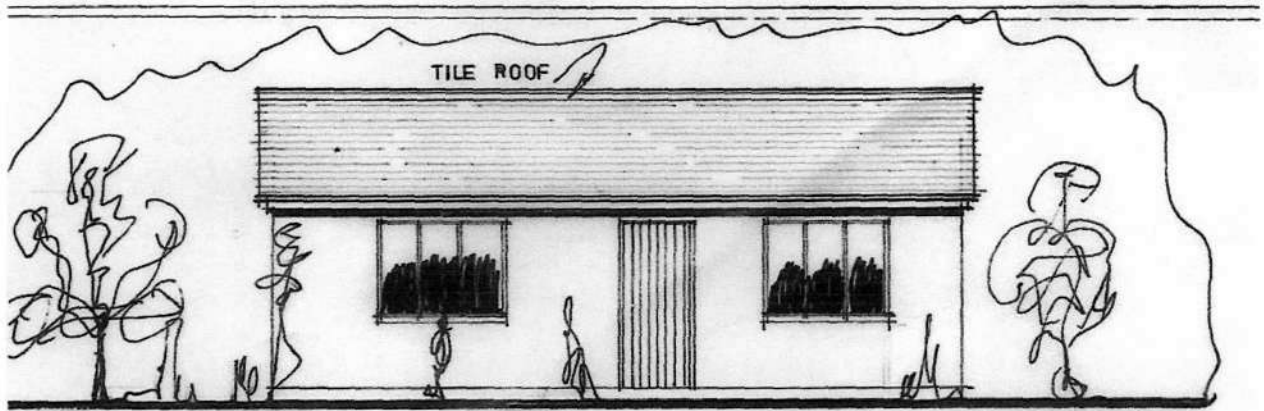

## OFFICIALS, POLITICIANS & DEVELOPERS

### QUESTIONNAIRE

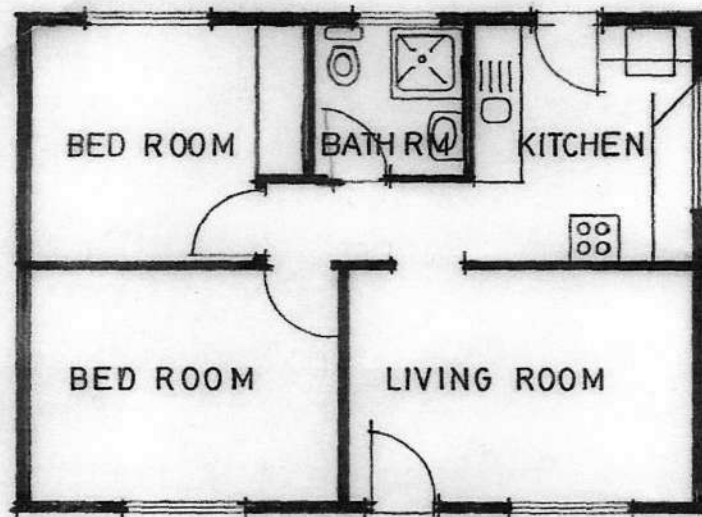
1. Sphere of government \_\_\_\_\_
2. Role (official, politician, developer) \_\_\_\_\_
3. Rank/occupation \_\_\_\_\_
4. How do you feel about the current processes and procedures followed in housing delivery (in relation to time delays) ? \_\_\_\_\_  
\_\_\_\_\_
5. What is your view about the current subsidy amount ? \_\_\_\_\_  
\_\_\_\_\_
6. Are you satisfied with the end product and why ? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
7. How do you feel about the level of standards required in terms of the infrastructure and building material ? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. What is your opinion regarding the other policies such as DFS, Planning and Development, Land Reform, NHBRC and Environmental Act in relation to housing delivery ? \_\_\_\_\_  
\_\_\_\_\_
9. What is your view about community participation or interaction with beneficiaries ? \_\_\_\_\_  
\_\_\_\_\_
10. What is your view about the Amakhosi's role regarding rural housing development subsidies ? \_\_\_\_\_  
\_\_\_\_\_
11. What problems are experienced with regard to the acquisition of land for low cost housing development ? \_\_\_\_\_  
\_\_\_\_\_
12. What areas in the housing policy do you think need to be amended or improved to ensure satisfactory housing delivery ? \_\_\_\_\_  
\_\_\_\_\_
13. What is your view about do-operative governance in relation to housing delivery ? \_\_\_\_\_  
\_\_\_\_\_

14. General suggestions \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



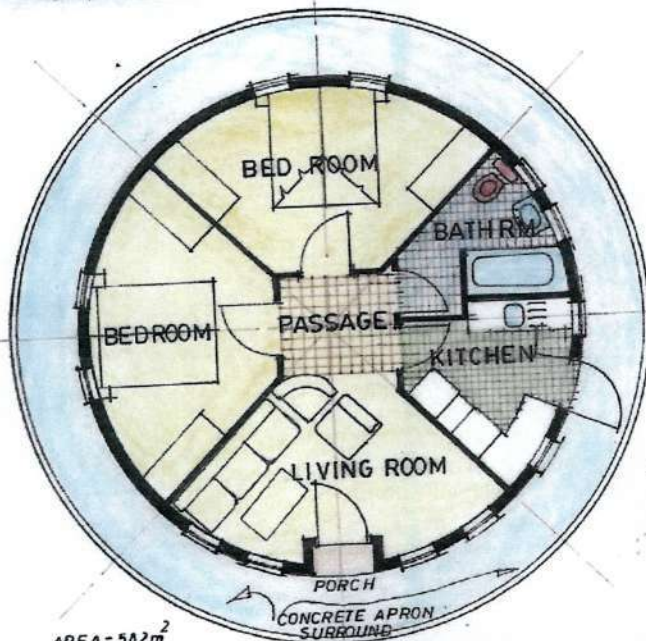
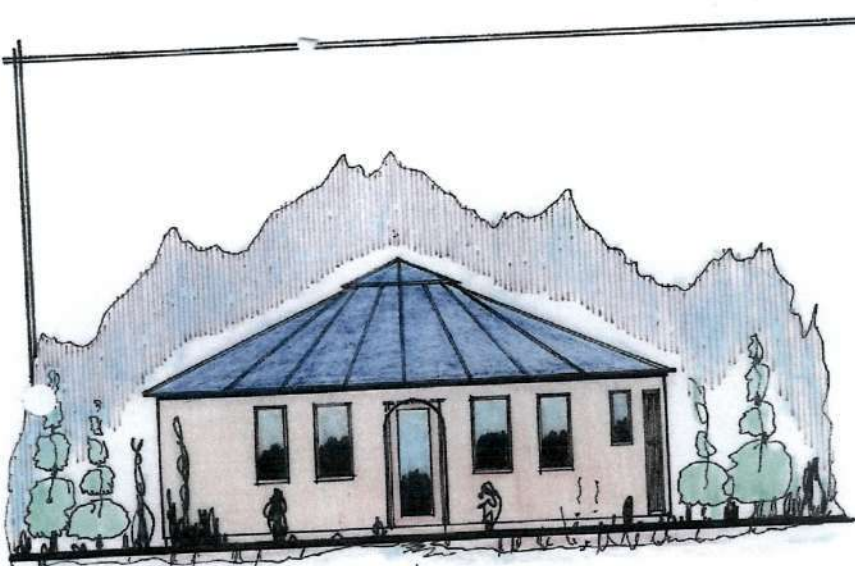
● ELEVATION



E  
AREA OF HOUSE = 58,867m<sup>2</sup>

● PLAN OF HOUSE

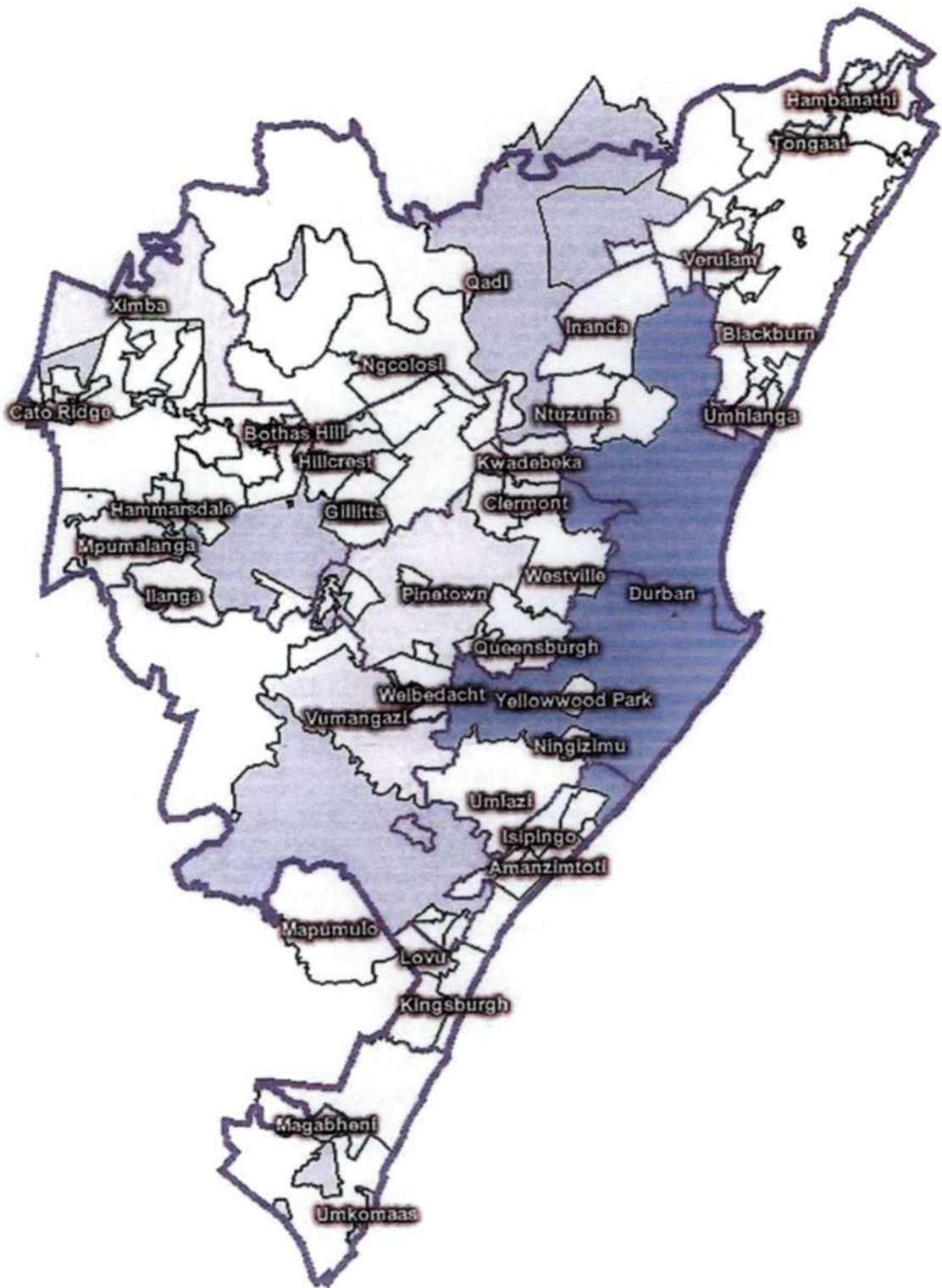
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8960



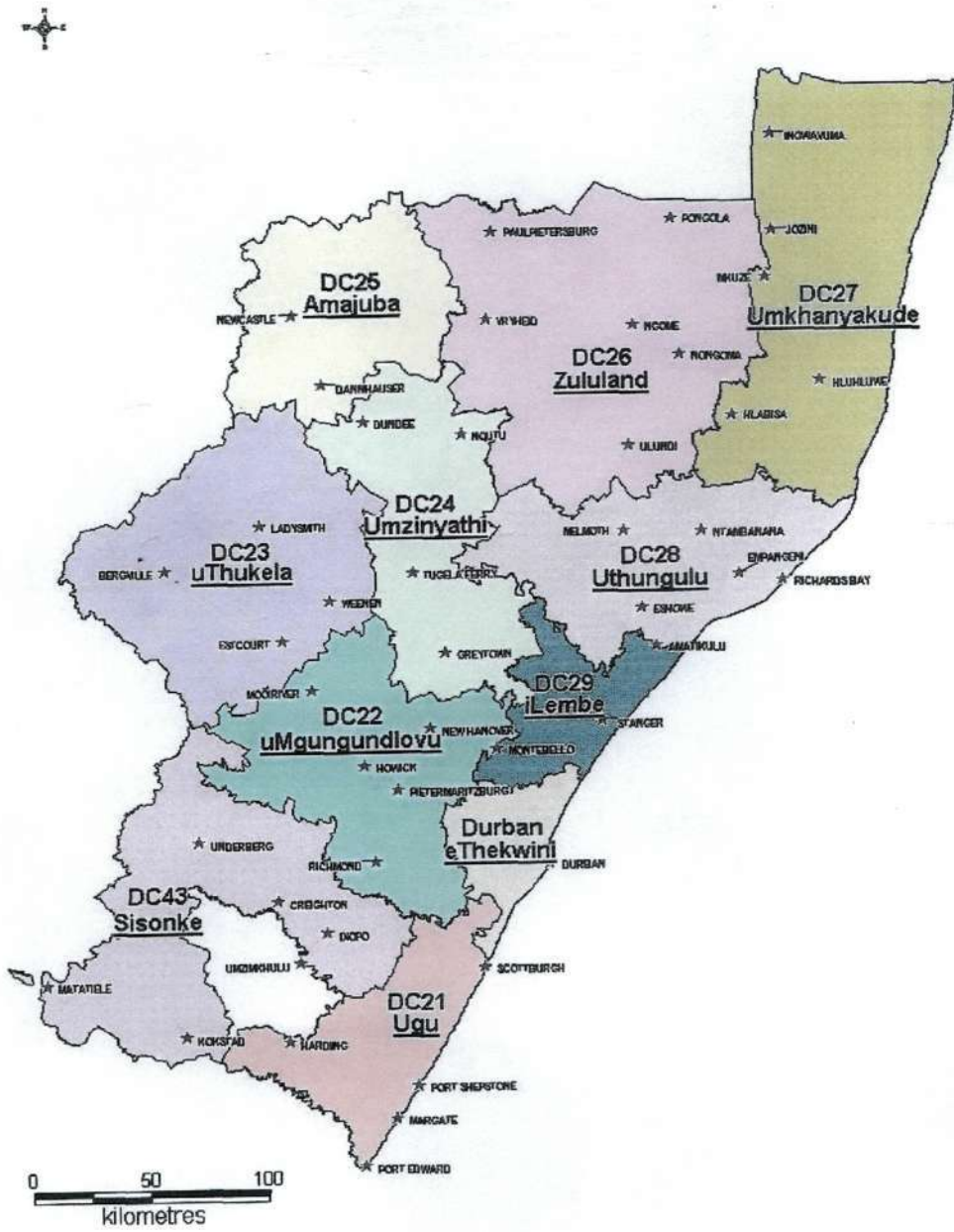
AREA = 50,2m<sup>2</sup>

● PLAN OF RONDAVEL 1:100

*[Signature]*  
DRAWN  
ARCHITECTURAL & CIVIL  
DRAUGHTING SERVICES  
18 IPERIAL LANE OFFICE  
N°10 CONWAY HOUSE  
PINETOWN 2003/01/15  
TEL (031) 7026313  
- 083 2493344



**DURBAN METROPOLITAN AREA**



**PROVINCE OF KWAZULU NATAL**

P.O. Box 561160  
Chatsworth  
4030  
11/12/03

Prof. P.S.Reddy  
Dept.of Public Administration  
U.D.W

Dear Prof.Reddy

This is to confirm that the doctoral thesis of N.M.Ngwadla  
[D.Admin.] has been edited and proof-read i.t.o. grammatical and  
syntactical errors by a language practitioner.

Yours faithfully

---

N.Nundlall