

developing integrated  
and sustainable human  
settlements



# developing integrated and sustainable human settlements

## 1. Strategic objective

The PGWC's vision of an open opportunity society for all includes the development of integrated and sustainable human settlements with access to social and economic opportunities for all the province's citizens. The PGWC aims to accelerate the provision of housing opportunities, including prioritising the on-site upgrading of informal settlements and the provision of serviced sites, in order to assist greater numbers of people and help more of those who are most in need – with limited or no access to basic services.

Both government and citizens play a crucial role in an opportunity society. If the human settlements we build are to be sustainable, then housing beneficiaries must take personal responsibility for their role. A key objective of the PGWC is to promote a sense of ownership among housing beneficiaries and to increase awareness and acceptance of their rights and responsibilities.

The PGWC faces a number of constraints in the provision of housing opportunities. These include limited finance and a shortage of well-located land. This means that the selection of housing beneficiaries must not only be fair, but also seen to be fair, and, that we must make optimal use of the available resources to maximise the value we extract from every rand spent and every hectare developed.

We also have a responsibility to use our natural resources as efficiently as possible by building sustainably. This means mitigating both our impact on climate change and the effect of extreme weather conditions (e.g. flooding) on our communities.

At state level, the PGWC is only one role-player in human settlement development. Local governments are the primary implementers of human settlement development. The national government, too, influences what can be achieved through the funding it allocates to human settlements and bulk infrastructure in the Western Cape, as well as the policies it prescribes in terms of which that funding can be spent. We need a coordinated approach across all three spheres of government to integrated development planning and, in particular, human settlement planning.

Planning also requires coordination across numerous national and provincial departments and state-owned entities to ensure easy access to amenities such as schools, clinics, libraries and sporting facilities, as well as economic opportunities.



Given the state's constraints, the private sector also has a role to play in accelerating the provision of housing opportunities, through the financing and development of private rental stock and employee assistance schemes, among other initiatives. We need to build relationships with private sector stakeholders to encourage this investment and involvement.

**It is the PGWC's intention to achieve the following three outcomes in order to realise its vision of sustainable and integrated human settlements:**

1. Accelerated delivery of housing opportunities
2. A sense of ownership, rights and responsibilities amongst beneficiaries, owners and tenants
3. Optimal and sustainable use of resources

The main indicators for measuring the progress made in achieving these goals include:

1. Increasing the number of households assisted with unrestricted access to basic services and security of tenure by 2014 (by influencing municipalities to prioritise the provision of

serviced sites and the upgrading of existing informal settlements over building houses in their human settlement plans)

2. Locating new human settlement developments closer to major transport nodes and corridors, economic opportunities and social amenities
3. Increasing the densities of new human settlement developments in land-scarce municipalities
4. Increasing the development of housing in the gap market by developing partnerships with the private sector and encouraging greater investment in social housing projects and integrated housing and mixed used developments<sup>1</sup>
5. Influencing municipalities and developers to explore and make greater use of alternative, energy-efficient materials, methods, technologies, layouts and topographies in order to reduce the carbon footprint of new housing developments

## 2. Problem statement

There are several key constraints to housing delivery in the Western Cape:

- Demand is greater than supply. At current rates of delivery – combined with household growth fuelled in large part by in-migration from other provinces and urbanisation – the number of households with inadequate shelter is likely to nearly double, from between 400 000 and 500 000 currently to



<sup>1</sup> An integrated housing development is one in which a private developer services a broad range of the housing market, including the gap market (household income of R3500 to R12 800).

over 800 000 over the next 30 years. This means that we will not be able to meet the Millennium Development Goals with respect to access to basic services over the next five years.

- Well-located land is in short supply, and new housing developments are often located close to the urban edge, far away from economic opportunities and social amenities, with inadequate integration into towns and cities. This results in urban sprawl and fuels social problems associated with skewed apartheid spatial planning. Once land is secured, the statutory requirements to gain planning approval to develop human settlements on that land are long and complex.
- Accelerating the provision of basic services puts added pressure on municipal bulk infrastructure.
- There is currently a gap in the property market, with numerous families whose household income exceeds the upper limit for subsidised housing, but is not high enough to access mortgage finance from the private sector (R3500–R9000).
- A number of beneficiaries rent out or even sell their state-funded houses, generally informally and at a fraction of the value of the asset, and move back into shacks in informal settlements. This situation is further complicated by the backlog in transferring title deeds to beneficiaries.
- Collection rates of rentals from tenants in state-subsidised rental units are low – for example, the City of Cape Town has a collection rate of 36% for its community rental units. There is also a lack of commitment among many home owners and tenants to maintain their homes.
- The greatest source of dissatisfaction with government’s delivery of housing opportunities

is the perception of being left behind – that some people are benefiting at the expense of others. This is partly a result of the fact that we can only afford to house about 16 000 families under the existing delivery model. The perception is reinforced by a beneficiary selection process that is sometimes inconsistent and difficult to understand, and which varies from municipality to municipality, as do the quality, integrity and accuracy of the housing demand data.

- The development of integrated human settlements is currently hampered by inadequate coordination between the different spheres of government and among provincial government departments, especially when it comes to aligning bulk infrastructure spending and plans for the provision of amenities such as schools, clinics, libraries and other community facilities.

### 3. Plan to achieve outcomes

#### 3.1 Accelerated delivery of housing opportunities

With the current approach and available funding, we can only assist about 16 000 households per annum with a house on a serviced site, while the province’s backlog is approaching 500 000 households. We must increase the number of families we assist to enhance their living conditions every year by increasing the provision of serviced sites – through both on-site upgrading of informal settlements and the development of serviced sites on green fields projects.

To this end, we aim to increase the provision of serviced sites from the target of 18 000 this year to 31 000 in 2014/15.



To do this, we must remove one of the major constraints to human settlement development, namely the delivery of bulk infrastructure such as sewerage plants, power stations and water treatment works. Forging strong partnerships with national government and municipalities is therefore a critical component of the plan. So too is procuring additional professional capacity to support municipalities in the planning and packaging of projects for approval. We will also work with the Housing Development Agency to free up well-located, but under-utilised, state land for housing.

This outcome is also supported by the PGWC's programme to ensure a fair allocation of housing opportunities through improved housing demand data collection and management, as well as universal application by municipalities of an objective, transparent and well-communicated housing allocation policy.

To support both Outcome 1 and Outcome 3, we will introduce a more coordinated approach to human settlement planning. Initiatives include assisting high potential municipalities to become accredited, strengthening support to municipalities to produce credible human settlement plans and establishing an interdepartmental planning forum in the province.

### 3.2 A sense of ownership, rights and responsibilities amongst beneficiaries, owners and tenants

Housing beneficiaries cannot simply be passive recipients of state assistance who then sell their houses and move back to informal settlements, or fail to maintain their houses or pay for services.

Key to achieving this outcome is the active involvement of beneficiaries in the design and building of their neighbourhoods and homes.

We will address legislative, policy, institutional and resource weaknesses in overseeing the development of houses under the self-help People's Housing Process programme. We will then increase the proportion of state-funded houses built under this programme, from a target of 25% this year, to 50% in 2014/15.

We will also work with municipalities to improve stakeholder engagement at project level and expand our consumer education programme for municipalities, as well as undertaking our own community outreach initiatives, to make beneficiaries aware of their rights and responsibilities – both as home owners and as tenants. In addition, we will promote security of tenure through more efficient transfer of properties, and embark on a sustained drive to eliminate the title deeds backlog.

### 3.3 Optimal and sustainable use of resources

This outcome is closely aligned to Strategic Objective 7: Mainstreaming Sustainability and Optimising Resource-Use Efficiency. The PGWC will encourage sustainable resource use by exploring and encouraging the use of alternative technologies, designs, layouts and topography to achieve the most energy-efficient, water-wise and cost-effective development. We will work with other spheres of government and non-governmental organisations to fund and provide green technologies such as solar water heaters, grey water recycling, and solar and energy-efficient lighting to past and current low-cost human settlement projects.



To this end, we intend to increase the percentage of new projects meeting our integration and sustainability criteria from 40% this year to 90% in 2014/15, as well as increase the proportion of units incorporating one or more of the above-mentioned resource-use efficiency methods from a conservative 10% this year to 40% by 2014/15.

We will also develop clear guidelines to increase densities of new human settlement developments in land-scarce municipalities, and particularly on well-located land within such municipalities.

As such, we intend to increase the mean gross density of new human settlement projects in land-scarce municipalities from 35 units/ha this year to 50 units/ha by 2013/14.

We will seek to partner with the private sector, the national Department of Human Settlements and the Treasury to close the gap in the property market. We will encourage the development of integrated housing and mixed use developments by making well-located land available for such developments. In addition, we will seek to raise non-state funding to increase the supply of rental stock to service this market through partnerships with social housing institutions and private developers.

## 4. Targets

POLICY PRIORITY AREA	PERFORMANCE INDICATOR	TARGETS				
		2010/11	2011/12	2012/13	2013/14	2014/15
<b>Accelerated delivery of housing opportunities</b>	No. of serviced sites provided p.a.	18 000	26 000	30 000	30 000	31 000
	Percentage reduction of title deeds backlog	0	15%	25%	30%	30%
<b>Optimal use of resources</b>	Mean gross density of new human settlement developments in land-scarce municipalities	35 u/ha	40 u/ha	45 u/ha	50 u/ha	50 u/ha
	% of new projects that meet the integration and sustainability criteria	40%	50%	70%	80%	90%
	Percentage of units built using energy efficient method/ materials	10 %	15 %	25 %	30 %	40%
<b>Inculcating a sense of ownership</b>	Provincial government rental collection rate	15 %	17 %	25 %	40 %	45%
	Proportion of houses built under self-help People's Housing Process programme	25 %	35 %	40 %	45 %	50%
<b>Fair allocation of housing opportunities</b>	No. of municipalities with an accurate, up-to-date housing demand database that is synchronised with central Housing Subsidy System	0	5	15	20	25
	No. of municipalities which comply with standardised selection criteria and process	0	5	15	20	25
<b>Coordinated approach to human settlement development</b>	No. of municipalities with credible human settlement plans	9	12	15	20	25
	No. of municipalities with level 1 accreditation	1	0	3	0	2
	No. of municipalities with level 2 accreditation	1	0	1	0	2
	No. of municipalities with level 3 accreditation	0	0	1	0	1