ETHEKWINI HOUSING SECTOR PLAN
The Housing Chapter of the IDP

Adopted by the Ethekwini Council in January 2012

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Executive Summary

1. Background, Purpose and Methodology

In terms of the National Housing Act, every municipality must as part of its process of integrated development planning take all reasonable and necessary steps to ensure that the inhabitants within its area of jurisdiction have access to adequate housing on a progressive basis by:

- Setting housing delivery goals
- Identifying suitable land for housing development
- Planning, facilitating, initiating and coordinating housing development in its area of jurisdiction
- Draft a Housing Sector Plan also referred to as the Housing Chapter of the IDP.

The Housing Chapter is a summary of the housing planning undertaken by a municipality and should be used together with the IDP. The Housing Chapter is a 5-year plan which is reviewed annually. Therefore it is not a comprehensive, stand-alone plan resulting from a separate planning process.

The housing sector is a major investor into the built environment. Type and location of housing investment needs to be guided by the overall municipal development objectives and must correspond with other sector plans. It cannot be implemented by the eThekwini Housing alone but requires multi-departmental involvement as well as involvement from external parties. Consequently, an additional reason for documenting the eHSP is to communicate it more widely.

In developing the eHSP the appointed consultants worked closely with the Client. The eHSP drew extensively on existing materials and supplementary interviews. An important emphasis of the Housing Sector Plan is to cross-reference it to the other related Sector Plans of the municipality, as well as to key local, provincial and national policies and priorities. National and provincial legislation, policies and programs relevant to housing were reviewed, and municipal strategies, sector plans and programs were reviewed.

2. Housing Trends in eThekwini

By sub-market, the main trends in housing supply have been:

- The formal market is not spontaneously providing dwellings in sufficient number or of adequate quality or in optimal locations for the low-income sub-market \(^1\) or the affordable sub-market \(^2\). The degree to which the formal market fails the low-income sub-market is extreme.

- The focus of publicly funded housing has been on the low-income sub-market. The main outcomes have been free standing houses coupled with individual freehold title, transfer of state owned rental stock to tenants, and some hostel upgrades coupled with rental tenure.

- 80% of new housing projects have been implemented within the Urban Development Line (UDL).

- The market is spontaneously providing dwellings in sufficient number, of adequate quality and in the optimal locations for the middle and upper-income markets \(^3\).

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1 Low-Income Housing is informal, traditional, rental or individual ownership of serviced or un-serviced dwelling units by low-income households with incomes under R 3 500 p.m. Single sex hostels are also part of the low-income market
2 Affordable Housing is rental or individual ownership tenure over fully serviced dwelling units by households with incomes from R 3,500 to R 15,000 p.m.
3 Middle & Upper Income Housing is rental or individual ownership tenure over fully serviced dwelling units by households with incomes over R 15,000 p.m.
• Mid-market and up-market developments tend to be at the urban periphery often in the form of gated communities coupled with individual freehold title or sectional title, such as those in Hillcrest. A significant exception is the development on Umhlanga Ridge.

• There is significant demand for rental stock. Research estimates are that 33% of households in eThekwini live in rented accommodation, many of them in inadequate human settlements. By 2012, demand is estimated to increase for another 19,000 rental dwellings, and the greatest share of this demand will be by low-income households.

3. Housing Demand in the Low-income Market

The most accurate statistics on existing accommodation and on the housing backlog in eThekwini Municipality are from the dwelling count undertaken in 2007.

<table>
<thead>
<tr>
<th>Dwelling Count 2007</th>
<th>No. Households</th>
<th>% Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informal Settlement</td>
<td>269,323</td>
<td>30%</td>
</tr>
<tr>
<td>Informal Backyard</td>
<td>44,635</td>
<td>5%</td>
</tr>
<tr>
<td>Traditional</td>
<td>94,586</td>
<td>10%</td>
</tr>
<tr>
<td>Formal</td>
<td>495,018</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>903,562</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

4. Delivery Scenarios to Address Backlog

160,000 formal dwellings have been delivered by the municipality since 1994. If for the future an average annual delivery of 13,000 units is assumed, it will take until at least 2028 to address the backlog in informal settlements alone. By 2032 the backlog including backyards could be addressed and by 2040 the backlog including traditional dwellings could be addressed.

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4 Demand and Supply of Rental Accommodation in South Africa. Social Housing Foundation. 2008
If the backlogs are to be addressed sooner, then a different strategic response to the housing backlog is required.

5. Key Challenges Relating to Human Settlements in eThekwini

Continued urbanisation has resulted in hundreds of informal settlements. The demand for housing in the low-income sector is consequently very significant. There is also significant pent-up demand in the affordable market.

The sustainability of settlements depends heavily on location, but well-located land tends not to be available at a price which existing subsidies can accommodate, and well-located land tends also to be a dwindling supply irrespective of price.

The size of the city, the locations of employment centres relative to residential centres, the need to develop a viable public transport system and to achieve urban efficiencies require new housing to support a strategy of densification and compaction. However the current funding regime does not support a densification & compaction strategy.

Hostels are one of the significant human settlement challenges, and indicate a significant demand for rental housing.

6. Strategic Response to the Key Challenges

Developing “Sustainable Human Settlements” is the departure point for framing the key challenges, and for formulating the strategic approach, the programs, and the project priorities. The municipality’s Housing Vision and Housing Mission of 1998, confirmed in 2006, embraces the concept of sustainable human settlements.

The Housing Vision visualises “the creation of sustainable human settlements in eThekwini Municipality with a view to ensuring that ... all residents will have access to a housing opportunity which includes secure tenure, basic services and support in achieving incremental housing improvement in living environments with requisite social, economic and physical infrastructure”. [5]

The Housing Mission [6] operationalises the vision statement. It is presented in the main report.

Major obstacles to developing sustainable human settlements are the fragmentation and low-density of the overall city manifesting themselves in problems such as:

- Public transport is inefficient, unsustainable or even non-viable; long commuting times and high transport costs for low-income households
- Inefficient infrastructure, especially high costs per dwelling for installation, maintenance and operations, underutilised capacity
- Economic inefficiencies, especially increased trade costs across many sectors of the local economy through low-density residential customer basis.

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5 Integrated Housing Development Plan. eThekwini Municipality. 2006
6 A Strategic Housing Framework for The Durban Metropolitan Area. Draft. eThekwini Housing. 1998
• Higher order facilities & economic facilities requiring large geographic catchments and consequently being faraway from much of the population
• Underused public space, which contributes to security and urban quality issues.
• Environmental degradation through high energy requirements of transport
• Challenge to quality of life and to long-term sustainability.

These challenges are principally spatial: therefore improved locations of housing and improved accessibility, especially of low-income housing, is a major goal of the Housing Spatial Plan. The key criteria to prioritise Upgrading and Greenfields projects are:

• In walking distance of Public Transport Trunks
• In Existing Urban Settlements whose current densities promote sustainability
• At low investments in new Bulk Infrastructure
• Close to Selected Public Transport Interchanges
• Within the Urban Development Line
• Close to Essential Social Facilities.

In walking distance of Public Transport Trunks

In Existing Urban Settlements whose current densities promote sustainability
At low investments in new Bulk Infrastructure

Close to key Public Transport Interchanges

Close to Essential Social Services

Within the Urban Development Line
Specific strategies are proposed to increase densities according to the accessibility for locations.

- **Typological strategies** to change the types of top-structures used in housing, as well as to change the configurations and service levels of roads and piped infrastructure. (It is noted that eThekwini Municipality does not have a densification strategy yet. But a number of housing typologies have been developed at higher densities.)

- **Funding strategies** that increase funding for higher-density housing and social facilities depending on location need to be found.

- **Land Assembly Strategies** prioritising assembly of land in optimal locations.

- **Residential Property Market Strategies** stimulating the residential property market in such a way as to promote densification and intensification of use in targeted areas.

### 7. Housing Programs and Projects

The municipality has numerous housing programs, some of which overlap. They are grouped below in two main groups.

<table>
<thead>
<tr>
<th>Individual Ownership</th>
<th>Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective: Address Housing Backlog</td>
<td>Objective: Address Affordable Housing</td>
</tr>
<tr>
<td>Rural Housing</td>
<td>Social Housing</td>
</tr>
<tr>
<td>Upgrading</td>
<td>Council Rental Stock</td>
</tr>
<tr>
<td>Greenfield</td>
<td>CRU</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td></td>
</tr>
</tbody>
</table>

**Objective:** Address Affordable Housing

**Objective:** Rationalise Municipal Role As Landlord Of Rental Stock

### 8. Informal Settlement Program

The Informal Settlement program is the major focus of eThekwini Housing. The principal intention is to upgrade informal settlements wherever possible and to only relocate residents if upgrading is impossible for health, safety or technical reasons. Social and economic amenities to enhance the sustainability of the upgraded settlements may also be provided or existing ones expanded.
The municipality classifies informal settlements into four categories each of which require a specific response.

A  Imminent full upgrade
B1  Full incremental upgrade > Interim Services
B2  Cannot be fully upgraded but no imminent danger > Emergence Services
C  Imminent danger > immediate relocation

Currently only the categories A, B and C are applied.

9. Greenfields, Rural and other Ownership-Related Programs

The Greenfields Program and other ownership-related programs complement the Informal Settlement Upgrading Program. Greenfields Projects accommodate households who need to be relocated from informal settlements, live in backyards or overcrowded accommodation. The municipality is in the process of finalising an allocation policy according to which around 75% of units in Greenfields projects will be allocated to households from informal settlements and the rest to the other groups of households in need of housing. Greenfields projects will be prioritised according to the location criteria outlined under strategic responses above. This program is 20% of the overall low-income ownership units, i.e. 2,600 units per year.

The Rural program applies outside of the Urban Development Line. Large parts of these areas are owned by the Ingonyama Trust. In areas under traditional authority the legal tenure is likely to remain a long-term lease. The program can be applied based on functional tenure. All projects funded under the Rural program are in-situ upgrading projects. They typically include new-build or upgrading of internal municipal services, and new-build or upgrading of dwellings. Outside the Urban Development Line the rural service standards apply. The location of these projects must be in line with the Spatial Development Plans i.e. they must be located at proposed or existing rural nodes where basic services and social facilities can be accessed.

10. Rental Programs

eThekwini implements the following rental programs:
- Low income rental - Community Residential Units (CRU)
- Existing Council Rental Stock – Hostels
- Existing Council Rental Stock – flats
- Social and Institutional Housing Program

The CRU program aims to provide rental tenure for low income earners who cannot afford units in the Social Housing Program. Residents of these rental units may share kitchen and ablution faculties. The CRU subsidy is used to support the upgrading of government-owned hostels.

The municipality owns and administers hostels with around 110,000 residents. Theoretically, the CRU program should replace hostels with decent and more family oriented rental accommodation
but the program is far too small and expensive to replace all hostels. It is therefore expected that the municipality will keep and maintain hostels for the foreseeable future.

The municipality owns rental flats. Many of them do not generate sufficient income for maintenance and administration. These flats are being renovated and sold to the occupants using the Enhanced and Expanded Discount Benefit Scheme.

The Institutional Housing program funds affordable rental accommodation for income groups between R1,500 and R3,500 per month. The program is being implemented by institutional entities. It often supports vulnerable groups and people with special needs. The Social Housing Program applies only to “restructuring zones” which are identified by municipalities as areas of economic opportunity and where urban renewal can best be achieved. The Program aims at developing affordable rental housing in well located areas where bulk infrastructure (sanitation, water, transport) may be under-utilised, therefore improving urban efficiency.

11. Delivery targets for the MTEF and IDP Period

The delivery targets for the different programs are shown in the table. They depend on the availability of budgets.

<table>
<thead>
<tr>
<th>Program</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrades, Greenfields, and Rural</td>
<td>8,500</td>
<td>100,00</td>
<td>12,000</td>
<td>14,000</td>
<td>16,000</td>
</tr>
<tr>
<td>Interim Services</td>
<td>9,500</td>
<td>9,500</td>
<td>9,500</td>
<td>9,500</td>
<td>9,500</td>
</tr>
<tr>
<td>Rental - Sales of Council Stock</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Rental – CRU</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Social and Affordable</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

12. Budget Requirements and Funding Sources

R 9.209 Billion is required to achieve the cumulative delivery targets over the next five years.

The year-by-year budget requirements are:

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,388.86</td>
<td>1,577.66</td>
<td>1,829.40</td>
<td>2,081.13</td>
<td>2,332.87</td>
</tr>
</tbody>
</table>

All housing programs utilise a range of funding programs provided by national and provincial DoHS. Additionally, the municipality provides top-up funding for numerous programs.

The three largest sources of funding are housing subsidies from KZN, and grant funding for services from national in the form of the Urban Settlement Development Grant (USDG), and internal funds from Council.
A number of risks exist around the availability of funding. The most important ones are:

• There is uncertainty that the quantum (R 9.209 Billion) can be availed during the IDP period.

• Outcome 8 shifts the focus of housing to informal settlements but a number of funding issues have not been fully resolved yet. The Upgrading of Informal Settlement Program (UISP) is the principal housing program for incremental upgrading. But the Interim Services program undertaken by the eThekwini Municipality cannot be funded through this program, because it does not adhere to the pre-defined UISP stages. Until flexibility of the UISP stages is achieved the USDG will be the principle source of funding of Interim Services in informal settlements.

• The IRDG regulations state that land and services components can only be funded if no other funding source exists. With the introduction of the USDG another funding source has been created and the province intends to stop funding these components. While this is in line with the regulations it is contrary to the intention of national for the USDG to provide additional funding to the major cities facing the biggest housing challenges.

• There is a risk of over-reliance on the USDG, because other funding sources cannot be accessed.

• The eThekwini Municipality used to provide bridging funding for housing projects but the MFMA no longer allows this. At the same time, housing subsidies are only provided after implementation of work. This contradiction of regulations results a cash-flow problem.

The funding issues need to be resolved urgently as they compromise the municipality’s capability to achieve the delivery targets.

13. Alignment, Institutional Arrangements and Monitoring

eThekwini has adequate institutional capacity. The Housing Sector Plan will assist to improve internal alignments. The municipality as a whole and eThekwini Housing follow established monitoring practices.

14. Conclusion

Planning and delivery of housing projects at scale in a metropolitan municipality is complex, and consequently there is a need for continuous cooperation between eThekwini Housing and other units within the municipality in order to achieve the overall strategic objectives. This is especially so in relation to the spatial development of the municipality. Additionally, there is a need for the cooperation of external role players such as Province, land owners, the Housing Development Agency and social housing institutions.

To achieve the delivery targets, the assembly of land and of funding are critical. The funding regime of housing projects has changed, especially with regard to funding of land, and the funding of engineering bulk and reticulation services. The funding environment contains major risks which need to be addressed in order to make possible the implementation of the Housing Sector Plan.
Part A - Background

1. Reason for the eThekwini Housing Sector Plan

For the national level, the policy and implementation shortcomings in human settlements were identified in 2004 in the Comprehensive Plan for the Development of Human Settlements. These shortcomings and ways to address them were re-emphasised in Outcome 8 of The Presidency in 2010.

At provincial level, the same issues were addressed through the Sustainable Human Settlements Strategy for KwaZulu-Natal (2011). In addition, the KZN DoHS funds municipalities to compile the Housing Chapters of their IDPs.

The Housing Chapter is a summary of the housing planning undertaken by a municipality and should be used together with the IDP. The Housing Chapter is a 5-year plan which is reviewed annually. Therefore it is not a comprehensive, stand-alone plan resulting from a separate planning process.

The Housing Sector plan contains
- An analysis of the housing demand
- A strategy for the supply of housing
- A set of designed and prioritised housing projects
- The integration of the housing strategies and projects with the other sectors to achieve sustainable human settlements
- An adopted IDP with a Housing Chapter.

The eThekwini Housing Sector Plan (eHSP) cannot be implemented by eThekwini Housing alone. Instead it requires multi-departmental involvement as well as involvement from external parties. Consequently, an additional reason for documenting the eHSP is to communicate it more widely.

2. Purpose and Scope of the eThekwini Housing Sector Plan

In terms of the National Housing Act[^7], every municipality must as part of its process of integrated development planning take all reasonable and necessary steps to ensure that the inhabitants within its area of jurisdiction have access to adequate housing on a progressive basis by:

- Setting housing delivery goals
- Identifying suitable land for housing development
- Planning, facilitating, initiating and coordinating housing development in its area of jurisdiction
- Draft a Housing Sector Plan also referred to as the Housing Chapter of the IDP.

[^7]: Section 9(1) of the National Housing Act, Act 107 of 1997
The main purposes of the Housing Chapter are

- “To ensure effective allocation of limited resources, financial and human, to a wide variety of potential development initiatives;
- To provide guidance in prioritizing housing projects in order to obtain consensus for the timing and order of their implementation;
- To ensure more integrated development through co-ordinating cross-sector role players to aligning their development intervention in one plan;
- To ensure budget allocation to local and district municipalities as well as provinces are most effectively applied for maximum impact;
- To provide effective linkages between the spatial development framework and the project locations of physical implementation of a range of social, economic, environmental and infrastructures investment;
- To ensure there is a definite housing focus in the IDP and SDF with clear direction for future housing delivery across all social and economic categories and locations in the municipality. The scope of the Housing Chapter is not just for those people and developments related to government’s subsidized housing programmes;
- To provide the IDP process with adequate information about the housing plan, its choices, priorities, benefits, parameters as well as strategic and operations requirements;
- Ensuring that the contents and process requirements of planning for housing are adequately catered for in the IDP process; and
- To ensure that there is indicative subsidy budgeting and cash flow planning at both the municipal and provincial levels.”

The consultants worked closely with the Client through interactions with:

- The Client’s Project Management Team (PM Team)
- Other eThekwini Housing Officials, particularly those in the Planning Section and in the Projects Section
- The Project Steering Committee (PSC)

These interactions were supplemented by interactions with:

- The KZN Department of Human Settlements
- The Housing Manco
- Interviewees.

The eHSP drew extensively on existing materials and supplementary interviews. An important emphasis of the Housing Sector Plan was to cross-reference it to the other related Sector Plans of the Municipality, as well as to key local, provincial and national policies and priorities. A key focus of this assignment was to collate and consolidate existing material, and to identify and plug any obvious gaps.

Another important emphasis was to ensure that the eThekwini Housing Sector Plan complies with the requirements of the KZN DoHS.

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8 Department of Human Settlements, Resource Book Section 1, p.5
3. Primary Research

Interviews were conducted with several Members of the PSC. Interviews were also conducted with interviewees identified by the PSC.

4. Secondary Research

The purpose of the Secondary Research was to draw clear implications for the eHSP that arise from the legislative, policy and program environments. Information that was collected on the relevant legislation, policies and programs included:

- National and provincial legislation, policies and programs relevant to housing
- Municipal sector plans, strategies, and programs

The following national and provincial legislation, policies and programs relevant to housing were reviewed:

- The Constitution
- Constitutional Court Findings
- The Housing Act
- The National Housing Code - Accreditation framework
- The National Housing Code - National Housing Programs
- The Municipal Infrastructure Grant Program
- The USDG Program
- The Priorities expressed by the President (particularly Outcome 8) and the Premier

The following municipal strategies, sector plans and programs were reviewed:

- IDP
- Economic Strategies
- eThekwini Housing Plan of 2006
- eThekwini 1999 Strategic Housing Framework
- Backlog Estimates and Projected Timeframes for Delivery
- Cost Surfaces Model – which estimates the cost for bulk infrastructure across eThekwini
- Access Model – which determines access to social facilities
- eThekwini Spatial Development Framework
- North, South, Central and West Spatial Development Plans
- Available land Information
- Consolidated Infrastructure Plan
- Integrated Transport Plan

Guidelines on the writing of the eHSP were also consulted, namely:

- KZN Housing Sector Plan Guideline Document
- PPT Housing Sector Plan Manual
- DOHS ‘Sustainable Human Settlement Planning - A Resource Book on Housing Chapters’
- National DoHS Workshop Handout on Housing Chapter Planning
Part B - National and Provincial Legislation, Policies and Programs

1. The Constitution

There are numerous references in the Constitution [9] to the rights of citizens to live in sustainable human settlements. The main references are:

- Every citizen has the right to ... reside anywhere in the Republic. [10]

- Everyone has the right to have access to adequate housing. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right. [11]

- No one may be evicted from their home, or have their home demolished, without an order of court ... [12]

2. The National Housing Act of 1997

The Housing Act of 1997 lays out the principles of housing policy in the country and defines the roles and responsibilities of all spheres of government. In its principles it states that amongst other things all spheres of government must:

- Give priority to the needs of the poor
- Consult widely with communities and individuals
- Ensure a wide choice of housing options
- Ensure that developments are environmentally, economically and socially sustainable
- Ensure that developments are based on IDPs
- Ensure that developments are administered in a transparent manner
- Promote the functioning of the housing market.

In order to achieve these principles the National DOHS develops policies and strategies (which are described in the National Housing Code) and makes funding available for housing programs.

3. KZN Provincial Housing Legislation

While the KZN Housing Act reflects closely the National Housing Act the KwaZulu-Natal Elimination and Prevention of Re-Emergence of Slums Act of 2007 is highlighted because it focuses specifically on

informal settlements. The aims of this Act are “to provide for the progressive elimination of slums in the Province of KwaZulu-Natal; to provide for measures for the prevention of the re-emergence of slums; to provide for the upgrading and control of existing slums”. [13]

4. The Comprehensive Plan for the Development of Human Settlements

The Comprehensive Plan of 2004 is informed by international documents such as the Habitat (Istanbul) Declaration of 1996 to which South Africa was a signatory, and based on national legislation such as the DFA Principles (1995) and the Housing Act (1997). According to the Comprehensive Plan, objectives for sustainable human settlements include:

- Accelerating the delivery of housing as a key strategy for poverty alleviation
- Ensuring property can be accessed by all as assets for wealth creation and empowerment
- Leveraging growth in the economy
- Combating crime, promoting social cohesion and improving quality of life for the poor,
- Utilising housing as an instrument for restructuring the spatial legacy of apartheid.

The Comprehensive Plan embraces a demand-driven approach. This reflects increasingly complex demands in different market segments (i.e. informal settlements, informal backyard accommodation, RDP houses, old townships, inner-city, affordable market for income groups between R3,500 and R15,000 and rural areas) and requires differentiated instruments that have been developed at national level on the basis of the Comprehensive Plan.

5. The Revised National Housing Code of 2009


The revised Code re-emphasizes the vision of the National Department of Housing to promote the achievement of a non-racial, integrated society the development of sustainable human settlements and quality housing. A number of more detailed objectives are to:

- Accelerate the delivery of housing as a key strategy for poverty alleviation
- Use provision of housing as a major job creating strategy
- Ensure that property can be accessed by all as assets for wealth creation and empowerment
- Leverage growth in the economy
- Combat crime, promote social cohesion and improve quality of life for the poor
- Support the functioning of the entire residential property market to reduce duality within the sector, by breaking the barriers between the first economy ... and the second economy ...

• Use housing as an instrument for the development of sustainable human settlements, [and to] support spatial restructuring.

These broad objectives cannot be achieved through housing programs alone but require extensive cooperation, e.g. with financial institutions, and at municipal level with town planning and other departments.

6. Outcome Eight

The Presidency has introduced a system of Outcomes for the different government departments. For Human Settlements, Outcome Eight\(^\text{[16]}\) applies, and it informs the national and provincial housing plans. Outcome Eight defines sustainable human settlements and improved quality of household life as:

- “Access to adequate accommodation that is suitable, relevant, appropriately located, affordable and fiscally sustainable
- “Access to basic services (water, sanitation, refuse removal and electricity)
- “Security of tenure irrespective of ownership or rental, formal or informal structures
- “Access to social services and economic opportunities within reasonable distance.” \(^\text{[17]}\)

Measures of success of sustainable human settlements are described in Outcome Eight as:

- “Citizens can access jobs and-or workable survival strategies which do not compromise their health, safety or human dignity, even if they are basic or survivalist in nature
- “Settlements do not lead to degrading of the natural environment
- “There is sufficient funding and human capacity to ensure the long term maintenance and operation of the social and infrastructural services which are available
- “Citizens participate actively as citizens in the management and decision making within their community (e.g. via ward development committees, rate payers associations, street committees, non governmental organisations, community projects etc).” \(^\text{[18]}\)

Outcome Eight builds on the Revised Housing Code, and emphasises four outputs:

- Output 1: Accelerated delivery of housing opportunities
- Output 2: Improved access to basic services
- Output 3: More efficient land utilization
- Output 4: Improved property markets.

Output 1: Accelerated delivery of housing opportunities focuses on Upgrading of Informal Settlements and Affordable Rental Housing. It sets delivery targets, and support programs and structures have been or are intended to be established.

\(^{16}\) Annexure A - Outcome 8 Delivery Agreements: Sustainable Human Settlements and Improved Quality of Household Life. The Presidency. 2010
\(^{17}\) Annexure A - Outcome 8 Delivery Agreements: Sustainable Human Settlements and Improved Quality of Household Life. The Presidency. 2010
\(^{18}\) Annexure A - Outcome 8 Delivery Agreements: Sustainable Human Settlements and Improved Quality of Household Life. The Presidency. 2010
The agreed delivery targets for KZN by 2014 are the upgrading of 76,200 households in well-located informal settlements and the development of 15,240 well-located and affordable rental units. A large portion of both targets will be achieved in eThekwini – thought to be at least half, but possibly higher. The portion and the required funding need to be negotiated.

For the other outputs, only national targets have been set. These outputs still need to be broken down into provincial targets and commitments needs to be secured from the relevant institutions. Once provincial targets have been clarified, the implications for eThekwini must be determined.

Output 2: Improved access to basic services, the national targets which have been set for the different infrastructure components are increased access to

- Potable water for 100% of households (current access is 92%)
- Sanitation from 100% of households (current access is 69%)
- Refuse removal for 75% of households (current access is 64%)
- Electricity for 92% of households (current access is 81%)

Infrastructure largely falls to the responsibility of COGTA. But for the major cities funding provision for infrastructure has been shifted to the NDoHS (see below).

Output 3: More efficient land utilization; a national target has been set to release 6,250 ha of state land for human settlements. The Housing Development Agency (HDA) will be responsible for the implementation of this target. Currently a MoU between the KZN DOHS and the HDA is being finalised to guide the implementation for KZN Province.

Output 4: Improved property markets, the national target has been set to improve the financing of 600,000 housing opportunities in the gap market (for households in the income group of R3,500 to R15,000/ month) through a Mortgage Insurance that is being introduced by the NoDOHS.

**URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)**

As part of Outcome 8 the national funding support of municipal infrastructure has been revised. From July 2011, for the large urban municipalities including eThekwini the Municipal Infrastructure Grant (MIG) is being replaced by the Urban Settlement Development Grant (USDG). It will be channeled through the National DoHS and no longer through the Department of CoGTA. Below the grants are explained in more detail.

Approved by National Cabinet on 5 March 2003, the MIG was a consolidated grant mechanism from national government to municipalities, which aims to address infrastructure backlogs. The MIG was facilitated through a Project Management Unit (PMU) which was a ‘ring-fenced’ unit imbedded in the municipality. Ideally the municipality drew up its MIG priority list from a three year rolling plan as part of the IDP process.
The objective of the MIG program was to provide grant funding to complement municipal capital funding to build basic municipal infrastructure for under-serviced communities. The MIG program covered a ten-year period, from 2004 to 2013. The overall budget was R 63bn, and annual budgets were between R 5bn and R 7bn nationally.

The objective of USDG is the same as MIG’s, namely:

“To fully subsidise the capital costs of providing basic services to poor households and for this reason MIG prioritises basic infrastructure needs of poor households through the provision of appropriate bulk, connector and internal infrastructure in key services.” [19]

eThekwini has made an application for USDG funding, which if approved, will result in about R 1.1bn for each of three consecutive years.

7. The KZN Premier’s Priorities

The priorities of the Premier around Human Settlements are expressed in the KZN Sustainable Human Settlement Strategy (SHSS) [20] that is awaiting approval by Cabinet. This strategy reflects the national Outcomes and Outputs and KZN specific priorities. Specific priorities are:

• Rural development as laid down in the KZN Integrated Rural Development Strategy
• The Premier’s Flagship Program of improving the living conditions (especially with regard to health) in the poorest wards in KZN.

For eThekwini Municipality as the biggest city the SHSS is most important but the specific priorities apply to some degree as well, e.g. some of the poorest wards targeted in the Premier’s Flagship Program are located in eThekwini.

8. Priorities of the Provincial Housing MEC and the KZN DoHS [21]

The revenue allocated to the KZN DOHS is spent according to the provincial housing program priorities.

The relative priorities of the housing programs in KZN are informed by the performance agreement signed by the MEC regarding Outcome Eight, and by the focus of the national and KZN governments on rural development. Two provincial strategies are in the final stages of adoption and are expected to also inform the priorities. These are the Sustainable Human Settlement Strategy (2011) and the Informal Settlement Eradication Strategy (2011) [22]. The current KZN priority programs are:

[21] Interview Peter Woolf, KZN DOHS. 2011
• The Informal Settlement Upgrading Program, which currently receives a significant share of the provincial budget. It often used as an instrument to implement the KZN Slums Clearance Act. This program is mainly applied in urban areas. But increasingly informal settlements are emerging at the fringes of cities on land owned by the Ingonyama Trust. In these areas the Informal Settlement Upgrading program is applied as well. In order to ensure that the Upgrading of Informal Settlements Program is consistently prioritised, from the 2011/2012 financial year onwards the NDOHS will allocate 20% of its Housing Grant directly to countrywide 49 municipalities – among them eThekwini – who collectively accommodate the majority of informal settlements in South Africa. A further slice of the Housing Grant will be allocated from NDoHS to these municipalities as USDG funding.

• In Ingonyama Trust areas the Rural Program is applied. This program provides subsidies to beneficiaries on the basis of functional tenure. The program currently provides a VIP, a house and access road per homestead. The SHSS however aims to change this approach towards greater emphasis on housing at well-accessible Rural Service Nodes. The Rural Program currently receives a major share of the provincial budget.

• Land acquisition is a priority and receives a significant budget share. Land is bought by municipalities with provincial funding and funding from the HDA. These mechanism have been applied in eThekwini e.g. for the Cornubia project.

• The Finance Linked Individual Subsidy Program (FLISP) is gaining higher priority, in accordance with Outcome Eight, to fund households in the affordable sub-market.

• The rental programs - CRU and Social Housing - have high priority. The CRU program receives significant funding which is mainly used for the redevelopment of hostels. A few projects are funded through the SH program.

• Project-Linked Subsidies for greenfield projects used to be the dominant program, and numerous projects are still being implemented. The program has been renamed to Integrated Residential Development Program and remains relevant e.g. for relocations necessary as a result of informal settlement upgrades.
Part C - Municipal Development Context

1. Municipal Vision - The Integrated Development Plan (IDP)

The eThekwini IDP is based on the vision that “By 2020 the eThekwini Municipality will enjoy the reputation of being Africa’s most caring and liveable city, where all citizens live in harmony. This vision will be achieved by growing its economy and meeting people’s needs so that all citizens enjoy a high quality of life with equal opportunities, in a city that they are truly proud of.” [23]

The vision is to be achieved through implementing eight plans. The Plan for Quality Living Environments is specifically relevant for human settlements. The goal of this plan is to “promote access to equitable, appropriate and sustainable levels of household infrastructure and community services, and facilitate access to housing.” [24]

The Plan for Quality Living Environments is to be implemented through:

- New integrated human settlement developments
- Rental housing
- Addressing backlogs in household services
- Infrastructure asset management
- Sustainable supply of community facilities
- Sustainable public spaces
- Effective public transport

The Plan for Quality Living Environments reflects a broad range of aspects related to human settlement development and indicates that there are line departments that need to be involved beyond the Housing Department. It also shows that the eThekwini IDP is based on the same principles of sustainable human settlements as the national and provincial policies.

2. Economy and Demography

a. Overview

“The EMA is host to the country’ third largest concentration of economic activity after the Johannesburg and Cape Town metros. The EMA has the second largest concentration of manufacturing activity after Johannesburg and is the location of the country’s busiest and largest diversified port in value terms”. [25]

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23 IDP review 2010/2011. eThekwini Municipality. 2010
24 IDP review 2010/2011. eThekwini Municipality. 2010
b. Economic Activity by Sector

Between 1997 and 2007, the eThekwini economy grew annually by 4.1%. The main sectors are manufacturing, financial services, trade, and transport. The graph shows the contribution to eThekwini GDP by sector for 2007. The new passenger airport and Dube Trade Port as well as the planned major expansions to the Port of Durban are the main catalyst projects for the next 10 years. They are expected to generate growth specifically in the trade and transport sectors.\(^{26}\)

\[\text{Diagram showing economic activity by sector: Finance 21%, Transport 16%, Trade 10%, Community Services 10%, Agriculture 1%, Construction 4%, Electricity 3%, Manufacturing 22%, Other 15%}\]

\(\text{IDP review 2010/2011. eThekwini Municipality. 2010}\)


\(\text{IDP review 2010/2011. eThekwini Municipality. 2010}\)

c. Employment

“The EMA has seen an absolute growth in the total number of people employed ... from just under 900 000 people in 2000 to around 1,2 million in 2007 before contracting again in 2008 and 2009 closer to the 1 million figure ... Figures from Statistics South Africa also show that almost fifty percent of all jobs lost in the country as a result of the recession have been in KZN demonstrating that much employment growth was in insecure sectors such as retail, outsourced labour in the logistics sector and agricultural employment in commodity related sectors such as timber sensitive to cyclical price fluctuations. ... KZN has the lowest expenditure on education per pupil in the country and as such is unlikely to soon be in a position to shift the skills base of its population.” \(^{27}\)

“As the second most populous province with a high rural population it is not surprising that KZN has a higher percentage that the national percentage of unemployed. ... As a major urban growth node it [eThekwini] should have markedly lower unemployment than the national figures - this is likely to do with the depth of poverty in KZN compared to Western Cape and Gauteng.” \(^{28}\)

d. Population

The population of eThekwini is currently 3.60 million and is projected to rise to approximately four million by 2020.\(^{29}\) The growth of the population is likely to be driven by the general trend of urbanisation, which is expected to continue. Motivations for migration are the search for employment and for better services. Experience shows that the urbanisation trend does not depend on the availability of formal employment opportunities in the target area. New household formation is expected to continue with the result that the growth rate of the number of households remains higher than the growth rate of the population. The number of households determines the demand for housing.
e. Socio-economic indicators

• “63% of the households are earn less than R 3,200 per month.” [30]
• “37% and 28% are employed and unemployed (in the narrow definition) respectively.” [31]
• “37% of eThekwini’s population has matric and higher education, 35% has some secondary education and 10% has no schooling.” [32]

3. Major Land Uses

One characteristic of the urban form of eThekwini is the clear separation of residential uses from economic uses. This implies that there are few employment opportunities where people live, and that economically active residents must commute. Other characteristics are that there:

• Are significant economic and residential uses in the Central Metropolitan Region.
• Is a concentration of more intense uses in the Central and North Regions, and by comparison, relatively low-intensity of use in the two other Regions.

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Key characteristics of the residential densities of eThekwini are:

- Large areas of ultra-low residential densities (less than three dwellings per Ha) make up 55% or more of the municipal extent.
- The former group areas townships are areas of medium density (20 to 40 dwellings per Ha), often with pockets of high density (over 40 dwellings per Ha), where informal settlements occur.
- Former white group areas tend to be low density (less than 10 dwellings per Ha).
- The CBD, Berea, and Greater Sydenham are areas of medium density (20 to 40 dwellings per Ha), with pockets of high density (over 40 dwellings per Ha).
- Densities along major transport routes tend to be low (less than 10 dwellings per Ha).

These density characteristics have important implications for:

- Where people may wish to settle, whether formally or informally.
- Commuting patterns.
- Public transport.
- Provision of Basic Services.
- Provision of Social Facilities.

4. Housing

a. Trends in Housing Sub-Markets in eThekwini

The following sub-markets are defined:

- **LOW-INCOME HOUSING**[^33] means informal, traditional, rental or individual ownership of serviced or un-serviced dwelling units by low-income households with incomes under R 3 500 p.m. Single sex hostels are also part of the low-income market.

[^33]: Also referred to as Housing for the Poor or Pro-poor Housing
• **AFFORDABLE HOUSING** means rental or individual ownership tenure over fully serviced dwelling units by households with incomes from R 3,500 to R 15,000 p.m. It includes the so-called “Gap market”, of households who earn from R 7,500 to R 15,000 p.m. The term ‘gap’ derives from the absence of subsidies for these households, the virtual absence of available housing stock, and the thin availability of bond finance.

• **MID-MARKET AND UP-MARKET HOUSING**[^34] means rental or individual ownership tenure over fully serviced dwelling units by households with incomes over R 15,000 p.m.

• **SOCIAL HOUSING** means subsidised rental tenure over fully serviced dwelling units for households with incomes from R 1,500 to R 7,500 p.m. There are differing views as to whether social housing is a housing program or a housing market. In this paper the term is used for the housing program that addresses, in a limited way, the low-income and affordable rental markets.

By sub-market, the main trends in housing supply have been:

• The formal market is not spontaneously providing dwellings in sufficient number or of adequate quality or in the optimal locations for the poor or affordable markets. The degree to which the formal market fails the low-income sub-market is extreme.

• The focus of publicly funded housing has been on the low-income sub-market. The main outcomes have been free standing houses coupled with individual freehold title, transfer of state owned rental stock to tenants, and some hostel upgrades coupled with rental tenure.

• 80% of new housing projects have been implemented within the Urban Development Line (UDL).

• “The market is spontaneously providing dwellings in sufficient number, of adequate quality and in the optimal locations for the upper-middle and upper income markets.”[^35]

• Mid-market and up-market developments tend to have been at the urban periphery often in the form of gated communities coupled with individual freehold title or sectional title, such as those in Hillcrest. A significant exception is the development on Umhlanga Ridge.

• “All spheres of government recognise the necessity and desirability of having housing markets that work for all the segments of the market, and consequently are willing to avail resources to address market shortcomings and failures.”[^36]

• There is significant demand for rental stock. Research estimates are that 33% of households in eThekwini live in rented accommodation, many of them in inadequate human settlements. By 2012, demand is estimated to increase by another 19,000 rental dwellings, and the greatest share of this demand will be by low-income households. [^37]

[^34]: Also referred to as Upper-middle Income Housing and Upper Income Housing
[^37]: Demand and Supply of Rental Accommodation in South Africa. Social Housing Foundation. 2008
b. Existing Housing Demand in eThekwini Municipality

The most accurate figures of existing accommodation and the housing backlog in eThekwini Municipality are from the dwelling count undertaken in 2007.

<table>
<thead>
<tr>
<th>Dwelling Count 2007</th>
<th>No. Households</th>
<th>% Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal</td>
<td>495,018</td>
<td>55%</td>
</tr>
<tr>
<td>Informal Settlement</td>
<td>269,323</td>
<td>30%</td>
</tr>
<tr>
<td>Informal Backyard</td>
<td>44,635</td>
<td>5%</td>
</tr>
<tr>
<td>Traditional</td>
<td>94,586</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>903,562</td>
<td>100%</td>
</tr>
</tbody>
</table>

The housing backlog is defined in three ways, as shown below. [38]

<table>
<thead>
<tr>
<th>Backlog in 2007</th>
<th>No. Households</th>
<th>% of All Dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwellings in informal settlements only</td>
<td>269,323</td>
<td>30%</td>
</tr>
<tr>
<td>Dwellings in informal settlements + informal dwellings in backyards</td>
<td>313,958</td>
<td>35%</td>
</tr>
<tr>
<td>Dwellings in informal settlements + informal dwellings in backyards + traditional dwellings</td>
<td>408,544</td>
<td>45%</td>
</tr>
</tbody>
</table>

The table below shows the housing delivery since 1994, and its impact on the 2007 backlog. [39]

<table>
<thead>
<tr>
<th>Period</th>
<th>Houses Delivered p.a.</th>
<th>Houses Delivered Cumulative</th>
<th>Dwellings in informal settlements only</th>
<th>Dwellings in informal settlements + informal dwellings in backyards</th>
<th>Dwellings in informal settlements + informal dwellings in backyards + traditional dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994-2001</td>
<td>33,843</td>
<td>33,843</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2001\2</td>
<td>7,623</td>
<td>41,466</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2002\3</td>
<td>8,000</td>
<td>49,466</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2003\4</td>
<td>10,000</td>
<td>59,466</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2004\5</td>
<td>12,500</td>
<td>71,966</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2005\6</td>
<td>15,172</td>
<td>87,138</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2006\7</td>
<td>11,552</td>
<td>98,690</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2007\8</td>
<td>16,253</td>
<td>114,943</td>
<td>269,323</td>
<td>313,958</td>
<td>408,544</td>
</tr>
<tr>
<td>2008\9</td>
<td>18,149</td>
<td>133,092</td>
<td>251,174</td>
<td>295,809</td>
<td>390,395</td>
</tr>
<tr>
<td>2009\10</td>
<td>16,515</td>
<td>149,607</td>
<td>234,659</td>
<td>279,294</td>
<td>373,880</td>
</tr>
<tr>
<td>2010\11</td>
<td>9,387</td>
<td>158,994</td>
<td>221,659</td>
<td>266,294</td>
<td>364,493</td>
</tr>
</tbody>
</table>

c. Delivery scenarios to address backlog

If for the future an average annual delivery of 13,000 units is assumed, it will take until at least 2028 to address the backlog in informal settlements alone. By 2032 the backlog including backyards could be addressed and by 2040 the backlog including traditional dwellings could be addressed.

38 eThekwini Housing Unit, data supplied in July 2011
39 eThekwini Housing Unit, data supplied in July 2011
If the backlogs are to be addressed sooner, then a different strategic response to the housing backlog is required.

d. Challenges to Delivery

In the last two years the delivery targets of 13,000 and 8,500 units respectively have not been achieved. Obstacles to delivery included:

REGULATORY OBSTACLES

The most often mentioned regulatory obstacles or delays for housing delivery are:

- Environmental Impact Assessments (EIA) rarely stop housing projects but frequently delay them because long and complicated processes need to be followed before permission from the Province (Department of Agriculture, Environment and Land Reform) can be obtained.
- Town planning requirements are principally township establishment. This often requires rezoning of the land. The new KZN Planning and Development Act (PDA) enables the municipality to carry out rezoning and township establishment in its own right without engagement with Province. This is expected to speed up the processes.
LAND ACQUISITION OBSTACLES
The scarcity of well-located land is often highlighted. eThekwini has a very low density with significant infill areas. The problem is not that there is no vacant land, but rather that well-located land is expensive and subject of competition from other users. The problem of scarcity of land could be addressed through higher density developments but these have their own obstacles, as indicated below.

FUNDING CONSTRAINTS
Funding constraints are experienced for:

• Land assembly
• Bulk infrastructure
• Local infrastructure
• Top-structures, particularly for medium- and high-density housing typologies

OBSTACLES TO DENSIFICATION
The main obstacles to densification are:

• Higher construction costs of the top-structure
• The entrenched perception that low-income housing should be detached houses on individual plots.

5. Land

a. The Connection between Land Demand and Housing Typology

The amount of land needed depends on the numbers of dwelling units to be delivered and the density of housing developments. The density of housing developments is heavily influenced by housing typology, and access and parking standards for vehicles. Past calculations of the demand for land are based on the typology of one house per plot with vehicular access and therefore arrive at a very high demand for land.

The IDP and other strategic documents clearly state the intent for densification but this has only recently begun to be translated into practice in low-income housing projects. “In the context of National Government imperatives as well as IDP objectives, the focus will be on increasing housing densities in appropriate locations thus reducing the amount of vacant land required. This shift towards eliminating urban sprawl and towards more sustainable settlements is acknowledged and accepted as it also drastically reduces the amount of funding that the EM will require to budget for extending bulk infrastructure and providing new community facilities.” [40]

eThekwini Municipality is in the process of developing a metro-wide densification strategy. It will provide criteria for appropriate densities in different locations and contexts. There are however

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[40] Integrated Housing Development Plan. eThekwini Municipality. 2006
several pilot low-income housing projects in the planning stages with planned densities of 50 to 100 units per ha.

The four Spatial Development Plans summarised in more detail below propose densities for different locations based on the principle of higher densities in more central locations. Their criteria and proposed densities for similar neighbourhoods and urban centres however differ. These inconsistencies will however be resolved in the densification strategy to be developed.

b. Vacant Land Audit

“Most of the appropriately located land is in the North area under private ownership. Further land also exists within the Outer West although a significant amount of the [suitable] available land has already been approved for housing” [41] “Land to the south is quite scarce with the remaining undeveloped land being unsuitable or too costly to develop due to the steep terrain. In Central, “vacant land is limited [and what remains] has already been informally settled. The central area does however provide excellent opportunities for small infill development as well as the development of medium density housing projects.

“Vacant developable land supply calculations were drawn from the Land Cover Study undertaken by the EM’s Corporate Policy Unit. A total of approximately 205,000 hectares was identified as ‘undeveloped’ a balance of 71,000 hectares can be deemed developable. Based on the need for approximately 6,000 hectares of land for greenfields projects the low income and affordable housing market will require less than 10% of the total amount of developable land in the EM.” [42]

In 2007 a snapshot study was undertaken in fifteen eThekwini urban centres to identify vacant land and existing buildings which could be used for low-income, affordable and gap housing. [43] The urban centres studied were Amanzimtoti, Chatsworth, Hillcrest, iTrump, Kingsburgh, KwaMashu, Newlands, Phoenix, Pinetown, SDB, Tongaat, Umhlanga, Umkomaas, Umlazi and Verulam. The study found 3,000 vacant land parcels in these areas with a combined extent of 1,800 Ha. Roughly a third of this land was owned by the municipality or other government institutions. When appropriate densities were applied for the urban centres and assuming all of the land was to be availed for housing, then significant numbers of new units could be built. The study recognised that this would be unlikely but the benchmark exercise illustrates the potential densification in the urban centres.

Recognized urban centres are not only are the suitable locations for achieving higher densities. The major passenger transport routes deserve similar attention. A spare residential capacity study was conducted as part of the study of the R102 Corridor from Warwick to Bridge City. [44] It found significant potential to densify, in the form of unused development rights, as well as in the form of infill opportunities on vacant land. Similar exercises should be conducted e.g. along the Integrated Rapid Public Transport Network (IRPTN).

41 A Strategic Housing Framework for The Durban Metropolitan Area. Draft. eThekwini Housing. 1998
42 Integrated Housing Development Plan. eThekwini Municipality. 2006
44 Conceptual Proposals for CBD to Bridge City - Public Transport & Integrated Land Use Corridor. eThekwini Municipality. Prepared by Anton Aiello Consultancy. 2010
c. Constraints

“Land availability and land demand for low income housing in the EM has been addressed to an extent in the Housing Unit’s Strategic Housing Framework for the EM. However, a number of constraints to land acquisition need to be acknowledged. These include amongst others, the lack of well located and suitable land, poor geo-technical conditions, high land values, competing land uses, environmental restrictions, land claims, conflicting interests especially with adjoining communities, etc. In addition the acquisition of land, particularly in cases where there is mixed land ownership, i.e. a combination of either Municipal, State, private and unregistered owners, has resulted in the need for different approaches to negotiations and different procedures for acquisition. This has resulted in unnecessary delays and often frustration. Despite the difficult context in which housing officials have had to operate, the identification and assessment of land for housing continues.” [45]

Well-located land is contested by other land uses than housing. For this reason the costs of land have been taken out of the housing subsidy to allow for the assembly of higher priced land. But funding for this purpose has not been sufficient. The institutional responsibility for land assembly and release for housing and other public purposes is diffuse, and several government units have legal competence, namely:

- The Department of Land Affairs
- The Housing Development Agency
- Municipalities, other government institutions and State-owned Entities

d. Land Assembly

“The total target for greenfields related projects is 120,000 sites which translates to a vacant land requirement of approximately 6,000 hectares assuming a density of 20 dwellings per hectare as per current conventional housing delivery.” [46] If the current intentions of achieving gross densities of greater than 20 dwellings per hectare are achieved, then the land assembly target could be reduced.

“If the demand for greenfields sites increases as a result of an unanticipated increase in the number of relocations required from informal settlement interventions, the amount of vacant land required for greenfields projects will increase as well. Greenfields projects require well-located land ideally in proximity to the informal settlements the residents lived in before relocation. Land acquisition and assembly is a critical aspect of Upgrading projects and of Greenfield projects. In the context of National Government imperatives as well as IDP objectives, the focus will be on increasing housing densities in appropriate locations thus reducing the amount of vacant land required. This shift towards eliminating urban sprawl and towards more sustainable settlements is acknowledged and accepted as it also drastically reduces the amount of funding that the EM will require to budget for extending bulk infrastructure and providing new community facilities.” [47]
The Housing Unit has a section in charge of land assembly for housing projects. This section works principally on request by the Housing Planning and the Project Management sections; they identify land suitable for housing projects. Occasionally the section is offered land for acquisition.

Funding is a key challenge for the Land Assembly function, as:

- The Department of Land Affairs has limited funds.
- The Housing Development Agency has limited funds.
- Municipalities, other government institutions and State Owned Enterprises (SOE) principally have to release land at market value; though there are exceptions. Other government institutions have often been slow to make land available.

6. Basic Services

a. Current Levels of Service

“The eThekwini Municipality has made eliminating backlogs in basic service delivery a priority. In the area of water delivery, 91% of households have water available within 200m of their dwelling. We are one of only a few municipalities that provide 9 kl of free basic water. 298,673 households use less than 9 kl; 27,199 households are supplied from ground tanks; and 178,228 households have access via water dispensers or standpipes. We are delivering water to our vast rural areas. Coverage is now 98% and we will have 100% coverage in three years. With respect to sanitation, 75% of the eThekwini households have access to at least the minimum level of sanitation. We will have delivered more than 300 ablution blocks in informal settlements over the next two years. We have accelerated the de-sludging of 4 000 ventilated improved pit (VIP) latrines – [to be] completed by 2010.”

The Water Department notes that in the Umgeni system the water supply has surpassed demand. This problem cannot be resolved at an engineering level alone but requires political decisions how best to respond.
“The figure for electricity service connections increases annually and currently 68% of households are connected. More than one-third of our residents are indigent. So we provide free electricity to more than 70,000 households. We provided 14,865 new customers with electricity this past year. We have increased free basic electricity from 50kWh to 65kWh, with some 60,000 households now accessing this. “Refuse collection from the kerbside is a service offered to 100% of households, which means all homes, both within formal and informal areas, have a once-a-week collection.”

b. The Consolidated Infrastructure Plan (CIP)

The Consolidated Infrastructure Plan Phase One identifies the backlog for bulk and reticulation infrastructure, and the backlog in asset management for water, sanitation, electricity and roads. The asset management section of the plan indicates the long-term operational costs.

Phase 1 of the CIP deals with the provision of services for the current Housing Plan and to rural areas. It acknowledges that later editions of the plan will need to deal with private developments as well. Phase One reflects all projects in the eThekwini Housing Plan, the Interim Service Program, rural backlogs and New Initiatives.

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49 Annual Report 2009 / 2010 - Chapter 1: Mayor's Foreword and Executive Summary. eThekwini Municipality. 2010
The Housing Plan contains short, medium and long-term projects. These are Upgrading, Greenfield, and Rural projects. The Interim Service Program provides a low level of services to informal settlements that will not be upgraded within the next 3 years. New Initiatives are developments of medium to high density housing, which make better use of spare capacity of existing infrastructure within the urban development line (UDL). The UDL is defined by the extent of the water borne sewer network. The CIP promotes compaction of the city and the use of spare bulk capacity. It specifically promotes higher density settlements inside the UDL.

Rural mass housing development is not supported. The density of rural developments should be limited to the natural capacity of the environment to assimilate the generated waste water.

c. **Service Standards**

The CIP distinguishes between three standards of services:

- **Rural service standards:** One ground tank per household supplied with 300l per day; Urine diversion toilet; Electrification only of densely clustered pockets; All weather surface to all public transport routes and roads within communities having a density greater than 15 persons per Ha

- **Interim Service standards:** Communal ablution blocks (toilets and showers) within 200m of served households; High mast lighting for security; Emergency access roads for waste removal, fire and emergency vehicles.

- **Urban service standards:** Semi pressure water house connections; Waterborne sanitation; Electricity connection; All weather surface roads.

d. **Cost Surfaces Model**

Land identified for both in-situ upgrade and greenfields projects are evaluated using the Cost Surface Model. This Model indicates spatially the presence as well as the capacity of bulk infrastructure across the municipality. It provides cost estimates for bulk infrastructure provision for any location in the city.
The objective of applying the model is to locate housing projects where services with available capacity are present rather than locating projects in areas where new services must be provided at higher cost to the Municipality. Where services are not available in areas identified for projects (given land constraints) a phased servicing approach integrating various (engineering) line budgets is undertaken.

It is noted that the Cost Surfaces Model needs to be regularly updated to reflect new developments.

e. Funding

Sources of funding are the Urban Development Settlement Grant (USDG) and municipal funds.

**URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)**

Approved by National Cabinet on 5 March 2003, the Municipal Infrastructure Grant (MIG) was a consolidated grant mechanism from national government to municipalities, which aims to address infrastructure backlogs. The MIG was facilitated through a Project Management Unit (PMU) which was a ‘ring-fenced’ unit imbedded in the municipality. Ideally the municipality drew up its MIG priority list from its three year rolling plans as part of the IDP process.

The objective of the MIG program was to provide grant funding to complement municipal capital funding to build basic municipal infrastructure for under-serviced communities. The MIG program covered a ten-year period, from 2004 to 2013. The overall budget was R 63bn, and annual budgets were between R 5bn and R 7bn nationally.

In 2010 the USDG replaced the MIG for the large municipalities such as eThekwini. For these municipalities the costs of internal services of housing projects have been included into this single infrastructure grant. eThekwini has made an application for USDG funding, which if approved, will result in about R1.1bn for each of three consecutive years.

The objective of USDG is the same as MIG’s, namely:

“To fully subsidise the capital costs of providing basic services to poor households and for this reason MIG prioritises basic infrastructure needs of poor households through the provision of appropriate bulk, connector and internal infrastructure in key services.”[51]

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7. Social Facilities

a. Definition

Social facilities are those publicly and privately owned and operated properties and-or services which are publicly accessible, which deal with social development and socio-economic development, and which are necessary components of sustainable human settlements. Social facilities include:

- Health
- Fire Protection and Emergency Services
- Police
- Education
- Sports and Recreation
- Social Grants
- Cemeteries
- Government Offices

b. Access Model

The Access Model\(^{[52]}\) assesses the accessibility of the social services that contribute to a quality living environment in eThekwini. Accessibility mapping techniques are used to map areas with insufficient access to community social services, as well as to indicate the likely unserved demand for services. Key outputs are the calculation of facilities backlogs for current development and that of the 5-year low-cost housing plan. The social services currently included in the Access Model are Primary Health Clinics, Community Health Centres, Primary Schools, Secondary Schools, Libraries, Fire Services, Community Halls, Sports Fields, Indoor Sports Halls, Sports Stadia, Swimming Pools, Cemeteries, Parks, and Police.

The model can be used to prioritise housing projects and potential land for housing projects with regard to accessibility of social facilities.

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\(^{[52]}\) Accessibility Mapping and Optimisation of Community Social Services In EThekwini. eThekwini Municipality. Prepared by the CSIR. 2008
c. Service Levels and Backlogs

According to the Access Model, the current levels of service for social facilities are as shown alongside.

A capital development program is in the design phase to respond to the most critical under-provisions of service. Overcoming under-provision in security, fire protection, health care, education (including libraries), cemeteries and basic recreation are likely to be prioritised.

### Funding

About R 4.5 Bn \(^{[53]}\) would be required for the construction costs of all facilities proposed by the Access Model. Additional funds would be required for land acquisition, equipment, staffing, and other operating costs. For the MTEF period ending 2011/12, eThekwini municipality committed R 83 million for a pilot program for essential social facilities.

Social facilities are either funded by the municipality or provincial line departments. For some types of facilities such as libraries and clinics there are overlapping funding responsibilities.

**PROVINCIAL FUNDERS**

The KZN DOHS Social and Economic Facilities Program provides funding for facilities if no other funding is available. “The Program deals with the development of primary public, social and economic facilities within existing and new housing areas, as well as within informal settlement upgrading projects, in cases where municipalities are unable to provide such facilities. Capital funding for the following facilities may be provided through the Program: Medical care facilities; Community halls; Community park, playground; Taxi ranks; Sport facilities; Informal trading facilities; and Basic ablution facilities for the above.”\(^{[54]}\) This program is relatively new and its use in eThekwini needs to be considered.

**CITY LINE DEPARTMENTS**

The city line departments fund social facilities that fall under the responsibility of the local sphere of government such as certain clinics and community halls. Libraries have been commonly funded by the city, despite them being a provincial responsibility.

**COORDINATION OF FUNDING**

The SHSS, once adopted, proposes a better coordination of funders of social facilities to create human settlements. Implementation mechanisms will need to be introduced.

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8. Transportation

a. Service levels

eThekwini has a well developed road and rail network, despite the significant topographical challenges. The network has a well-articulated hierarchy.

b. Integrated Transport Plan (ITP) [55]

The Integrated Rapid Public Transport Network (IRPTN) identified in the SDF is the foundation of the ITP. The IRPTN consists of North-South railway line from Bridge City to Isipingo and a number of Bus Rapid Transport (BRT) routes. It is planned that the network will have 18 transfer station ranks from rail to busses or minibus taxis.

The housing section of the ITP acknowledges the close link between location of settlements and public transport, and the need for the transport department to provide input into the selection of locations for new housing projects. From a transport point of view, the ideal locations of settlements are along the trunk routes. For the commuters these routes are most attractive and high patronage is likely, which in turn will increase the viability of the routes. Human settlements located outside the trunk routes will be serviced by feeder buses or minibus taxis.

The routing of the trunk routes and the location of the eighteen Transfer Stations has not been finalised. These are critically important for the accessibility of existing and future housing developments. Trunk routes must support high density corridor development as promoted in the Spatial Development Plans. The use of National roads as Trunk Routes must be carefully considered.
9. Municipal Spatial Planning

a. The 1998 Spatial Development Framework (SDF) \(^{[56]}\)

The main spatial planning intentions with regard to housing are to restructure the city towards integration of race and class. Densification is noted as a means to achieve restructuring of the city.

The SDF has the objectives that:

- Densification and Infill should contribute to the restructuring of the urban environment.
- Densification and infill should help to create thresholds for public transport
- Higher residential densities should be promoted around nodes and within corridors.
- Densification should include opportunities for diversification of uses and development of total living environments.
- Spontaneous unplanned processes of densification must be positively managed.
- Infill areas that provide opportunities for linking and integrating peripheral area should be prioritised for development.
- Re-development of under-utilised land should be promoted.

The SDF \(^{[57]}\) envisions an urban form which is characterised by:

- A compact city model
- Emphasis on accessibility and convenience in more densely populated urban areas
- Durban CBD and South Durban Basin playing dominant roles in job creation and rates income
- Small satellite centres playing support roles
- A high priority public transport network which connects the urban core and the satellite centres
- An informal economy at Warwick Junction
- Upper catchment open space area continuing to provide free environmental services to support the health of the core urban area
- An Urban Edge (now replaced by the Urban Development Line (UDL)) - as a tool to curb urban sprawl, to promote compaction and to achieve associated efficiencies, to secure agriculture and upper catchment environmental assets

The UDL has been developed essentially in terms of the Cost Surfaces Model which depicts the cost of bulk service provision across the entire municipality. It indicates the boundary internal to which it is currently sustainable to provide a full package of municipal services. In the current municipal Housing Plan, some 80% of the housing projects fall inside the UDL. But a large number of housing projects are very close to the UDL. This bare the danger of the UDL being shifted as it encourages private developers to locate projects in this zone, too. Development is encouraged inside the UDL as it utilises spare infrastructure capacity in already developed areas but some distance from the UDL should be observed.

The SDF identifies spatial investment areas including:

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56 Durban Spatial Development Framework. eThekwini Municipality. 1998
57 IDP 2010 and Beyond (2006-2011). eThekwini Municipality. 2010
• Dube Trade Port and surrounds in the north
• Back of Port and Durban International Airport site in central and south
• Cato Ridge and Hammarsdale and Mpumalanga industrial precinct.

The SDF has been detailed in four Spatial Development Plans (SDPs). The following sections on the SDPs focus on the housing aspects of the plans.

b. The Northern Spatial Development Plan (NSDP) [58]

The NSDP distinguishes three corridors: the northern rural corridor, the northern coastal corridor and the North Urban Development Corridor (NUDC). For the rural corridor consolidation of existing land uses, environmental protection and intensive agriculture are proposed. For the coastal corridor consolidation of existing land use and infill are proposed. For the NUDC, more intensive use is suggested, to achieve higher densities. The NUDC will be the location for greenfields development, infill development and compaction.

The North Urban Development Corridor Plan was recently completed. It formulates three Local Area Plans (one each for Verulam-Cornubia, INK & Phoenix, and Tongaat-Dube Tradeport), as well as a Transportation Framework for the wider North Urban Development Corridor.

It features significantly increased residential densities, particularly along main public transport routes and at transport nodes, and at existing urban centres, and for Cornubia.

Low-cost housing units are planned for the Ohlanga catchment area in the hinterland of INK and surrounding areas, to the west of Tongaat and Verulam, and in Cornubia.

Approximately 24,000 units are expected to be developed by the private sector. The spatial focal areas of the private sector will be the coastal plain east of the N2, and immediately north of the existing footprint along the coastline.

In order to achieve a more efficient urban form and to accommodate future developments the NSDP proposes residential densification for different area types (in dwellings per Ha):

<table>
<thead>
<tr>
<th>Area Type</th>
<th>Density (dwellings per Ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural corridor overall</td>
<td>3</td>
</tr>
<tr>
<td>Rural nodes</td>
<td>20</td>
</tr>
<tr>
<td>Coastal corridor overall</td>
<td>10</td>
</tr>
<tr>
<td>Coastal corridor in established nodes</td>
<td>100</td>
</tr>
<tr>
<td>Coastal corridor in new nodes and along metropolitan spines</td>
<td>75</td>
</tr>
<tr>
<td>NUDC overall</td>
<td>40</td>
</tr>
<tr>
<td>NUDC within 500 m of transportation spines</td>
<td>100</td>
</tr>
</tbody>
</table>

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c. The Central Spatial Development Plan (CSDP) [59]

The CSDP acknowledges that the poor are major users of the Central Metropolitan Region, but that with the exception of hostels, few can afford to live in the urban centres. The main residential areas of low income households are Cato Manor and Southern Pinetown. There is a large demand for housing in the low-income and affordable market (for ownership and rental). In its most extreme form demand manifests itself as rack-renting.

The CSDP promotes infill and compaction in order to achieve higher densities in desirable locations, especially through rental housing. But it notes that site specific conditions, infrastructure capacity as well as negative perceptions of densification needs to be considered.
LOCATIONS FOR NEW HOUSING IN THE CSDP

The main locations for publicly funded housing are in Southern Pinetown, Clermont-KwaDabeka and Cato Manor.

Locations for densification are the centres along existing transport infrastructure. Existing low density suburbs such as Westville, Queensburgh, New Germany and Pinetown should be densified through a range of housing options.

The CSDP proposes net densities (dwellings per Ha) for Local Areas:

- 80 Greater Durban CBD
- 50 Pinetown
- 30 Westville, Springfield, Cato Manor, Bluff
- 60 Chatsworth

**d. The Southern Spatial Development Plan (SSDP)**

In the Southern Metropolitan Region the population is expected to grow by about a quarter million people by 2030. A housing backlog exists, but is not quantified for the SSDP. The SSDP suggests addressing the future housing need through infill and densification of existing formal residential areas. Areas identified as suitable for densification are Isipingo, Umlazi, Amamzimtoti and Kingsburgh, and to a lesser degree Folweni, Adams Mission, Illovu and Umgababa.

The SSDP proposes that the large number of existing informal settlements should be upgraded. Greenfield developments can be created in the Illovu area west of the N2, in Umkomaas-Widenham east of the N2 and in Umkomaas-Craigieburn west of the N2.

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60 Southern Spatial Development Plan. eThekwini Municipality. 2009
The SSDP proposes net densities (dwellings per Ha) for local areas as:

- 3 - 15 Umbumbulu, Inwazi
- 6 - 15 Umkomaas, Illovu
- 3 - 20 Umnini, Umgababa
- 15 - 50 Amanzimtoti, Kingsburgh
- 6 - 30 Adams Mission, Folweni
- 30 - 50 Umlazi

e. The Outer West Spatial Development Plan (OWSDP) [61]

The OWSDP’s starting point is that the Outer West has a predominantly rural character which should be preserved. Therefore it suggests that residential densities should be significantly lower than in the rest of eThekwini.
The OWSDP proposes net residential densities (dwellings per Ha) for different types of areas:

1. Agriculture - Maintain agricultural lifestyle and productivity
2.5. Equestrian - Maintain equestrian lifestyle
2.5. Rural Residential - Maintain rural character and encourage rural lifestyle
5 - 10. Rural Residential 1 - Maintain low density (5 DU per Ha) in Traditional Areas and encourage efficient form by clustering residential (10dulha) development close to rural service and investment nodes on public transport routes.
5 - 40. Future Residential - Encourage future residential development in accordance with infrastructure availability, phasing, capacity and planning. Create efficient form by clustering medium-high residential development close to key urban nodes on public transport routes.

SUGGESTED RESIDENTIAL DENSITIES

Based on the density proposals, an overall potential of 247,000 residential units for the area is calculated. In 2006 around 144,000 units existed in Outer West. Therefore a potential for around 100,000 additional dwellings exists.

For Cato Ridge, affordable suburban housing is proposed at densities between 10 and 20 units per Ha, and 20 units per Ha is proposed for those areas in Fredville with access to sewerage. In areas without access to sewerage densities should be lower.
Part D - Strategic Approach to Housing

1. Key Challenges Relating to Human Settlements in eThekwini

- Urbanisation has been one of the most significant demographic and settlement trends over the past few decades.
  
  In 2007, eThekwini had approximately 3.6 million in some 900,000 dwellings. This is expected to increase to 3.7 million citizens by 2020 and by 2035 to 4.0 million citizens. The increase from 2007 to 2035 would be 14%.

  The majority - 86% - of eThekwini’s citizens in 2007 were urban - i.e. 3.014 million, and rural citizens numbered 0.511 million. There are presently no projections on how the distribution might change, but it seems likely that the urban periphery will continue to be a major destination for newly urbanising citizens, unless active steps are taken to promote a different pattern of urban growth.

- The average residential densities of the metro as a whole are generally too low to sustain public transportation and other infrastructure, or to promote the municipal economy.
  
  The gross municipal residential density is 3.75 dwellings per hectare, and 55% of the municipal surface has an average residential density of 3 dwellings or less. In areas where the residential densities are significantly higher – INK and KwaMashu, Umlazi and Chatsworth, Cato Manor and Berea, CBD, Pinetown Clermont and KwaDabeka – public transport is more viable.

- Availability of well-located land is a serious problem especially because the sustainability of settlements depends strongly on their location and accessibility.
  
  Well-located land is generally expensive and subject to competition from other uses. In the past the cost of land acquisition was capped by the limit imposed by the housing subsidy. This no longer applies, but adequate budgets and programs for land acquisition have not been established. Consequently the acquisition of land for human settlements has suffered.

  The Department of Land Affairs (DLA) reports that it does not have sufficient budget for land acquisitions in eThekwini. The HDA has a mandate to acquire land for human settlements but is currently only involved in land acquisitions in the Cornubia project in eThekwini.

  Land supply is challenging. Land owned by the municipality can and often has been used for housing purposes, but is usually subject to intense competition for other uses. The processes to use land owned by other spheres of government for housing tend to be complicated and time consuming. In addition land owned by SOEs is being treated as a balance sheet asset and consequently sold or let at market prices. At market price acquisition of private land is often the faster option.
• Densification and extension of existing informal settlements is observed.

• Funding constraints include the absence of a densification subsidy, and insufficient funds for local infrastructure.

• The demand in the low-income sub-market is very significant. In eThekwini the demand for low-income housing is estimated at 216,907 to 359,741 dwellings (800,000 to 1,400,000 residents [69], who make up between a quarter and a third of the municipal population).

• Informal settlements in urban areas are the largest challenge.
   “Informal settlements must be integrated into the broader urban fabric to overcome spatial, social and economic exclusion.” [70] This will require a range of short- and long-term responses, including interim relief, incremental upgrades, planning and management of informal settlements, greenfields, and sustained, long-term upgrading programs.

   In eThekwini since 1994, public investment has provided 163,746 [71] new housing opportunities. Many more households still live in inadequate human settlements, either because their shelters are inadequate, and-or they do not have access to basic infrastructure, social facilities and economic opportunities. The problem is most visible in informal settlements.

   The problem of eThekwini’s informal settlements is large, and is set to become more so as the province’s population urbanises. As the largest and most economically active city in the province, eThekwini is likely to attract more than a proportionate share of the province’s urbanising citizens, and from elsewhere in the country and beyond the borders.

• Hostels are a major challenge.
   eThekwini has hostels with 110,000 official beds. An upgrading and rebuilding program has started, using funds from the Community Rental Unit (CRU) program. This program improves the living conditions of the hostel residents substantially but it is by far not sufficient for the scale of the problem and it does not integrate the hostels socially into the surrounding neighbourhoods.

• Some Bad Buildings exist in the inner city.
   Some buildings have been taken over by Social Housing Institutions (SHI) who have refurbished them as rental units. Although Bad Buildings are not a major problem in eThekwini it needs to be continuously addressed.

• The rural low-income demand is significant, and is expected to grow.
   The demand in 2001 was officially estimated at 60,182 dwellings. [72] The estimate however treats all traditional dwellings as being inadequate shelters, in contrast to the common perception that traditional homesteads are often a better shelter solution than newly-built subsidised housing, although clear incidences of inadequate shelters exist. There is not sufficient information on rural shelter to clarify the situation.

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69 Cross-tabulation by the authors of the Jan 2011 eThekwini Housing Stats and the 2007 GIS Dot Method Dwelling Count.
71 July 2011 eThekwini Housing Stats.
For KZN as a whole the de-densification of some rural areas is likely. But this is unlikely to apply in eThekwini. Two other scenarios are more likely: continued densification of rural areas and their gradual transformation into suburban areas, and-or: the retention of rural settlements at low densities, especially where the municipality actively promotes agricultural use of the surrounding land.

- **Development of services and social facilities is often not aligned to greenfields housing projects.** This results in projects being delayed or citizens of new settlements not having access to services and amenities.

- **Formal property markets are not working efficiently for the low income and affordable housing income groups.**

  One reason is that formal transfer processes are expensive and time consuming. Poor households often rely on the informal property market. The informal property market is insufficiently recognised and regulated by the state and other decision-makers. This leaves the poor exposed to exploitation.

  Low income housing tends to distort the housing market. The typical RDP house costs around R120,000 but is provided free, and is consequently perceived as having a low market value.

  The housing policy seeks to support households seeking accommodation in the affordable market segment, but the financial capability of people in these markets is significantly over-estimated, whilst the cost of delivering such housing is typically under-estimated.

- **Although no conclusive figures are available it is commonly held that the unmet demand is also significant in the affordable housing sub-market.**

- **The rental market is significant.**

  It is estimated that 33% of households in eThekwini rent their accommodation. There is significant rental stock in the denser parts of the city. In suburban areas and townships, small-scale rental is prevalent, particularly in low- and middle-income areas. Backyard rental and sub-rental in existing houses are significant housing providers and have potential for expansion. The advantages of promoting rental in the suburbs are increased densities and social mix, and increased utilization of existing services and facilities. There is currently no enabling framework for this to occur. Instead there are impediments in place.

- **As in most SA cities, jobs are not where the people live, and vacant land for housing is not where the jobs are.**

  Most jobs in the manufacturing, warehousing and transport industry are located in the centre, south and west of the municipality but a large number of workers live in the north. Vacant land for low-income settlements has predominantly been identified in the north. The long distances between residences and employment need to be addressed.

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73 Personal communication with Frikkie Brooks, Office of the Premier, KZN Planning Commission
2. Response to the Key Challenges

“Sustainable Human Settlements” is the departure point for framing the key challenges, and for formulating a strategic approach, programs, and project priorities.

a. The Municipality's Strategic Approach on Housing

HOUSING VISION
The municipality’s Housing Vision embraces the concept of sustainable human settlements, and envisages:

“The creation of sustainable human settlements in eThekwini Municipality with a view to ensuring that ... all residents will have access to a housing opportunity which includes secure tenure, basic services and support in achieving incremental housing improvement in living environments with requisite social, economic and physical infrastructure”. [74][75]

HOUSING MISSION
The Housing Mission [76] of the municipality is to:

• Implement the Housing Vision within the context of a sustainable and integrated development-planning framework.
• Achieve the annual delivery of significant numbers of housing opportunities in the EMA.
• Ensure that the provision of housing opportunities and the development of balanced neighbourhoods will become part of a broader strategy to re-structure and transform the present sprawling and inequitable urban form into a more compact, integrated and accessible environment.
• Provide households of different interests and means with a range of tenure options and a variety of delivery systems, which will enable access to housing opportunities in an affordable and sustainable manner.

b. The Focus on Sustainable Human Settlement

The municipality’s Housing Vision and Housing Mission of 1998, confirmed in 2006, already embraced the concept of sustainable human settlements, several years before the term was adopted as a national priority. The 1998 Housing Mission contained significant references to the manner in which Housing would contribute to sustainable human settlements, and how it would provide a range of tenure and delivery methods.

74 A Strategic Housing Framework for The Durban Metropolitan Area. Draft. eThekwini Housing. 1998
75 Integrated Housing Development Plan. eThekwini Municipality. 2006
76 A Strategic Housing Framework for The Durban Metropolitan Area. Draft. eThekwini Housing. 1998
c. **Specific Responses to the Challenges**

The table provides an overview of strategic and programmatic responses to the challenges listed in the previous section. The strategies and programs are explained in more detail in the following sections and in Part E of this document.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Strategic response</th>
<th>Responding program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urbanisation</td>
<td>Sustainable Human Settlements [77]</td>
<td></td>
</tr>
<tr>
<td>Low residential densities</td>
<td>Typological strategies</td>
<td></td>
</tr>
<tr>
<td>Well-located land</td>
<td>Land assembly strategies</td>
<td></td>
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<tr>
<td>Informal Settlements</td>
<td>Informal settlement upgrading</td>
<td></td>
</tr>
<tr>
<td>Densification of informal settlements</td>
<td>Typological strategies</td>
<td>Informal settlement upgrading</td>
</tr>
<tr>
<td>Funding constraints</td>
<td>Funding strategies</td>
<td></td>
</tr>
<tr>
<td>Low income housing demand</td>
<td>Government-funded housing programs</td>
<td></td>
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<tr>
<td>Hostels</td>
<td>Access control strategy</td>
<td>CRU</td>
</tr>
<tr>
<td>Bad Buildings</td>
<td>Enforcement of by-laws</td>
<td>Social Housing</td>
</tr>
<tr>
<td>Demand for rural housing</td>
<td>Rural Housing Program</td>
<td></td>
</tr>
<tr>
<td>Social facilities not available in Greenfield housing projects</td>
<td>Prioritisation through “Access Model”</td>
<td>USDG, the investment programs of external units</td>
</tr>
<tr>
<td>Formal markets not working for low- and affordable housing</td>
<td>Recognition of informal and functional tenure</td>
<td>Informal settlement upgrading</td>
</tr>
<tr>
<td>Demand in affordable housing</td>
<td>FLISP, Social Housing, mortgage guarantees</td>
<td></td>
</tr>
<tr>
<td>Demand in rental market</td>
<td>Social Housing, CRU</td>
<td></td>
</tr>
<tr>
<td>Long distances between residences and jobs</td>
<td>Prioritisation of projects according to accessibility by</td>
<td></td>
</tr>
</tbody>
</table>

[77] To the best of our knowledge, the challenge of urbanization has not been resolved anywhere in the world.
d. Spatial Housing Plan

i. THE CURRENT SPATIAL FORM

eThekwini is spatially fragmented, and it has a low density. By contrast, Informal settlements tend to have much higher densities, especially within the inner core. Informal settlements with lower densities tend to be located on the urban periphery.

The spatial fragmentation and low density dramatically affect the access which residents can enjoy to places of residence, to employment, and to social facilities. “Fragmentation of the metropolitan area can threaten its potential as an economic engine, and social and environmental problems in any one part of the urban area can stunt overall metropolitan growth.”\(^{[78]}\) The city’s spatial structure “is an obstacle to its equitable, efficient and sustainable development and ... housing as the dominant urban land use is critical in this regard.” \(^{[79]}\)

Fragmentation and low density can be linked causally or directly to:

- Major transportation-related problems, especially: Public transport which is inefficient, or unsustainable or even non-viable; Long commuting times (average for the majority of eThekwini commuters is 2 hours return), impacting negatively on labour productivity and on domestic cohesion, and; High relative transport costs per low-income household
• Inefficient infrastructure, especially: High costs per dwelling for pipe runs, and road lengths; High costs per dwelling for maintenance and operations, and; Unused capacity.
• Economic problems, especially: Increased trade costs across many sectors of the local economy; Low-density residential customer bases creating barriers to L.E.D. in residential areas; Absence of or low levels of L.E.D. in residential areas in turn creating a barrier to mixed land uses.
• Higher order social and economic facilities require large geographic catchments and are consequently faraway from much of the population
• Underused public space, which contributes to security and urban quality issues.
• Environmental degradation through high energy requirements of transport
• Challenge to quality of life and to long-term sustainability.

Overcoming fragmentation and low density would diminish or reverse these negativities, as well as achieving:

• Spatial integration,
• Increased probability of cosmopolitanism, diversity of class and diversity of urban form

In the following sections strategies are suggested how to achieve this. Finally, a prioritisation model for low-income housing projects is proposed to ensure that publicly funded projects contribute to the objectives of spatial and social integration of the city. The prioritisation model is applied to all projects of the Housing Unit that are still at pre-feasibility stage and have not attracted capital funding yet.

ii. TYPOLOGICAL STRATEGIES

DEFINITION
Typological strategies seek to change the types of top-structures used in housing, as well as to change the configurations and service levels of roads and piped infrastructure.

PRINCIPLES AND POINTS OF DEPARTURE
• New subsidised housing must achieve a MINIMUM GROSS DENSITY (60 dwellings per hectare is suggested). In Prime Corridors the minimum residential density should be achieved at the same time as other uses are accommodated.
• Promote multiple dwellings in existing suburban developments
• In and close to PT Corridors, promote lower parking levels overall.
• Improve operational capacity at Social Facilities before considering new-builds
• Promote recycling of buildings

MECHANISMS
• Consciously define and apply housing typologies, as well as access & service typologies
• Use row-houses, duplexes, quads and semi’s for regular subsidised housing
• For housing using CRU Subsidies and Social Housing Grants, continue to use walk-ups
• No front building lines
• More on-street parking and more on-pavement parking (mountable kerbs, 4m wide pavements), reduce on site parking
• Encourage on-site parking to be behind buildings
• Include multiple dwellings (four minimum on township and suburban sites) into free-entry uses
• Promote multi-metering
• Prioritise pedestrians

TYPOLOGICAL STRATEGY – HOUSING EXAMPLES

Proposed Row-Houses Kenville

Brickfield Social Housing, Jozi

iii. FUNDING STRATEGIES

DEFINITION

Funding strategies means strategies to improve the sourcing of funds for housing and social facilities, as well as to improve how the funds are spent.

PRINCIPLES AND POINTS OF DEPARTURE
• Per Unit Costs of Land & Buildings for more intensive residential, economic and social uses are distinctly higher than for less intensive development, but the costs savings to the city (and to the citizens) over 20 years are greater than the initial extra capital.
• Excluding land costs, the available regular housing subsidies are almost adequate for higher-density low-rise developments if road access is limited.
• Regular housing subsidies don’t suffice for land purchase in good locations.
• For Social Facilities, favour operational expenditure increases at existing facilities over capital expenditure.
• The structure of grants and loans tends to favour single-use buildings, and requires change.

MECHANISMS
• Pursue all available sources for land funding (USDG, KZN Human Settlements, HDA)
• Clarify if the savings on infrastructure in higher density schemes can be invested in the top-structure
• Increase capacity at Social Facilities through operational expenditure first, and only consider capital expenditure when this alone cannot sufficiently increase capacity
• Investigate grant funding and loan financing for mixed-use multi-storey schemes
• Promote a source of grant funding for higher density housing typology in good locations, e.g. similar to the Restructuring Grant that applies for Social Housing in Restructuring Zones.
iv. LAND ASSEMBLY STRATEGIES

DEFINITION
Land Assembly Strategies seek to enable the assembly of land in optimal locations.

PRINCIPLES AND POINTS OF DEPARTURE
• Land Assembly is critical to achieving higher densities in the right locations
• The land assembly function needs to be up-scaled and elevated
• There is much land in the urban centres, URZs and PT Trunk Corridors
• Council is a significant land-owner (16% of vacant land in the Urban Centres)
• The ease of land assembly varies according to who the owner is. By owner type, in descending order, the easiest land for the municipality to assemble is:
  1. Council
  2. Private
  3. State
  4. Parastatal

MECHANISMS
• Do a fine grain audit of vacant and of under-used land in the Urban Centres, URZs and PT Trunk Corridors (First define the spatial extents of the areas to be audited)
• Strengthen the metro-level land assembly capability
• Investigate the possibility of creating a Metropolitan Strategic Land Fund
• Draw on the existing capabilities of land assembly (e.g. the land assembly agents for NRA, DoT, Eskom
• Take a policy decision to favour friendly expropriation (rather than private treaty) when multiple properties need to be assembled for a scheme

v. RESIDENTIAL PROPERTY MARKET STRATEGIES

DEFINITION
Residential Property Market Strategies seek to enable the stimulation of the residential property market in such a way as to promote intensification of use in the target areas.

PRINCIPLES AND POINTS OF DEPARTURE
• Most citizens (70% or more) qualify for low-cost once-off housing subsidies, and others qualify and receive monthly government housing subsidies.
• The sizes of the affordable, mid- and up-markets are small and not too much should be expected from them in leading delivery in the residential property market.
• Residential rental is key to the economic mobility of young and-or poor households.
• The participation by ordinary homeowners in the property market has been overlooked but is desirable and should be strengthened.
MECHANISMS

• Promote a representative study into income demographic in the Urban Centres, Suburban Centres, URZs and PT Trunks.
• Promote micro-landlord and small landlord, including financing and technical support.
• Study the turnaround in inner city residential high-rise buildings in Johannesburg (e.g. avoid sectional title managed by body corporates, promote single landlords, local security and beautification initiatives).
• Study the situation in inner city mixed-use medium-rise buildings in Tshwane (no dereliction, strong presence of private letting agents, mixed income groups, mixed-use buildings).
• Promote refurbishments and recycling (municipality & private)
• Relax parking and development controls
• Research why there is a significant incidence of unused property rights.

vi. INCREASED EMPHASIS ON URBAN DESIGN

Wherever housing projects contribute to the densification of the city, there is a need to pay attention to urban design issues. Urban design ought to concentrate on public places, the interface of social facilities with the community, public transport stops and interchanges, and streetscapes.

e. Prioritisation Model for Future Upgrading and Greenfields Housing Projects

The model principally prioritises housing projects according to location. It should be applied to all types of housing projects namely Greenfields and Upgrading Projects, but not to Rural projects. The different project types and related funding programs are explained in Part E below.

Criteria have been developed to assess the locations of future projects. These are:

• Within the Urban Development Line
• In walking distance of Public Transport Trunks
• In Existing Urban Settlements whose current densities promote sustainability
• At low investments in new Bulk Infrastructure
• Close to Selected Public Transport Interchanges
• Close to Essential Social Facilities.

Within the Urban Development Line helps to decide whether to assign the project to the Rural program or to another program.

In walking distance of Public Transport Trunks is the dominant criterion, and the other criteria are used to help rank projects.

Each criterion is described below.
1. WITHIN THE URBAN DEVELOPMENT LINE

DESCRIPTION
This criterion compares the relative proximity of housing projects to the Urban Development Line. The basis for the criterion is the extent of the water borne sewer network.

WEIGHTING
This is the primary filter used to distinguish between Rural projects and all the other types of projects (principally Upgrading and Greenfields projects).
ii. PROXIMITY TO PUBLIC TRANSPORT TRUNK ROUTES

DESCRIPTION  This criterion compares the relative proximity of housing projects to the public transport trunk routes. The trunk network used as the basis for the criterion is the IRPTN as proposed by ETA plus additional trunk routes identified by eThekwini Housing, notably the rail link from Bridge City to Tongaat, and the rail and freeway heading south from Isipingo. Projects with a proximity of less than 400 m are regarded as very accessible, while at the other extreme, projects further than 2 km from the trunk routes are regarded as having constrained access.

WEIGHTING  This is the primary criterion used to assess location of completed, approved and future projects of all types except Relocations.
iii. AT LOW INVESTMENTS IN NEW BULK INFRASTRUCTURE

DESCRIPTION
This criterion compares the relative cost per site of bulk and local infrastructure for full services. The basis for this criterion is the municipality’s “Cost Surfaces Model”.

Because typological choices affect the costs per site significantly, the Cost Surfaces information is treated as a benchmark rather than as a firm estimate. Projects with a benchmark of less than R 10,000 per site are regarded as very cheap to develop, while at the other extreme, projects with a benchmark of over R 50,000 per site are regarded as very expensive.

WEIGHTING
This criterion is the next most significant criterion after “Proximity to Public Transport Trunk Routes”, and is used to rank projects.
iv. **IN EXISTING URBAN SETTLEMENTS WHOSE CURRENT DENSITIES PROMOTE SUSTAINABILITY**

**DESCRIPTION**
This criterion assigns a preference to projects which are located within existing residential urban centres. The residential centres used as a basis for this criterion were those developed by Engineering Services for the social facility investment areas. Common characteristics are residential densities over ten dwellings per hectare, and with mostly high levels of infrastructure and reasonable to good access to social facilities.

**WEIGHTING**
This criterion is the next most significant criterion after “Cost Surfaces Model Benchmark”, and is used to rank projects.
v. CLOSE TO KEY PUBLIC TRANSPORT INTERCHANGES

DESCRIPTION This criterion assigns a preference to housing projects which are close to Selected Public Transport Interchanges. The interchanges used as the basis for the criterion are the stations identified by PRASA in their National Station Development Program, plus additional interchanges identified by eThekwini Housing, notably stations along the northern rail line which would serve Verulam, Cornubia and Tongaat. Projects with a proximity of less than 1km to the interchange are regarded as very desirable. ** denotes interchanges part of PRASA’s National Station Development Program.

WEIGHTING This criterion is the next most significant criterion after “Cost Surfaces Model Benchmark”, and is used to rank projects.
vi. CLOSE TO ESSENTIAL SOCIAL SERVICES

DESCRIPTION
This criterion assigns a preference to housing projects which are close to the Essential Local Social Services (Primary and Secondary Schools & Libraries, Clinics, and basic recreation in the form of Municipal Sportsfields and School Sportsfields).

WEIGHTING
This criterion is used to rank projects.
f. Application of the Prioritisation Model to Future Upgrading and Greenfields Projects

When the applied to Upgrading and Greenfields projects which are still at pre-feasibility stage and which have not yet attracted capital funding, the criteria results in a preliminary project prioritisation, summaries of which are shown below for different project types.

**UPGRADING AND GREENFIELDS PROJECTS WITHIN 400M OF PUBLIC TRANSPORT TRUNK ROUTES**

<table>
<thead>
<tr>
<th>UPGRADE</th>
<th>GREENFIELDS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>6</td>
<td>86</td>
</tr>
<tr>
<td>26,820</td>
<td>8,949</td>
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</tr>
<tr>
<td>2,088</td>
<td>697</td>
<td>2,785</td>
</tr>
</tbody>
</table>

- **ESTIMATED No. HOUSING OPPORTUNITIES**: 2,088, 697, 2,785
- **ESTIMATED VALUE OF SUBSIDIES REQUIRED FROM KZNDoHS (R MILLION)**: 35,769

**UPGRADING AND GREENFIELDS PROJECTS BETWEEN 400M AND 1 KM OF PUBLIC TRANSPORT TRUNK ROUTES**

<table>
<thead>
<tr>
<th>UPGRADE</th>
<th>GREENFIELDS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>40</td>
<td>48</td>
</tr>
<tr>
<td>15,400</td>
<td>3,594</td>
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<tr>
<td>1,199</td>
<td>280</td>
<td>1,479</td>
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- **ESTIMATED No. HOUSING OPPORTUNITIES**: 1,199, 280, 1,479
- **ESTIMATED VALUE OF SUBSIDIES REQUIRED FROM KZNDoHS (R MILLION)**: 18,994

**UPGRADING AND GREENFIELDS PROJECTS BETWEEN 1 KM AND 2 KM OF PUBLIC TRANSPORT TRUNK ROUTES**

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<thead>
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<td>1,607</td>
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<td>2,209</td>
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- **ESTIMATED No. HOUSING OPPORTUNITIES**: 28,363, 2,209
- **ESTIMATED VALUE OF SUBSIDIES REQUIRED FROM KZNDoHS (R MILLION)**: 28,363

**UPGRADING AND GREENFIELDS PROJECTS BEYOND 2 KM OF PUBLIC TRANSPORT TRUNK ROUTES**

<table>
<thead>
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<th>UPGRADE</th>
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<td>5,562</td>
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- **ESTIMATED No. HOUSING OPPORTUNITIES**: 86,716, 6,752
- **ESTIMATED VALUE OF SUBSIDIES REQUIRED FROM KZNDoHS (R MILLION)**: 86,716
FUTURE UPGRADE AND GREENFIELDS PROJECTS WITHIN 400m OF PUBLIC TRANSPORT TRUNK ROUTES

<table>
<thead>
<tr>
<th>UPGRADE</th>
<th>GREENFIELDS</th>
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<td>80</td>
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<td>2,088</td>
<td>697</td>
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<td>6</td>
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- No. PROJECTS
- ESTIMATED No. HOUSING OPPORTUNITIES
- AVERAGE PROJECT SIZE
- AVERAGE BENCHMARK INFRASTRUCTURE COST PER SITE
- ESTIMATED VALUE OF KZNDpHS SUBSIDIES REQUIRED (R MILLION AT 2010 VALUES)
- ESTIMATED No. YEARS UNTIL CIVILS WORKS START
- ESTIMATED MUNICIPAL FINANCIAL YEAR WHEN CIVILS WORKS COULD START
## FUTURE UPGRADE AND GREENFIELDS PROJECTS BETWEEN 400m AND 1 km OF PUBLIC TRANSPORT TRUNK ROUTES

<table>
<thead>
<tr>
<th>UPGRADE</th>
<th>GREENFIELDS</th>
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<th></th>
<th></th>
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<tbody>
<tr>
<td>40</td>
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<td>No. PROJECTS</td>
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</tr>
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<td>ESTIMATED No. YEARS UNTIL CIVILS WORKS START</td>
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</tbody>
</table>
### FUTURE UPGRADING AND GREENFIELDS PROJECTS BETWEEN 1 km AND 2 km OF PUBLIC TRANSPORT TRUNK ROUTES

<p>| UPGRADE | GREENFIELDS |  |
|----------|-------------|  |
| 68       | 9           | No. PROJECTS |
| 20,643   | 7,720       | ESTIMATED No. HOUSING OPPORTUNITIES |
| 304      | 858         | AVERAGE PROJECT SIZE |
| 10,792   | 14,754      | AVERAGE BENCHMARK INFRASTRUCTURE COST PER SITE |
| 1,607    | 601         | ESTIMATED VALUE OF KZNDoHS SUBSIDIES REQUIRED (R MILLION AT 2010 VALUES) |
| 10       | 10          | ESTIMATED No. YEARS UNTIL CIVILS WORKS START |
| 2021/22  | 2021/22     | ESTIMATED MUNICIPAL FINANCIAL YEAR WHEN CIVILS WORKS COULD START |</p>
<table>
<thead>
<tr>
<th>UPGRADE</th>
<th>GREENFIELDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>111</td>
<td>14</td>
</tr>
<tr>
<td>71,429</td>
<td>15,287</td>
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<tr>
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<tr>
<td>21,560</td>
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<td>12</td>
</tr>
<tr>
<td>2023/24</td>
<td>2023/24</td>
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</table>

No. PROJECTS
ESTIMATED No. HOUSING OPPORTUNITIES
AVERAGE PROJECT SIZE
AVERAGE BENCHMARK INFRASTRUCTURE COST PER SITE
ESTIMATED VALUE OF KZNDoHS SUBSIDIES REQUIRED (R MILLION AT 2010 VALUES)
ESTIMATED No. YEARS UNTIL CIVILS WORKS START
ESTIMATED MUNICIPAL FINANCIAL YEAR WHEN CIVILS WORKS COULD START
Part E - Housing Programs and Projects

1. Overview

The municipality has numerous housing programs, some of which overlap. To get an overview they are grouped below in two main groups. In addition special programs and support programs are being implemented.

MUNICIPAL HOUSING PROGRAMS

<table>
<thead>
<tr>
<th>Long-Term Ownership Programs</th>
<th>Rental Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective: Address Informal Settlements</td>
<td>Objective: Rationalise Municipal Role As Landlord Of Rental Stock</td>
</tr>
<tr>
<td>Rural Housing</td>
<td>Social Housing</td>
</tr>
<tr>
<td>Informal Settlement Upgrading</td>
<td>Council Rental Stock</td>
</tr>
<tr>
<td>Greenfield e.g. for Relocation</td>
<td>CRU</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td></td>
</tr>
</tbody>
</table>

The housing programs of eThekwini Municipality can be distinguished between those which:

- Long-term to ownership - or in case of rural housing to long-term leases
- Rental accommodation. This includes rental accommodation over the long-term and rental accommodation being transferred to the residents.

All the housing programs utilise a range of funding programs provided by national and provincial DoHS. Additionally, the municipality provides top-up funding for numerous programs.

2. Ownership Programs – Overview and Processes

This program covers low-income and affordable sub-markets. For low income groups, the prime objective is to assist households living in informal settlements. This objective is in line with Outcome 8 and the provincial priority of informal settlement eradication.
### a. Process and Role Players in the Implementation of the Long-Term Ownership Program

<table>
<thead>
<tr>
<th>step</th>
<th>role players</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Housing Unit</td>
</tr>
<tr>
<td>1</td>
<td>project identification</td>
</tr>
<tr>
<td>2</td>
<td>pre-screening – prioritisation model</td>
</tr>
<tr>
<td>3</td>
<td>land enquiry</td>
</tr>
<tr>
<td>4</td>
<td>procurements</td>
</tr>
<tr>
<td>5</td>
<td>Housing Working Group assessment and approval</td>
</tr>
<tr>
<td></td>
<td>Engineering - all basic services - facilities</td>
</tr>
<tr>
<td>6</td>
<td>subsidy application</td>
</tr>
<tr>
<td>7</td>
<td>procurements</td>
</tr>
<tr>
<td>8</td>
<td>land acquisition</td>
</tr>
<tr>
<td>9</td>
<td>funding assembly</td>
</tr>
<tr>
<td>10</td>
<td>Dev. Engineering - design of services</td>
</tr>
<tr>
<td>11</td>
<td>procurements</td>
</tr>
<tr>
<td>12</td>
<td>allocation and hand-over</td>
</tr>
<tr>
<td>13</td>
<td>close-out project</td>
</tr>
</tbody>
</table>
b. Applicability of the Process in the Implementation of the Long-Term Ownership Program

The preparation and implementation of projects in the Ownership Program follow the sequence outlined above. The full sequence, steps 1 to 13, applies only to

- The Greenfield program
- The Upgrading program Category A: Immediate full upgrade
- The Rural program

Projects in the Upgrading program Category B1: Interim Services follow steps 1 to 5 and then proceed to step 10. After approval by the Housing Working Group in step 10, Interim Services are designed and implemented by the Engineering Unit. Steps 6 to 9 and the final steps are omitted and will only be undertaken a later stages of these projects.

c. Description of the Steps in the Process of the Implementation of the Ownership Program

- **PROJECT IDENTIFICATION**: Most projects are identified by the Planning Section within the Housing Unit; but some projects are identified by the Project Management sections (Regional Offices). Project identification covers informal settlements and land for Greenfield projects.

- **PROJECT PRE-SCREENING**: Project pre-screening is undertaken by the Planning Section. It covers environmental aspects, geo-tech, bulk services etc.

- **LAND ENQUIRY**: Concurrent with pre-screening, an enquiry into the availability of the land is undertaken by the Land section in the Housing Unit. Only if the pre-screening is approved and in-principle agreement on the availability of land is reached (Municipal Clearance Certificate or in-principle sales agreement of private land owner) will the project proceed to the next step.

- **PRELIMINARY STUDY**: The Housing Unit appoints consultants for the preliminary study of project feasibility.

- **ASSESSMENT BY HOUSING WORKING GROUP**: The members of the Housing Working Group are:
  
  - Housing Unit (land assembly, planning, finance, M+E)
  - Treasury
  - Development planning (Public Sector Housing)
  - Engineering (water and sanitation, electricity, roads, solid waste)
  - Engineering (coordination of social facilities)
  - eThekwini Transport Authority
  - Environment

  The members of the Housing Working Group circulate the Preliminary Project Study to the relevant sections and assess the feasibility and cost implications of the project.

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80 See summarised organogram of the Housing Unit in Part G
• **SUBSIDY APPLICATION:** The subsidy applications to Province are compiled by the Project Management Sections (Regional Offices).

• **DETAIL DESIGNS:** The Housing Unit appoints consultants for the detailed project designs. This step includes the Planning and Development Act (PDA) development application, Environmental Impact Assessment (EIA), and General Plan (GP). This step takes 2-3 years until all applications have been approved.

• **LAND ACQUISITION:** Concurrent with the detailed design, the land is acquired by the Land Section of the Housing Unit. This often includes the appointment of conveyancers.

• **FUNDING ASSEMBLY:** Concurrently, funding is assembled by Project Management Sections of the Housing Unit.

• **DESIGN AND CONSTRUCTION OF ENGINEERING SERVICES:** The Development Engineering section designs and implements engineering services.

• **CONSTRUCTION OF TOP-STRUCTURES:** The construction of houses is commissioned by the Project Management sections to contractors and contract implementation is managed.

• **ALLOCATION AND HAND-OVER TO BENEFICIARIES:** Concurrently to construction the units are allocated to beneficiaries by the Allocation section of the Housing Unit. Completed units are handed over to Beneficiaries.

• **CLOSE-OUT:** The close-out of project includes the issuing of Title Deeds by the Conveyancing section in the Housing Unit, and the handover of project documentation to the KZN DoHS.

This project preparation and implementation process was introduced in 2009/2010. The provision of engineering services has been assigned to the Development Engineering section in the Engineering Unit. For township establishment, alignment with spatial planning and budgetary coordination, a new section - Public Sector Housing - was created in Development Planning Unit of eThekwini Municipality. All interviewed departments agree that the new distribution of responsibilities has improved the inter-departmental coordination and alignment at project stage.
3. Informal Settlements

a. Background

The 2009 National Housing Code’s Upgrading of Informal Settlement Programme (UISP) adopts a broad and inclusive definition of informal settlements. It characterizes informal settlements as settlements demonstrating one or more of the following characteristics:

- Illegality and informality;
- Inappropriate locations;
- Restricted public and private sector investment;
- Poverty and vulnerability; and
- Social stress.

An additional essential criterion is that informal settlements are urban and peri-urban in nature i.e. they are part and indications of urbanization. Informal settlements in eThekwini tend to be either dense or moderately dense.

**Dense informal settlements** which are located on inner city land or as infills within existing suburbs and townships. They are often the result of invasions onto marginal land exposed to risks like flooding and land slides. The top-structures typically are make-shift ‘shacks’ or ‘amajondolo’. They are usually very close together or may even be virtually continuous with one another with narrow footpaths providing access. There is typically no open space within such settlements as all space has been used for building accommodation. The living conditions within such settlements are usually very challenging with high risks associated with fire, crime, undisposed waste, and communicable diseases. Illegal electricity connections pose additional risks such as security, loss of revenue, outages and riots.

**Moderately dense settlements** are usually located on the urban periphery, adjacent to existing townships or suburbs or on land under traditional leadership. Such settlements, whilst certainly qualifying as being informal settlements, have significantly lower densities. The top-structures are either shacks or more substantial dwellings made of wattle, daub and tin or even blocks and tin. The living conditions, whilst challenging, are typically better than in very dense informal settlements. Residents are able to use public transport and other facilities in the adjacent formal areas.

All informal settlement are relatively well-located, in some cases even close to formal employment opportunities. They usually display some combination of six problems.

- Inadequate safety
- Poor access to engineering services
- Inadequate access to social services
- Tenure insecurity
- Poor top-structures posing safety risks e.g. of fire
- Inadequate urban management and regulation.
b. Completed Upgrades of Informal Settlements in eThekwini

<table>
<thead>
<tr>
<th>No. PROJECTS</th>
<th>ESTIMATED No. HOUSING OPPORTUNITIES</th>
<th>AVERAGE PROJECT SIZE</th>
<th>AVERAGE BENCHMARK INFRASTRUCTURE COST PER SITE</th>
<th>ESTIMATED VALUE OF SUBSIDIES RECEIVED FROM KZNDoHS (R MILLION AT 2010 VALUES)</th>
</tr>
</thead>
<tbody>
<tr>
<td>63</td>
<td>33,590</td>
<td>533</td>
<td>15,543</td>
<td>2,580</td>
</tr>
</tbody>
</table>
c. Existing Informal Settlements in eThekwini

There are 269,323 households in informal settlements. They constitute 30% of the metropolitan population.

Of these, several informal settlements are within floodplains and in landslide risk areas.
Fifteen settlements are wholly or largely within the 100 year flood-line, and 858 households appear to be at risk.

Three settlements are wholly or largely within landslide areas, and 270 households appear to be at risk.

d. Process by which to assign priority to informal settlements

See “Prioritisation Model for Future Upgrading and Greenfields Housing Projects” in section 2 e of PART D. The prioritisation model is applied first, before the assignment of development responses to informal settlements.

e. Process by which to assign development responses to informal settlements

The Informal Settlement Upgrading program is the major focus of eThekwini Housing, and addresses informal settlements. The principal intention is to upgrade informal settlements wherever possible and to only relocate residents if upgrading is impossible for health, safety or technical reasons. Social and economic amenities to enhance the sustainability of the upgraded settlement may also be provided or existing ones expanded.

eThekwini Housing follows a classification system of informal settlements according to the most appropriate development response based on technical factors. The classification system is applied after the prioritisation model.

---

The classification system is:

A Full upgrade
B1 Full incremental upgrade > Interim Services initially
B2 Cannot be fully upgraded but no imminent danger > Emergency Services
C Imminent danger > Relocation

Currently only the categories A, B and C are applied. The differentiation between B1 and B2 requires further technical assessments.

The flow-chart below provides an overview of the classification method.

1. RESPONSE A - FULL UPGRADE

CONCEPT
In informal settlements of this category the site they occupy will be re-developed at appropriate density. Partial relocation of residents may be necessary. Residents should be relocated to vacant land as close by as possible. This land should be developed as part of the same project.

CRITERIA
The site must be viable for full redevelopment with regard to location, land assembly, bulk services, topography, environmental impact and geo-technical conditions. Additionally the project must be ready for implementation including land secured, town planning application approved or approval imminent, and funding assembled.
PROGRAM SCALE AND PRIORITY
This is by far the largest sub-program implemented in eThekwini. Combined with the rural program 80% of the low-income ownership units are developed under this program.

ii. RESPONSE B 1 - INTERIM SERVICES INITIALLY

CONCEPT
Informal settlements of this category will be incrementally upgraded but partial relocation may be necessary in the long-term if existing densities are higher than appropriate and achievable. In a first stage Interim Services will provide the informal settlements with basic service. The Interim Service standards are:

• “200 metre access to ablution blocks (toilets and showers)
• “High mast lighting for security (where applicable)
• “Emergency access roads for waste removal, fire and other emergency vehicles (where applicable and physically possible to construct).” [82]

Electricity supply to households is currently unresolved. The electricity department funds the electrification only once per household and it cannot be guaranteed that the connection will be permanent.

Typically the residents have no formal security of tenure during the initial stages or the process but their right to stay on the occupied site is recognised. This gives the residents factual safety from eviction and the right to benefit in the incremental upgrading process.

CRITERIA
The site must be viable and appropriate for full upgrading, i.e. it must support long-term residential settlement. But the project is not yet ready for imminent full upgrading regarding all requirements such as land, town planning, and funding. The Interim Service program is applied where the further upgrading program will only commence in 3 or more years.

PROGRAM SCALE AND PRIORITY
The municipality has not yet differentiated between categories B1 and B2 of informal settlements. Jointly these categories apply to the majority of informal settlements. The Interim Services have a very high priority and the speed of rolling-out will depend on funding. For 2011/2012 and the two following years the city plans to provide Interim Services to 9,500 units annually.

iii. RESPONSE B 2 - EMERGENCY SERVICES

CONCEPT
This category of informal settlements is located on land that cannot be fully upgraded at reasonable costs because conditions are not conducive for long-term residential land use. In these settlements Emergency Services will be installed to serve the residents until they can be relocated.

82 Consolidated Infrastructure Plan. eThekwini Municipality. 2007
The standard of Emergency Services matches the standard of services in Transitional Housing areas; i.e.

- Communal standpipes
- Communal ablution blocks
- Foot paths for access.

CRITERIA
Although the site of an informal settlement does not offer a permanent housing solution and the residents will need to relocate eventually, residents are not in danger. After a settlement has been categorized as B2 no further feasibility studies need to be conducted for the site.

iv. RESPONSE C - RELOCATION

CONCEPT
This category of informal settlements is located on land that cannot be upgraded with reasonable costs and where danger to the residents is imminent. Therefore immediate relocation of the residents is necessary.

CRITERIA
Typical criteria for this category are locations in floodplains and where danger of land slides exists. A relocation destination must be available or must be found.

PROGRAM SCALE AND PRIORITY
In this category around 850 units in around 12 informal settlements have been identified. The priority of relocating these households is obviously high.

f. Medium density typologies e.g. double-storey units in informal settlements

PROGRAM DESCRIPTION
Most informal settlements have far higher densities than can be achieved with free standing, single storey houses. In order to minimise relocation and to optimise the use of the often well located land of informal settlements eThekwini Municipalities promotes medium-density housing typologies for the re-development of this land. A typical typology to achieve medium densities while providing individual ownership is double-storey row-houses. Informal settlements are often located on steep land. In such locations pedestrian access is promoted in order to achieve high densities.

The City Architects have undertaken a study into housing typologies\(^\text{[83]}\) which achieve higher densities and can provide guidance to housing projects, although all proposed types allow access by motor-car and on-site parking. Especially on steep land this could compromise the intention of medium densities. An additional advantage of not providing vehicular access to each site is that it may deter downward raiding in well-located low-income projects. It is therefore suggested to develop additional access typologies which emphasise public transport and pedestrianisation.

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\(^{83}\) Housing Typology Study. eThekwini Municipality City Architects. 2009
LOCATIONAL CRITERIA
The densification strategy targets dense informal settlements located on inner city land or as infills within existing suburbs and townships. Well-located also refers to locations in walking distance to urban nodes or along the PT trunk routes. The densification program is applicable to category A projects that are being upgraded at once.

PROGRAM SCALE AND PRIORITY
In 2010/2011 the target for medium-density units was 1,700 units or (20%) of the sub-program for in-situ upgrading. This percentage is planned to increase by 5% annually. In 2010/2011 double-storey row houses were built in a number of areas (e.g. in Cato Manor). For 2011/12 the target is 2,400 units, for 2012/13 3,200 units and for 2013/14 4,000 units.

FUNDING INSTRUMENTS
In addition to the funding instruments for the in-situ upgrading program a top-up subsidy for the houses is required, though no systematic funding source exists yet.

g. Emergency and Transitional Housing Program in informal settlements

PROGRAM DESCRIPTION
“During the process of upgrading informal settlements, it may be necessary to temporarily re-house households while services are being installed or formal houses are being built on sites previously occupied by informal structures. Likewise it may be necessary to provide temporary housing relief to households in stress following natural or man made disasters (e.g. where settlements have been destroyed by fire or houses have been rendered uninhabitable by storms and need to be repaired). In such cases the National Disaster Relief Fund renders the first line of Government assistance. The Emergency Housing Assistance Program may then be used for temporary housing for disaster victims until such time as they can be provided with permanent houses.” [84] The Emergency Housing program is very flexible and is also being used to permanently repair damaged houses and to set-up Transitional Housing Areas for people affected by disasters.

PROGRAM SCALE AND PRIORITY
The magnitude of the program varies strongly depending on emergencies. In 2009/2010 6,824 units were repaired or built. Additionally eight Transitional Housing Areas have been established.

---

## Funding Instruments

The table indicates which funding programs can be utilised for which category of informal settlement upgrading projects and estimate numbers of units per category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Land</th>
<th>Permanent Services</th>
<th>Interim Services</th>
<th>Emergency Services</th>
<th>Top-Structures</th>
<th>Relocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>USDG / IRDP</td>
<td>USDG / IRDP</td>
<td>n.a.</td>
<td>n.a.</td>
<td>IRDP</td>
<td>Partly RG</td>
</tr>
<tr>
<td>B1</td>
<td>UISP</td>
<td>n.a.</td>
<td>USDG</td>
<td>n.a.</td>
<td>UISP</td>
<td>Partly RG</td>
</tr>
<tr>
<td>B2</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>USDG / EH</td>
<td>n.a.</td>
<td>RG</td>
</tr>
<tr>
<td>C</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>EH</td>
<td>EH</td>
<td>RG</td>
</tr>
<tr>
<td><strong>Medium Density</strong></td>
<td>USDG / IRDP</td>
<td>USDG / IRDP</td>
<td>n.a.</td>
<td>n.a.</td>
<td>IRDP / Council</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>Emergency &amp; Transitional</strong></td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>EH</td>
<td>EH</td>
<td>RG</td>
</tr>
</tbody>
</table>

**USDG** Urban Sustainable Development Program  
**IRDP** Integrated Residential Development Program  
**RG** Relocation Grant  
**UISP** Upgrading of Informal Settlement Program  
**EH** Emergency Housing Assistance Program  
**n.a.** not applicable

Additional potential sources of funding are:

- HDA Land Acquisition Fund
- City Reticulation Infrastructure Top-Up
- KZN DOHS Provision of Social and Economic Facilities Program
- Municipal Line Departments Social Facility Funds
- Other Government Line Departments Social Facility Funds
4. Greenfields and other ownership-related housing programs

a. Greenfields program

PROGRAM DESCRIPTION
The Greenfields program complements the informal settlement upgrading program. Greenfields Projects accommodate households that need to be relocated from informal settlements, live in backyards or overcrowded accommodation. The municipality is in the process of finalising an allocation policy according to which around 75% of units in Greenfields projects will be allocated to households from informal settlements and the rest to the other groups of households in need of housing. This policy underlines the priority of informal settlements but acknowledges the needs of households living in backyards or in overcrowded situations.

LOCATIONAL CRITERIA
See “Prioritisation Model for Future Upgrading and Greenfields Housing Projects” in the previous section,

PROGRAM SCALE AND PRIORITY
This program is 20% of the overall low-income ownership units, i.e. 2,600 units per year. The priority of the Greenfields program is high as it is a complementary component to achieve the objective of addressing informal settlements.

FUNDING INSTRUMENTS
• HDA Land Acquisition Funds
• USDG
• City Reticulation Infrastructure Top-Up
• KZN DoHS Integrated Residential Development Program
• KZN DoHS Provision of Social and Economic Facilities Program
• Municipal Line Departments Social Facility Funds
• Other Government Line Departments Social Facility Funds
COMPLETED GREENFIELDS PROJECTS (SHOWN IN RELATION TO PUBLIC TRANSPORT TRUNKS)

76  No. PROJECTS
47,103  ESTIMATED No. HOUSING OPPORTUNITIES
620  AVERAGE PROJECT SIZE
12,728  AVERAGE BENCHMARK INFRASTRUCTURE COST PER SITE
3,618  ESTIMATED VALUE OF SUBSIDIES RECEIVED FROM KZNDoHS (R MILLION AT 2010 VALUES)
APPROVED GREENFIELDS PROJECTS WHERE CIVILS HAVE NOT STARTED (IN RELATION TO PUBLIC TRANSPORT TRUNKS)

<table>
<thead>
<tr>
<th>No. PROJECTS</th>
<th>ESTIMATED No. HOUSING OPPORTUNITIES</th>
<th>AVERAGE PROJECT SIZE</th>
<th>AVERAGE BENCHMARK INFRASTRUCTURE COST PER SITE</th>
<th>ESTIMATED VALUE OF SUBSIDIES APPROVED BY KZNDoHS (R MILLION AT 2010 VALUES)</th>
<th>ESTIMATED No. YEARS UNTIL CIVILS WORKS START</th>
<th>ESTIMATED MUNICIPAL FINANCIAL YEAR WHEN CIVILS WORKS COULD START</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td></td>
<td>17,646</td>
<td>929</td>
<td>12,489</td>
<td>1,374</td>
<td>3</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2014/15</td>
</tr>
</tbody>
</table>

FUTURE GREENFIELDS PROJECTS
See Part D
b. **Rural Housing**

**PROGRAM DESCRIPTION**
The Rural program applies outside of the Urban Development Line. Large parts of these areas are owned by the Ingonyama Trust. In areas under traditional authority the legal tenure is likely to remain long-term lease. The program can be applied based on functional tenure i.e. the written assurance that the households benefiting from the program have the undisputed right to live on the land they occupy.

All projects funded under the Rural program are in-situ upgrading projects. They typically include new-build or upgrading of internal municipal services, and new-build or upgrading of dwellings. Outside the Urban Development Line the rural service standards as defined in the Consolidated Infrastructure Plan apply:

- One ground tank per household supplied with 300l per day
- Urine diversion toilet
- Electrification only of densely clustered pockets
- All-weather surface to all public transport routes and to all roads within communities having a density greater than 15 person per Ha.

**LOCATIONAL CRITERIA**
The location of these projects must be in line with the Spatial Development Plans i.e. they must be located at proposed or existing rural nodes where basic services and social facilities can be accessed. The areas around Durban under traditional authority are incrementally densifying. This is a typical pattern of urbanisation in KZN. The Rural program is not meant to encourage this trend by providing top-structures in a scattered manner.

**PROGRAM SCALE AND PRIORITY**
The program is budgeted for jointly with the In-situ Upgrading program below. In the context of informal settlement upgrading the rural housing program has a relatively low priority as the focus is on developments inside the UDL. Only the provision of services through the Engineering Department has a high priority. In the 2010/2011 financial year 470 units were built in rural areas.

**FUNDING INSTRUMENTS**
- KZN DoHS Communal Land Rights
- USDG
- Municipal Line Departments Social Facility Funds (in rural nodes)
- Other Government Line Departments Social Facility Funds (in rural nodes)
APPROVED RURAL PROJECTS WHERE CIVILS HAVE NOT STARTED
(SHOWN IN RELATION TO PUBLIC TRANSPORT TRUNKS)

<table>
<thead>
<tr>
<th>3</th>
<th>No. PROJECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,000</td>
<td>ESTIMATED No. HOUSING OPPORTUNITIES</td>
</tr>
<tr>
<td>3,000</td>
<td>AVERAGE PROJECT SIZE</td>
</tr>
<tr>
<td>0</td>
<td>AVERAGE BENCHMARK INFRASTRUCTURE COST PER SITE</td>
</tr>
<tr>
<td>691</td>
<td>ESTIMATED VALUE OF SUBSIDIES APPROVED BY KZNDoHS (R MILLION AT 2010 VALUES)</td>
</tr>
<tr>
<td>3</td>
<td>ESTIMATED No. YEARS UNTIL CIVILS WORKS START</td>
</tr>
<tr>
<td>2014/15</td>
<td>ESTIMATED MUNICIPAL FINANCIAL YEAR WHEN CIVILS WORKS COULD START</td>
</tr>
</tbody>
</table>
### FUTURE RURAL PROJECTS (SHOWN IN RELATION TO PUBLIC TRANSPORT TRUNKS)

<table>
<thead>
<tr>
<th>Project Details</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. PROJECTS</td>
<td>20</td>
</tr>
<tr>
<td>ESTIMATED No. HOUSING OPPORTUNITIES</td>
<td>12,171</td>
</tr>
<tr>
<td>AVERAGE PROJECT SIZE</td>
<td>609</td>
</tr>
<tr>
<td>AVERAGE BENCHMARK INFRASTRUCTURE COST PER SITE</td>
<td>n/a</td>
</tr>
<tr>
<td>ESTIMATED VALUE OF SUBSIDIES REQUIRED FROM KZNDoHS (R MILLION AT 2010 VALUES)</td>
<td>935</td>
</tr>
<tr>
<td>ESTIMATED No. YEARS UNTIL CIVILS WORKS START</td>
<td>6</td>
</tr>
<tr>
<td>ESTIMATED MUNICIPAL FINANCIAL YEAR WHEN CIVILS WORKS COULD START</td>
<td>2023/24</td>
</tr>
</tbody>
</table>
c. **Affordable Housing**

**PROGRAM DESCRIPTION**

To assist households in the affordable housing market the national government avails financial assistance to individual households with monthly incomes of R 3,500 to R 15,000 who are often excluded from the bond market. The government assistance takes the form of assistance to down payment for mortgage (FLISP) and Mortgage Insurance. Mortgage Insurance has been included in Outcome 8, with a target of assisting 600,000 households countrywide but this program is not operational yet. “This Program [FLISP] provides access to state assistance where qualifying households wish to acquire an existing house or a vacant serviced residential stand, linked to a house construction contract through an approved mortgage loan. These properties are available in the normal secondary housing market or have been developed, as part of projects not financed through one of the National Housing Programs. The Program encourages the growth of the secondary residential property market achieving an objective of the Comprehensive Plan for the Creation of Sustainable Human Settlements.” [85]

Affordable housing is developed by private developers. The city takes on a facilitating role by

- Selling well-located land (infill locations) to developers at cost, and
- Allocating the units to households in the affordable income bracket.

**LOCATIONAL CRITERIA**

The location of land sold by the city for affordable housing must be in line with the spatial strategies of the city, i.e. it is typically well located in urban nodes.

This program is intended to play a critical role in establishing socially integrated suburbs. In eThekwini the most prominent project in this regard is Cornubia where a mix of housing types for different income groups is planned.

**PROGRAM SCALE**

The target for this program was 1,000 units in 2010/2011. At the end of the 3rd quarter the 746 housing opportunities had been facilitated. For each financial year up to 2013/2014 the same target of 1,000 units has been set.

**FUNDING INSTRUMENTS**

- FLISP
- Mortgage Insurance
- Land sales at cost (indirect Municipal funding support)

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temporary program to rectify poorly constructed housing units or to extend housing units of 30m² to 40m² in line with BNG standards.

PROGRAM SCALE AND PRIORITY
This sub-program has been implemented extensively in the 2009/10 financial year with 6007 housing units being rectified. The program is being phased out.

FUNDING INSTRUMENTS
• KZN DoHS Rectification of Certain Residential Properties

5. Rental Programs

a. Low-income Rental - Community Residential Units (CRU)

PROGRAM DESCRIPTION
The CRU program aims to provide rental tenure for low income earners who cannot afford units in the Social Housing Program. Residents of these rental units may share kitchen and ablution faculties. The CRU subsidy is used to support the upgrading of government-owned hostels. “The housing stock funded by the CRU Program should remain in public ownership and cannot be sold or transferred to individual residents. Long-term capital or major maintenance funding can be accessed through the CRU Program. However, funding of operating costs has to come from the rental income collected by the owner.” 871 eThekwini Municipality uses the program to build family units for former hostel residents.

LOCATIONAL CRITERIA
In eThekwini the CRU Program is part of the hostel program. The program converts existing hostels into family units and/or builds new once adjacent to hostels. Hostels are located in central Durban or at the edges of townships. They are usually well served by public transport.

PROGRAM SCALE AND PRIORITY
For 2010/2011 a target of 50 family units was set. It was already exceeded in the 3rd quarter with 56 units built. Because the program is expensive (R350 000 per unit), the scale depends on the available funding from the province. Quantitatively, the program is completely insufficient to address hostel accommodation. Officially 110 000 people live in hostels but in reality the hostels accommodate far more residents. Additionally, shack settlements exist around some hostels whose residents have close social relations to the hostel residents.

FUNDING INSTRUMENTS

- USDG
- KZN DoHS Community Residential Units Program

PROJECTS PLANNED FOR 2011 - 2014

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>DEVELOPER</th>
<th>UNITS</th>
<th>TYPE OF PROJECT</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donnelly Road</td>
<td>eThekwin Municipality</td>
<td>128</td>
<td>CRU Project</td>
<td></td>
</tr>
<tr>
<td>Bayview</td>
<td>eThekwin Municipality</td>
<td>650</td>
<td>CRU Project</td>
<td></td>
</tr>
<tr>
<td>Woodlands</td>
<td>eThekwin Municipality</td>
<td>180</td>
<td>CRU Project</td>
<td>Planning stage</td>
</tr>
<tr>
<td>3 Projects</td>
<td>TOTAL</td>
<td>958</td>
<td>Units</td>
<td></td>
</tr>
</tbody>
</table>

b. Existing Council Rental Stock – Hostels

1. KwaMashu
2. Strollers
3. Dalton
4. Thokoza
5. Jacobs
6. SJ Smith
7. Glebelands
8. Umlazi T
9. KwaMakhutha
10. Ngcobo C
11. KwaDabeka
PROGRAM DESCRIPTION
The municipality owns and administers hostels with around 110,000 residents. Theoretically, the CRU program should replace hostels with decent and more family oriented rental accommodation but it is far too small and expensive to replace all hostels. It is therefore expected that the municipality will keep and maintain hostels for the foreseeable future. Currently, the ‘Access Control Strategy’ is being implemented in the hostels.

PROGRAM SCALE AND PRIORITY
At the end of 2009/2010 financial year access control had been installed in 6 out 9 hostels. Access control is being installed in the remaining 3 hostels.

FUNDING INSTRUMENTS
• CRU

c. Disposal of Existing Council Rental Stock
The municipality owns rental flats. Those which are financially unsustainable will be renovated and sold to the occupants. The municipality will keep flats that are financially sustainable. The sales program applies to council stock in Phoenix, Newlands, Chatsworth, Merebank and Wentworth.

LOCATIONAL CRITERIA
The Council stock sold to the occupants is mainly located outside of the CBD and its Surrounds.

PROGRAM SCALE AND PRIORITY
In 2010/11 the target was to sell 1,000 units, which was exceeded. There are about another 5,000 more flats for sale. The sales target of 1,000 units p.a. remains for coming years.

FUNDING INSTRUMENTS
- KZN DoHS Rectification of Residential Properties Created Pre-1994
- Enhanced and Expanded Discount Benefit Scheme

**d. Institutional and Social Housing**

**PROGRAM DESCRIPTION**
The Institutional Housing program funds affordable rental accommodation for income groups between R1,500 and R3,500 per month. The program is being implemented by institutional entities. The program supports often vulnerable groups and people with special needs. In eThekwini the program has been used by TAFTA to build accommodation for 180 retirees.

The Social Housing Program is based on the institutional program but has a locational component. “The Social Housing Program [...] applies only to “restructuring zones” which are identified by municipalities as areas of economic opportunity and where urban renewal can best be achieved. The Program also aims at developing affordable rental in areas where bulk infrastructure (sanitation, water, transport) may be under-utilised, therefore improving urban efficiency.”[^88] In Restructuring Zones additionally to the Institutional subsidies a Restructuring Grand is supplied. The Social Housing Program is used to refurbish bad buildings in the CBD and convert them into social housing units. It is also being applied to build new blocks of flats mainly in suburban locations. The Social Housing program is exclusively implemented by Social Housing Institutions. “The Program provides for grant funding to establish, capacitate and capitalise social housing institutions which may develop, hold and administer affordable rental units within identified restructuring zones. The social housing institutions need to be registered with the Social Housing Regulatory Authority.”[^89]

LOCATIONAL CRITERIA
The Social Housing Program must be located in Restructuring Zones that are identified and dedicated around urban nodes and corridors. The Institutional Housing may be applied anywhere.

PROGRAM SCALE AND PRIORITY
The target for these programs was 1,000 units in 2010/11. There is a project pipeline of 10 projects, with 1,090 units for the period until 2014. For each financial year up to 2013/2014 a target of only

750 rental units has been set, based on the experienced slow implementation process. Nationally, rental housing enjoys very high priority in Outcome 8. A national target of 80 000 rental units has been set for a 4-year period.

FUNDING INSTRUMENTS
• SHRA Social Housing Program
• KZN DoHS Institutional Housing Subsidy Program

PROJECTS PLANNED FOR 2011 - 2014

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>SHI</th>
<th>UNITS</th>
<th>TYPE OF PROJECT</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoca Hills</td>
<td>First Metro</td>
<td>520</td>
<td>Social Housing</td>
<td>Approved by SHRA</td>
</tr>
<tr>
<td>Lakehaven Phase 2</td>
<td>First Metro</td>
<td>272</td>
<td>Social Housing</td>
<td>Approved by SHRA</td>
</tr>
<tr>
<td>Hilltops (Seaview)</td>
<td>First Metro</td>
<td>241</td>
<td>Social Housing</td>
<td>Not yet approved by SHRA</td>
</tr>
<tr>
<td>Huntley Roads</td>
<td>SOHCO</td>
<td>500</td>
<td>Social Housing</td>
<td>Feasibility study stage</td>
</tr>
<tr>
<td>Woodlands</td>
<td>First Metro</td>
<td>165</td>
<td>Social Housing</td>
<td>Feasibility study stage</td>
</tr>
<tr>
<td>Clarendon House</td>
<td>KZN Society for the Blind</td>
<td>187</td>
<td>Institutional Subsidy</td>
<td>For vulnerable groups</td>
</tr>
<tr>
<td>135 Anton Lembede Street</td>
<td>Durban Beach Shelter</td>
<td>200</td>
<td>Transitional Subsidy</td>
<td>For short-term accommodation</td>
</tr>
<tr>
<td>Campell Road (Berea)</td>
<td>To be determined</td>
<td>to be determined</td>
<td>Social Housing</td>
<td></td>
</tr>
<tr>
<td>Percy Osborne (Morningside Area)</td>
<td>To be determined</td>
<td>to be determined</td>
<td>Social Housing</td>
<td></td>
</tr>
<tr>
<td>Cornubia</td>
<td>To be determined</td>
<td>1 500</td>
<td>Social Housing</td>
<td></td>
</tr>
</tbody>
</table>

10 Projects TOTAL 3,090 Units

6. Other Programs

a. Integrated Residential Areas

PROGRAM DESCRIPTION
“There is a need to more effectively integrate the peripheral townships and informal settlements into the spatial and economic life of the city. This requires that plans are produced that actively seek to link the city, the suburbs, and the townships/informal settlements. This is most likely to be promoted through corridor development along the major public transport routes, promoting
economic opportunities along such corridors, and linking employment and housing opportunities in these areas.\(^{[90]}\)

This principal goal of using housing development to restructure and integrate the city is further discussed in the section on Spatial Housing Plan. It is also pursued in the large scale new development to create an integrated suburb in Cornubia.

**FUNDING INSTRUMENTS**

- SHRA Social Housing Program
- KZN DoHS Individual Subsidy Program (Credit-Linked)
- KZN DoHS Integrated Residential Development Program
- Affordable Housing
- KZN DoHS Community Residential Units Program

**b. Densification of Low-Density Housing Areas**

**PROGRAM DESCRIPTION**

There is “the need to densify the existing suburbs. There are ample opportunities to increase residential densities in the current suburbs through removing restrictions which currently prevent, or make too expensive, opportunities to sub-divide, build on cottages, and so on. Restrictions which need to be re-assessed include those pertaining to minimum plot sizes, maximum plot coverage, height restrictions, sub-division laws, building regulations, etc. While the role of the local government in this sphere should not be directly interventionist, it can provide incentives to promote residential densification through rates restructuring, rebates, reduction of plan submission fees, and relaxation of restrictions and inappropriate controls. The potential to densify the city through such mechanisms should not be discounted as residential densities in existing low density suburbs could possibly double without undue pressure on existing services and with limited financial contributions from public coffers. Whereas it is unlikely that suburban densification will meet the needs of lower income families to any significant extent given the high costs of land associated with these areas, it will nevertheless promote compaction of the city and leave more scope for the location of low income housing opportunities in well located areas and mitigate urban sprawl.”\(^{[91]}\)

**c. Land Acquisition**

**PROGRAM DESCRIPTION**

This program seeks to address the serious challenge of obtaining suitable land for human settlements. “Perhaps the most significant factors hampering appropriate location of housing delivery in the DMA area are those associated with land availability. Opportunities to promote development of vacant and/or under-utilized land, are subject to a number of restrictions, not least of which is acquiring the land at an affordable price.”\(^{[92]}\) The Housing Unit has a dedicated section for land assembly. “The key functions of the section specifically relate to three areas of expertise:

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\(^{[90]}\) A Strategic Housing Framework for The Durban Metropolitan Area. Draft. eThekwini Housing. 1998

\(^{[91]}\) A Strategic Housing Framework for The Durban Metropolitan Area. Draft. eThekwini Housing. 1998

\(^{[92]}\) A Strategic Housing Framework for The Durban Metropolitan Area. Draft. eThekwini Housing. 1998
• Land identification and acquisition of land tenure rights from land owners – both private and public, through a myriad of intervention processes to ensure suitable land is secured for strategic housing projects.

• The assessment and management of the immovable property assets in the ownership of the eThekwini Municipality to ensure strategic release programs of land parcels for a variety of developments based on integration and sustainable models.

• The registration of the land parcels so as to ensure the correct release mechanism of the land components relative to the strategic housing delivery program initiated in each case.\(^{93}\)

The Land Section works on request of the Planning Section and the Regional Offices in charge of project implementation. If the occasion arises, e.g. in the form of offers to the Housing Unit to purchase land, the Section also identifies potential housing projects.

PROGRAM SCALE

The land section assembles land for all projects that are not located on municipal land. Land assembly is a bottleneck for project development because of limited funding and long and complicated processes.

FUNDING INSTRUMENTS

- KZN DOHS Integrated Residential Development Program
- HDA Land Acquisition Funds
- USDG
- City Land Acquisition Funds

7. Delivery targets for the MTEF and IDP Periods

The preliminary delivery targets for the housing programs are shown in the table below indicating:

• The targets for the three-year MTEF period of 2011/12 to 2013/14
• The targets for the IDP period of 2011/12 to 2015/16
• The relative emphasis of the housing programs.

<table>
<thead>
<tr>
<th>Program</th>
<th>2011/12 units</th>
<th>2012/13 units</th>
<th>2013/14 units</th>
<th>2014/15 units</th>
<th>2015/16 units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrades, Greenfields, and Rural</td>
<td>8,500</td>
<td>10,000</td>
<td>12,000</td>
<td>14,000</td>
<td>16,000</td>
</tr>
<tr>
<td>Interim Services</td>
<td>9,500</td>
<td>9,500</td>
<td>9,500</td>
<td>9,500</td>
<td>9,500</td>
</tr>
<tr>
<td>Rental - Sales of Council Stock</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Rental - CRU</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Social and Affordable</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

• The targets may be adjusted downwards if funding is insufficient.

\(^{93}\) Application for Level 2 Accreditation. Submitted by eThekwini Municipality, 2010
8. Budget Requirements

a. Basis for Estimating the Budget Requirements

• The budget requirements are based on the delivery targets described in the previous section, and on currently available subsidies.

• For all projects funding must be sourced from a number of sources as indicated above. The three largest sources of funding are housing subsidies, Council subsidies and USDG. In this section only the budget requirements for housing subsidies and Council subsidies are summarised. USDG budget requirements are outlined below.

• Implications for budget and funding sources are shown for the forthcoming three-year MTEF Period (from 2011/12 to 2013/14) and for the forthcoming five-year IDP Period (from 2011/12 to 2015/16).

• The years referred to are the financial years of the municipality, which end on 30th June.

• All of the budget requirements have a normalised base i.e. escalation of costs, and escalation of subsidies have not been factored in. The reasons for describing normalised budget requirements and for not including escalation are: to enable a simple comparison of budget requirements, and; because the current economic circumstances appear to have had significant retarding impacts on the cost escalations and on subsidy escalations, and consequently these are significant enough to cast doubt in the validity of escalation forecasts.

• Most of the State Subsidies referred to below are based on the 2010/11 Subsidy Quantum of the National Department of Human Settlements, which appears to be applicable for the 2011/12 year.

• All of the budget requirements are shown in millions of Rand.

b. Summary of Budget Requirements

The budget requirements of the delivery targets for the forthcoming MTEF and IDP periods are described below in summary.

<table>
<thead>
<tr>
<th>Program</th>
<th>Year</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Target</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upgrades, Greenfields, and Rural</td>
<td></td>
<td>8,500</td>
<td>10,000</td>
<td>12,000</td>
<td>14,000</td>
<td>16,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rm</td>
<td>Rm</td>
<td>Rm</td>
<td>Rm</td>
<td>Rm</td>
</tr>
<tr>
<td>Interim Services</td>
<td></td>
<td>1,069.88</td>
<td>1,258.68</td>
<td>1,510.42</td>
<td>1,762.15</td>
<td>2,013.89</td>
</tr>
<tr>
<td>Rental - Sales of Council Stock</td>
<td></td>
<td>190.00</td>
<td>190.00</td>
<td>190.00</td>
<td>190.00</td>
<td>190.00</td>
</tr>
<tr>
<td>Rental - CRU</td>
<td></td>
<td>54.65</td>
<td>54.65</td>
<td>54.65</td>
<td>54.65</td>
<td>54.65</td>
</tr>
<tr>
<td>Social and Affordable</td>
<td></td>
<td>74.33</td>
<td>74.33</td>
<td>74.33</td>
<td>74.33</td>
<td>74.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(minimum)</td>
<td>(minimum)</td>
<td>(minimum)</td>
<td>(minimum)</td>
<td>(minimum)</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>1,388.86</td>
<td>1,577.66</td>
<td>1,829.40</td>
<td>2,081.13</td>
<td>2,332.87</td>
</tr>
</tbody>
</table>
c. **Budget Requirements by Program**

i. **UPGRADES, GREENFIELDS, AND RURAL**

<table>
<thead>
<tr>
<th>Program and Delivery Target</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Subsidies at up to R 83,868 each</td>
<td>712.88</td>
<td>838.68</td>
<td>1,006.42</td>
<td>1,174.15</td>
<td>1,341.89</td>
</tr>
<tr>
<td>Council Subsidies up to R 42,000 each</td>
<td>357.00</td>
<td>420.00</td>
<td>504.00</td>
<td>588.00</td>
<td>672.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,069.88</strong></td>
<td><strong>1,258.68</strong></td>
<td><strong>1,510.42</strong></td>
<td><strong>1,762.15</strong></td>
<td><strong>2,013.89</strong></td>
</tr>
</tbody>
</table>

For Upgrades and Greenfields, the composition, by item and funding source, of the budget per individual housing opportunity is shown below.

<table>
<thead>
<tr>
<th>Subsidy 2010/11</th>
<th>Source</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Residential Development</td>
<td>DoHS</td>
<td>77,868</td>
</tr>
<tr>
<td>Land Cost</td>
<td>DLA/HDA</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Sub Total – State Subsidies</strong></td>
<td></td>
<td><strong>83,868</strong></td>
</tr>
<tr>
<td>Top-Up (Local Infrastructure)</td>
<td>EM</td>
<td>32,000</td>
</tr>
<tr>
<td>Bulk Infrastructure</td>
<td>EM</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Sub Total – Council Subsidies</strong></td>
<td></td>
<td><strong>42,000</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>125,868</strong></td>
</tr>
</tbody>
</table>

The budget per individual housing opportunity does not include Variation Allowances
For Rural, the relevant subsidies are State Subsidies\(^{[94]}\) at R 76,812 each

ii. **INTERIM SERVICES**

<table>
<thead>
<tr>
<th>Program and Delivery Target</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Subsidies(^{[95]}) at R 20,000 each(^{[96]})</td>
<td>190.00</td>
<td>190.00</td>
<td>190.00</td>
<td>190.00</td>
<td>190.00</td>
</tr>
</tbody>
</table>

iii. **SALES OF COUNCIL STOCK**

<table>
<thead>
<tr>
<th>Program and Delivery Target</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Subsidies(^{[97]}) at R 54,650 each</td>
<td>54.65</td>
<td>54.65</td>
<td>54.65</td>
<td>54.65</td>
<td>54.65</td>
</tr>
</tbody>
</table>

\(^{94}\) USDG
\(^{95}\) Mainly subsidies availed under the Communal Land Rights Programme
\(^{96}\) Information Document: eThekwini’s Basic Interim Services Programme. PPT. 2010
iv. **RENTAL - CRU**

<table>
<thead>
<tr>
<th>Program and Delivery Target</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

State Subsidies [98], variable

v. **SOCIAL HOUSING**

<table>
<thead>
<tr>
<th>Program and Delivery Target</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

State Subsidies [99], from 74,333 each

vi. **AFFORDABLE HOUSING**

<table>
<thead>
<tr>
<th>Program and Delivery Target</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

No specific State or Council subsidies

9. **Funding Risks**

Outcome 8 shifts the focus of housing policy to informal settlements and to those large municipalities that accommodate many informal settlements. The housing programs of eThekwini Municipality are in line with this shift. A number of issues of the new funding environment have not been resolved yet, which result in difficulties in assembling funding for informal settlement projects:

- The Upgrading of Informal Settlement Program (UISP) is the principal program for incremental upgrading. But the Interim Services program undertaken by the municipality cannot be funded through this program, because it does not adhere to the pre-defined UISP stages. The reason for this is that UISP requires land acquisition and individual tenure security before the provision of services (i.e. as part of phase 1 of the UISP). This is not practical and flexibility of measures in the different UISP phases should be allowed. [100] Until flexibility of the UISP stages is achieved the USDG will be the principle source of funding of Interim Services in informal settlements. In addition, the funding quantum provided for interim services for phase 1 is insufficient: only R2,966 is provided for in the subsidy formula whereas the actual costs in eThekwini are in the region of R20,000.

---

[97] Enhanced Extended Discount Benefit Scheme
[98] Community Residential Units
[99] Institutional Subsidies of R 74,333 each, and possibly coupled with Restructuring Grants of variable value
• The IRDG regulations state that land and services components can only be funded if no other funding source exists. With the introduction of the USDG another funding source has been created and the province intends to stop funding these components. While this is in line with the regulations it is contrary to the intention of NDoHS for the USDG to provide additional funding to the major cities facing the biggest housing challenges.

• There is a serious risk of over-reliance on USDG, because other funding sources cannot be accessed. USDG funding has been allocated to eThekwini, for a three-year period. USDG funding can be applied to:

  - Interim Services in the Upgrading program
  - Bulk services for all housing programs
  - Land acquisition
  - Services to rural areas

<table>
<thead>
<tr>
<th>USDG Funding Committed (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
</tr>
<tr>
<td>1,137</td>
</tr>
</tbody>
</table>

The detailed budget allocation of the USDG is likely to determine the scale of housing delivery in eThekwini Municipality. Which compromises will need to be made and which sub-programs will have to be cut back remains to be seen.

• The eThekwini Municipality used to provide bridging funding for housing projects. In a recent interpretation of the MFMA, the municipality is no longer allowed to provide bridging finance and the practice has been stopped. This contradiction between regulations at provincial and municipal level needs to be resolved urgently as it compromises housing delivery by the municipality. To resolve this issue the eThekwini Municipality proposes that Province pays funds for project implementation in advance every quarter.

These funding issues have been important implications for the housing delivery in eThekwini Municipality. They need to be addressed urgently in order to achieve the delivery targets for the coming financial years.

Other funding issues include:

• The funding portion in the subsidy for land (R2,617 per site) is insufficient especially for well located land in eThekwini where the actual costs are in the region of R6,000 per site.

• There no accessible funding for land acquisition at the time when it is required. Land acquisition typically takes between two and three years to achieve, yet housing subsidies will typically only be released by the province when land has already been secured. This creates a catch 22 situation. Securing funding from the DRLDR has proven unworkable (too slow). It is therefore critical that dedicated land acquisition funding is made available to acquire land for suitable projects once feasibility studies have shown that the project is, in other respects, viable and appropriate. The funding portion for services funds only basic standards, which not suitable for the settlements which fall within the UDL. The municipality has provided top up funding for internal services.

• The funding portion for top-structures is insufficient for medium-density developments such as double-storey row-houses, especially if they are located on steep sites. Medium-density
developments are required to implement the spatial and housing strategies of eThekwini Municipality.

• The top-up provisions made for difficult geo-technical conditions are insufficient for building on instable very steep land (1:3) that is increasingly the only available land in good locations.

• Currently there is no funding source for relocations. It needs to be clarified whether or not Emergency Housing subsidies can be used for this purpose.

• The funding for project preparation must be accessible through a simple and fast process. Preliminary planning and project prioritisation needs to be increased in order to have sufficient projects lined up for implementation at any time. The funding provided for professional services is insufficient and out of line with norms in the construction industry. eThekwini typically has to top up the funding for these professional services.
Part F - **Alignment and Integration Horizontally and Vertically**

1. **Strategic Alignment**

The municipal housing strategy must respond to the demands of citizens for housing and ensure that sustainable human settlements are created or maintained. The housing strategy consequently needs to align with the IDP and with the other sector plans that relate to the establishment of Human Settlements, their locations and densities.

At strategic level, all of the main municipal strategies appear to be aligned but it is the spatial expression of the main municipal strategies in which there are gaps.

a. **Integration with IDP**

The principle process and documents integrating all municipal strategies is the IDP. Housing strategies are part of Plan 3 of the IDP “Quality Living Environments”.

b. **Integration with Spatial Strategies**

The eThekwini SDF is rather dated and has been replaced by the more detailed Spatial Development Plans (SDP). In their current form they do not specify in which locations to locate what type of low-income housing projects in order to achieve the overall spatial goals of integration and densification. In order to improve the integration of housing with spatial strategies the four SDPs need to clarify these issues in consistent formats.

c. **Other integration mechanisms**

eThekwini has undertaken a number of integrated planning exercises to ensure the sustainable delivery of housing together with associated services and facilities. These include:

- The Integrated Transport Plan (ITP)
- The Consolidated Infrastructure Plan (CIP),
- The Access Modelling exercise (AM),
- The Cost Surfaces Model (CSM), and
- The Municipal Services Financial Model (MSFM).

Housing strategies are aligned with these plans. The models are being applied during the housing project prioritisation process.
2. Intra-Organisational Alignment

a. Reporting Lines

See Part G - Institutional Arrangements re

- Council Structures
- The Procurement & Infrastructure Cluster
- Housing Working Group
- Public Sector Housing
- Housing Unit

b. Program Alignments

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Program Planner</th>
<th>Program Implementer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrading</td>
<td>Housing Unit</td>
<td>Housing Unit</td>
</tr>
<tr>
<td>Interim Services</td>
<td>Engineering Services,</td>
<td>Engineering Services</td>
</tr>
<tr>
<td>Emergency Services</td>
<td>Housing Unit</td>
<td>Housing Unit</td>
</tr>
<tr>
<td>Relocations</td>
<td>Housing Unit</td>
<td>Housing Unit</td>
</tr>
<tr>
<td>Greenfields</td>
<td>Housing Unit</td>
<td>Engineering Services,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Housing Unit</td>
</tr>
<tr>
<td>Rural</td>
<td>Housing Unit</td>
<td>Engineering Services,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Housing Unit</td>
</tr>
<tr>
<td>Affordable</td>
<td>Housing Unit</td>
<td>Private Developers</td>
</tr>
<tr>
<td>Rectification of Faulty Stock</td>
<td>Housing Unit</td>
<td>Housing Unit</td>
</tr>
<tr>
<td>Emergency &amp; Transitional</td>
<td>Housing Unit</td>
<td>Housing Unit</td>
</tr>
<tr>
<td>Housing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Program Planner</th>
<th>Program Implementer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Residential Units</td>
<td>Housing Unit</td>
<td>Housing Unit</td>
</tr>
<tr>
<td>Management of Existing Council Rental Stock – hostels</td>
<td>Housing Unit</td>
<td>Housing Unit</td>
</tr>
<tr>
<td>Sale of Existing Council Rental Stock</td>
<td>Housing Unit</td>
<td>Housing Unit</td>
</tr>
<tr>
<td>Institutional and Social Housing</td>
<td>Housing Unit, Social Housing Institutions</td>
<td>Social Housing Institutions</td>
</tr>
</tbody>
</table>
OTHER PROGRAMS

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Program Planner</th>
<th>Program Implementer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Residential Areas</td>
<td>Multiple Departments</td>
<td>Multiple Departments</td>
</tr>
<tr>
<td>Densification of Low-Density Housing Areas</td>
<td>Multiple Departments</td>
<td>Multiple Departments</td>
</tr>
<tr>
<td>Land Acquisition</td>
<td>Housing Unit</td>
<td>Housing Unit</td>
</tr>
</tbody>
</table>

3. Inter-Organisation Alignment

a. KZN DOHS

The eThekwini Housing Programs for low-income groups receive subsidy funding from KZN DoHS. This Housing Sector Plan serves as a tool to inform provincial planning, including budgeting.

b. HDA

The HDA is tasked with providing land for housing projects, and for the management of selected large projects of national significance. The HDA has entered into a memorandum of understanding with eThekwini around the Cornubia project.

c. SHRA

The Social Housing Regulatory Authority is in charge of accrediting and capacitating Social Housing Institutions. They cooperate with eThekwini on Social and Institutional Housing projects.

4. Accreditation

Through the Accreditation process provincial housing functions are transferred to municipalities. The municipality currently has level 1 accreditation (February 2009) and is now seeking level 2 accreditation. The municipality has a dedicated Housing Unit and has been implementing a range of housing projects for several years now. The ability and commitment of the municipality to deliver housing has resulted in it receiving the Southern African Institute of Housing Regional and National Awards for Housing Excellence, the Govan Mbeki Housing Award for the Best Metropolitan Municipality in 2007 and 2008, and the Impumelelo Awards on two occasions.

The “Accreditation Framework for Municipal Accreditation for Municipalities to Administer National Housing Programmes” (March 2006) identifies the following functions to be undertaken as part of Level 2 Accreditation as well as the eligibility criteria to be met. It is our belief that eThekwini Housing Unit fulfils these criteria.
### Level 1
**Subsidy budget planning and allocation process & priority program management/ admin**

<table>
<thead>
<tr>
<th>Functions</th>
<th>Eligibility Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing subsidy budget</td>
<td>• Ability to draft a business plan for Level One accreditation.</td>
</tr>
<tr>
<td></td>
<td>• Ability to produce and implement housing strategies, plans and budgets, or commission and manage such functions.</td>
</tr>
<tr>
<td>Subsidy/ fund allocations</td>
<td>• Ability to do project identification and assessment</td>
</tr>
<tr>
<td>Project identification</td>
<td></td>
</tr>
<tr>
<td>Priority program management/ admin</td>
<td>• Ability to produce and undertake project feasibility assessments for priority program(s)</td>
</tr>
<tr>
<td></td>
<td>• Program administration skills/ experience in line with the scale of activities planned for the municipality</td>
</tr>
<tr>
<td>Additional functions as prescribed by housing MINMEC</td>
<td>• Beneficiary management</td>
</tr>
<tr>
<td></td>
<td>• Public stock management</td>
</tr>
<tr>
<td></td>
<td>• Key (local) housing priorities with National and Provincial significance</td>
</tr>
</tbody>
</table>

### Level 2
**Full program management/ administration**

<table>
<thead>
<tr>
<th>Functions</th>
<th>Eligibility Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project/ Program approval</td>
<td>• Ability to draft a business plan for Level Two accreditation.</td>
</tr>
<tr>
<td>Contract administration</td>
<td>• Ability to produce and undertake project feasibility assessments (undertaken by professional engineers, town planners or certified project managers (in-house or contracted).</td>
</tr>
<tr>
<td>Program management</td>
<td>• Program administration skills/ experience in line with the scale of activities planned for the municipality</td>
</tr>
<tr>
<td>Subsidy registration</td>
<td></td>
</tr>
<tr>
<td>Technical (construction) quality assurance</td>
<td></td>
</tr>
</tbody>
</table>

The eThekwini Municipality has a dedicated Housing Unit with significant capacity to deal with new housing development, as well as existing rental housing stock implemented prior to 1994. Additional resources are utilized from other departments within the municipality as required, eg, treasury, engineering, town planning, supply chain management, etc.

eThekwini Municipality has been involved in housing facilitation since before 1994 and in 1997 established the eThekwini Metropolitan Housing Service Unit which was responsible for coordinating the housing function across the six operational entities existing at the time. In 2000 these six entities were consolidated into eThekwini Housing to undertake the housing function across the whole extended eThekwini Municipal Area.
The full spectrum of housing functions are undertaken by eThekwini Housing, including:

- Housing delivery,
- Housing allocations,
- Subsidy administration,
- Beneficiary management,
- Strategic planning,
- Housing support,
- Planning,
- Research and policy,
- Facilitation,
- Contract management,
- Financial management,
- Conveyancing, and
- Management and maintenance of rental and saleable stock.

eThekwini Housing comprises the following Departments in respect of Level 1& 2 accreditation:

- Projects
- Housing Engineering
- Support Services
- Research and Policy
- Planning
- Land

Municipalities accredited at Level 3 take on the function of managing funding of housing programs, i.e. subsidies will be directly transferred from National to Level 3 accredited municipalities. Level 3 Accreditation offers an alternative way of resolving the problem of bridging funding and could be explored.
Part G - Institutional Arrangements

1. Organisational Capacity to Implement the Housing Sector Plan

a. Council Structures

The graphic below shows the hierarchy of structures in the eThekwini Municipality which discuss and decide on housing issues. The Housing Unit takes housing issues to the relevant structure depending on the magnitude of the decision. The Housing Sector Plan will be approved by the Standing Committee for Human Settlements and Support, EXCO and/or Council.

Housing matters fall under the Human Settlement and Infrastructure Support Committee of the Council. Additional approval by the Executive Committee and finally by the full Council may be required, depending on the financial implications for Council.

b. The Procurement & Infrastructure Cluster

Housing forms part of the Procurement and Infrastructure Cluster, which includes:

- Engineering Services
- Housing
- Solid Waste
- Water and Sanitation
- eThekwini Transport Authority (ETA)
- Procurement
- Electricity
c. Housing Working Group

At project level, the Housing Working Group coordinates and integrates housing projects with other municipal investments, particularly engineering services and transport.

d. Public Sector Housing

For township establishment, for alignment with spatial planning and for budgetary coordination, a new section, Public Sector Housing, has been created in Development Planning Unit of eThekwini Municipality.

e. eThekwini Housing

eThekwini Housing is the unit which is responsible for housing development and administration.

The functions of eThekwini Housing’s sub-units are outlined below.

i. PLANNING SECTION

The overall objective of the planning section is to provide strategic planning input to the Housing Unit related to the implementation of strategic planning projects and initiatives such as the Housing
Plan and to ensure that identified housing projects and initiatives conform to the Integrated Development Plan (IDP), the Spatial Development Plans (SDP) as well as supporting housing development that is co-ordinated and sustainable. Core Functions of the planning section are:

- Strategic planning guidance & input
- Information support
- Strategic planning projects and initiatives
- Housing Plan & Programme
- Informal Settlement Programme
- Identification of suitable & developable land
- Land assessment & evaluation
- Technical support – plan printing
- GIS support
- Database creation & maintenance
- Property Management System (conversion of dxf (cad) files to shapefiles (GIS) – in order for housing layouts to be captured for street addressing & servicing)

ii. RESEARCH AND POLICY SECTION

The overall objective of the section is to provide strategic planning, research, and policy input to the Housing Unit as it relates to the implementation of all strategic planning projects and initiatives such as the Housing Plan and Programme and to ensure that identified housing projects and initiatives conform to the Integrated Development Plan (IDP), the Spatial Development Plan (SDP) as well as supporting housing development that is coordinated and sustainable. It also serves to monitor and evaluate housing initiatives to better meet the key objectives of the Housing Unit. The key functions of the Research and Policy section are to:

- Assist and advise the Head, Housing Policy matters as these relate to the implementation of the Housing Plan and Programme
- Review and initiate research in respect of Housing Unit needs
- Monitor, evaluate, and revise housing targets and programmes in line with the objectives of the IDP and the SDP.

The section reports on:

- The Strategic Development and Budget Implementation Plan (SDBIP)
- Municipal Scorecard MIG Cities
- Housing Unit’s performance (Performance Management Unit)
- Accreditation (KZN and National DoHS).

iii. PROJECT MANAGEMENT SECTION

The Project department is responsible for the implementation of the projects i.e. appointment of contractor for installation of services and construction of the top structure, subject to the Supply Chain Management and KZN DoHS requirements. The completed services are handed over to respective line departments in order to open the Township Register and take over as council assets.
The completed houses are handed over to the Allocations section (under Support Services) who allocates the houses to the respective beneficiaries. Prior to the handover of houses the respective households attend a home ownership training course that is provided by the Training and Outreach section (under Support Services). Housing Projects operates in three regions namely North, South and West.

The main function of the Projects department is to manage low income housing projects. In broad terms this comprises the following main functions:

- Facilitating feasibility studies for prospective projects,
- Project packaging,
- Securing funding from the Provincial Department of Human Settlements and eThekwini top up funding.

iv. SUPPORT SERVICES

The Support and Administration department within the housing unit has 5 sections:

- Administration,
- Support,
- Conveyance,
- Allocations, and
- Loan Administration.

The Administration sub-section is responsible for General Administration and resource management.

The Support sub-section is responsible for informal settlement management, facilitation and training and outreach programs of the Housing Unit. The Facilitation sub-section is responsible for disposal of non-residential sites, e.g. for educational, religious, social, and economic purposes in completed new projects. The Training and Outreach subsection is responsible for home ownership education; this information is disseminated via radio programs, workshops for beneficiary households, and ward committee training.

The Conveyancing section is responsible for the sales administration, subsidy administration, and for transfers.

The Allocations section is responsible for allocation of housing units to qualifying beneficiaries.

v. HOUSING ENGINEERING SECTION

Housing Engineering provides technical support to the Projects Department regarding the provision of engineering infrastructure to housing projects. The department manages the appointment of consultants and contractors for design and construction and also monitors the construction. The scope of work of the department comprises:

- Roads,
• Storm water,
• Water,
• Sewer reticulation,
• Platforms, and
• Top structures on greenfield projects

vi. LAND ASSEMBLY SECTION

The Land Assembly Section provides planning on and management of land issues for all projects and initiatives such as the Housing Plan and Programme to ensure that identified housing projects and initiatives conform to the IDP and the SDP as well as supporting housing development that is coordinated and sustainable. The key functions of the section specifically relate to three areas of expertise:

• “Land identification and acquisition of land tenure rights from land owners – both private and public, through a myriad of intervention processes to ensure suitable land is secured for strategic housing projects.
• “The assessment and management of the immovable property assets in the ownership of the eThekwini Municipality to ensure strategic release of land parcels for a variety of developments based on integration and sustainable models.
• “The registration of the land parcels to ensure the correct release mechanism of the land components relative to the housing delivery programme is initiated in each case [101].

vii. SPECIAL PROJECTS, SOCIAL HOUSING AND RENTAL HOUSING SECTION

These two sections are responsible for the development of rental housing through the various government programs. It is noted that the section ‘Rental Housing’ manages the existing rental stock of eThekwini including the sales of units to the occupants through the Discount Benefit Scheme.

2. Capacity Building

Capacity Building for the Housing Unit is the responsibility of the Skills Development section of Human Resources. Each Unit including the Housing Unit has a Training and Development Committee which comprises of departmental, management and labour representatives.

A Skills Audit of all staff of the Housing Unit was undertaken in 2008 which was captured on a specialist computer programme, the Skills Development Portal. The Skills Development Portal provides a historical overview of the employee’s training and planned training. Every employee has an individual learning plan that is prepared at the end of the annual performance review. These plans

[101] Application For Level 2 Accreditation To Undertake The Administration Of National And Provincial Housing Programmes And To Undertake Housing Development- Business Plan Submitted By eThekwini Municipality
form a key component of the skills development planning process. They are used by the management in the Housing Unit to develop a comprehensive Housing Unit Workplace Skills Plan.
Part H - Monitoring and Review

1. Scope of Monitoring and Review System

Council has a scorecard system for monitoring delivery across all units. The scorecard system has two components – the Strategic Development and Budget Implementation Plan (SDBIP) at a strategic level, and the Performance Management Monitoring at the project level.

a. SDBIP

The reporting fields of the SDBIP are:

<table>
<thead>
<tr>
<th>Strategic Focus Area</th>
<th>Programs</th>
<th>Projects</th>
<th>Subprojects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meet Infrastructure &amp; Household Service Needs &amp; Address Backlogs</td>
<td>New Integrated housing development</td>
<td>Upgrading informal settlements, relocations and greenfield projects.</td>
<td>The number of consumer units receiving HOUSING (and provided with water, sanitation and electricity connections and refuse removal and formal access) per annum.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Top structure typologies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Funding strategy for accelerated Housing Plan</td>
</tr>
<tr>
<td></td>
<td>Rental housing strategy</td>
<td>Hostel management</td>
<td>New family units</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Deficit Reduction Plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Access control strategy</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rental stock rationalisation strategy</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Transfer Council stock</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Transfer of R293 stock</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social housing, restructuring &amp; densification strategy</td>
<td>Social housing delivery</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The number of housing opportunities created inside restructuring zones and strategically located mixed-use/ income areas per annum</td>
</tr>
</tbody>
</table>

b. Performance Management Monitoring

The reporting fields of the Performance Management Monitoring are:

<table>
<thead>
<tr>
<th>DoRA MIG (Cities) framework</th>
<th>eThekwini Key Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of households benefiting from the infrastructure linked to housing programs</td>
<td>The backlog of Housing</td>
</tr>
<tr>
<td></td>
<td>The number of consumer units receiving HOUSING (and provided with water, sanitation and electricity connections and refuse removal and formal access) per annum.</td>
</tr>
<tr>
<td>The extent of integration of poor households with wealthier communities within the city.</td>
<td>The number of housing opportunities created inside restructuring zones and strategically located mixed-use/ income areas per annum</td>
</tr>
</tbody>
</table>

c. Project Progress Monitoring

At project level the format below is used to monitor progress against project milestones.

<table>
<thead>
<tr>
<th>Project</th>
<th>Ward No.</th>
<th>No. Sites</th>
<th>Prefeasibility</th>
<th>Land Acquisition</th>
<th>Detailed Planning</th>
<th>Implementa’n Completion Certificates</th>
<th>Registration Of Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project 3</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
The research and policy section conduct the monitoring and evaluation function for the eThekwini Housing Unit. The aim of monitoring and evaluation of the housing programme is to ensure that key objectives of the housing policy are being met. It enables one to follow developments in a certain situation over a period of time, so that the necessary adjustments, as required may be made.

d. Post-Project Impact Monitoring

From time to time, the impact of completed housing projects are monitored and findings are feedback into policy or strategy. The steps followed are:

- Housing Baseline Studies
- Change Analysis
- Evaluation
- Feedback into policy

2. Frequency of Monitoring and Review

The SDBIP and the Performance Management Monitoring scorecards are updated quarterly. This frequency will be maintained.

The Housing Sector Plan will be updated every IDP Period.

3. Responsibilities

The responsibility for Monitoring and Review lies with the Research and Policy department. The Planning, Finance, Projects, and Rental departments all have contributions to make with respect to contributing data reporting, qualitative reporting, and conceptual inputs.
Part I - Conclusion

Planning and delivery of housing projects at scale in a metropolitan municipality is complex, and consequently there is a need for continuous cooperation between eThekwini Housing and other units within the municipality in order to achieve the overall strategic objectives. This is especially so in relation to the spatial development of the municipality. Additionally, there is a need for the cooperation of external role players such as Province, land owners, the Housing Development Agency and social housing institutions.

To achieve the delivery targets, the assembly of land and of funding are critical. The funding regime of housing projects has changed, especially with regard to funding of land, and the funding of engineering bulk and reticulation services.

The funding environment contains major risks which need to be addressed in order to make possible the implementation of the Housing Sector Plan.
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AM</td>
<td>Access Model</td>
</tr>
<tr>
<td>BNG</td>
<td>Breaking New Ground</td>
</tr>
<tr>
<td>BRT</td>
<td>Bus Rapid Transport</td>
</tr>
<tr>
<td>CBD</td>
<td>Central Business District</td>
</tr>
<tr>
<td>CIP</td>
<td>Consolidated Infrastructure Plan</td>
</tr>
<tr>
<td>CoGTA</td>
<td>Department of Cooperative Governance and Traditional Affairs</td>
</tr>
<tr>
<td>CRU</td>
<td>Community Rental Unit</td>
</tr>
<tr>
<td>CSM</td>
<td>Cost Surfaces Model</td>
</tr>
<tr>
<td>DFA</td>
<td>Development Facilitation Act</td>
</tr>
<tr>
<td>DLA</td>
<td>Department of Land Affairs</td>
</tr>
<tr>
<td>DMA</td>
<td>Durban Metropolitan Area</td>
</tr>
<tr>
<td>DoHS</td>
<td>Department of Human Settlements</td>
</tr>
<tr>
<td>DoT</td>
<td>Department of Transport</td>
</tr>
<tr>
<td>DU</td>
<td>Dwelling unit</td>
</tr>
<tr>
<td>EH</td>
<td>Emergency Housing</td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
</tr>
<tr>
<td>EM</td>
<td>eThekwini Municipality</td>
</tr>
<tr>
<td>EMA</td>
<td>eThekwini Municipal Area</td>
</tr>
<tr>
<td>ETA</td>
<td>eThekwini Transport Authority</td>
</tr>
<tr>
<td>GP</td>
<td>General Plan</td>
</tr>
<tr>
<td>Ha</td>
<td>Hectare</td>
</tr>
<tr>
<td>HDA</td>
<td>Housing Development Agency</td>
</tr>
<tr>
<td>eHSP</td>
<td>Housing Sector Plan</td>
</tr>
<tr>
<td>INK</td>
<td>Inanda Ntuzuma kwaMashu</td>
</tr>
<tr>
<td>IRDP</td>
<td>Integrated Residential Development Program</td>
</tr>
<tr>
<td>KZN</td>
<td>KwaZulu-Natal</td>
</tr>
<tr>
<td>LED</td>
<td>Local Economic Development</td>
</tr>
<tr>
<td>M+E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>NDHS</td>
<td>National Department of Human Settlements</td>
</tr>
<tr>
<td>IDP</td>
<td>Integrated Development Plan</td>
</tr>
<tr>
<td>IRPTN</td>
<td>Integrated Rapid Public Transport System</td>
</tr>
<tr>
<td>ITP</td>
<td>Integrated Transport Plan</td>
</tr>
<tr>
<td>MEC</td>
<td>Member of the Executive Council</td>
</tr>
<tr>
<td>MFMA</td>
<td>Municipal Finance Management Act</td>
</tr>
<tr>
<td>MIG</td>
<td>Municipal Infrastructure Grant</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MSFA</td>
<td>Municipal Services Financial Model</td>
</tr>
<tr>
<td>PDA</td>
<td>Planning and Development Act (KZN of 2009)</td>
</tr>
<tr>
<td>PMU</td>
<td>Project Management Unit</td>
</tr>
<tr>
<td>PPT</td>
<td>Project Preparation Trust</td>
</tr>
<tr>
<td>PSC</td>
<td>Project Steering Committee</td>
</tr>
<tr>
<td>PT</td>
<td>Public Transport</td>
</tr>
<tr>
<td>SDBIP</td>
<td>Strategic Development and Budget Implementation Plan</td>
</tr>
<tr>
<td>SDF</td>
<td>Spatial Development Framework</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>---------</td>
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<tr>
<td>SDP</td>
<td>Spatial Development Plan</td>
</tr>
<tr>
<td>SH</td>
<td>Social Housing</td>
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<tr>
<td>SHI</td>
<td>Social Housing Institution</td>
</tr>
<tr>
<td>SHRA</td>
<td>Social Housing Regulatory Authority</td>
</tr>
<tr>
<td>SHSS</td>
<td>Sustainable Human Settlement Strategy</td>
</tr>
<tr>
<td>SOE</td>
<td>State Owned Enterprises</td>
</tr>
<tr>
<td>UDL</td>
<td>Urban Development Line</td>
</tr>
<tr>
<td>UISP</td>
<td>Upgrading of Informal Settlement Program</td>
</tr>
<tr>
<td>URZ</td>
<td>Urban Redevelopment Zone</td>
</tr>
<tr>
<td>USDG</td>
<td>Urban Settlement Development Grant</td>
</tr>
</tbody>
</table>