

Comments on the Draft White Paper for Human Settlements 2023

Submission of Public Comment to the Department of Housing and Human Settlements

The Public Affairs Research Institute and University of Johannesburg

31 January 2024

1. Public Affairs Research Institute (PARI) welcome the opportunity to comment on the draft White Paper for Human Settlements. Human settlements are a critical component of rural and urban development. The importance of access to adequate housing is enshrined in Section 26 of the Constitution. While the various housing interventions have influenced the trajectory of housing delivery in post-apartheid South Africa, the rate of RDP housing delivery has significantly declined in recent years.
2. While there has been some effort to ensure that state housing products operate in a functioning property market, the exact parameters of this market remain unclear. Additionally, there is no recognition of the role played by small-scale developers in the property market. This is concerning, as these developers are a significant part of township property markets, which are a thriving segment of South Africa's rental housing market.
3. The draft policy acknowledges the undervaluation of subsidised housing in housing markets but lacks clear policy interventions to address market failure. We recommend that the government develop interventions to integrate the resale market with regulated housing markets and establish public housing resale standards aligned with existing mandates. This will unlock the asset potential of 'RDP housing' while maintaining the marketability of state-subsidised housing products. We also believe that the proposed Transaction Support Centres will transform the township property market landscape.
4. The allocation of human settlements funding into rural and urban packages holds significance as it acknowledges the vital role traditional authorities play in rural areas. It is crucial to carefully manage the exchange of knowledge between local government and traditional authorities to empower the latter and avoid exploitative involvement. Failure to do so could limit human

settlements provision, particularly in vulnerable regions, impacting those in urgent need of housing.

5. While the 'Human Settlements Climate Change Response Strategy' aims to promote climate-responsive human settlements, the draft policy lacks clarity on its execution. Specifically, there's uncertainty about how housing standards will adapt to incorporate alternative energy sources, such as solar energy, and if existing renewable energy solutions will be sustained in future projects. Given South Africa's energy challenges, prioritising the integration of alternative energy sources is essential for fostering sustainable human settlements development.
6. Lastly, the commendable increase in household access to electricity is overshadowed by recent debt relief measures for Eskom, which rely on the Local Government Equitable Share component of the budget. The measures poses a threat to household access to free basic services, including energy crucial for poverty alleviation. This measure also severely jeopardises the robustness of South Africa's human settlements policy, and we urge a revision to ensure continued delivery of electricity to poor households.

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