



**PERMANENT MISSION OF SOUTH AFRICA TO  
THE UNITED NATIONS AND INTERNATIONAL ORGANIZATIONS**

175/2012

The Permanent Mission of the Republic of South Africa to the United Nations Office at Geneva and other International Organisations in Switzerland presents its compliments to the Office of the United Nations High Commissioner for Human Rights – Questionnaire on housing financing policies and programmes undertaken by the Special Rapporteur of the UNHRC on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context -, and has the honour to transmit herewith, South Africa's response to the Questionnaire on housing financing policies and programmes.

The Permanent Mission of the Republic of South Africa to the United Nations Office at Geneva and other International Organisations in Switzerland avails itself of this opportunity to renew to the Office of the United Nations High Commissioner for Human Rights – Special Rapporteur on Adequate Housing - the assurances of its highest consideration.



Geneva, 27 June 2012

The Office of the United Nations  
High Commissioner for Human Rights  
Special Rapporteur on Adequate Housing  
Palais des Nations  
CH - 1211 GENEVA 10

**By fax : 022 917 90 06**

**OHCHR REGISTRY**

**21 AUG 2012**

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## international relations & cooperation

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International Relations and Cooperation  
REPUBLIC OF SOUTH AFRICA

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Ms Raquel Rolnik  
Special Rapporteur of the UNHRC on Adequate Housing  
Office of the High Commissioner for Human Rights  
CH-1211  
Geneva 10  
SWITZERLAND

Fax No: +41 22 917 9006

Dear Ms Rolnik

**Questionnaire on housing financing policies and programmes undertaken by the Special Rapporteur of the UNHRC on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context**

The Department of International Relations and Cooperation (DIRCO), Republic of South Africa acknowledges receipt of your request sent to States in relation to housing financing policies and programmes. In this regard, please find attached South Africa's response to the questionnaire.

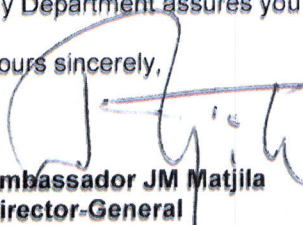
It should be noted that the Department of Human Settlements is tasked, on behalf of the South African Government, with the championing and implementation of the strategy around Human Settlements. The Human Settlements 2030 Vision is about accelerating the development of sustainable human settlements for all South Africans based on the provisions of the South African Constitution. In this regard, the Department is actively implementing government policies and programmes on (a) the upgrading of informal settlements, (b) the provision of grants for low-cost housing, (c) the provision of guarantees to banks lending to low income earners, and (d) the regulation of activities of financial institutions in respect of their lending practices.

I hope that the attached information will be useful in preparation for your annual report, to be submitted to the 67<sup>th</sup> Session of the United Nations General Assembly (UNGA 67)

For any queries please contact Mr SP Rankhumise, +2712 351 1390, [rankhumises@dirco.gov.za](mailto:rankhumises@dirco.gov.za) or Ms Y Naidoo, +2712 351 1974, [naidooy@dirco.gov.za](mailto:naidooy@dirco.gov.za)

My Department assures you of its continued support on your mandate.

Yours sincerely,

  
Ambassador JM Matjila  
Director-General

Date: 02/07/2012

Ref: 12gbb3010618

Kgoro ya Tirisano le Tshemisano ya Dinaga tsa Boditshabats'haba • Lefapha la Dikamano le Tshebedisano Dinaheng tsa Matjhaba • Lefapha la Dikamano tsa Boditshabats'haba le Tirisano • UMnyango Wezobudlulwane Nokubambisana Bamazwe Namazwe • Litiko Lelebudlulwane Bemave kanye Nekusebensana • Isebe lezobudlulwane neNisebenziswano yamZwe ngamaZwe • UMnyango weTjhebiswano nokuSebenzisana kweNtjhabats'haba • Muhasho wa Vhushaka ha Dzitshakatshaka na Tshumisano • Ndzwulole ya Vuxaka bya Matiko ya Misava na Ntirhisano • Departement van Internasionale Betrekkinge en Samewerking



**OFFICIAL GOVERNMENT RESPONSE**

**REPUBLIC OF SOUTH AFRICA**

**QUESTIONNAIRE ON HOUSING FINANCE POLICIES AND PROGRAMMES**

**BY THE**

**SPECIAL RAPPORTEUR ON ADEQUATE HOUSING AS A COMPONENT OF THE RIGHT TO AN  
ADEQUATE STANDARD OF LIVING, AND ON THE RIGHT TO NON-DISCRIMINATION IN THIS  
CONTEXT**

**18 JUNE 2012**

1. Yes.

1.(a) The Government has instituted various credit linked housing assistance programmes since 1994. The Programmes cater for the needs of persons in the lower income categories of our communities who are able to access private mortgage loan funding to purchase residential properties or built houses. It must be noted that these programmes do not target persons classified as indigent, earning below R3 500 per month. It targets persons who are able to access private sector housing credit and are able to repay housing loans.

The programmes involve a once off Government capital subsidy amount, linked to the income of the individual qualifying applicant. The higher the income, the lower the capital subsidy amount.

1.(b) No, none of the institutions referred to are involved in the Programmes.

1.(c) The original Programme was instituted in 1995. It was later in 2005 augmented by the inclusion of a higher income variation of the programme to address the needs of the affordable market. It has recently been revised and adjusted to suit current financial conditions and the latest Programme applies with effect from 1 April 2012.

1.(d) The programmes responded to recovery programmes linked to the prevailing financial and economic conditions in our country.

2. Our investigations revealed that although some credit linked individual housing subsidies were accessed and houses were constructed and/or purchased through the assistance available under the Programmes, the Programmes have not delivered required outcomes in terms of expectations and planning. Various reasons for this under performance exist. Most important indicators are that there is a substantial shortage in the supply and availability of affordable properties in the cost range targeted by the Programmes. It was also found that applicants were not regarded credit worthy due to their current over indebtedness.

2.(a) As indicated earlier, the credit linked housing assistance Programmes do not target the poorest of the poor. The inhabitants of informal settlements by and large earn less than R3 500,00 per month and are not able to access any form of credit. The Government therefore has instituted a free basic house provision policy for all persons earning below R3 500,00 per month. The application of the credit linked housing assistance Programmes did not have a notable effect on the number of households who reside in informal settlements.

2.(b)&(c) The Government's housing information and statistics do not record the living conditions of persons prior to accessing the credit linked housing assistance measures.

2.(d) All the households who accessed the Government's credit linked housing assistance measures received registered ownership of their properties. The percentages of persons with registered ownership re- and post implementation is not available.

3. The Government has instituted a sophisticated and needs based housing assistance programme consisting of a variety of housing assistance measures through which over 3 million housing opportunities were created since 1994. These Programmes are all contained in the National Housing Code, 2009 which can be accessed from the Department's website ([www.dhs.gov.za](http://www.dhs.gov.za)). A copy of the Housing Code can also be made available on request.

Prior to the liberation of our country in 1994, the previous government also provided housing for the poor on a limited and seclusive basis. These programmes were racially based and an inequitable housing assistance dispensation applied for many years. These programmes ranged from providing basic serviced stands, through to the provision of fully serviced low cost houses that were available for rent or purchase. Most of the housing stock created during this era has been transferred to the occupants in terms of sales campaigns that were initiated in the early 1980s.

Since 1994 an equitable housing assistance programme was instituted that replaced all the previous government funded housing assistance programmes. The new housing programme provides a capital housing subsidy to qualifying households and the private sector is involved in the servicing of the stands and the construction of the dwellings. Until 2004, all the housing

opportunities created were transferred to the individual households in ownership. A social housing rental option was introduced in 2005 through which rental housing has been provided by private sector social housing institutions with grant funding from Government.

Our Government has in 2004 introduced an Informal Settlement Upgrading Programme based on international good practice. This programme provides grant funding to municipalities for the planning of informal settlements, the provision of engineering services, the formal proclamation of the settlements as townships and the provision of basic houses in the final phases. The programme provides for structured participation by all the inhabitants of the settlements in all the aspects of their redevelopment.

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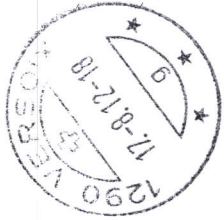
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