

**HOUSING CHAPTER FOR
EMAKHAZENI LOCAL MUNICIPALITY**



2011/12 – 2015/16

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EMAKHAZENI LOCAL MUNICIPALITY

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ACRONYMS

IDP INTERGRATED DEVELOPMENT PLAN

MHC MUNICIPAL HOUSING CHAPTER

SDF SPATIAL DEVELOPMENT FRAMEWORK

NHP NATIONAL HOUSING POLICY

NHBRC NATIONAL HOUSING BUILDERS REGULATORY COUNCIL

BNG BREAKING NEW GROUND

RDP RECONSTRUCTION AND DEVELOPMENT PROGRAMME

PHP PEOPLE'S HOUSING PROCESS

IDT INDEPENDENT DEVELOPMENT TRUST

FLISP FINANCE-LINKED SUBSIDY PROGRAMME

OVC ORPHANS AND VULNERABLE CHILDREN

HIV/AIDS HUMAN IMMUNODEFICIENCY VIRUS/ACQUIRED
IMMUNODEFICIENCY SYNDROME

CBIS COMMUNITY BASED INDIVIDUAL SUBSIDY

EIA ENVIRONMENTAL IMPACT ASSESSMENT

VIP VENTILATED IMPROVED PIT-LATRINES

MIG MUNICIPAL INFRASTRUCTURE GRANT
DME DEPARTMENT OF MINERALS AND ENERGY

NDM NKANGALA DISTRICT MUNICIPALITY

1. BACKGROUND TO THE EMAKHAZENI MUNICIPAL HOUSING CHAPTER

1.1. Mission

Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District existing to provide sustainable basic municipal services to the local community and the visitors: creating a conducive environment for socio-economic development and promoting democracy, accountability and public participation in our affairs.

1.2 Vision

A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society.

1.3 Co-values

Transparency, Accountability, Professionalism, Efficiency, High Quality services, service community with integrity.

1.4 Context and Objectives

The Municipal Housing Chapter is a summary of the housing planning undertaken by a municipality. Like the IDP, the Housing Chapter is a 5-year plan which needs to be reviewed annually and this should be done with the review of the IDP. The Housing Chapter is done as part of the IDP process and is a chapter in the IDP of a municipality. The Emakhazeni Municipal Housing Chapter is therefore a strategic management tool to assist the Municipality in focusing its energy to ensure that all activities are working towards same goals, of providing quality housing for all and creation opportunities for accessing housing benefits to all its citizens. The Housing Chapter is a necessary tool which will assist the Municipality to focus its attention towards all components of Housing delivery in pursuit of integrated development.

The main objective of the development of the Housing Chapter is to assist this Municipality to plan and provide quality housing to its citizens as well as promoting the development of sustainable human settlements in its area of jurisdiction as prescribed by the Millennium Development Goals.

1.5 Purpose of the Municipal Housing Chapter

The main purpose of the Municipal Housing Chapter is as follows:

- To ensure effective allocation of limited resources, financial and human, to a wide variety of potential development initiatives;
- To provide guidance in prioritising 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 interventions in one plan;
- To ensure budget allocations 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 infrastructure investments;
- To ensure that there is a definite housing focus in the IDP and SDF with clear direction for the 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 subsidised housing programmes;
- To provide the IDP process with adequate information about the housing plan, its choices, priorities, benefits, parameters as well as strategic and operational 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.

1.6 Methodology in the Compilation of the Municipal Housing Chapter

The method used in compiling the Housing Chapter was adopted from the Sustainable Human Settlement Planning, A Resource Book on Housing Chapters, which prescribes the 5 broad phases namely;

Phase 1: Status Quo Analysis which required that information about the status of housing delivery within the Municipality be sought and be analysed from the IDP, SDF and other relevant sources.

Phase 2: Strategy which required that strategies be devised to address the set objectives as reflected in the IDP.

Phase 3: Project planning which required that project proposals be formulated and negotiations be undertaken with relevant stakeholders to reach agreement on project proposals.

Phase 4: Integration which required that confirmed housing delivery projects be Integrated with other affected sectors within the municipality.

Phase 5: Approval which requires that the draft Housing Chapter be approved by the Municipality

The identified Housing Voice which constitutes the IDP Technical Committees of the Municipality and the officials in the Housing Unit of the Municipality were extensively consulted to obtain relevant information and data regarding housing in the municipal area.

2. LEGISLATION AND HOUSING OPTIONS IN THE DELIVERY OF HOUSING IN SOUTH AFRICA

2.1 Legislative and Policy Framework

In South Africa the delivery of housing, particularly to the poor and vulnerable, is the responsibility of the State. The following Acts and policies serve as the legislative and policy framework that regulates the provision of housing:

- **Constitution of the RSA Act, Act 200 of 2000**

Section 26(1) of the Constitution ensures every South African the right to have access to adequate housing. Sub-section (2) encourages the State to take all reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of the right in sub-section 1. This imperative also applies to municipalities. Section 152 and 153 of Constitution require municipalities to be responsible for the development process and for municipal planning. Municipalities are therefore responsible for integrated development planning in order to meet inter alia, the following objectives that have a direct bearing to housing:

- to ensure sustainable provision of services,
- to promote social and economic development,
- to promote a safe and healthy environment,
- to give priority to the basic needs of communities,
- to encourage involvement of communities.

- **Housing Act, Act 107 of 1997**

Section 9(1) of the Housing Act stipulates that every municipality must, as part of the municipality's process of Integrated Development Planning take all reasonable and necessary steps within the framework of National and Provincial legislation and policy to ensure that:

- I. The inhabitants of its area of jurisdiction have access to adequate housing on progressive basis.

- **The Housing White Paper**

The Housing White Paper sets out the government's broad housing policy and strategy. The White Paper more than other legislation define key elements of National Housing Policy. The White Paper details seven strategies which since 1994 have evolved and have been implemented.

- **Rental Housing Act, 1999 (Act 50 of 1999)**

The Rental Act of 1999 which came into operation on 1 August 2001, defines the responsibility of Government in respect of the rental housing market. It sets out the duties and responsibilities of both landlords and tenants, and provides for the establishment of rental-housing tribunals in the provinces, thus allowing for a speedy and cost-effective resolution of disputes between landlords and tenants.

- **Home Loan and Mortgage Disclosure Act, 2000 (Act 63 of 2000)**

This Act provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing-credit needs of communities. The Act also aims to eradicate discrimination and unfair practices, by encouraging banks and financial institutions to grant home loans to all its clients. It compels banks and financial institutions to disclose annual financial statements so that their lending practices in respect of home loans can be monitored.

- **Housing Consumer Protection Measures Act,1998 (Act 95 of 1998)**

The Act aims to protect home owners from inferior workmanship. Builders are responsible for design and material defects for three months, roof leaks for a year, and any structural failures of houses for five years. NHBRC inspectors may assess workmanship during and after the building process. Banks are compelled by law to insist on home-builder registration and enrolment prior to granting a mortgage loan or finance.

All new government-subsidised housing units constructed as part of approved projects enjoy protection against shoddy workmanship by housing contractors. Through the Act, properties that were built with funding from the Government's housing subsidy grant only, enjoy protection against structural defects and must comply with minimum technical norms and standards.

- **Prevention of Illegal Eviction and unlawful occupation of Land act, 1998 (Act of 1998)**

This Act prohibits unlawful eviction and sets out detailed procedures for the eviction of unlawful occupiers. It also prohibits the receipt of payment as a fee for arranging the occupation of land without the consent of the owner, and repeals obsolete laws relating to illegal squatting. The Act provides a process for fair eviction of unlawful occupiers, and distinguishes between occupiers who have been residing on land for less than six months and those who have been residing on land for more than six months.

- **Council resolution**

In terms of Section 151 subsection 2 of the Act 108 of 1996, the executive and legislative authority is vested in its municipal council. Council resolution of the municipal council also has an impact on decisions taken regarding housing, such resolutions are taken to deal with specific issues as and when required.

- **Social housing Bill**

In June 2007, Cabinet approved the Social Housing Bill. The Bill is expected to assign the responsibilities of national, provincial and local government on matters pertaining to social housing. It will also ensure that relevant institutional arrangements and capacities required by the Social Housing Programme are in place, including the establishment of the Social Housing Regulatory Authority.

- **Inclusionary Housing Policy**

The National Government has established an Inclusionary Housing Policy which would assist in accessing land for Housing Development. The policy provides for the use of government-owned land, and proactive engagements between the private sector and government. Private-sector developers, in collaboration with financial institutions, have undertaken several inclusionary housing initiatives. Municipalities need to take advantage of this policy by engaging with all stakeholders to acquire land for housing development.

- **Breaking New Ground Policy**

This is a Comprehensive policy for the development of Government's envisaged for the development of sustainable human settlements at municipal level. This policy advocates amongst others the following important issues:

- Integration of previously excluded groups into cities and towns, and the benefits they offer and to ensure the development of more integrated, functional and environmentally sustainable human settlements;
- Residents must live in a safe and secure environment, and have adequate access to economic opportunities, a mix of safe and secure housing, and tenure types, reliable and affordable basic services, educational, entertainment and cultural activities, health welfare and police services;
- Ensure that low-income housing is provided in close proximity to areas of opportunities;
- Ensure the development of compact, mixed land use, diverse, life-enhancing environments with maximum possibilities for pedestrian movement and transit via safe and efficient public transport in cases where motorized means of movement is imperative;
- Encourage Social (Medium Density) Housing – Social Housing is generally medium density, and this housing interventions may make a strong contribution to urban renewal and integration;

- Social Housing must be understood to accommodate a range of housing product designs to meet spatial and affordability requirements;
- It advocates a more holistic development of human settlements rather than a housing-only approach where provision of social amenities and economic infrastructure is promoted;
- It promotes a Multi-Purpose cluster concept for the purpose of accommodating the provision of primary Municipal facilities such as parks, playgrounds, sports fields crèches, halls, taxi ranks, police stations, clinics etc;
- More appropriate settlement designs and housing products, and more acceptable housing quality;
- Changing the face of the stereotypical RDP houses and settlements through the promotion of alternative technology and design;
- Funding Support will move away from the current emphasis on uniform individual subsidies towards equity support for social institutions, determined as a percentage of the total capital cost of the project, including medium-density housing, communal housing, hostels and transitional housing.

In order to address the imbalances of the past apartheid housing provision and settlement planning, it is critical that all future housing delivery and human settlement planning must be aligned to these legislative and policy framework outlined above.

2.2 Housing delivery options in South Africa

Housing delivery in South Africa has been structured to accommodate various housing options for the purpose of ensuring that all different income groups are able to have access to decent shelter. The following are different housing options as approved by National government:

2.2.1 Rental housing for the poor

The Department of Human Settlements has formulated an affordable rental-housing programme for people in the low-income bracket who may live in housing stock arising out of:

- provision made by previous departments
- public-sector hostels for housing migratory labour in the previous dispensation
- municipal rental stock, which has not been transferred to the households who inhabit the units, and which will continue to be used as rental accommodation because of the low economic status of the households
- New high-rise housing stock that will be built for the specific purpose of accommodating low-income households in rental accommodation.

2.2.2 Emergency Housing

The main objective of this programme is to provide temporary housing relief to people in urban and rural areas who find themselves in emergency situations, such as when:

- Their existing shelters have been destroyed or damaged;
- Their prevailing situation poses an immediate threat to their lives, health and safety;
- They have been evicted or face the threat of eviction.

Assistance involves prioritising funds from the provincial housing allocations to municipalities to accelerate land development, and the provision of basic municipal engineering services and temporary shelter.

2.2.3 Housing subsidies

New housing-subsidy programmes are being developed and certain existing programmes have been enhanced, including rental and social-housing subsidies.

The housing-subsidy programmes, including project-linked subsidies, are being revised to introduce a procurement-compliant regime, consolidation subsidies, the People's Housing Process (PHP), rural subsidies and institutional subsidies.

2.2.4 Project-linked subsidies

The project-linked housing subsidy mechanism enables a qualifying household to access a complete residential unit which has been developed within an approved project-linked housing subsidy project for ownership by the beneficiary.

2.2.5 Individual subsidies

An individual subsidy provides qualifying beneficiaries with access to housing subsidies to acquire ownership of serviced stands. It also allows the beneficiary to enter into house building contracts, or to purchase existing, improved residential property which is not part of approved housing-subsidy projects. This subsidy helps qualifying beneficiaries who wish to increase their subsidies by accessing credit, as well as beneficiaries who do not qualify for credit.

2.2.6 Consolidation subsidies

The consolidation subsidy mechanism affords former beneficiaries of serviced stands, financed by the previous housing dispensation (including the Independent Development Trust's site and service schemes), the opportunity to acquire houses.

2.2.7 Institutional subsidies

Institutional subsidies are available to qualifying institutions to enable them to create affordable housing stock for persons eligible for housing subsidies.

The subsidy is paid to approve institutions to provide subsidised housing on deed of sale, rental or rent-to-buy options, on condition that the beneficiaries may not be compelled to pay the full purchase price and to take transfer within the first four years of receiving the subsidy. Institutions must also invest capital from their own resources in the project.

2.2.8 Relocation assistance

Relocation assistance provides an alternative option to defaulting borrowers who were three months in arrears on 31 August 1997, and where the option of rehabilitating these mortgage loans is not affordable. This alternative provides an opportunity to obtain affordable housing with the assistance of the housing subsidy. An eligible person must enter into a relocation agreement to relocate to affordable housing.

2.2.9 Special needs projects

Special Needs Housing is housing which benefits those who are affected by poverty and who in addition are further disadvantaged in any of the following ways:

- Infected or affected by HIV/AIDS;
- Orphans and vulnerable children (OVC's);
- Seriously ill;
- Old and infirm;
- Disabled;
- Homeless / on the street.

2.2.10 Discount Benefit Scheme

The Discount Benefit Scheme promotes home ownership among tenants of state-financed rental stock, including formal housing and serviced sites.

Beneficiaries that took occupation of these rented houses before 15 March 1991 can now apply for a discount on the selling of their houses up to R38 984. In most cases, these houses are given to the people free of charge due to the fact that the discount is more than the selling price.

2.2.11 Rural subsidies

The rural housing subsidy is available to beneficiaries who enjoy only functional tenure rights to the land they occupy. This land belongs to the State and is governed by traditional authorities. The subsidies are only available on a project basis and beneficiaries are supported by implementing agents.

2.2.12 Peoples' Housing Process (PHP)

The people' housing subsidy is available to people who want to build or manage the building of their own homes. Unlike the project-linked subsidy where a contractor builds houses for a number of people, the PHP allows people or beneficiaries to build or organise the building of their homes.

3. STATUS QUO ANALYSIS ON HOUSING DELIVERY IN THE EMAKHAZENI MUNICIPAL AREA

3.1 The Study Area

The Emakhazeni Local Municipality covers a total area of 52 730 ha in extent and is made out of the following urban nodes: Belfast/Emakhazeni; Waterval-Boven; Machadodorp/Entokozweni, and Dullstroom as indicated in **Figure 1**. The Municipality is sparsely populated with a density of 1 person per 0.8 hectare. The larger portion of the Municipality is mainly farms with smaller rural settlements scattered throughout the farm area.

3.2 The Problem Statement

The Municipality is experiencing an alarming increase in its population, inter alia, due to the perceived existence of employment opportunities within its area of jurisdiction. This increase in population is creating a huge demand for housing which the Municipality together with both the National and Provincial Department of Human Settlements is unable to cope with the supply. The Municipality has limited control over the land within its area of jurisdiction as most of the land is privately owned and mostly agricultural and environmental sensitive. This makes the planning of new human settlements and the coordinating of housing delivery as well as the planning of the expansion of settlement a serious challenge.

The limitations experienced by the Municipality in accessing land for human settlement has resulted in a rapid eruption of informal settlements in all its urban areas. Like all municipality the Municipality is faced with a challenge of meeting the demand of providing adequate housing to its citizen through a sustainable human settlements throughout its area of jurisdiction. It is in this background that the compilation of the Housing Chapter of this Municipality is pursued to ensure continuous development of sustainable human settlements that will ensure quality and sustainable housing delivery for the benefit of all sections of the community.

This section seeks to give a detailed explosion on the status quo analysis on the establishment and development of human settlements and how it impacts on housing delivery in the entire municipal area.

Human Settlement means the totality of the human community, whether city, town or village with all the social, material, organizational, spiritual and cultural elements that sustains it.

In terms of the old approach people were settled in terms of their racial groups without a right of ownership of land and it was not sustainable as it did not have public infrastructure, amenities and space opportunities that actually make a community.

In terms of the new approach human settlement involves acquiring of land, building proper integrated human settlement e.g. proposed integrated development in Extension 4 Siyathuthuka.

Due to continuous growth patterns in South Africa and specifically the provincial growth development strategy highlighting economic developments that entice and redirect economically active population to follow greener pastures, the need for housing has increased.

Due to this expansion in areas such as Nkomati, Assmang and other surrounding mines there is need for rental stock, low cost housing and middle income housing especially in Emgwenya, Entokozweni and Emakhazeni.

This has resulted to high demand of accommodation by job seekers and eventual the informal settlements erupted.

These patterns are also evident in Emakhazeni Local Municipality where the areas such as Sakhelwe Enkanini section we recorded 60 informal settlements, in Emthonjeni more than 250 units of informal settlement erupted and finally the area around Madala Township in Emakhazeni as well as Emgwenya in Etimbileni, Sgwabula and Mountain view showing signs of steady development.

Emakhazeni has built through human settlement a housing stock settlement in both Entokozweni and Emgwenya which will serve as family units.

Emakhazeni as a whole has a backlog of 3 200 housing applications.

This prompted the Municipality to introduce a waiting list programme for beneficiaries who must be allocated housing.

The CIP of Emakhazeni shows the status quo on housing in the following table and also the budget required addressing backlog

There have been challenges regarding the completion of RDP houses in the past. The Municipality managed to complete 171 houses in Siyathuthuka ext 3, however the project in Emthonjeni could not be completed and as a result the Municipality handed the project back to the Department of Human Settlement. The Department to date has hired two contractors who are on site completing 255 units.

3.3 The Municipal Institutional Arrangement on Housing Delivery

Housing delivery in this Municipality is currently the competency of the Mpumalanga Provincial Department of Human Settlements and the Emakhazeni Local Municipality is only playing the facilitating role. At this Municipality the unit that deals with housing related issues is under the Department of Technical Services. There is currently only one official acting as an administrator responsible for housing issues assisted by two building inspectors from the Technical Department. The tasks on housing delivery in this Municipality are huge and there is an acute shortage of human resource to handle these tasks adequately.

The Municipality has identified the following committees as constituting the Housing Voice:

- IDP Technical Committee, which is chaired by the Manager for the Technical Services;
- IDP Representative Forum, which is chaired by the Executive Mayor.

3.4 Identifying the Housing Demand in the Emakhazeni Local Municipality

The following sub-sections describe the housing demand in the Emakhazeni Local Municipality:

3.4.1 Population Size and Households

In terms of Statistics South Africa's Census 2001 and Community Survey 2007 between 2001 and 2007 the population of this Municipality increased from 43 007 to 59 000.

During the same period the number of households increased from 9 723 to 12 127. This sharp increase is attributed to the influx of people to the municipal urban areas due to perceived better economic opportunities within the municipal area. In terms of the Emakhazeni Municipality's 2008-2011 IDP the population of this municipality is concentrated in the following urban nodes:

| | |
|--------------------------------------|----------------------|
| • Belfast/Emakhazeni/Siyathuthuka | 9 911 people; |
| • Waterval-Boven/Emgwenya | 5 699 people; |
| • Machadodorp/Entokozweni/Emthonjeni | 5 589 people; |
| • Dullstroom/Sakhelwe | 3 518 people; |
| • <u>Rural areas</u> | <u>18 290 people</u> |
| Total | 43 007 people |

As it will be shown in the following sections, this increase in both the population and the number of households is reflected by the rapid development of informal settlements around the townships and the increasing backyard shack dwelling. This state of affairs is indicative of a high demand for housing in this Municipality.

3.4.2 Households Dwelling Types

In terms of the Statistics South Africa Community Survey 2007 the number of house or brick structure on stand increased from 65% in 2001 to 76.7% in 2007 and the number of traditional dwellings made out of traditional materials decreased from 22.9% to 9.3%. In the same time frame the number of informal dwelling/shacks in the backyard decreased from 2.9% (Census 2001) to 1.1% (CS 2007). The number of informal dwelling/shacks in informal/squatter settlements decreased from 5.8% (Census 2001) to 2.5% (CS 2007).

This is attributed to the remarkable input on housing delivery by the Provincial/National government during this period. Although the number of informal dwellings/shacks seems to have decreased, their number is still unacceptable high. This further indicates the high demand for housing for the poor and low income categories.

3.4.3 Informal Dwelling Units and Settlements

In terms of the 2008/09 Municipal IDP the status quo on informal dwelling is as follows:

Belfast/Emakhazeni:

- There are approximately 70 informal dwelling units in Belfast/Emakhazeni town;
- There are approximately 800 informal dwelling units mostly as backyard dwelling in Siyathuthuka Township.

Dullstroom:

- There are 130 informal dwelling units situated on surveyed erven in Sakhelwe Township;
- The number of backyard shacks/dwellings in this township is estimated at 300
- There are about 20 informal shacks/dwellings on an informal area on the edge of Sakhelwe Township.

Machadodorp/Entokozweni:

- There is a large informal settlement made out of approximately 180 shacks, which forms part of Emthonjeni Township.
- The total number of backyard shacks at Emthonjeni Township is estimated at 200;

Waterval Boven/Emgwenya:

- There is about 150 scattered informal shacks/dwelling at Emgwenya Township;

- There is about 800 backyard shacks in Emgwenya Township;
- The Entabeni Section of Emgwenya there are about 100 informal dwellings/shacks on surveyed stands;

The high number of informal dwelling units as backyard rooms is indicative of a demand for housing delivery in this Municipality.

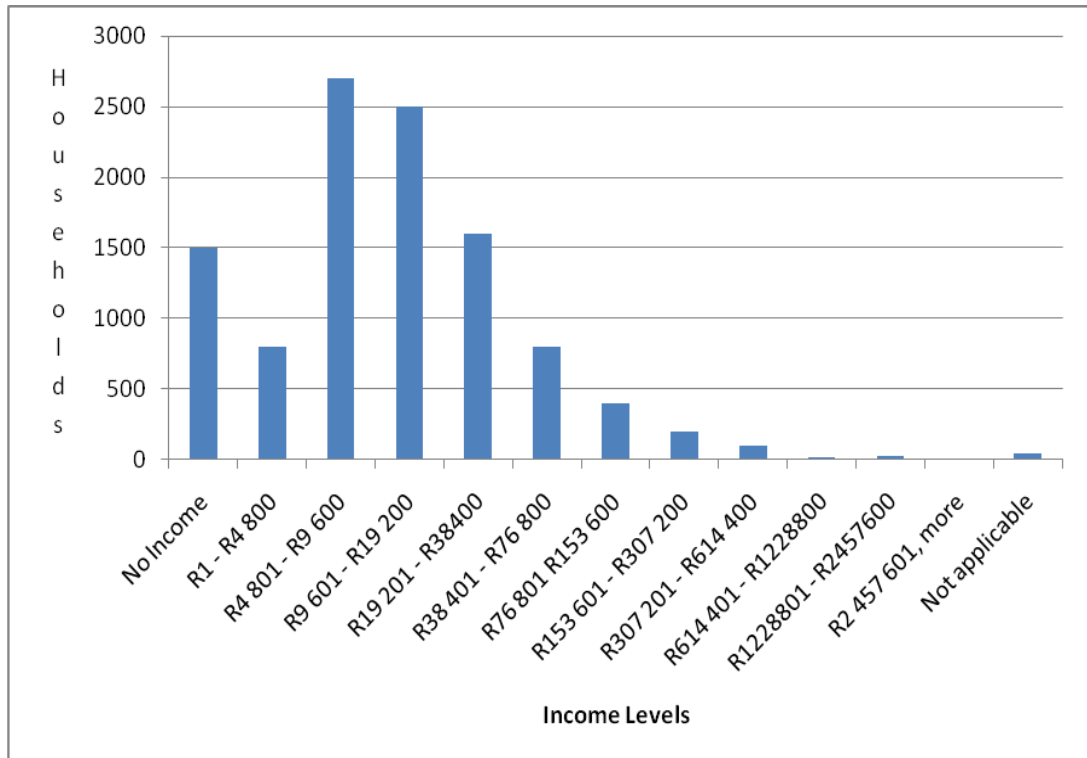
Emakhazeni Local Municipality has been pro-active to establish a number of townships as part of forward planning in a view to create integrated human settlement. However the challenge faced with the municipality is the lack of financial capacity to install engineering services in these townships. The municipality requires financial assistance in order to service these townships and the above estimate costs are based on the topography and the support infrastructure needed such as pump stations e.t.c.

The following townships were established in the past three years;

| No. | Township`s Name | Area | No of stands | Cost estimate for services |
|------------|--------------------------|--------------|---------------------|-----------------------------------|
| 1. | Emthonjeni Ext. 4 | Entokozweni | 500 | R 18,9 Million |
| 2. | Sakhelwe Ext.3 (Phase 2) | Dullstroom | 300 | R 10,8 Million |
| 3. | Siyathuthuka Ext.4 | Siyathuthuka | 1000 | R 37,2 Million |
| 4. | Siyathuthuka Ext.5 | Siyathuthuka | 500 | R 17,8 Million |
| 5. | Emgwenya Ridge | Emgwenya | 400 | R 18,0 Million |
| 6. | Madala Township | Emakhazeni | 500 | R 18,0 Million |
| | | Total | 3200 | R 120.7 Million |

3.4.4 Household Monthly Income

As indicated in Figure 2 below, Statistics South Africa's Census 2001 indicates that 14% of the households in this Municipality have no income while 33% receive a total monthly income of less than R10 000. This is indicative that the majority of the people are poor and that they cannot provide for themselves with decent and quality housing.



3.4.5 Housing Backlog

In terms of the Nkangala IDP 2006/07-2010/11, between 1994 and 2004 a total of 1 522 housing units have been completed while 519 are incomplete. The number of applicants for houses currently on the municipal waiting list is as follow:

| | |
|--------------------------|--|
| Belfast/Emakhazeni: | Siyathuthuka Township = 2001 applicants; |
| Waternal Boven/Emgwenya: | Emgwenya Township = 890 applicants; |
| Machadodorp/Entokozweni: | Emthonjeni Township = 1050 applicants; and |
| <u>Dullstroom:</u> | <u>Sakhelwe Township = 760 applicants.</u> |
| Total | = 4 701 applicants |

Housing backlog in the rural village on the farms where beneficiaries have formed CPA's through the land restitution process is estimated at 50 units, and this figure is only for Driefontein. However we have the farms which are owned by the (state) Department of Rural Development & Land Reform which are; Schoongezicht, Nooitgedacht, Rietvlei, Honningkloof, Doornhoek and wintershoek where there is also a need for housing. Taking into account of the number of incomplete housing units the Municipality's total housing backlog is currently estimated at 7219 housing units (Nkangala IDP 2006/07-2010/11).

3.5 Specifying the Housing Demand in the Emakhazeni Municipality

3.5.1 Government Initiated Housing Projects Currently Underway

Since 1996 a number of housing projects were allocated to this Municipality and this had a positive contribution in reducing housing backlog as well informal housing. A number of housing delivery projects and projects proposals are currently underway in the Municipality and are being implemented or proposed in the following areas:

Belfast/Emakhazeni

- **Siyathuthuka X3**: The development of 600 housing units is currently underway in terms of the Project Linked Subsidy Scheme and 549 units have already been built and the construction of 51 units is still outstanding.

Dullstroom:

- **Sakhelwe X2**: The development of 190 housing units in Sakhelwe X2 is currently underway in terms of the Project Linked Subsidy Scheme; currently busy with installation of civil engineering services.

Machadodorp/Entokozweni

- **Machadodorp/Entokozweni X3:** There is housing project currently underway for 500 dwelling units in terms of the Project Linked Subsidy Scheme; and 113 units have already been built and 387 units are outstanding.
- **Emthonjeni X5:** New housing development project consisting of 100 erven earmarked for middle income.

Waterval Boven/Emgwenya

- **Emgwenya:** Entabeni Section there is an engineering services project underway.

3.5.2 Private Housing Development Initiatives

The following are the private housing development initiatives taking place within the Municipality and these are exclusively earmarked for the high income earners:

Belfast/Emakhazeni

- **Belfast/Emakhazeni X3 :** The area is earmarked for medium to high income residential area;
- **Belfast/Emakhazeni X7, Paardeplaats:** A private housing development initiative earmarked for middle to high income categories;
- **Belfast/Emakhazeni X5 (Troutmere):** A proposed upmarket residential estate development;
- **Palmer Golf Estate:** A proposed development north of Belfast/Emakhazeni comprising 1000 erven;

Dullstroom

- **Kareenkraal golf estate:** A new residential development consisting of 455 erven on the farm Kareenkraal;
- **Oaklane Estate:** A proposed developments.
- **Emakhazeni (Highlands) Gate Golf Estate :** An upmarket residential development consisting of 500 erven;

Waterval-Boven (Emgwenya)

- **De Oude Stad:** A proposed development of an upmarket estate consisting of about 80 erven.
- **Black Eagle:** A proposed upmarket development.
- **WB-NOKA (Emgwenya Urban Renewal):** A private initiated project earmarked for the middle income group.

Machardodorp (Entokozweni)

- **Empumelelweni:** A private initiated project earmarked for the middle income group.
- **Kloppenheimer Resort:** extending with 30 housing units;
- **St Michaels Golf Estate (Rolling Hills) :** An upmarket residential development consisting of 600 erven;

3.6 Summary of Outputs of the Analysis Phase

In the past 6 years the Emakhazeni experienced a substantial increase in its population and the number of households. This increase in both population and number of households has contributed to the increase in the number of backyard shack dwelling and the rapid and continued development of informal settlements in some parts of the urban areas. This is indicative of a high housing demand in this Municipality.

About 15% of the households in this Municipality earn almost no monthly income while 33% receive a total monthly income of less than R10 000 and this is considered as living below the poverty line. This implies that the majority of the people cannot afford to provide themselves with decent housing, hence the prevalence of the informal dwelling units in the yards and in the informal settlements. This indicates that the majority of the households in this Municipality are not financially able to provide themselves with decent and quality housing; consequently they will still continue to rely on the State for housing provision. It is in this background that the housing demand is more skewed towards the low cost RDP housing.

Since 1995 to date a total of 1 300 housing units were allocated to the low income beneficiaries of this Municipality. Of these units 2 796 housing units have been completed and 519 units are still incomplete. This reflects a poor coordination and management of the housing projects by all the stakeholders involved in the housing delivery in this Municipality. The insufficient human resource in the management and supervision of the housing projects allocated to this Municipality contributed to the slow pace in the delivery of housing, thereby increasing the housing demand.

Since 1995 the delivery of housing in this Municipality has been focused on the low income groups in the predominantly Black residential areas of Siyathuthuka, Sakhelwe, eMgwenya and Emthonjeni. The housing backlog for the low income group now estimated at about 6 700 housing units. Little attention has been paid on the provision of housing to the middle income group and most of these projects are at the initial stage. There is a demand for the provision of housing to the middle income group. Furthermore the Municipality seems to be oversupplied with housing for the high income group and all these projects are privately initiated and funded.

4. STRATEGIES FOR HOUSING DELIVERY IN THE EMAKHAZENI LOCAL MUNICIPALITY

4.1 Challenges Affecting Housing Delivery

The Emakhazeni Local Municipality is faced with the following challenges with regard to development of sustainable human settlements and delivery of quality housing to its citizens:

- Insufficient and skilled human resource to handle all housing related issue at municipal level. There is currently one official responsible for managing all data related to housing applications. There are two building inspectors who assist in the monitoring of the construction of the houses.
- Insufficient deployment of human resource by the Department of Human Settlements for monitoring and evaluating the housing construction projects.
- Slow pace in the construction of the current housing units allocated to this Municipality. As the delivery of housing is still under the management of the Provincial Department of Human Settlements, the Municipality does not have a control over the contractors except to inspect the houses during the construction process. Due to various reasons the construction of houses by some contractors is slow.
- Inadequate budget allocations for housing delivery by both national and provincial departments of housing. Although the Department of Human Settlements does allocate housing units to this Municipality, this allocation does not reduce the backlog, which is still high.
- Increasing of squatter settlements around urban areas, as a result of the increasing population due to, inter alia, migration of people to these urban areas and the general increase of members in the households.

- Lack of suitable land for settlement and housing development for the low income group.
- The Municipality has almost exhausted all its land that could be used for future
- establishment and expansion of its urban areas. Most land around the urban areas is privately owned and is intensively used for agricultural purposes.
- Lack of funds for servicing of land earmarked for housing development. The Municipality has identified certain land parcels to be used for residential development but lack funds to put the necessary infrastructural services.
- Environmental sensitivity of the municipal area in terms of biodiversity, thus limiting spatial development within the municipal areas.
- A number of houses built for beneficiary since 1995 are now collapsing or showing signs of collapsing. These were houses that were built by contractors not following the specifications supplied and there were no proper supervision and monitoring. These houses need to be attended to and some need to be reconstructed.

4.2 Strategies for Sustainable Housing Delivery in the Emakhazeni Municipal Area

In meeting these challenges the following objectives and strategies are recommended to be implemented in order to address housing delivery challenge and the development of sustainable human settlements in the Emakhazeni Local Municipality.

4.2.1 Objectives

- Maintain and improve residential character by building livable and socially acceptable residential areas;

- Addressing the current housing backlog mainly in the public housing category, should be prioritized;
- A balanced and co-ordinate approach should be followed throughout the municipal area to address the housing needs and the public housing category linked to the housing subsidy programme;
- Residential areas and future expansion should be proactively identified, planned and surveyed;
- Involvement of public and beneficiaries in all housing and related development should be prioritized;
- Residential and housing development should take place within the urban edge;
- All housing developments should be subject to town planning approval procedures and building plan approval; and
- Strive to minimize or eradicate informal settlement developments and informal housing or shack dwellings.

4.2.2 Strategies

- Address the current housing backlog through the Government Subsidy Scheme;
- Compile a housing plan to accommodate the current backlog and implementation strategy;
- Pro-actively identify land;
- Continually monitoring and updating housing waiting list;

- In addition to the housing backlog for the low-income category, middle and high income housing areas should also be made available as part of an integrated strategy to attract people with high skill levels, increase the rate base, promote local economic development and to ensure a variety of housing types;
- Housing development should be developed and promoted in areas with the lowest impact on Municipal service delivery costs.

5. PROJECT PLANNING

5.1 Basic Point of Departure for Planning of Housing Delivery Projects

Before the housing projects for the Emakhazeni Local Municipality are explored in details, it is important first to highlight some of the basic points of departure in the planning of housing delivery projects as set out in the Housing Code. In terms of the Housing Code all projects should conform to the following basic points of departure, which are aligned to the objectives and strategies outlined in the previous section:

- Sustainable (socially, financially etc)
- Balance the need for increased housing delivery;
- Recognizes and reinforces the wider economic impact and benefits of housing provision in the domestic economy;
- Maximize social and economic benefits to the local community;
- Ensures security of tenure;
- Maximize the freedom of the individual to exercise choice;
- Facilitates coordination between various sectors;
- Generates broad-based support and involvement;
- Promote the establishment of socially and economically viable communities;
- Uphold the principle of vertical and horizontal equity,
- People in real need only should benefit
- Maximize the involvement of the community and leads to the transfer of skills;
- Promotes social, economic and physical integration;
- Establishes and insures equity, transparency and accountability;
- Leads to effective state intervention and maximizes sustained non-state involvement in housing provision.

These basic points of departure were considered and adhered to in the compilation of the Housing Chapter for the Emakhazeni Local Municipality.

In addition, the planning of the housing delivery projects also adhered to the following basic and primary project risks or project basics outlined below:

- The geotechnical conditions of the area earmarked for the housing development are suitable for housing development;
- The environmental conditions (EIA) are suitable;
- The bulk services are available (water, electricity, roads, sewer, solid waste disposal etc);
- The housing project is demand driven;
- The project is compatible with the Integrated Development Plan (IDP) and Spatial Development Framework of the Municipality;
- The location of the project is suitable and accessible to the beneficiaries;
- Social services such as schools, clinic, shops, transport etc are available;

5.2 Project Identification and Prioritization

5.2.1 Prioritized Housing Delivery Projects

The Municipality has in terms of Emakhazeni Integrated Development Plan and its Spatial Development Plan identified and prioritised the following housing delivery projects as indicated in Table 2 below.

Table 2: Prioritized Housing Delivery Projects

| PRIORITY | AREA | SETTLEMENT | CATEGORY | REMARKS |
|----------|--------------------|---------------------------------|---|--|
| 1 | Belfast/Emakhazeni | Siyathuthuka X6 & 8 | Implementation of Inclusionary policy. | 320 erven for low-income group, 100 erven for middle income group. |
| | | Belfast/Emakhazeni X1 | Implementation of Inclusionary policy | Land availability agreement signed with a private developer. |
| | | Belfast/Emakhazeni X8 | Earmarked for middle to high income group. | Land Affairs to purchase the land for the Municipality |
| | | Belfast/Emakhazeni Old Township | Implementation of BNG project for Low-income group. | Earmarked for 320 erven. |

| | | | | |
|---|-------------------------|---|--|---|
| 2 | Marchadodorp | Emthonjeni X6 & 8 | Earmarked for both Low and Middle income group. | |
| | | Machadodorp/Entokozweni X3 | Earmarked for both Low and Middle income group. | |
| | | Empumelweni Village | Earmarked for both Low and Middle income group. | Private initiative |
| 3 | Waterval Boven/Emgwenya | Gugulethu Township – Portion 3 of the Farm Doornhoek 344 JT | Earmarked for Low income group. This is a BNG project. | Proposed Development of 320 erven. |
| 4 | Dullstroom | Sakhelwe X2 (Phase 2) | Earmarked for Low income group | Proposed development of 190 erven. |
| 5 | Wonderfontein | Siyakhula | Earmarked for Low income group | Proposed Housing Development |
| 6 | Belfast/Emakhazeni | Portion 8 of Portion 11 of the farm Tweefontein 357 JT | Land to be purchased for Housing Development | Proposed Development compatible with SDF. Earmarked for 500 stands. |
| 7 | Machadodorp/Entokozweni | Remainder of Portion 36 of the farm Rietfontein 365 JT | Land to be purchased for Housing development | Proposed Development Compatible with SDF |
| | | Remainder of Portion 8 of the farm Rietfontein 365 JT | Land to be purchased for Housing development | Proposed development compatible with SDF. Earmarked for 500 stands. |
| | | Portion 10 of the farm Rietfontein 365 JT | Land to be purchased for Housing development | Proposed development compatible with SDF. |
| | | Portion 11 of the farm Rietfontein 365 JT | Land to be purchased for Housing development | Proposed development compatible with SDF. |
| | | Portion 61 of the farm Geluk 348 JT | Land to be purchased for Housing development | Proposed development compatible with SDF. |
| 8 | Waterval Boven/Emgwenya | Portion 3 of the Farm Doornhoek 344 JT | Land to be purchased for Housing development | Proposed development compatible with SDF. |
| 9 | Wonderfontein | Portion of the Remainder of Portion 18 of the Farm Wonderfontein 428 JS | Land to be purchased for Housing development | Proposed development compatible with SDF. Earmarked for 60 stands. |

5.2.2 THE LAND EARMARKED FOR PURCHASE

5.2.2.1 EMGWENYA AND ENTOKOZWENI

The land between Emgwenya and Entokozweni is a prime piece of ground to pursue integrated settlement should the owner intend selling.

The land between BJ's (Caltex filling station) and Entokozweni/is also a very good piece of ground to pursue development once the owner intend selling.

5.2.2.2 EMAKHAZENI AND DULLSTROOM

The available land to be purchased for development of housing is a portion of the farm Tweefontein next to Ext.3 Belfast/Emakhazeni.

The portion of land outside Dullstroom towards Belfast/Emakhazeni be earmarked for intergrated housing settlement should the owners decide to sell in the next 10 years.

- 1) Portion 130 of the farm Doornhoek Gugulethu 22ha (300 units)
- 2) Portion 3 of the farm Doornhoek 344 JT (1000 units)
- 3) Madala Township needs:
 - Infrastructure development(Bulk & reticulation)
 - Housing units
 - Conveyencing & issuing of title deeds
 - Extension 4 Emthonjeni and Ext.3 Machadodorp/Entokozweni (500 units)
 - Sakhelwe extention 2 phase 2 (400 units)
 - Extension 4 & 5 Siyathuthuka (1000 units)

5.2.3 Rectification of RDP Houses built since 1997

Table 3 below indicates a list of RDP houses built since 1997 that need rectification. The extent of the damages mentioned is not yet known, it is therefore recommended that an independent service provider be appointed to carry out this exercise.

Table 3: RDP houses with Structural Defects

| Area | Settlement | Type/Programme | No Units Affected | Year Built |
|-------------------------|-----------------|----------------|-------------------|------------|
| Belfast/Emakhazeni | Siyathuthuka | CBIS | 800 | 1997 |
| | Siyathuthuka X3 | CBIS | 200 | 2002 |
| | Siyathuthuka X2 | CBIS | 200 | 2003 |
| | Siyathuthuka | Project Linked | 200 | 2005 |
| | Siyathuthuka X3 | Project Linked | 50 | 2005 |
| | Siyathuthuka X2 | Project Linked | 50 | 2003 |
| Machadodorp/Entokozweni | Emthonjeni | CBIS | 500 | 1996 |
| | | PHP | 74 | 2006 |
| | | CBIS | 50 | 2007 |
| | | Project Linked | 175 | 2007/08 |
| Waterval Boven/Emgwenya | Emgwenya X2 | Project Linked | 475 | |
| | | PHP | 74 | |
| Dullstroom | Sakhelwe | CBIS | 140 | 2001 |
| | | PHP | 74 | |
| | | Project Linked | 176 | 2004-2008 |

5.3 Status of Infrastructure Services

Table 4 below indicates the status of infrastructure service provisions per project for all the prioritized housing projects.

Table 4: Infrastructure Services

| No | Project | No of erven | Town Planning | | | | | Bulk Service Network | | | | Internal Service Network | | | |
|----|---|-------------|---------------|----------------------------|------|----------------|--------------|----------------------|-------------|------------|-------------|--------------------------|-------------|------------|-------------|
| | | | Proclamation | Geotechnical Investigation | EIA | Land Surveying | General Plan | Water | Electricity | Sanitation | Access Road | Water | Electricity | Sanitation | Access Road |
| 1 | Siyathuthuka X6 & 8, Belfast/Emakhazeni | 543 | No | No | No | Yes | Yes | No | No | No | No | No | No | No | No |
| 2 | Belfast/Emakhazeni Old Township | 500 | Yes | Yes | Yes | Yes | Yes | No | No | No | No | No | No | No | No |
| 3 | Belfast/Emakhazeni X8 | 606 | No | No | No | No | No | No | No | No | No | No | No | No | No |
| 4 | Machadodorp/Entokozweni X3 & Emthonjeni X4 | 500 | Yes | Yes | Yes | Yes | No | No | No | No | No | No | No | No | No |
| 5 | Empumelelweni Village: Machadodorp/Entokozweni | 84 | No | Busy | Busy | Yes | Yes | No | No | No | No | No | No | No | No |
| 6 | Gugulethu Township (Doornhoek 344 JT) Waterval Boven/Emgwenya | 320 | No | Yes | Yes | No | No | No | No | No | No | No | No | No | No |
| 7 | Sakhelwe X2 (phase 2): Dullstroom | 190 | Yes | Yes | Yes | Yes | Yes | No | No | No | No | No | No | No | No |
| 8 | Siyakhula Rural Village (van Wyksvlei): Wonderfontein | 40 | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | No | No | Yes |

As reflected in Table 4 above, almost all these housing projects still lack the provision of basic infrastructural services that must be in place before housing units could be constructed and beneficiaries move in.

5.4 Housing Projects Five Year Budgetary Implementation Plan

In order to successfully implement the housing projects identified for this Municipality within the five-year period, the following processes must take place concurrently. The Municipality must ensure that the bulk services are budgeted for and appropriate steps are followed in submitting applications for funding to the relevant institutions. At the same time a five-year housing implementation plan has to be in place. These two processes are outlined in the following sections.

5.4.1 Five Year Bulk Infrastructure Delivery and Implementation Plan

For any housing project to be realized and implemented successfully the basic bulk services must be in place, which are bulk water, bulk sanitation, bulk electricity and access roads. It is therefore the responsibility of the Municipality to apply for MIG funding to the relevant institutions. Table 5 below indicates the budget estimates for the installation of infrastructure for bulk services that would support implementation of the housing delivery projects in the Emakhazeni municipal area.

Table 5: Five-year Bulk Infrastructure Projects Budget Proposal and Implementation Plan

| | Project Name | Project Location | Number of Erven | Project Description | Project Budget and | | | | | | Source of Funding |
|---|---------------------------------|---|-----------------|------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | | | Year 1 2009/10 | Year 2 2010/11 | Year 3 2011/12 | Year 4 2012/13 | Year 5 2013/14 | Year 6 2014/15 | |
| 1 | Siyathuthuka X6 & 8 | Siyathuthuka Township, Belfast/Emakhazeni | 543 | Township Establishment | R1 200 000 | | | | | | NDM |
| | | | | Bulk Water | | R3 500 000 | | | | | MIG |
| | | | | Bulk Electricity | | | | R3 500 000 | | | DOE |
| | | | | Bulk Sanitation | | | R4 300 000 | | | | MIG |
| | | | | Roads | | | | | R3 000 000 | | NDM |
| 2 | Belfast/Emakhazeni Old Township | Belfast/Emakhazeni | 500 | Township Establishment | R1 200 000 | | | | | | NDM |
| | | | | Bulk Water | | | R3 800 000 | | | | |

| | Project Name | Project Location | Number of Erven | Project Description | Project Budget and | | | | | | Source of Funding |
|---|--|-------------------------|-----------------|------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | | | Year 1 2009/10 | Year 2 2010/11 | Year 3 2011/12 | Year 4 2012/13 | Year 5 2013/14 | Year 6 2014/15 | |
| 3 | Machadodorp/Entokozweni X3 & Emthonjeni X6 & 8 | Machadodorp/Entokozweni | 500 | Bulk Water | | R2 500 000 | | | | | MIG |
| | | | | Bulk Electricity | | | R2 500 000 | | | | DOE |
| | | | | Bulk Sanitation | | R4 000 000 | | | | | MIG |
| | | | | Roads | | | | R3 000 000 | | | MIG |
| 4 | Empumelelweni Village | Machadodorp/Entokozweni | 84 | Township Establishment | R1 200 000 | | | | | | NDM |
| | | | | Bulk Water | | | R2 500 000 | | | | MIG |
| | | | | Bulk Electricity | | | | R2 500 000 | | | DOE |
| | | | | Bulk Sanitation | | | R1 500 000 | | | | MIG |
| | | | | Roads | | | | | R2 500 000 | | MIG |
| 5 | Gugulethu Township | Waterval Boven/Emgwenya | 320 | Township Establishment | | R1 500 000 | | | | | NDM |
| | | | | Bulk Water | | | R6 500 000 | | | | MIG |
| | | | | Bulk Electricity | | | | | R5 500 000 | | MIG |
| | | | | Bulk Sanitation | | | | R6 000 000 | | | MIG |
| | | | | Roads | | | | | | R10 000 000 | NDM |
| 6 | Sakhelwe X2 | Dullstroom | 190 | Township Establishment | R1 200 000 | | | | | | NDM |
| | | | | Bulk Water | | R1 700 000 | | | | | MIG |
| | | | | Bulk Electricity | | | | R2 000 000 | | | DOE |
| | | | | Bulk Sanitation | | | R3 500 000 | | | | MIG |
| | | | | Roads | | | | | R5 000 000 | R5 000 000 | MIG |

| | Project Name | Project Location | Number of Erven | Project Description | Project Budget and | | | | | | Source of Funding |
|---|---|---|-----------------|-------------------------------|--------------------|--------------------|--------------------|-------------------|--------------------|--------------------|---------------------|
| | | | | | Year 1 2009/10 | Year 2 2010/11 | Year 3 2011/12 | Year 4 2012/13 | Year 5 2013/14 | Year 6 2014/15 | |
| 7 | Siyakhula Rural Village | Van Wyksvlei, Belfast/Emakhazeni | 40 | Bulk Water (Borehole) | | R 800 000 | | | | | NDM |
| | | | | Electricity (Bulk & Internal) | | R1 500 000 | | | | DOE | |
| | | | | Sanitation | | R2 500 000 | | | | MIG | |
| | | | | Roads | | | R3 000 000 | | | NDM | |
| 8 | Convention of Hostels into Family Units | Machadodorp/Entokozweni & Waterval Boven/Emgwenya | 187 & 212 | Township Establishment | | | R 800 000 | | | | NDM |
| | | | | Bulk Water | | | | R1 000 000 | | MIG | |
| | | | | Bulk Electricity | | | | R2 200 000 | | DOE | |
| | | | | Bulk Sanitation | | | | R2 500 000 | | MIG | |
| | | | | Roads | | | | | | R1 000 000 | MIG |
| 9 | Purchasing of farms for residential development | Belfast/Emakhazeni & Machadodorp/Entokozweni | TBA | | | | | | | DRDLR | |
| | TOTAL | | | | R4 800 000 | R18 000 000 | R27 900 000 | 28 800 000 | R13 000 000 | R20 500 000 | R113 000 000 |

As outlined in Table 5, the Municipality would require approximately R 113 million to provide infrastructure for bulk basic services in the next five years, which translate to an average annual budget of about R 23 million. The Municipality has to be pro-active in applying for funding to the relevant institution.

5.4.2 Five - year Housing Projects Delivery and Implementation Plan

As stated by the Housing Act, the national government is responsible for the apportionment of the state budget for housing development to municipalities. Experience has shown that due to budgetary constraints housing budget allocated to municipalities by the national and provincial governments is generally not adequate to implement and eradicate the entire municipal housing backlog within a given period of time. Taking the above into account, a Five–Year budget for housing development is proposed for the Emakhazeni Local Municipality and is outlined in Table 6 below.

This budget ranges from R33 millions in the initial financial year of 2009/10 and progressively increasing to about R118 millions in the year 2013/14. This proposed budget is based on the following assumptions:

- the actual housing backlog is 6 700 units with an assumption that it increases by 3% annually;
- a government housing subsidy of R55 706 per unit with an annual escalation growth of 7%; and
- a 15% geophysical variation allowance.

These proposed funding proposals exclude funding for bulk services but include all internal services (water, sewer, access roads), Deed Registration, engineering, town planning and land surveying services. The funding proposal for bulk infrastructure is the responsibility of the Municipality and is given in

| <i>Table 6: Emakhazeni Municipality Housing Budget and Implementation Plan</i> | | | | | | |
|--|----------------------------|-----------------------------------|---|---------------------------------|---|------------------------------------|
| <i>Housing Backlog</i> | | | | | | |
| Actual Housing Backlog | 6700 units | | | | | |
| Incomplete Units | 519 units | | | | | |
| Total Housing Backlog | 7219 units | | | | | |
| <i>Housing Budget Implementation Plan</i> | | | | | | |
| <i>Year</i> | <i>Proposed Allocation</i> | <i>Balance of Housing Backlog</i> | <i>Actual and Projected Annual Subsidy allocation</i> | <i>Budget for top structure</i> | <i>Budget for Geotechnical Investigations</i> | <i>Total Annual Housing Budget</i> |
| 2009/2010 | 519 | 6700 | R 55 706.00 | R28 911 414.00 | R4 336 712.10 | R33 248 126.10 |
| 2010/2011 | 800 | 6077 | R59 605.00 | R47 684 000.00 | R7 152 600.00 | R54 836 600.00 |
| 2011/2012 | 1000 | 5229 | R63 777.00 | R63 777 000.00 | R9 566 550.00 | R73 343 550.00 |
| 2012/2013 | 1200 | 4150 | R68 242.00 | R81 890 400.00 | R12 283 560.00 | R94 173 960.00 |
| 2013/2014 | 1400 | 2833 | R73 019.00 | R15 333 990.00 | R15 333 990.00 | R117 560 590.00 |
| 2015 and beyond | 2833 | | R78 130.00 | R221 342 290.00 | R33 201 343.50 | R254 543 633.50 |

This Housing Chapter will not prescribe to the Municipality in terms of the allocation and distribution of the funds or housing grant funding as no one is certain as to how much will the national and provincial departments allocate to this Municipality in each financial year. Therefore, the distribution of funds allocated for housing will be the responsibility of the municipal Council. However, as per the directive from the provincial department of Human Settlements, first preference in this implementation plan is given to the completion of all the incomplete housing units within the municipal area.

It should be noted from Table 6 that as long as the Municipality is dependent on the national and provincial governments for funding for housing development the housing backlog will remain high. In order to eradicate the housing backlog the Municipality should explore other alternative solutions for housing delivery. The possible options are:

- To explore other funding sources;
- To further explore other housing options such as social housing and rental stock, and workshop these with the communities.

This option has a potential of absorbing most of the homeless families who are currently renting as backyard dwellers.

5.4.3 ELECTRICITY INFRASTRUCTURE

MACHADODORP/ENTOKOZWENI

- In Machadodorp/Entokozweni the electricity current capacity is 2.0 mva while the demand is at 2.5 mva and we are looking at the upgrading of this capacity to 3.9 mva so that it will be able to accommodate the upcoming developments.

BELFAST/EMAKHAZENI

- In Belfast/Emakhazeni the electricity current capacity is 4.7 mva while the demand is at 5.9 mva, which shows that the demand is more than the current capacity and we are looking at the upgrading of this capacity to 8.0 mva so that we are able to accommodate the upcoming developments and to off-load the current load.
- In order to off-load current load from Belfast/Emakhazeni to Siyathuthuka there is already an application forwarded to DoE for a direct separate line from paardeplaats to Siyathuthuka with substation at 20 mva. This means that the Belfast/Emakhazeni substation will have atleast 3.0 mva for the town and surrounding farms.

WATERVAL BOVEN/ EMGWENYA

- In Waterval Boven/Emgwenya the electricity current capacity is 2 mva while the demand is at 2.1 mva and we are looking at the upgrading of this capacity to 3.5 mva so that it will be able to accommodate the upcoming developments.

EMTHONJENI

- In Emthonjeni the electricity current capacity is 1 mva while the demand is at 1.3 mva and we are looking at the upgrading of this capacity to 1.5 mva so that it will be able to accommodate the current and upcoming developments. In order to meet the above upgrade we will need assistance on payment of upfront notified maximum demand fees of R3 million.

5.4.4 WATER INFRASTRUCTURE

Water in Belfast/Emakhazeni

- In Belfast/Emakhazeni the water plant current capacity is 3 mega liters per day while the demand is at 2.5 mega liters per day.

Water in Dullstroom

- In Dullstroom the water plant current capacity is 2 mega liters per day, while the demand is at 1.8 mega liters per day and We are busy with the upgrade of the plant

Water in Machadodorp/Entokozweni

- In Machadodorp/Entokozweni the water plant current capacity is 2 mega liters per day, while the demand is at 1.8 mega liters per day.

Water in Waterval Boven/Emgwenya

- In Waterval Boven/Emgwenya the water plant current capacity is 3 mega liters, while the demand is at 1.8 mega liters per day, and Plant is currently upgraded to 3 mega liters so that it will be able to accommodate the upcoming developments.

5.4.5 ROAD INFRASTRUCTURE

Roads in Waterval Boven/Emgwenya

- Currently 65% of roads are in bad condition and need rebuilding but the municipality does not have capacity to address these challenges

Roads in Dullstroom

- Currently 65% of gravel road needs to be regaveled or paved but the municipality does not have capacity to address these challenges.

- Currently 45% of tarred road need resealing of which the Council does not have financial capacity.

Roads in Belfast/Emakhazeni

- Currently 75% of roads are in bad condition and need rebuilding and that will need financial resources which the municipalities do not have.

Roads in Machadodorp/Entokozweni

- Currently 75% of tarred road need resealing but the municipality does not have capacity to address these challenges.

5.4.6 SEWER INFRASTRUCTURE

Sewer in Belfast/Emakhazeni

- In Belfast/Emakhazeni the sewer plant current capacity is 2.5 mega liters, while the demand is at 2 mega liters per day, and it need to be upgraded to 3 mega liters to accommodate new development

Sewer in Dullstroom

- In Dullstroom the sewer plant current capacity is 2 mega litres, while the demand is at 1.5 mega liters per day, and it need to be upgraded to 3 mega litres to accommodate new developments

Sewer in Machadodorp/Entokozweni

- In Machadodorp/Entokozweni the sewer plant current capacity is 2.5 mega litres, while the demand is at 1.7 mega liters per day.

Sewer in Waterval Boven/Emgwenya

- In **Waterval Boven/Emgwenya** the sewer plant current capacity is 2.5 mega liters, while the demand is at 1.6 mega liters per day.

6. STRATEGIC INTERVENTION ON HOUSING DEVELOPMENT IN THE EMAKHAZENI LOCAL MUNICIPALITY

The delivery of housing in this Municipality has been concentrated on the low income group and the housing projects location has been in the predominantly Black urban residential areas. This process is seen as perpetuating the past apartheid settlement planning system, consequently the currently urban settlement developments in this Municipality is seen as disintegrated mostly along income and racial lines.

The identified and prioritized housing projects in this Municipality are in line with the approved municipal Spatial Development Framework Plan (SDF) and Integrated Development Plan. As pointed out below, these projects seek to achieve the integration of communities through infill and densification. In addition, these projects are well catered for with regard to Social Services are concerned.

6.1 Belfast/Emakhazeni

In terms of municipal SDF 2010 and as exposed in Chapter 3 above, Belfast/Emakhazeni is in dire need of housing stock and there is a need for the expansion of the residential areas as well as infill and densification. As shown in Figure 3, the SDF recommends that the entire northern section of Belfast/Emakhazeni should be reserved for residential densification and infill development. Belfast/Emakhazeni and Siyathuthuka Township has to be integrated and the prioritised housing project of Siyathuthuka X 6&8 is aimed at achieve that goal.

The prioritised residential development of Belfast/Emakhazeni Old Township (Madala area) (Figure 3) is also support the integration and infill development. As previously stated, the housing delivery in this piece of land is based on the Breaking New Ground Strategy and will cater for the housing backlog and the future growth in terms of all income categories.

Housing delivery in the Belfast/Emakhazeni area is not only focusing on the low income categories. Belfast/Emakhazeni X1 and Belfast/Emakhazeni 8 are the two prioritized project that seek to cater housing development for the middle to high income group

6.2 Dullstroom

The SDF recommends that Dullstroom town and Sakhelwe Township should be integrated. As shown in Figure 4, the future growth of Sakhelwe should be towards Dullstroom town. The project of Sakhelwe X 2 which is complete supports both the integration and infill development.

6.3 Machadodorp/Entokozweni

Figure 5 shows the spatial location of Machadodorp/Entokozweni and Emthonjeni. The evident physical separation of these two towns demands some interventions in terms of integration. The prioritized projects of Machadodorp/Entokozweni X3 and Emthonjeni X6 & 8 are specifically prioritized to achieve the integration of these towns. These projects are also planned to be implemented through the Breaking New Ground Strategy in order to cater for all the income categories.

6.4 Waterval Boven/Emgwenya

As indicated in Figure 6, the topographical layout of Waterval Boven/Emgwenya renders the integration of the settlement impossible. Currently housing development is focused on the low income category with the aim of eradicating the informal dwelling that is prevalent at eMgwenya Township. However, the proposed Gugulethu Township on Portion 3 of the Farm Doornhoek 344JT is planned to be implemented through the Breaking New Ground strategy and will cater for all income categories.

6.5 Farms to be purchased for residential/settlement development

As indicated in Figure 7, the following farm portions have been identified by the Municipality for future expansion its urban areas. The proposed land uses in these farm portions are compatible with the Spatial Development Framework of the Municipality

Belfast/Emakhazeni

- Portion 8 and Portion 11 of the Farm Tweefontein 357 JT (500 Stands)

Machadodorp/Entokozweni

- Remainder of Portion 36(-/9) of the Farm Rietfontein 365 JT (67.8712 ha)
- Remainder of Portion 8 (-/4) of the Farm Rietfontein 365 JT (95.8760 ha) (500 stands)
- Portion 10 (-/8) of the Farm Rietfontein 365 JT (0.1113 ha)
- Portion 11 (-/8) of the Farm Rietfontein 365 JT
- Portion 61 of the Farm Geluk 348 JT (21.4133 ha)

Waterval Boven/Emgwenya: Portion 3 of the Farm Doornhoek 344 JT

Wonderfontein: Portion of Remainder of Portion 18 of the Farm Wonderfontein 428 JS (14.5738) (60 stands).

7. INTEGRATION

As in the Integrated Development Planning process, the integration of all the relevant municipal and government sector department delivery programmes should also be achieved in the compilation of the Housing Chapter. The Housing Chapter should summarises all relevant infrastructure development plans and then match them with the proposed multiple housing project delivery plan. The proposed housing delivery projects should then match with the delivery of the other relevant sector department interventions as reflected in the Municipal IDP.

In the compilation of the Housing Chapter for the Emakhazeni Local Municipality the relevant municipal sector departments were involved and their infrastructure development programmes were integrated in the Housing Chapter.

The integration of the National and Provincial sector department developmental programmes were not sufficiently integrated. It is therefore imperative that this Housing Chapter housing delivery programme should further be integrated with the development programmes of the following relevant national and provincial departments:

- Department of Human Settlements and Local Government,
- Department of Agriculture and Land Administration,
- Public Works,
- Department of Land Affairs, and
- Nkangala District Municipality.

Other sectors that could play an important contribution in the success of the delivery of housing projects in this Municipality include the private sector such as Business and Mining as well as Eskom.

The Need for integration with all the municipal, provincial and national sector department as well as the private sector are to:

- optimize scarce development resources;
- ensure projects are adapted to local needs, conditions, assets;
- ensure a Multi-Sectoral approach to development;
- ensure community participation.

8. CONCLUSION

The Housing Chapter Emakhazeni Local Municipality will provide guidelines for the strategic direction of housing delivery and addressing the housing backlog within the municipal area.

The Housing Chapter forms part of the primary strategic management tool and should be incorporated to form part of the Integrated Development Plan of the Municipality. This will assist the Municipality in ensuring that all its resources and all housing related activities are integrated and aligned with other projects in order to achieve the one key objective, that of providing the communities with quality housing and other municipal services.

The demand for housing will remain a deliverable item throughout the lifeline of this Municipality. The Municipality must further explore the linkage and the integration of the Social Housing Policy with the Housing Chapter and this will strengthen effective housing delivery in all aspects and broaden the available housing options.

This Housing Chapter forms part of the municipal IDP and like all strategic documents of the Municipality; it needs to be reviewed on annual basis in the same manner as the municipal IDP is reviewed. In this way the Municipality will be able to measure, assess and evaluate the impact of housing development in its area of jurisdiction.

LIST OF FIGURES

FIGURE 1

LOCALITY MAP

FIGURE 3

BELFAST/EMAKHAZENI LAND USE MAP

FIGURE 4

DULLSTROOM LAND USE MAP

FIGURE 5

MACHADODORP/ENTOKOZWENI LAND USE MAP

FIGURE 6

WATERVAL BOVEN/EMGWENYA LAND USE MAP

FIGURE 7

FARM PORTIONS TO BE PURCHASED FOR FUTURE EXTENSION OF
SETTLEMENTS

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