UMZIMVUBU
LOCAL MUNICIPALITY

2030 NDP

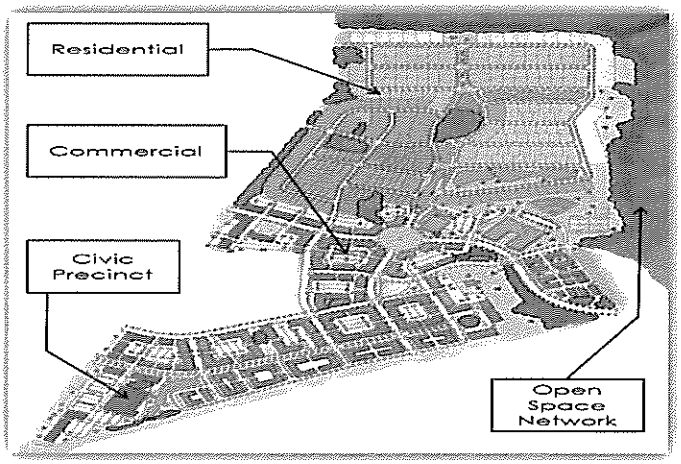
UMZIMVUBU LOCAL MUNICIPALITY

HOUSING SECTOR PLAN REVIEW

JULY 2018

BY

INGQAYI DESIGN ECONOMIC PARTNERSHIP (IDEP)



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ABBRIVIATIONS

BNG – Breaking New Ground

CBD – Central Business District

CSIR – Council for Scientific and Industrial Research

GDP – Gross Domestic Product

GIS – Geographic Information Systems

HDA – Housing Development Agency

HMIS – Housing Information Management System

HSP – Housing Sector Plan

IDP – Integrated Development Plan

LED – Local Economic Development

MTSF - Medium Term Strategic Framework

SDF – Spatial Development Framework

NDP – National Development Plan

RDP – Reconstruction and Development Programme

SANRAL – South African National Roads Agency Limited

SASSA – South African Social Security Agency

SPLUMA – Spatial Planning and Land Use Management Act

MAYORS' FOREWORD

I am highly privileged to present the Human Settlement Sector Plan for 2018/2019 financial year. The Human Settlement Sector Plan represents a well-rounded departure from 2016 Housing Sector Plan which seeks to bring about restructuring of UMzimvubu growth path. The 2018/2019 plan strives to bring about tangible results in land development and implementation of livable and sustainable human settlement for the people of UMzimvubu and surrounding areas. UMzimvubu locality is strategically located through national N2 Corridor, regional road linkages, host regional government departments and District head office, has both profound cultural tourism represented by traditional KwaBhaca and EMaXesibeni traditional and cultural offering, scenic mountains, valleys and rivers.

The main thrust that the Human Settlement plan bring to the people of UMzimvubu is the dire need for middle income housing to accommodate working, middle income (missing middle) and high class income earners who in essence are not qualifying for the Reconstruction and Development Programme BNG and on the other side of the coin, UMzimvubu have no private housing stock or private bond to cater for this emerging group. There is no contestation that are countless government and private employees that are renting backrooms and houses in our twin towns and this therefore suggest that there is also a need for social, affordable or gap housing scheme in our area. The pivotal issue of private mortgage bond housing cannot be ignored as our area has experienced growth and the strategy of bringing back our people from KwaZulu-Natal Kokstad town in particularly must be a real action linked to unlocking of land for sustainable human settlement and this must be coupled by sustained political will. One of the critical strategies is to finalise the Public Works Government Precinct for EMaXesibeni that will host all Regional Government Departments located that are currently located in Kokstad and Maluti respectively. All these efforts must go hand in glove with private sector investment and promotion of mixed use zones, linked to public transport networks. All UMzimvubu Departments must work collectively to make sustainable human settlement a reality; energies must be directed towards obtaining funding from human settlement agencies, government departments and private sector players to help UMzimvubu Implement this 2018/2019 plan.

We will continue to achieve visible advances with improving the quality of life of all our people through a consultative and participatory process and human settlement is one of the advances we must expand to cater for all groups. More significantly, as elected leaders, we have an obligation to be transparent and accountable about service delivery, budget plans and allocations, as well as report on progress on a structured and consistent basis. This will help ensure that the local community is well informed of all our activities and programmes that have a direct impact on their lives.

Cllr B.P. Mabengu
Mayor, UMzimvubu Local Municipality

PROJECT BACKGROUND

Ingqayi Design Economic Partnership was appointed by UMzimvubu Local Municipality to review the 2016 Housing sector plan. Among critical issues unpacked in the review is demand for housing and availability of land, strategies to implement social, affordable and rental housing opportunities, and most pivotal in this review is the middle income and high density mix-use opportunities. The review is based on the unbendable brief about strategies and tactics that will assist the Municipality to implement sustainable Human settlement particularly in the urban twin centers; KwaBhaca and EMaXesibeni . On top of the agenda is for the review is to recommend funding mechanisms or instruments that will enable the UMzimvubu Local Municipality to lure resource, gain support and implement middle income gap housing opportunities.

In addition to this, the document must be pragmatic and outlines human settlement dynamics in Umzimvubu, document housing and human settlement delivery, best practices and lessons. Service provider must industriously set out funding options to fast-track human settlements and address shortcoming in the current delivery systems. The National Department of Human Settlements recommends that there must be Housing Chapters within the Municipal IDPS. Key challenges are noted in the current housing delivery such as poor urban design & planning, virtually no variation in house design, zero variation in types (single, semi-detached, row houses), poorly integrated into existing communities, one-size-fits-all, one house design (house plan and type) and very difficult to expand and houses located far from economic centers/engines, developments without social facilities, and development disintegrated from viable public transportation network plans. Also central is the perpetual lack of efforts to promote densification and the integration of housing with other sector plan such as transport, environment, water, sanitation and local economic development (LED) as a way of promoting sustainable human settlements.

OBJECTIVES

The following objectives underpin the Municipal Housing Plan:-

To develop a comprehensive housing development plan for the Local Municipality.

To integrate the Housing Sector Plan (HSP) into the Integrated Development Plan (IDP), and ensure that the HSP becomes the housing component of the UMzimvubu IDP.

To ensure that the HSP provides a consistent tool to evaluate proposals and applications at the municipal level, through the development of a Housing Information Management System (HMIS) that is GIS based.

To establish a framework for housing delivery in terms of the National Housing Programmes and the Department of Housing's Strategic Direction.

To provide both the Human Settlement department and Local Municipality with a tool to strategically locate future housing settlements, taking into consideration the constraints and opportunities that exist at a municipal level

HOUSING REVIEW CORE ISSUES

There is an emerging middle income gap market that is not being catered for in the various housing projects and products in both UMzimvubu twin towns. Among other issues are the household income characteristics, demand: housing affordability levels, capacity to estimate demand, conversion of old houses and buildings in the CBD to low and middle income residential units (affordable housing).

Rental accommodation is also an emerging demand in UMzimvubu twin towns, and there are pockets of vacant land in both CBD/town (Spatial Development Framework & Precinct Plan 2015). One of the pivotal issues is the lack of community facilities particularly in rural housing projects and this is the core of the review which must be instrumental in lobbying for community amenities across housing delivery. At the center of the review is to look for support and available Infrastructure prioritization to all housing sites. More strides in the review will be to lobby for housing delivery that has mix-use land opportunities and viable public transport.

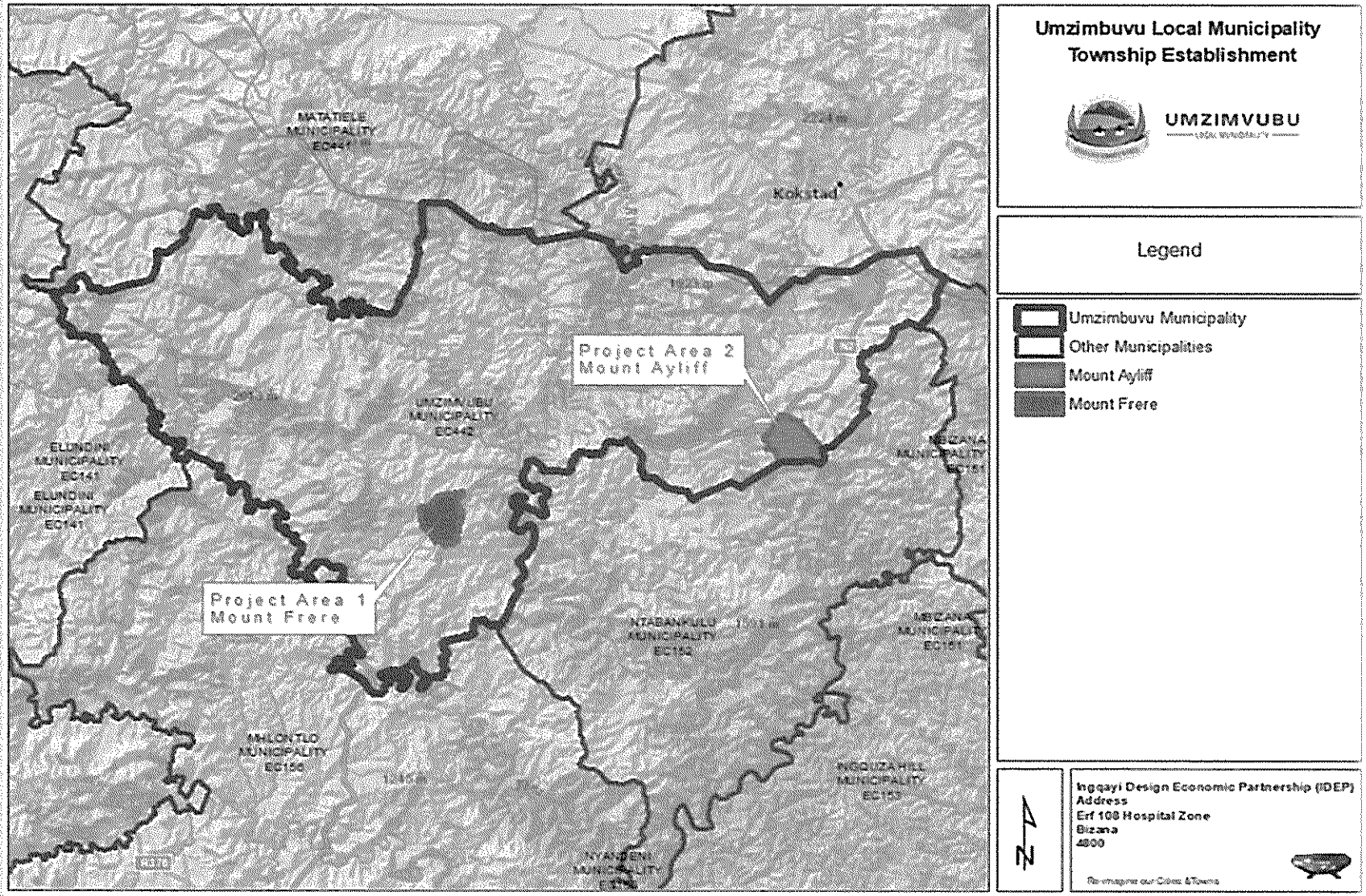
The functionality of Two Twin Towns, EMaXesibeni and KwaBhaca in terms of attracting both working and middle class citizens, for example the finalization of Public works Government Precinct in EMaXesibeni will create a demand for both Rental and Middle Class income gap residential demand. The funding requirement is the central theme in the housing delivery and is the core of the review. This is linked to the sustainable business case that needs to be submitted to various funders such as government housing agencies, Development Finance Institutions and to Private sector

In order to effectively address the current housing in Umzimvubu, service provider should quantify the demand more comprehensively, in terms of the following, affordability: demand in terms of income bends, variety of tenure options, variety of housing procurement methods: Include individual subsidies, Social Housing Institutions, Co-operatives, Private Developers, People's Housing Process, Banks in the Housing Delivery Model, etc. engagements with Housing Development Agency (HDA).

PROJECT BACKGROUND

- Outline the housing / human settlement dynamics in the Umzimvubu.
- Document housing and human settlement delivery, best practices and lessons.
- Set out Funding proposals to fast-track human settlements and addressing shortcoming of current delivery systems in the UMzimvubu area.
- The National Department of Human Settlements recommends that there must be Housing within the Municipal IDP which should include:
  - Municipal Housing Needs Assessment
  - Prioritization of informal settlements
  - The identification of well-located land for housing
  - The identification of areas for densification and the integration of housing with other sector plan such as Transport, Environment, Water and Sanitation.

LOCATION OF THE STUDY



Map 1- Locality Map

EMaXesibeni

EMaXésibeni is one of the primary nodes in the UMzimvubu Local Municipality. It is seen as a primary node due to its foundation as a core government administration center for the entire Alfred Nzo District. It host Eastern regional government departments and Alfred Nzo District head office. EMaXesibeni is strategically located along the N2 National corridor which gives the town a unique opportunities to tap into national project linked to SANRAL upgrading programmes and National Strategic Infrastructure. It is also one of the main tourism areas with various tourism products such as the EMaXesibeni Arts Centre, accommodation establishments and the ECPTA information center and is said to hold even greater potential especially in the arts and crafts.

KwaBhaca

KwaBhaca is also one of the fast growing primary nodes of the UMzimvubu Local Municipality and its located right on the N2 National Corridor route. The KwaBhaca town center is uncontestable service for the majority of the district due its large retail market and many businesses which are available. The town has financial services such as banks (FnB, Capitec etc.) and other financial services. The business activity of the local municipality, both formal such as Cashbuild, KFC, Boxer and Shoprite and informal in the form of hawkers, mainly occurs in this town. The main business is focused on the section of the N2 and roads that feed off the N2. The land uses of the town includes agriculture, residential, institution, business, health and educational facilities. EMaXesibeni is where most of the regional government administration and small retail activity of the municipality is taking place.

Demographics

Demographics	EMaXesibeni	KwaBhaca	Ntenetyana	Phuti	Phakade	UMzimvubu LM
Population	7 279	22 065	1 367	4 967	6 202	191 620
Population densities (square kilometres)	1 443.0	1 103.6	186.7	583.1	668.6	74.4
No of Households	2 391	6 545	421	620	1 297	46 891
Average no of persons per household	3	3	3	8	5	4

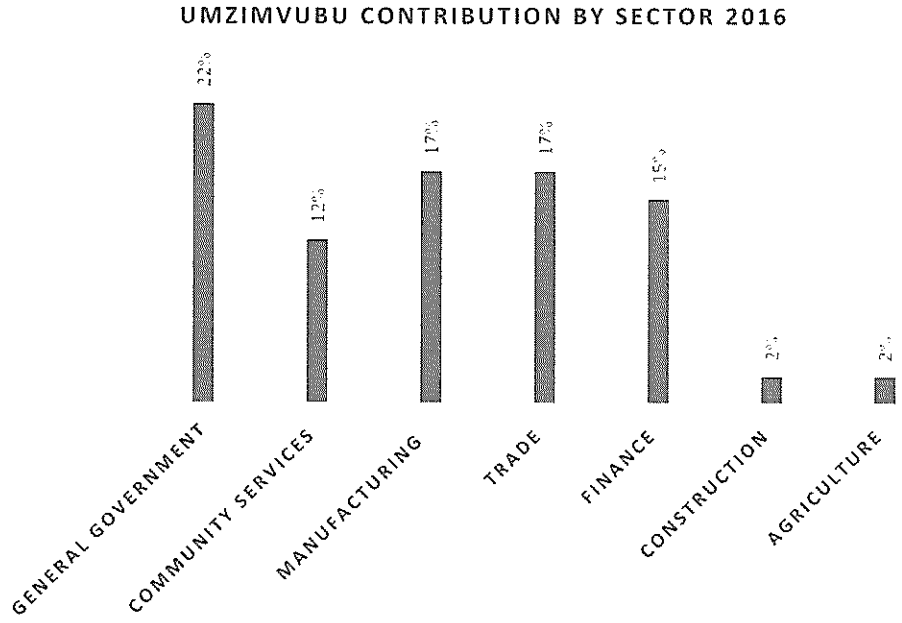
Table 1- Demographics

Household Income

	KwaBhaca	EMaXesibeni	Phuti	Phakade	Ntenetyana	UMzimvubu LM
Monthly Household Income	R 5 177	R 5 064	R2 914	R 1 595	R 1 679	R 5 083
Income Poverty	20%	35%	45%	47%	46%	62%

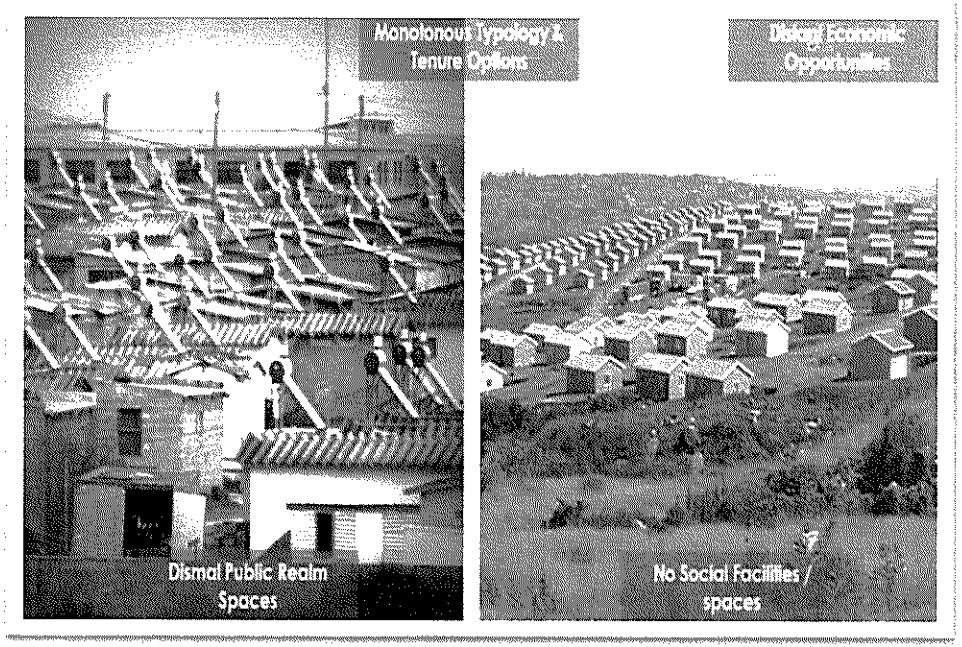
Table 2- Household Income

Economic Sector contribution



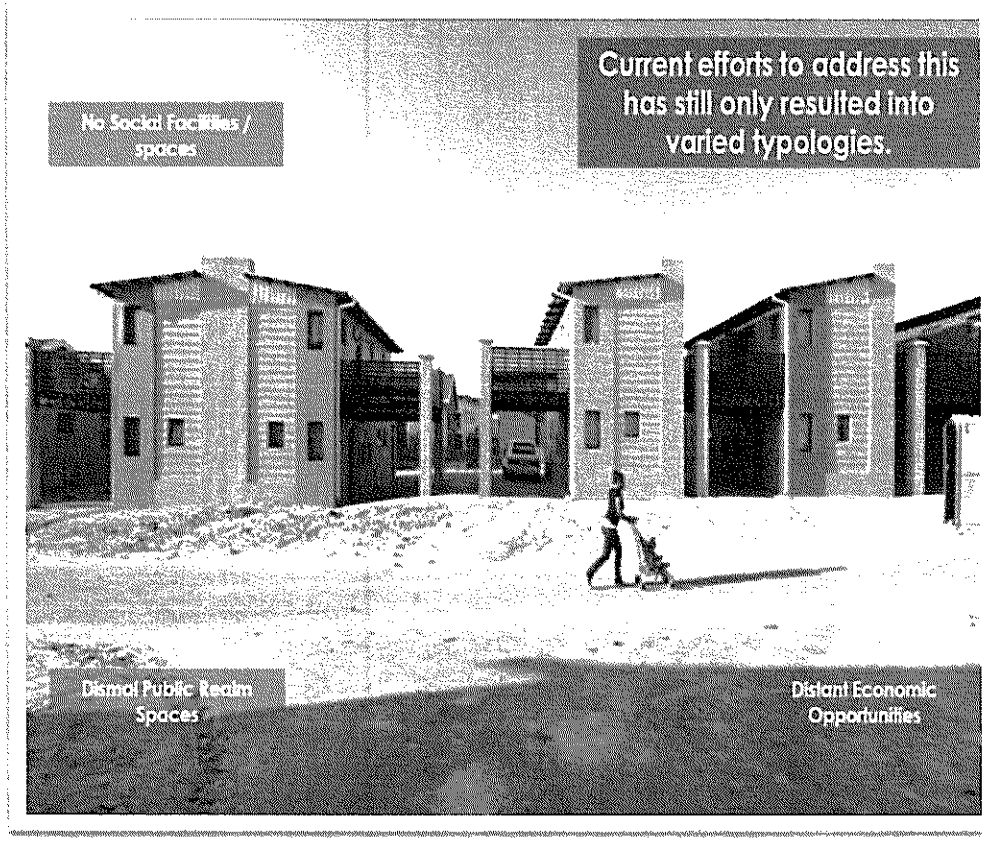
SUSTAINABLE HUMAN SETTLEMENT

South African Subsidised Housing Typologies



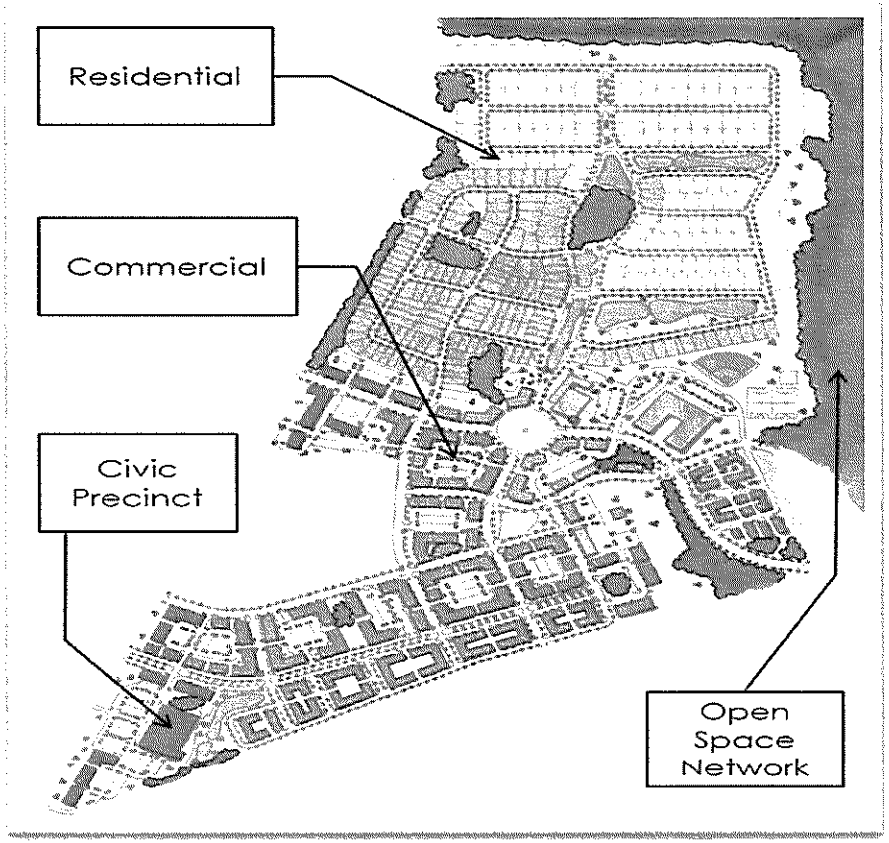
Twenty years on many of the projects still perpetuate only housing units, with little consideration to Livable Neighborhoods

Cape Town: Mitchell's Plain as an Example

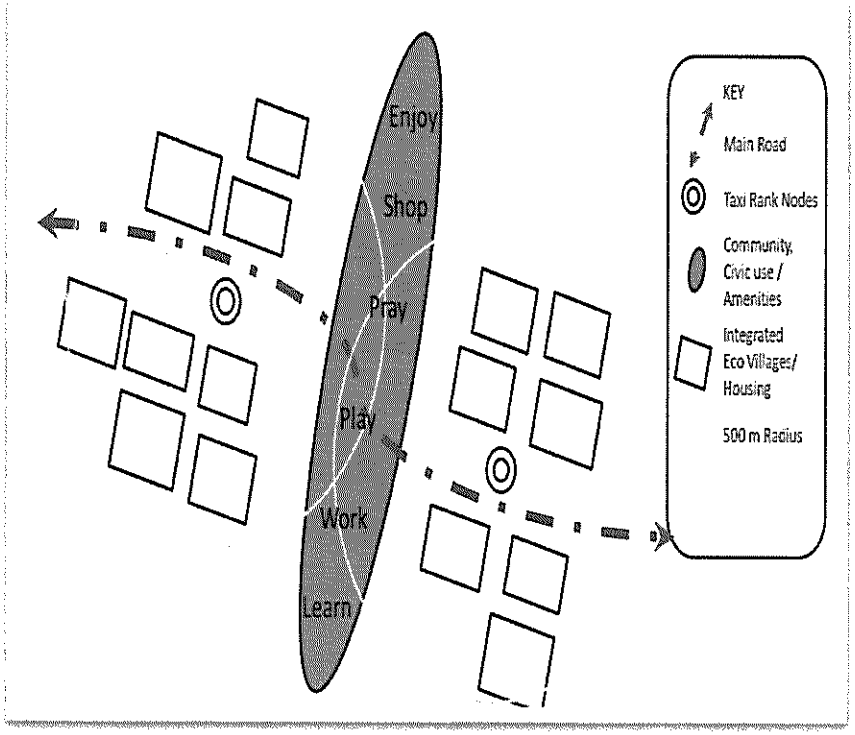


NEW URBANISM LAYOUT PLAN

Concept: Integrated Settlement



Locality Plan Layout



EMAXESIBENI HOUSING ASSESSMENT

Different styles of housing types were found in EMaXesibeni town, the housing structures ranges from formal brick type's structures to flats and RDP housing. There are houses within the EMaXesibeni CBD that are in need of upgrade.

Adequate Housing

With reference to table below the number of formal structures within EMaXesibeni amounts to 1800.

HOUSE TYPE	Total
House or Brick/concrete block structure on a separate stand or yard or on a farm.	1557
Flat or apartment in a block of flats	156
Cluster house in complex	-
Town house (semi-detached house in a complex)	51
Semi-detached house	-
House/flat/room in back yards	36

Table 3- EMaXesibeni Housing Typology

Inadequate Dwellings

Inadequate housing refers to backyard shacks and informal dwellings occupied by the critical low cost rental market. Informal dwelling (shack in back yard) amounts to 18 and informal dwelling in the form of a standalone shack amounts to only 6.

Outcome of the Survey for EMaXesibeni	Percentage %
Are willing to purchase a house	85%
Participants currently rent a house	85%
Are interested in renting Low Income Housing	40%
Average Distance Travelled to work	6.5 km
Do not show interest in Rental Stock	60%
Do not express in buying Land only	70%
Most desired free standing Units	50%
Currently occupy rent/own Middle income housing	50%
Most Desired complex style housing	25%
Long term leases (Are not interested)	75%
Currently occupy rent/own low income housing	45%

Table 4- EMaXesibeni Survey Outcome

Household Income

- 30% is earning between R1 500 –R3 500 per month
- 35% is earning between R3 501 –R7 500 per month
- 25% is earning between R7 501 – R15 000 per month
- 10% is earning R15 000+

35% currently occupy rent/own Middle Income Housing

Commute Daily	Percentage %
Public Transport	50%
Private Vehicles	20%
Walk	30%

Table 5- EMaXesibeni Daily Commutes

The average number of people living in a household is four; there is a need for rental accommodation. The majority of survey participants is currently renting houses and flats and expressed the desire to own property, the majority of these participants earn between R3 501 –R7 500 per month and there is also a desire for developers to include facilities within all residential development.

KWABHACA HOUSING ASSESSMENT

KwaBhaca like EMaXesibeni has its own style of housing types covering informal brick type structures to flats and RDP housing to shacks at the edge of the CBD boundary. The formal type of housing is constructed with brick and the roof with tiles, corrugated iron or asbestos roofing material.

Land Ownership: KwaBhaca

Ownership Type	Number of Land Parcels	Total Area (Ha)	Percentage of Area
Municipality	364	244.9	11.7%
Private	938	318.1	15.2%
State	15	9.0	0.4%
Unknown	143	1525.0	72.7%
Total	**1 460**	**2 097**	**100.0%**

Table 11- KwaBhaca Land Ownership

LAND AND HOUSING

Land is also an important component in terms housing development. The bulk "number of land parcels" in KwaBhaca is privately owned but when one has to look at the "Total Area," the unknown ownership title take majority. It has been confirmed by the office of the Regional Land Claims Commissioner that a land claim is registered on the commonage land of both EMaXesibeni and KwaBhaca. The table below indicates private, municipal and state land ownership within the urban centers of KwaBhaca and EMaXesibeni;

Land Ownership: EMaXesibeni

Ownership Type	Number of Land Parcels	Total Area (Ha)	Percentage of Area
Municipality	187	2187.1	93.7%
Private	998	99.6	4.3%
State	10	19.0	0.8%
Unknown	110	27.8	0.8%
Total	**1 305**	**2 334**	**100.0%**

Table 12- EMaXesibeni Land Ownership

POLICY CONTEXT

National Human Settlements policy and the Division of Revenue Act provides for flexibility to provincial departments to allocate resources based on specific needs to the province making it possible for rectification to proceed in the Eastern Cape Province

A national, provincial and municipality housing vision perspective is herewith discussed as below.

National Development Plan

The NDP has therefore put forward a plan to eradicate informal settlements, build integrated urban settlements and fast track housing provision by providing diversity in housing products and finance options (NDP, 2030). The NDP also highlight that; in order to address the current weaknesses of human settlements and housing policies and programmes, the following actions must be taken:

i. A systematic response to entrenched spatial patterns across all geographical scales that exacerbate social inequality and economic inefficiency.
ii. A consideration of unique needs and potential of different rural and urban areas in the context of emerging development corridors in the Southern African sub-region before making decisions on developments.
iii. A review of state housing policies to better realize constitutional housing rights, ensure that the delivery of housing is used to restructure towns and cities and strengthen the livelihood prospects of households.
iv. Increased support of active citizenship and development of incentives through a range of interventions, which includes the establishment of social compacts.
v. Effective planning for human settlements be guided by a set of normative principles that will create liveable, equitable,

sustainable, resilient and efficient spaces including supporting economic opportunities and social cohesion.

National Housing Code

The National Housing Code (The Code) is a comprehensive document that sets out the overall vision for housing in South Africa. It sets out the linkages between various policy programmes. A review of government's achievement in housing provision from 1994 to 2004 led to a new strategy: The Comprehensive Plan for the Development on sustainable Human Settlements. This strategy, also called Breaking New Ground (BNG), is government's medium-term housing policy framework that paves the way for a new approach to sustainable human settlements.

Medium Term Strategic Framework (MTSF-2014 to 2019)

The Department of Human Settlements has the mandate to deliver sustainable human settlements and improved quality of life of households in South Africa. Broadly, the MTSF is anchored on the following 14 outcomes (listed below) and each national government department draws its core vision from the MTSF.

- Outcome 1: Quality basic education;
- Outcome 2: A long and healthy life for all South Africans;
- Outcome 3: All people in South Africa are and feel safe;
- Outcome 4: Decent employment through inclusive economic growth;
- Outcome 5: A skilled and capable workforce to support an inclusive growth path;
- Outcome 6: An efficient, competitive and responsive economic infrastructure network;
- Outcome 7: Comprehensive rural development and land reform;
- **Outcome 8: Sustainable human settlements and improved quality of life of households;**
- Outcome 9: Responsive, accountable, effective and efficient developmental local government system;
- Outcome 10: Protect and enhance our environmental assets and natural resources;
- Outcome 11: Create a better South Africa, contribute for a better and safer South Africa in a better world;
- Outcome 12: An efficient, effective and development oriented public service;
- Outcome 13: An inclusive and responsible social protection system;
- Outcome 14: National building and social cohesion.

Over the 2014 to 2019 period, to achieve sustainable human settlements and improved quality of life of households (outcome 8 of the MTSF), priority will be given to:

a. Scaling up the upgrading of informal settlements;
b. Transfer of all title deeds for subsidy units;
c. Developing a more coherent and inclusive approach to land;
d. Implementing a coherent multi-segmented social rental-housing programme that includes backyard rentals;
e. Dealing with affordable market with a particular emphasis on a constructive engagement and strengthening partnerships with the private sector to improve delivery;
f. Consolidating the Development Finance Institutions (DFIs).

National Department of Human Settlements

The Department of Human Settlements has set the following housing targets for the 2014 to 2019 period (revised in February 2016)[1]:

- Provide a total of 1,495 million housing opportunities in quality living environments;
- Develop 27 000 social housing units;
- Provide 10 000 CRU units; Provide 35 000 affordable rental housing opportunities through the private sector (mine worker housing at 10 000; and private affordable rental 25 000);
- Assist 750 000 households in informal settlements to benefit from the Informal Settlements Upgrading Programme;
- Assist in the provision of 563 000 individual units for the subsidy housing market;
- Provide 10 000 of hectares of well-located land acquired, rezoned and released for new developments targeting poor and lower middle-income households;
- Implement 50 catalytic projects;
- Consolidate the SA Human Settlements Development Finance Institutions (DFI) NURCHA, NHFC, RHLF;
- Achieve a 30% increase in estate agencies operating in the affordable housing market;
- Assist 560 000 title deeds to be issued to new homeowners in the subsidy market;
- Reduce the title deeds backlog by at least 900 000;
- Assist at least 20 municipalities on the accreditation to perform a housing function.

A review of the **MTSF Human Settlements targets** in 2017 revealed the following;

- A total delivery of 331 000 informal settlements upgrades against an MTSF target of 750,000 by 2019 (44% achievement);
- A total of 724 430 households connected to the grid since 2014 against an MTSF target of 1.25m households by 2019 (58% achievement)
- A total of 52 778 households connected to non-grid sources against an MTSF target of 105,000 households by 2019 (50% achievement);
- Over 1 million households given access to refuse removal against a target of 1.3 million MTSF target (77% achievement);
- A total of 30 500 households given access to reliable water since 2014 against an MTSF target of 2.3 million households by 2019 and 1.12 million households given access to decent sanitation since 2014 [2].

1 Department of Human Settlements Strategic Plan 2015 to 2020

Eastern Cape Department of Human Settlements
Division of Revenue Bill 2018

Eastern Cape Human Settlement Allocation Vote No	Type of Grant	Conditional allocation
Human Settlement (Vote38)	Human Settlement Development Grant (HSDG)	1 908 432 (2018/2019) 1 982 512 (2019/2020) 2 123 601 (2020/2021)
Human Settlements (Vote 38)	Title Deeds Restoration Grant (TDRG)	65 583 (2018/2019) 69 250 (2019/2020) 73 056 (2020/2021)

Table 13- ECDoHS Division of Revenue Bill

Provincial Treasury Budget Speech 2018/19

The Eastern Department of Human Settlements has built 6118 housing units resulting to 5 987 job opportunities. The Province has allocated R2.4 billion to the Department of Human Settlements for 2018/19 and R7.5 billion over the MTEF to build 8950 new housing units, including connecting new sites to basic water and sanitation.

The Department of Human Settlement has built houses and now has recognised that there shall be other amenities such as sporting facilities, schools and libraries that people still need as part of the holistic package which promotes sustainable integrated approach. To this affect the Provincial Government allocating R2.8 billion in 2018/19 and R9.1 billion over the MTEF to the Department of Social Development.

This budget should be able to transform our society by building conscious and capable citizenry, through the provision of integrated developmental social services.

APPROPRIATION BILL 2018 (EASTERN CAPE)		
SCHEDULE A PER DEPARTMENT/VOTE DEPARTMENT AMOUNT - R'000		
1	Office of the Premier	973 396
2	Provincial Legislature	525 999
3	Health	23 699 560
4	Social Development	2 836 581
5	Roads and Public Works	2 344 172
6	Education	34 772 126
7	Co-operative Governance and Traditional Affairs	983 800
8	Rural Development and Agrarian Reform	2 328 236
9	Economic Development, Environmental Affairs and Tourism	1 146 006
10	Transport	4 811 584
11	**Human Settlements**	**2 376 749**
12	Provincial Treasury	591 487
13	Sport, Recreation, Arts and Culture	942 760
14	Safety and Liaison	101 490
Total		**78 433 94**

Table 14- Appropriation Bill 201) (Provincial Treasury Budget Speech 2018/19)

Service Delivery Budget Implementation Plan (SDBIP)

Infrastructure and Planning: Building & Housing			
Number of Housing Sector Plans (5 year strategy) reviewed	P14 Housing Programs	Housing Sector Plan document in place	Council approval
Number of Housing Needs registers developed	P18 Housing Needs Register	Housing Needs Register developed by 31st March 2018	Report on Housing Needs Register
Number of staff housing concepts developed	Developmen of Concept for Staff Housing	Phase one staff housing completed	Concept document with cost estimates, and drawings designs
Number of local SMME's mentored on construction programmes	P21 Facilitation of LED initiatives	6 local SMME's mentored on construction programmes	Approved programme Appointment Letters Attendance Register Training Programmes Certificate of attendance

Source: ULM Integrated Development Plan 2017-2022

Grant Allocations for UMzimvubu Local Municipality, 2018-2021

Funding Envelope	2018-19	2019-20	2020-21
Municipal Infrastructure Grant (MIG)	45 507	46 411	48 910
Integrated National Electrification Programme Grant (Municipalities)	7,000,000	8,320,000	3,200,000
Water Services Infrastructure Grant Mount Ayliff Bulk Peri Urban W Mkemane Regional Bulk WSS Water Supply	65 000	35 000	25 000
Regional Bulk Infrastructure Grant	67 000	35 000	98 000
Integrated National Electrification Programme Grant (Eskom)	31 200	25 600	19 200

Table 15- Funding Envelope

UMZIMVUBU LOCAL MUNICIPALITY SPATIAL DEVELOPMENT FRAMEWORK, 2015

UMzimvubu SDF

The SDF seeks to guide overall spatial distribution of current and future land uses within the municipality in order to give effect to the vision, objectives and goals of the Municipality's IDP. This allows for better land management planning which is important to consider prior any projects are implemented, better yet considered.

Both EMaXesibeni and KwaBhaca are considered as primary nodes in the UMzimvubu LM. The SDF suggests that these areas should be specifically targeted for sustainable development, development of social housing, investment in infrastructure, efficient land development, development of amenities; social and recreational and proper land use management.

Relevance: The urban settlements of KwaBhaca and EMaXesibeni are the main service centres and are dominated by residential settlements. This is where most of the local municipality's development is centred, where somewhat the other nodes are neglected.

This document seeks to find a way of easing the current pressure off the main service centres and have some of the services available at the secondary nodes such as Phuti Junction and Phakade. By doing this the nodes will also be considered for development.

implications for the Market demand

KwaBhaca (6 545) and EMaXesibeni (2 391) have the most number of households amongst the five precincts. The number of households has an influence on the local market which will be available for retail centres, tourism market etc. The average household sizes for EMaXesibeni (3), KwaBhaca (3), Ntenetyana (3) and Phakade (5) are in line with those of the district municipality (5), while Phuti's average household size (8) is double that.

Development Implications

The majority of households in the study areas are in a rural setting which makes it important that any development which is focused on these communities should be take note of that and develop accordingly. The large densities affect the rate at which basic services are provided, it is also important to ensure that these essential services are actually provided and in a timely manner.

Household Income Profile

	Monthly Household Income	Income Poverty
EMaXesibeni	R 5 064	20%
KwaBhaca	R 5 177	35%
Phuti	R 2 914	45%
Phakade	R 1 595	47%
Ntenetyana	R 1 679	46%
UMzimvubu LM	R 4 083	62%

Table 16- Household Income Profile

Source: StatsSA (2011)

The average monthly household income of an area influences the spending on household goods. The urban areas of EMaXesibeni (R 5 064) and KwaBhaca (R 5 177) are the only two precincts which have an average monthly household income greater than the LM average. The other precincts namely Phuti, Phakade and Ntenetyana with have low average monthly household incomes when compared to KwaBhaca and EMaXesibeni which would mean their spending is even more limited and concentrated on non-durable goods.

Income poverty refers to the households which earn an average monthly household income of R 800 or less. These households are said to be living below the poverty line. As income influences spending this means that households who are living below the poverty line spend even less than those who are not in income poverty. All of the precincts; EMaXesibeni (20%), KwaBhaca (35%), Phuti (45%), Phakade (47%) and Ntenetyana (46%) have a lower income poverty than the local municipality (62%). Although this may be the case a large number of the household are poor.

Development Implications

The number of households which earn R 800 and less ranges between 20% and 62% in the precincts considered which indicates that a high percentage of the populations depend on social grants, subsidies and other payments from government for their livelihoods. This has a negative effect on the economy and translates to a low purchasing power for any new commercial activity which may be developed

Accessibility

The transport network in UMzimvubu is dominated by the N2, which connects the town to the major consumer markets of Kokstad, Durban, East London, and Port Elizabeth and beyond.

The N2 Corridor has potential as it is managed and upgraded by SANRAL and is linked to Strategic Infrastructure Projects (SIPs) coordinated by the Presidential Strategic Coordinating Committee. UMzimvubu Local Municipality is one of the prioritized marginalized rural municipalities targeted by presidential and Development Finance Institutions interventions

UMZIMVUBU HOUSING BACKLOG

The municipality plans to deliver number of housing units in the next five years and Housing department has emphasized that they want to focus more on missing middle which is the middle class, affordable, gap and social housing. The Municipality has delivered BNG Reconstruction and Development Programmes housing both in twin towns; KwaBhaca and EMaXesibeni. The Housing Sector Plan 2018 projections will be detailed in the market demand section with anticipation for unlocking land in both twin towns for the middle class income groups, with pragmatic implementation of gap, affordable social housing and private bond units.

It is important that new housing development take place at or near major employment nodes or create new mix-use opportunities with access to public transport and access to public social amenities. The development should be sensitive to the real estate value impact that may have a knock on effect on real estate values, including the future municipal valuation roll and therefore future rates and taxes.

Below is a summary of the relevant key legislation

Key Relevant Legislation

Beyond the Constitution, since 1994, several laws have been promulgated relating to housing, which attests to the broad and complex nature of the housing terrain in South Africa. Below is a summary of the relevant laws relating to housing in South Africa.

Piece of Legislation	Key Sections	Context in Relation to Housing and Catalytic Projects
Constitution of South Africa (Act 108 of 1996)	Section 26	"Everyone has a right to adequate housing. The state has an obligation to take reasonable legislative and other measures, within its available resources, to achieve this right.
The Housing Act (107 of 1997)	Section 2	It defines the functions of national, provincial and local governments in respect of housing development; and it lays the basis for financing national housing programmes.
The Housing Code (2009)	Part 3	Provides a guideline on the interventions and accreditation requirements.
Division of Revenue Act (DORA), 2018 Bill	Schedule 4, 5, 6 and 7	Provide a framework on the conditional allocations of grants to provinces and municipalities.
Housing Development Agency Act (No. 23 of 2008)	All Sections	The Housing Development Agency (HDA) was established in terms of this Act to: ▪ Identify, acquire, hold, develop and release state, privately and communally owned land for residential and community development; ▪ Monitor progress in the development of land and property acquired for the purpose of creating sustainable human settlements; ▪ Undertake project management services, including providing assistance in respect of approvals required for housing developments.

Table 17- Relevent Key Legislation

LEGAL CONTEXT

Housing and Planning Laws

a) Prevention of Illegal Eviction from and Unlawful Occupation of Land Act 19 of 1998 (PIE)

The most important piece of national legislation enacted to give effect to section 26(3) of the Constitution, which protects against evictions, is PIE. The PIE Act provides safeguards against the eviction of unlawful occupiers living on both privately- and publicly-owned land. It has been the subject of a number of high-profile Constitutional Court cases around evictions. The PIE Act covers all those not protected by other legislation which provides protection for specific individuals or communities facing eviction. A court will be reluctant to grant an eviction order if it is satisfied that homelessness will result and that there is no alternative accommodation available.

The Social Housing Act, 16 of 2008

The genesis of the Social Housing Act, 2008 is the Housing Act of 2007. In 2008, the Social Housing Act 16 of 2008 (Social Housing Act) was passed in line with the 2005 Social Housing Policy (see below), providing the enabling legislation for the Social Housing Policy. The Act aims to establish and promote a sustainable social housing environment and defines the functions of national, provincial and local governments in respect of social housing, allows for the undertaking of approved projects by other delivery agents with the benefit of public money and gives statutory recognition to social housing institutions (SHIs).

b) Rental Housing Act 50 of 1999 (Amended by Act 43 of 2007)

Section 2(1)(a)(i) of the Act stipulates that it is the government's responsibility to 'promote a stable and growing market that progressively meets the latent demand for affordable rent housing among persons historically disadvantaged by unfair discrimination and poor persons, by the introduction of incentives, mechanisms and other measures that improve conditions in the rental housing market.' Section 2(3) of the Rental Housing Act stipulates that national government must introduce a policy framework on rental housing that sets norms and standards intended to facilitate provincial and local government's efforts to promote rental housing. Further, section 3 of the Act empowers the Minister to introduce a rent subsidy programme to stimulate the supply of rental housing property for low-income persons.

Less Formal Township Establishment Act (No. 113 of 1991 As Amended)

Provides for shortened procedures for the designation, provision and development of land and for the establishment of township for less formal forms of residential settlement.

National Environment Management Act (No. 107 of 1998 As Amended)

To protect ecologically viable areas representative of South Africa's biological diversity and its natural landscapes and seascapes in a system of protected areas. The Act places a responsibility to the Department to adhere to the sustainable development and conservation principles.

c) Spatial Planning and Land Use Management Act, 2013

The SPLUMA provides a number of principles to promote spatial restructuring and development. It ensures that the system of spatial planning and land use management promotes social and economic inclusion.

INSTITUTIONAL AND LEGAL ARRANGEMENTS

Spheres of Government

There are numerous role players within the human settlements space and can be summarised as follows:

Level	Mandate
National Government	➢ Provide overall leadership on the human settlement policy and implementation matters; ➢ Create an enabling environment for housing provision through the development of policy and enactment of legislation; ➢ Provide a regulatory and legislative framework within which actors in the sector must operate; ➢ Address issues that affect the growth and development of the sector; ➢ Establish institutional capacity to support human settlements initiatives.
Provincial Government	➢ Allocate funds to the provincial housing programmes; ➢ Receive project applications from delivery agents and decide on extent of top-ups; ➢ Submit projects and proposed top-ups to NDHS for approval and acquisition of standard/fixed subsidies; ➢ Ensure compliance with national and provincial housing norms and standards; ➢ On an annual basis develop a housing programme and associated business plan and submit to National government for approval and funding;

Roles of spheres of government in relation to Human Settlements

Level	Mandate
Local Government	➢ Facilitate housing delivery in its area of jurisdiction; ➢ Apply to the DHS for the approval of restructuring zones and other housing regulatory requirements; ➢ Commit in its IDP to specific measures (e.g. to support the development of in–situ associated social facilities), in order to ensure an enabling environment for the housing sector.
Private Sector Including Developers	➢ Develop and/or manage viable housing projects for low income earners; ➢ Promote the creation of quality living environments for low income residents within the accredited projects; ➢ Observe and operate within a best practice and value regime as supported by national policy in the accredited projects; ➢ Comply under all conditions with the Ministerial National Norms and Standards in respect of Permanent Residential Structures, the National Building Regulations and the technical standards imposed by the National Home Builders Registration Council in accredited projects;

Table 18- Roles of Government Spheres in Relation to Human Settlement

The Department of Human Settlements has seven (7) public entities reporting to the National Department of Human Settlements: Summarised below are the mandate and key strategic objectives of each of these entities[3].

Table 7: Mandate for Human Settlement Entities

Name of Institution	➢ Mandate
National Housing Finance Corporation (NHFC)	➢ Mobilise funding into human settlements space in partnership with broad range of institutions. ➢ It also provides wholesale financing and acts as a fund and risk manager.
Estate Agency Affairs Board (EAAB)	➢ Regulate, maintain and promote the standard of conduct of estate agents; issue fidelity fund certificates to qualifying applicants; ➢ Prescribe the standard of education and training of estate agents; investigate complaints lodged against estate agents, manage the Estate Agents Fidelity Fund.
Home Builders Registration Council (NHBRC)	➢ Provide housing consumers with warranty protection against defects in new homes, and; ➢ To provide protection against any failure of builders to comply with their obligations in terms of the Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998).

[3] Department of Human Settlements (2015)

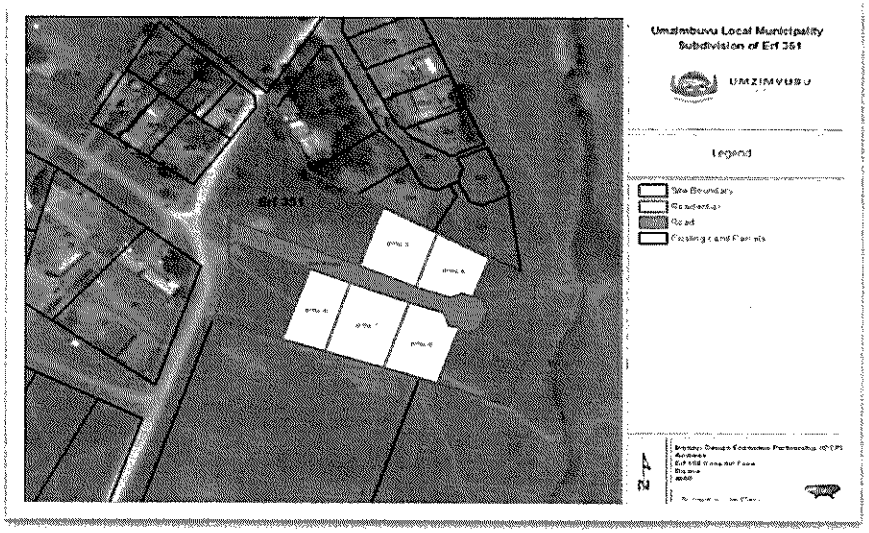
Name of Institution	Mandate
Housing Development Agency: (HDA)	➢ Facilitate the release of land and landed properties for human settlements development;
National Urban Reconstruction and Housing Agency: (NURCHA)	➢ NURCHA's mandate is to ensure the availability of bridging finance to small, medium and established contractors building low and moderate-income housing and related communities facilities and infrastructure.
Rural Housing Loan Fund: (RHLF)	➢ The RHLF is a development finance institution, established in August 1996 as an association not for gain. The company is mandated to empower low income households in rural areas to access housing credit; ➢ It operates as a wholesale lender and thus attains its mandate by providing loans through retail intermediaries to its target market to be utilised for incremental housing purposes.
Social Housing Regulatory Authority: (SHRA)	➢ Regulate and support the social housing sector in order to accelerate the delivery of sustainable and financially viable social housing projects. ➢ SHRA is responsible for the disbursement of institutional investment and capital grants to social housing institutions and non-social housing institutions.
Community Schemes Ombud Service (CSOS)	➢ To provide a dispute resolution service for community schemes, monitor and control the quality of all sectional title schemes governance documentation and to take custody of, preserve and provide public access to scheme governance documentation.

Table 19- Human Settlement Entities Mandate

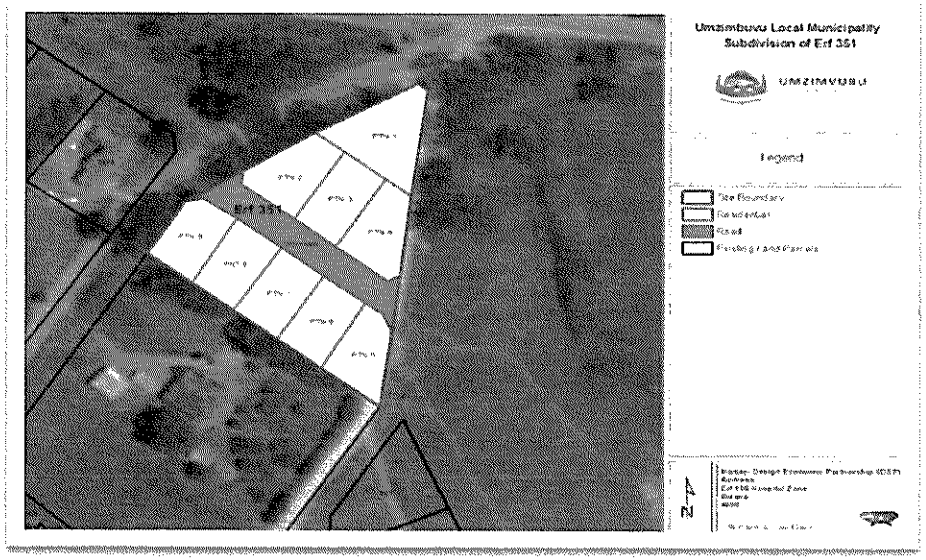
LAND AVAILABILITY

KWABHACA

Infill Single and Middle income Residential

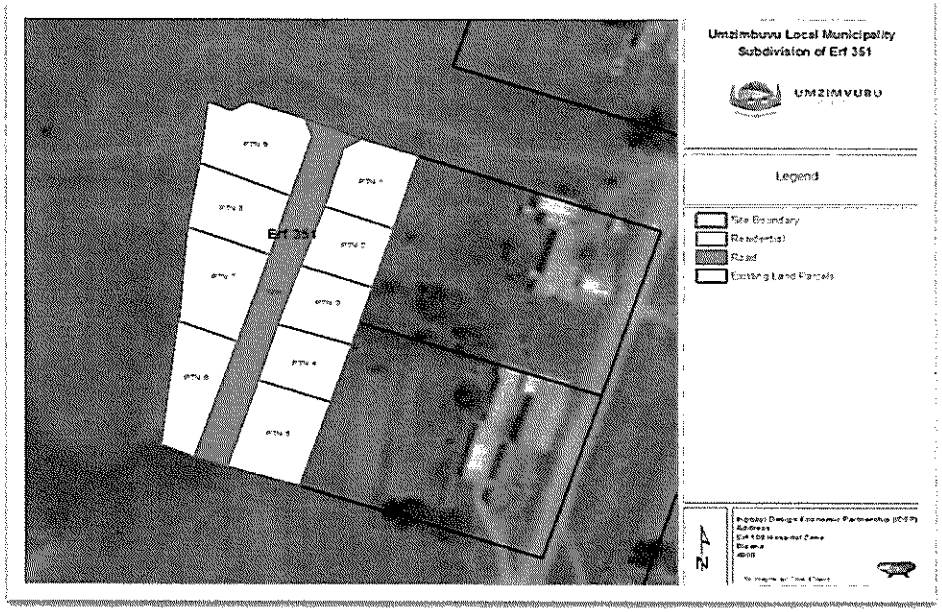


Infill Single Residential



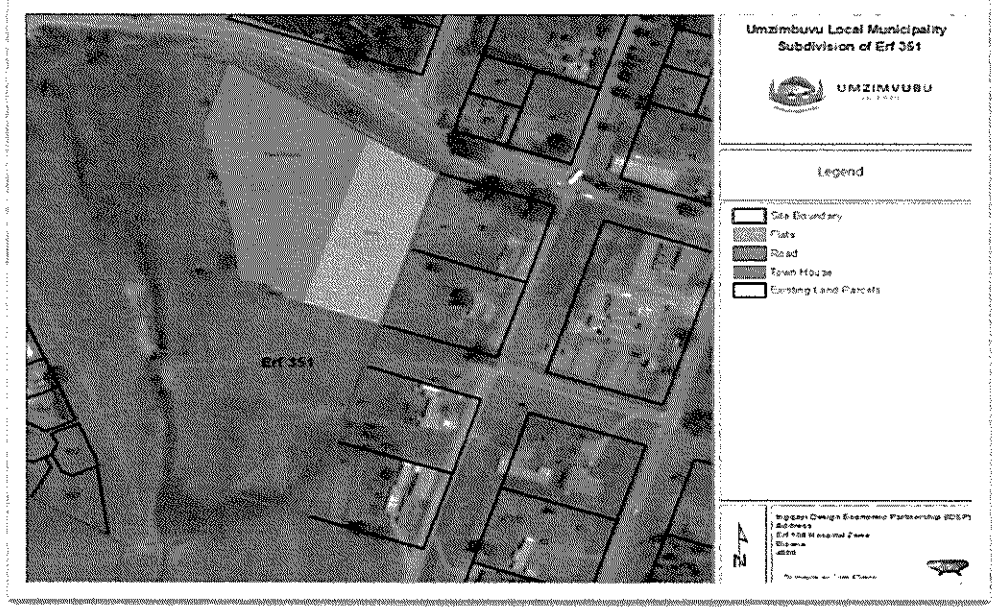
DEVELOPMENT PROPOSAL			
Site	**Area**	**Proposed Density**	**Proposed Yield (No of Units)**
Infill Single Res	0,5257ha	@50du/ha	26

Infill Single Residential



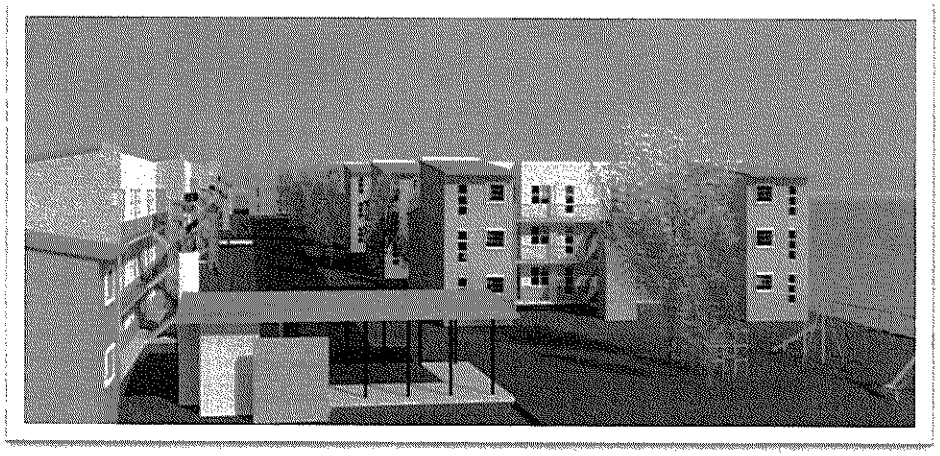
DEVELOPMENT PROPOSAL			
Site	**Area**	**Proposed Density**	**Proposed Yield (No of Units)**
Infill Single Res	0,711ha	@50du/ha	35

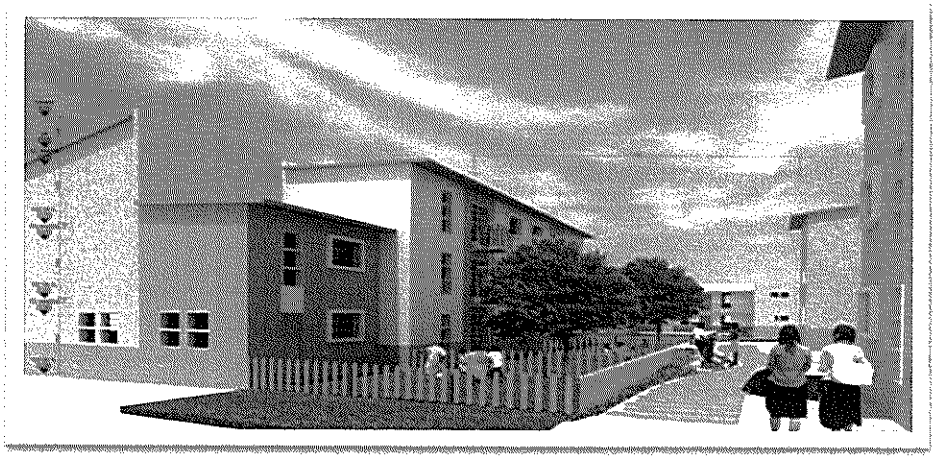
Infill Middle income Residential



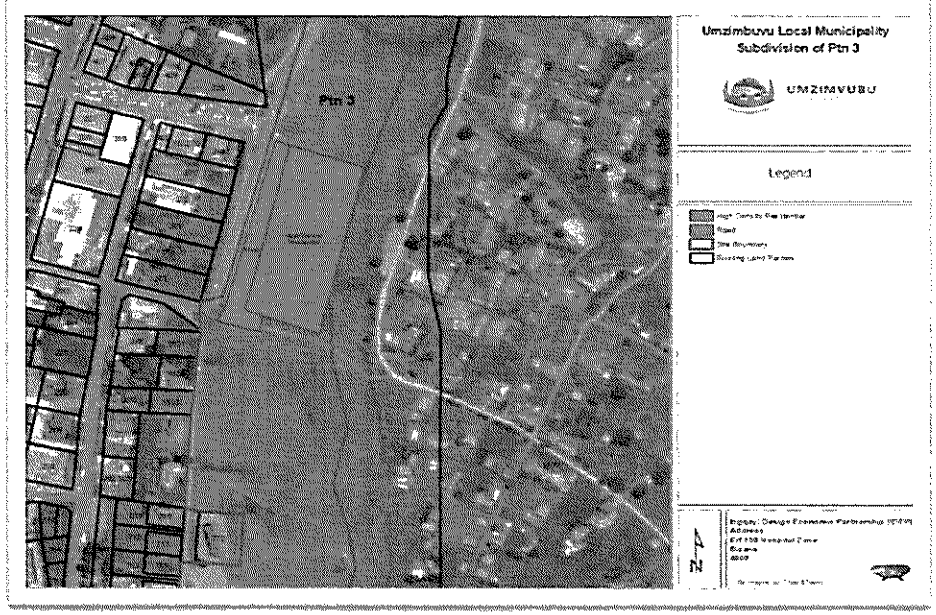
DEVELOPMENT PROPOSAL			
Site	**Area**	**Proposed Density**	**Proposed Yield (No of Units)**
Townhouses Flats Multi storey development	1 ,9897ha	80du/ha	159

Social Housing



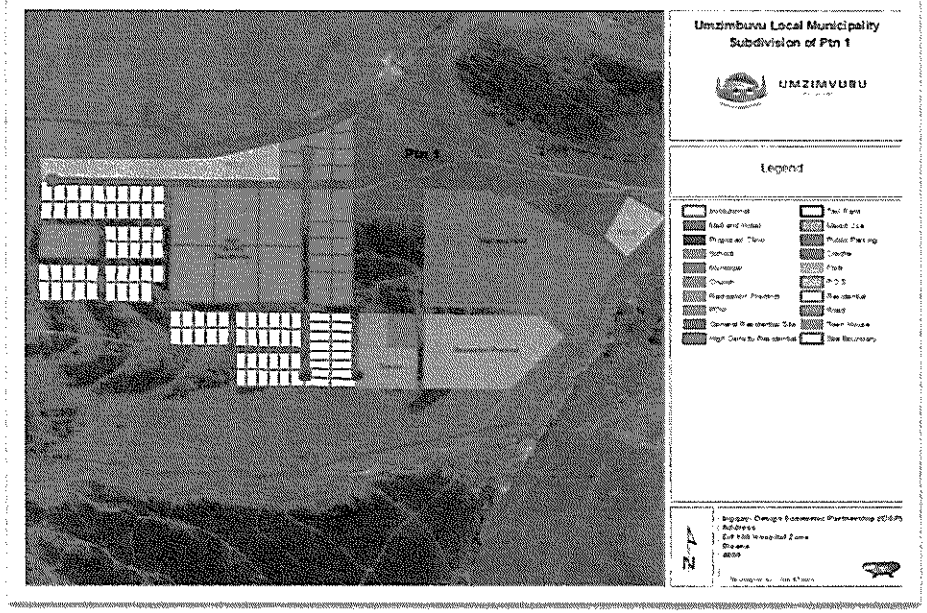


Infill Residential



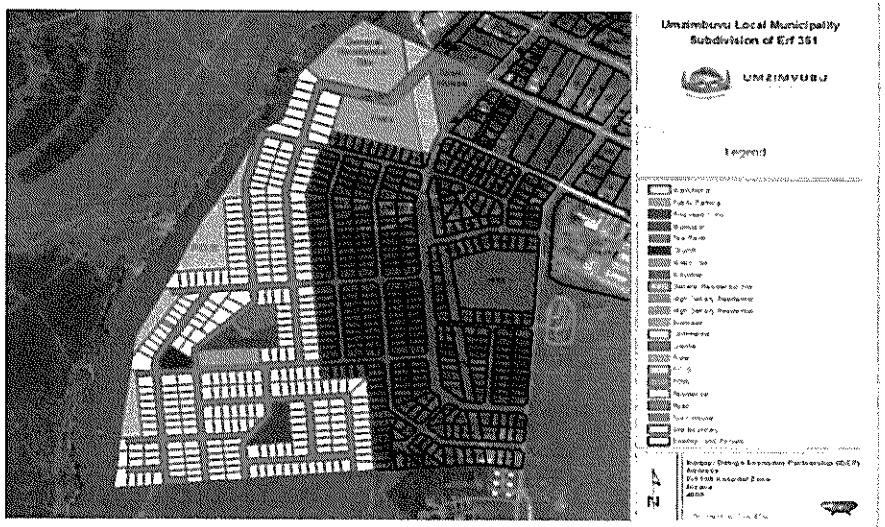
DEVELOPMENT PROPOSAL			
Site	**Area**	**Proposed Density**	**Proposed Yield (No of Units)**
High Density Flats	1. 65ha	100du/ha	165 units

Residential opportunities



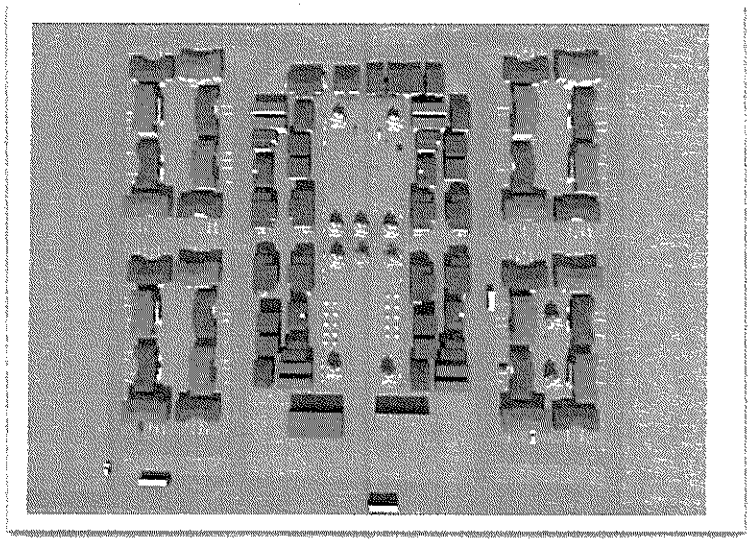
DEVELOPMENT PROPOSAL			
Site	**Area**	**Proposed Density**	**Potential Yield (No of Units)**
Residential	10.9ha	@50 units/ha	545
High Density Res	14.2ha	@100 units/ ha	1420

Infill Residential



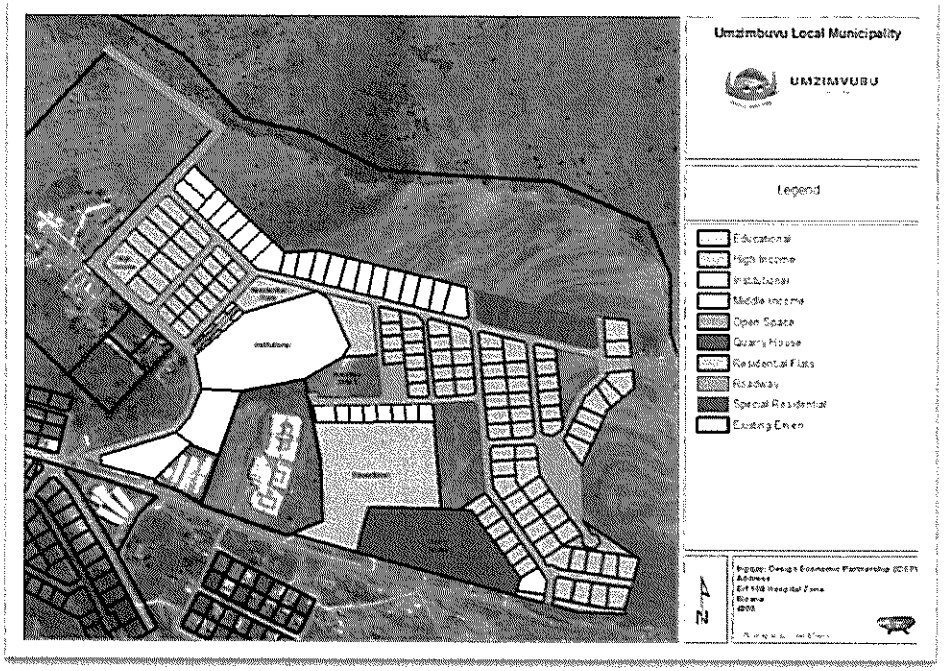
DEVELOPMENT PROPOSAL			
Site	**Area**	**Proposed Density**	**Proposed Yield (No of Units)**
Middle Income Res	15.6 ha	@50du/ha	780
General Res CRU	1.8ha	@100du/ha	180
General Res Townshouses	0.8ha	@80du/ha	64
General Res (Flats)	1.2ha	@100du/ha	120

Township Hub / Village Square



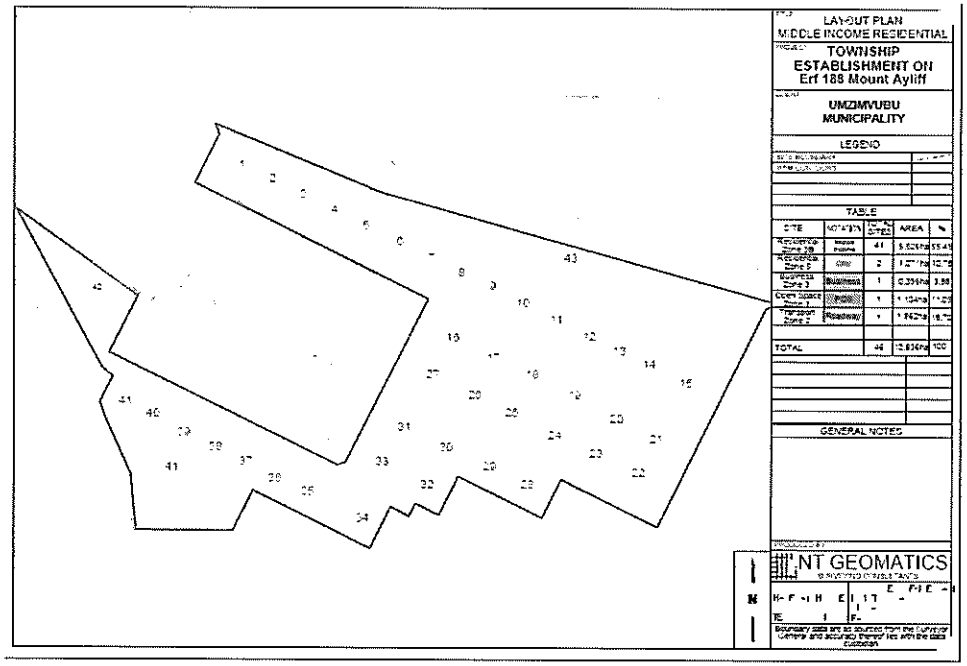
EMAXESIBENI

Infill Residential EMaXesibeni



DEVELOPMENT PROPOSAL			
Site	Area	Proposed Density	Proposed Yield (No of Units)
Middle Income	4.754ha	20du/ha	95
High Income	5.632ha	20du/ha	112
Residential	6.029ha	100du/ha	600

Infill Residential



DEVELOPMENT PROPOSAL			
Site	**Area**	**Proposed Density**	**Proposed Yield (No of Units)**
Middle Income	6, 726 ha	50du/ha	336
Community Res Units (CRUs))	1.8ha	@100du/ha	180

OVERALL HOUSING OPPORTUNITIES

KwaBhaca

Site	Area	Proposed Density Units (Du)	Proposed Yield (No. of Units)
KwaBhaca			
Infill Single Res	0.5257ha	@50du/ha	26
Infill Single Residential	0.6575ha	@50du/ha	32
Infill Single Residential	0.711ha	@50du/ha	35
Townhouses Flats	1.9897ha	80du/ha	159
High Density Flats	1.65ha	100du/ha	165 units
Residential	10.9ha	@50/ha	545
High Density Residential	14.2ha	@100 units/ha	1420
Middle Income Residential	15.6ha	@50du/ha	780
General Res CRU	1.8ha	@100du/ha	180
General Res Townhouses	0.8ha	80du/ha	64
General Res (Flats)	1.2ha	100du/ha	120
TOTAL	**50.0339ha**		**3526**

Table 20- KwaBhaca Housing Opportunities

EMaXesibeni

Site	Area	Proposed Density Units (Du)	Proposed Yield(No. of Units)
EMaXesibeni			
Middle Income	4.754ha	20du/ha	95
High Income	5.632ha	20du/ha	112
Residential Flats	6.029ha	100du/ha	600
Middle Income	6.726ha	50du/ha	336
Community Res Units	1.8ha	@100du/ha	180
Total	**24.149ha**		**1.323**

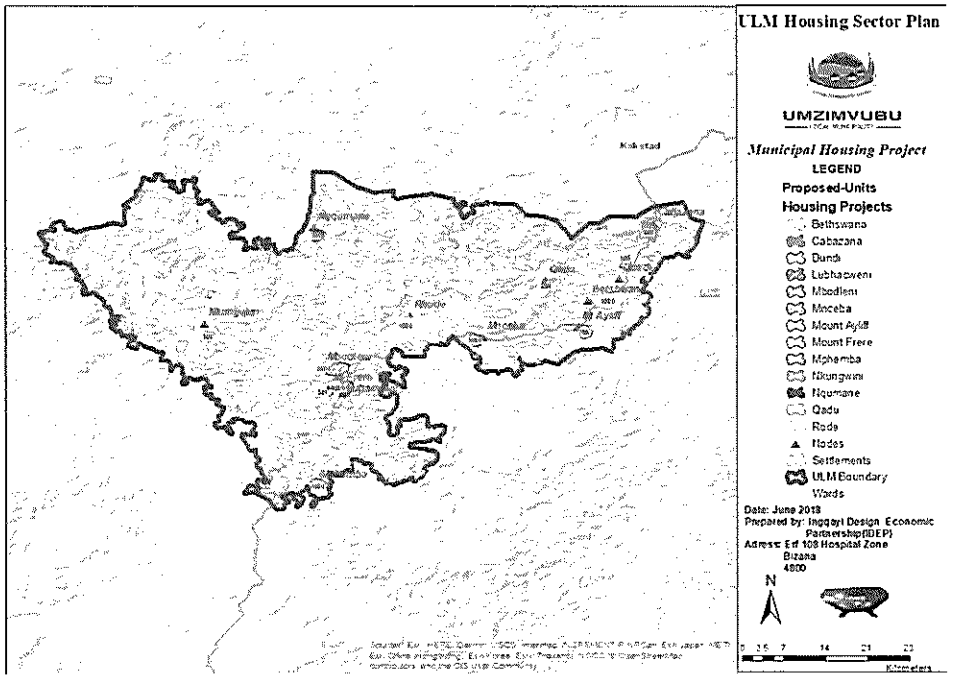
Table 21- EMaXesibeni Housing Opportunities

LOW COST HOUSES, SUSTAINABILITY AND SOCIAL AMENITIES

PROJECT	WARD	AMOUNT INVESTED ON LABOUR	PROJECT STATUS
LUBACWENI 1000 Rural Housing Project	17		Completed 436 Units
DUNDI 500 (250) Rural Housing Project	3		Completed 210 Units
CABAZANA 400 Rural Housing Project	26		12 Completed
NGQUMANE 300 Rural Housing Project	10		260 Houses Completed
MBODLENI 1000 Rural Housing Project	27		43 Houses Completed
MPHEMBA 1000 Rural Housing Project	20		999 Houses Completed
RHODE 1000 Rural Housing Project	11		498 Houses Completed

MNCEBA 1000 Rural Housing Project	9		436 Houses Completed
BETSHWANA 1000 Rural Housing Project	4		360 Houses Completed
ALFRED NZO 536 Disaster Project (ULM was to receive 186 units from this project)	All Wards		186 Houses Completed
QADU 250 Housing Project	5		STALLED
NKUNGWINI 300 Housing Project	13		STALLED
EMAXESIBENI 700	7		Completed
KWABHACA 341	16		Completed

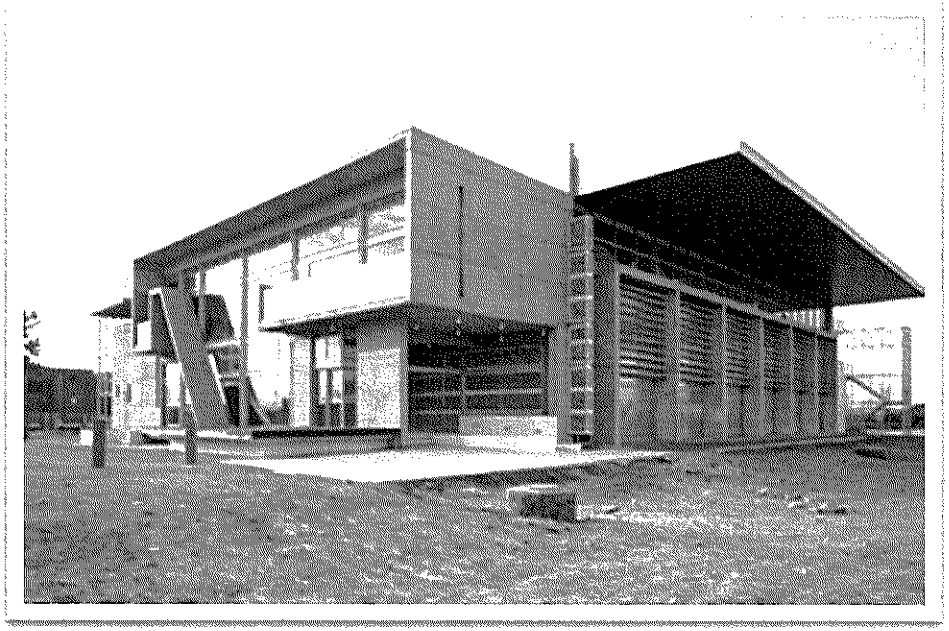
Table 22- Low Cost Houses, Sustainability and Social Amenities

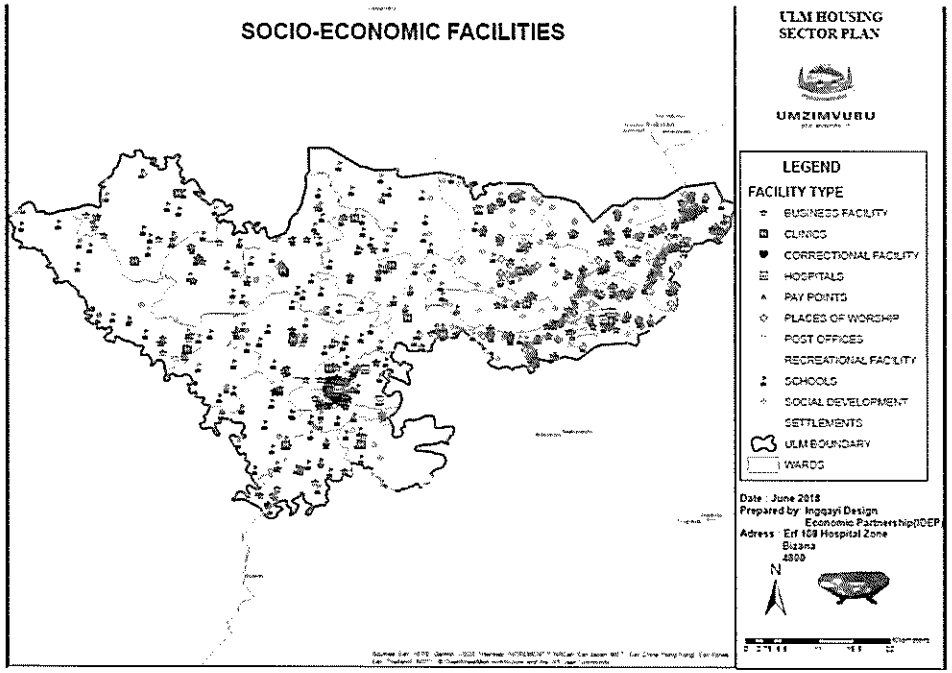


Map 2- ULM Low cost Housing

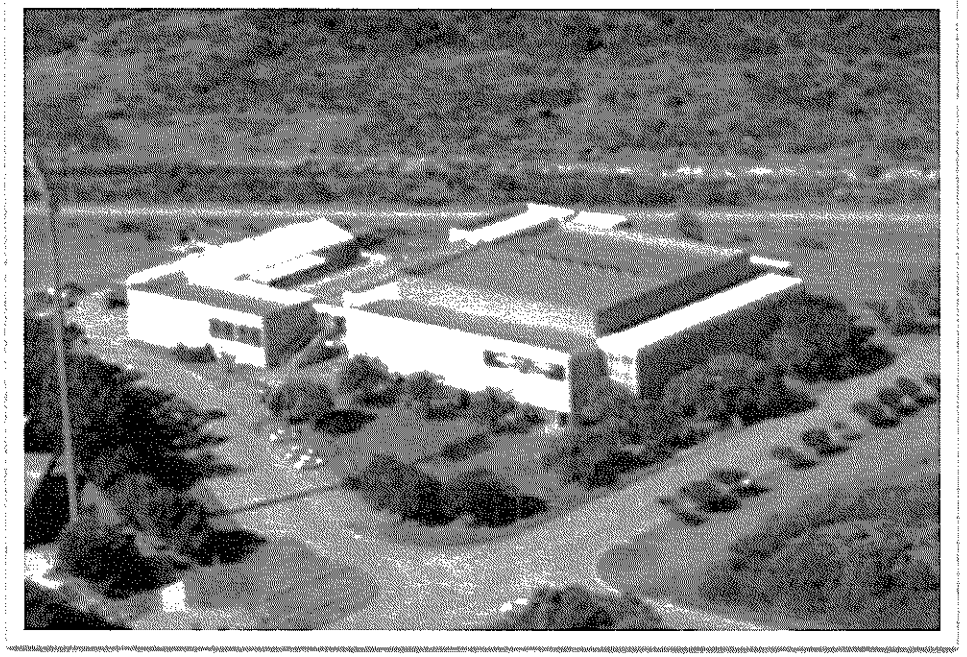
PRIORITISATION OF SOCIAL FACILITIES

- Provision of Social Facilities, not only for social services, but to provide added benefit for non-traditional housing typology.
- Proposed Primary Social Facilities include:
  - Taxi / Transport Facility
  - Thusong Centre
  - Sports Field with all sport types
  - Community Service Centre, incl. Hall, FET, ICT Centre,
  - Satellite Police Station,
  - Clinics
  - Schools





Map 3- Socio-Economic Facilities



Sustainability and Social Amenities

Area	SDF	CSIR Redbook	Potential Department
LUBACWEMI 1000 RURAL Housing Project(assume 5 household members)	Primary School Clinic	Primary School Health Facility Early Childhood Facility	Department of Education Department of Health Social Development OLD Mutual ,Metropolitan foundation or Eskom Foundation
DUNDI 500 (250) Rural Housing Project	Mobile Clinic , Park	Clinic , Community Park	Department of Health ,Parks Department
CABAZANA 400 Rural Housing Project	Community Hall	Clinic , Multipurpose center	Health, Community and Social Development Department
NGQUMANE 300 Rural Housing Project	Mobile Clinic ,Green Park	Clinic, Sport Facility , Multipurpose Center	Health Parks Department Community Department
MBODLENI 1000 Rural Housing Project	Primary School Clinic	Primary School Health Facility Early Childhood Facility	Department of Education Department of Health Social Development OLD Mutual ,Metropolitan foundation or Eskom Foundation
MPHEMBA 1000 Rural Housing Project	Primary School Clinic	Primary School Health Facility Early Childhood Facility	Department of Education Department of Health Social Development OLD Mutual ,Metropolitan foundation or Eskom Foundation
RHODE 1000 Rural Housing Project	Primary School Clinic	Primary School Health Facility Early Childhood Facility	Department of Education Department of Health Social Development OLD Mutual ,Metropolitan foundation or Eskom Foundation
MNCEBA 1000 Rural Housing Project	Primary School Clinic	Primary School Police Station Health Facility Early Childhood Facility	Department of Education Department of Health Social Development OLD Mutual ,Metropolitan foundation or Eskom Foundation
BETSHWANA 1000 Rural Housing Project	Primary and Secondary School Clinic	Primary School Primary School Clinic	Department of Education Department of Health Social Development OLD Mutual ,Metropolitan foundation or Eskom Foundation

ALFRED NZO 536 Disaster Project (ULM was to receive 186 units from this Project)	Sports Facility Clinic , Community Hall	Tusong Center/ Multipurpose Center , Clinic	Community Development , COGTA Health
QADU 250 Housing Project	Mobile Clinic	Mobile Clinic	Health
NKUNGWINI 300 Housing Project	Community Hall	Clinic , Multipurpose Center	Health , Community and Social Development Department
EMAXESIBENI 700	Primary School Clinic	Primary School Health Facility Early Childhood Facility	Department of Education Department of Health Social Development OLD Mutual ,Metropolitan foundation or Eskom Foundation
KWABHACA 341	Community Hall SASSA	Clinic , Multipurpose Center	Health , Community and Social Development Department

Table 23- Sustainability and Social Amenities

SOCIO-ECONOMIC AMENITIES PROCESS

A key focus for government in its service delivery strategy is the notion of intergovernmental service delivery, which includes the sharing of service delivery points by a multitude of government departments at key nodes within cities, regions and provinces.

Norm: Supply determined by population threshold

Exceptions If the provision threshold is not met the following conditions may warrant provision;

Exception 1: If: Town is District Municipality capital and town population is at least 50% of threshold or: Closest facility is more than 100 km from the town and there is a demonstrated need for the facility (Duplication of medium to high threshold facilities, in the same municipal district, will require demand to be proven.

Exception 2: If: Has one or more high school(s) of 800+ learners and town population is at least 50% of threshold or: Town population + population in local municipality reach threshold ("Guidelines for Human Settlement Planning and Design" also referred to as 'The Red Book' (available online at www.csir. co.za/Built environment/Redbook/)

It is should be noted that government services which have a similar level of importance and alignment in provision, i.e. the departments of Home Affairs, Social Development and of Justice and Constitutional Development are likely to have, or should have, similar standards relating to access distances and thresholds and should consequently be located at the same level within a town/settlement hierarchy. These facilities should mostly form the nuclei of Thusong centers as envisaged by government's integrated service delivery concept.

- Use Intergovernmental Relations platform to discuss Social Amenities across Low cost housing townships
- Prepare Bankable Business Cases and Submit to Relevant Department and to Private Sector that exist in the UMzimvubu space, for example National Retailers Shoprite, Boxer, Spar and also to Commercial Banks and to Financial Institutions such as Old

Mutual, Metropolitan, Sanlam and SOE such as Eskom Foundation as part of sustainable human settlement trajectory

- Count Number of Units, align to the UMzimvubu Spatial Development Framework SDF Community Facilities guidelines applicable
- Use Centre for Scientific and Industrial Research Redbook Guidelines on the allocation of Community and Social Facilities as a motivation
- Vigorously apply LED strategies and plans as part of Sustainable human settlement, for example who will maintain RDP houses, maintenance of windows, doors, employment opportunities etc.

MODELS FROM CSIR REDBOOK SOCIAL FACILITIES GUIDELINES

Social Facilities required for Small Towns/Isolated Regional Service Centre's

(Catchment size: 25 000 - 60 000 people)

FACILITIES	AVERAGE THRESHOLD (POPULATION)	ACCEPTABLE TRAVEL DISTANCE (KM)	PROVISION CRITERIA	COMMENTS
HEALTH AND EMERGENCY SERVICES				
Community Health Centre	60 000	90% of population served within 5 km*	C	*National Department of Health target
Primary Health Clinic	24 000 - 70 000	90% of population served within 5 km*	C	*National Department of Health target
Fire Station	60 000 - 100 000	8 - 23 minutes (response time)^	C	Area coverage and reach versus people/land use in the specific area will have to be evaluated; ^SABS standard
Fire bake pump deployment point	Variable	Variable	D	Only for use in low-density areas where conventional deployment is not warranted or affordable
Police Station	60 000 - 100 000	Up to 24 km	C	Central location critical but demand factors and access of population will dictate location and size. SAPS Contact Points are used in areas not warranting a fully-fledged station but which are beyond the SAPS distance criteria of 24 km
SOCIAL AND CULTURAL (PUBLIC SERVICE FACILITIES)				
Community Performing Arts Centre	50 000	20 km	R	Unfunded and demand-driven
Museum – medium/small	Variable	Variable	D	Site-specific demand
Local Library	20 000 - 70 000	8 - 10 km urban; 25 km rural	C	Discretionary provision if regional library is within 5 km

Mobile Library	Variable	Variable	D	Needs-based for isolated or special categories, i.e. home for the aged and for people with disabilities

CIVIC

Home Affair – small office	40 000	25 km	C	Central location important; linked to Thusong centers. Mobile/Periodic Home Affairs Offices if below threshold
Thusong Centre (community-based "one-stop" development centres)	1 per Local Municipality	25 km	C	
Labour Office	Variable	25 km	C	Linked to Thusong centers.
Magistrate's Court	Variable	Undetermined at this stage		Minimum of 1 Regional Court per District Municipality; 1 or more District Courts per Local Municipality
Municipal Office	1 per Local Municipality	30 km	D	May be divided among administrative regions of the town
Prison and Place of Safety	n/a	Variable	D	Regional scale provision
Solid Waste Disposal Site and Recycling Depot	n/a	Variable	C	Municipal/Sub-municipal provision

SOCIAL SERVICES

Community Hall – large	60 000	8 - 10 km	C	Mixture of facility sizes to meet maximum population
Community Hall – medium/small (fringe areas)	10 000 - 15 000	15 km	D	
Children's Home	Variable	n/a	R	Require access to schools, sports and health facilities

Social Facilities required for Small Towns/Isolated Regional Service center's (cont.) (Catchment size: 25 000 - 60 000 people)

FACILITIES	AVERAGE THRESHOLD (POPULATION)	ACCEPTABLE TRAVEL DISTANCE (KM)	PROVISION CRITERIA	COMMENTS
SOCIAL SERVICES (CONT)				
Home for the Aged	Variable	n/a	R	Peripheral location on public transport routes with access to shops and medical facilities
ICT Access Point	10 000+	5 km	C	Located within Libraries, Postal Agency, Thusongs, etc.
Post Office/Agency with post boxes	10 000 - 20 000	25 km	C	Central location critical
Post Boxes	See comment	25 km	R	Should be provided in addition to a Post Office where there is no home postal delivery
SASSA Office (Social Service Office)	40 000	40 km	C	Local/service offices may be at fixed point or satellite or mobile services. Services are offered from fixed points on one or more days per week from infrastructure such as Thusong centers, Community Halls or one-stop development centers while mobile offices serve generally rural areas
Social Grant Pay Point	Variable	5 km	C	Multiple points within nodal area; on fixed days in the month. Mobile may be used for special cases; if beneficiaries within 5 km of banks, Post Offices, Thusong center's then these services should be used instead
Cemetery (medium)	8.8 ha/50 000 (or portion thereof)	15 km	D	Assumes annual death rate of 1.6% and 90% of the dead are buried, recycling of graves (40% of graves after 10 years and 30% after 20 years)

EDUCATION

ABET/Skill Training	Variable	25 km	R	Variety of institutions mostly with no sports facilities and of limited spatial extent. Centrally located
Special Education	Still to be determined	25 km	R	Range of alternate types required. Special school transport may be necessary
Secondary School	12 500	5 km	C	With or without sports facilities; new schools to use communal sports facilities
Primary School	7 000	5 km	C	With or without sports facilities; new schools to use communal sports facilities
Grade R Class at Primary School	1 000	2 km (preferred) - 5 km	C	Linked to Primary School
Small Crèche/Early Childhood Development Centre	2 400 - 3 000	2 km	C	Supports working parents so can be located close to employment centers as well as to residential areas and nearby parks

Social Facilities required for Small Towns/Isolated Regional Service center's (cont.) (Catchment size: 25 000 - 60 000 people)

FACILITIES	AVERAGE THRESHOLD (POPULATION)	ACCEPTABLE TRAVEL DISTANCE (KM)	PROVISION CRITERIA	COMMENTS
ECD Resource Hub and Care Centre	20 000	5 km	C	Located to support a number of schools; i.e. 1 hub per several crèches

RECREATION PROVISION (SPORTS AND PARKS)

Total provision for all facilities below is approx. 0.56 ha/1 000 people. Thresholds are approximate. Facilities should be consolidated to develop facility complexes. Approximately 20% of this allocation is for regional facilities and 40% each for community and neighborhood facilities. Must have resources to maintain grassed surfaces.				
Grassed surface (2 football fields equivalent)	15 000	3 km	Compulsory provision of facilities in terms of the land per people ratio but	Adjust number of playing surfaces to local demand. Only required for local residents if no other higher- order facilities are provided within reach. Sharing of facilities between schools and the wider community recommended, particularly in smaller settlements
Sports Complex (grouping of fields and/ or sports complexes)	60 000	10 km		

Grassed field (2 football fields equivalent) with 500-seat stand	30 000	5 km		the provision of specific types of facilities should be based on community needs and budgetary concerns	
Cricket Oval	60 000	10 km			Well located in terms of road network and spatial plan of region
Athletics/Cricket Stadium (grassed field and athletics track and stand – 3 000+ seats)	60 000	10 km			Public transport access essential. Clustered with other sports facilities
Combi-court surface(x2)	15 000	3 km			
Combi-court surface(4)	60 000	10 km			
Community Pool	10 000	5 km			
Swimming Pool (25 m to 33 m pool)	30 000 - 50 000	25 km			Public transport access essential. Clustered with other sports facilities. Must be able to fill and maintain pool
Total provision for all facilities below is approx 0.5 ha/1 000 (ongoing research is being conducted on the desirability of reducing this; current indications are that for users quality is more important than quantity). The land should be consolidated in developing the facilities below. Thresholds are approximate. Approximately 40% of this allocation is for strategic (regional) and district facilities and 60% for community, urban and neighborhood's parks, play lots, etc.					
District Park	60 000 - 100 000	10 km	D		
Community Park with play equipment	60 000	5 km	C		
Urban Park	Variable	1 km	C		Central location in areas of high activity/employment/retail
Local/Neighborhood Park (includes play equipment)	3 000 - 15 000	1 km	C		May be redundant if district/ community park located within reach
Play Equipment at other facilities	Variable	Variable	D		Only provided where no parks; placed at e.g. Clinics, Libraries

KEY NOTES:

Most facilities should be on public transport routes/nodes unless otherwise stated
Mobile and satellite services only to be used in isolated situations where there is no alternative and access times would prove excessive otherwise
Alternative fire-fighting equipment deployment where widely spread, low-density development makes conventional services unsuitable

Source: CSIR Rulebook: Community Facility Guidelines and Norms

Social Facilities required for Dense Dispersed Settlements

(Catchment size: 10 000 - 100 000 people;
Continuous development with 12 or more persons per ha over 10 km^2)

FACILITIES	AVERAGE THRESHOLD (POPULATION)	ACCEPTABLE TRAVEL DISTANCE (KM)	PROVISION CRITERIA	COMMENTS
HEALTH AND EMERGENCY SERVICES				
Community Health Centre	100 000 – 140 000	90% of population served within 5 km*	D	*National Department of Health target
Primary Health Clinic	5 000 - 7 000	90% of population served within 5 km#	C/ D	Provided on selected days of the week.# Ref.: NDoH Strategic Planning Cluster, March 2006 (updated Nov 2009) Service Transformation Plan Framework – Outline of the Service Transformation Plans for 2010-2025
Mobile/Periodic Health Clinic	Variable	Variable	D	Provided in areas where no fixed services are viable
Police Station	Subject to SAPS work study and requirements of the area		C	
SAPS Contact Points	Variable	24 km	C (if no SAPS station)	SAPS Contact Points for use in areas not warranting a fully-fledged station but which are beyond the distance criteria for a fully-fledged Police Station
Fire bakkie pump deployment point	Variable	Variable	D	Only for use in low-density areas where conventional deployment is not warranted or affordable

SOCIAL AND CULTURAL PUBLIC SERVICE FACILITIES)

Community Performing Arts Centre	50 000	25 km	R	Unfunded and demand-driven
Museum – medium/small	Variable	Variable	D	Site-specific demand
Local Library	20 000 - 70 000	8 km - 10 km	C	Discretionary provision if regional library is within 10 km
Mobile Library	Variable	Variable	D	Needs-based for isolated or special categories, i.e. home for the aged and for people with disabilities

CIVIC

Home Affairs – small office	40 000	25 km	C	Central location important
Mobile/Periodic Home Affairs Office	Variable	20 km - 25 km Variable	D	Mobile and periodic services. Government is advocating a single mobile service for all departments but this not yet achieved
Mobile/eGov Integrated Service	2 000	5 km if more than 2 000 people within this catchment/ alternatively 25 km	C	
Labour Office	Variable	25 km Urban; 35 km - 50 km Rural; 100 km Sparse	C	May form part of above
Solid Waste Disposal Site and Recycling Depot	n/a	Variable	C	Unless clear guidelines for individual disposal are agreed upon

Social Facilities required for villages

(Catchmentsize:5000-25000people)

FACILITIES	AVERAGE THRESHOLD (POPULATION)	ACCEPTABLE TRAVEL DISTANCE (KM)	PROVISION CRITERIA	COMMENTS
HEALTH AND EMERGENCY SERVICES				
Primary Health Clinic	5 000 - 7 000	90% of population served within 5 km#	C/ D	May be limited to certain days of the week.# Ref.: NDoH Strategic Planning Cluster, March 2006 (updated Nov 2009) Service Transformation Plan Framework – Outline of the Service Transformation Plans for 2010-2025
Mobile/Periodic Health Clinic	Variable	Variable	D	Fixed service preferred to a mobile service; limited days per week
Police Station	Subject to SAPS work study and requirements of the area		D	
SAPS Contact Point	Variable	24 km	C (if no SAPS station)	SAPS Contact Points for use in areas not warranting a fully-fledged station but which are beyond the distance criteria for a fully-fledged Police Station
Fire bakkie pump deployment point	Variable	Variable	D	If no conventional fire-fighting service within reach (20 minutes)
SOCIAL AND CULTURAL (PUBLIC SERVICE FACILITIES				
Museum – small	Variable	Variable	D	Site-specific demand
Local Library	5 000 - 20 000	25 km	C	Discretionary provision if regional Library is within 25 km
Mobile/Periodic Library	Variable	Variable	D	Needs-based for isolated or special categories; may be linked to schools in the area

CIVIL

Mobile/Periodic Home Affairs Office	Variable	20 km - 25 km Variable	D	Mobile and periodic services. Government is advocating a single mobile service for all departments but this not yet achieved
Mobile/eGov Integrated Service	2 000	5 km if more 2 000 people within this catchment/ alternatively 25 km	C	
Labour Office	Variable	25 km Urban; 35 - 50 km Rural; 100 km Sparse	C	May form part of above
Solid Waste Disposal Site and Recycling Depot	n/a	Variable	C	Unless clear guidelines for individual disposal are agreed upon

SOCIAL SERVICE

Community Hall – medium/small (fringe areas)	10 000 - 15 000	25 km	D	
Children's Home	Variable	n/a	R	Need dependent. Require access to schools, sports and health facilities
Home for the Aged	Variable	n/a	R	Need dependent. Central location with access to shops, Libraries and medical facilities
ICT Access Point	10 000+	5 km	C	Located within Libraries, Postal Agency, Thusongs, etc.
Post Office/Agency with post boxes	10 000 - 20 000	25 km	C	Central location critical
Post Boxes	See comment	25 km	R	Should be provided in addition to a Post Office where there is no home postal delivery

Social Facilities for Villages (cont) (Catchment size: 5 000 - 25 000 people)

FACILITIES	AVERAGE THRESHOLD (POPULATION)	ACCEPTABLE TRAVEL DISTANCE (KM)	PROVISION CRITERIA	COMMENTS
SOCIAL SERVICES (CONT)				
SASSA Office (Social Service Office)	40 000	40 km	C	Local/Service offices may be at fixed point or satellite or mobile services (government). Services offered on one or more days per week from infrastructure such as Thusong center's, community halls or one-stop development centers while mobile offices generally serve rural areas less frequently
Social Grant Pay Point	Variable	5 km	C	Multiple points within nodal area. Mobile may be used for special cases; if beneficiaries within 5 km of banks, Post Offices, Thusong center's then these services should be used instead
Cemetery	Very small - 0.88 ha/5 000 Small - 4.4 ha/25 000	25 km	C	Assumes annual death rate of 1.6% and 90% of the dead are buried, recycling of graves (40% of graves after 10 years and 30% after 20 years)
EDUCATION				
ABET/Skill Training	Variable	25 km	R	Variety of institutions mostly with no sports facilities and of limited spatial extent. Centrally located
Special Education	Still to be determined	20 km	D	Range of alternate types required. Special school transport may be necessary
Secondary School	12 500	5 km	C	With or without sports facilities; new schools to use communal sports facilities
Primary School	7 000	5 km	C	With or without sports facilities; new schools to use communal sports facilities
Grade R Class at	1 000	2 km (preferred) - 5 km	C	Linked to Primary School

Primary School				
Small Crèche/Early Childhood Development Centre	2 400 - 3 000	2 km	C	Supports working parents so can be located close to employment centers as well as to residential areas. Preferably located near parks

RECREATION PROVISION (SPORTS AND PARKS)

Total provision for all facilities below is approx 0.56 ha/1 000 people. Thresholds are approximate. Facilities should be consolidated to develop facility complexes. Approximately 20% of this allocation is for regional facilities and 40% each for community and neighborhood facilities. Must have resources to maintain grassed surfaces.				
Level surface playing field	3 000	2 km	Compulsory provision of facilities in terms of the land per people ratio but the provision of specific types of facilities should be based on community needs and budgetary concerns	Adjust number of playing surfaces to local demand. Only required for local residents if no other higher-order facilities are provided within reach. Sharing of facilities between schools and the wider community recommended, particularly in smaller settlements
Grassed surface (2 football fields equivalent)	15 000	3 km		
Grassed field (2 football fields equivalent) with 500-seat stand	30 000	5 km		
Single hard surface court	3 000	5 km		
Combi-court surface (x2)	15 000	3 km		
Community Pool	10 000	Variable		Centrally situated, preferably near schools

Social Facilities required for **Villages** (cont) (Catchment size: 5 000 - 25 000 people)

FACILITIES	AVERAGE THRESHOLD (POPULATION)	ACCEPTABLE TRAVEL DISTANCE (KM)	PROVISION CRITERIA	COMMENTS
RECREATION PROVISION (SPORTS AND PARKS) (CONT)				
Total provision for all facilities below is approx 0.5 ha/1 000 (ongoing research is being conducted on the desirability of reducing this; current indications are that for users quality is more important than quantity). The land should be consolidated in developing the facilities below. Thresholds are approximate. Approximately 40% of this allocation is for strategic (regional) and district facilities and 60% for community, urban and neighborhoods parks, play lots, etc.				
Local/Neighborhood Park (includes play equipment)	Total provision for these facilities Approximately 0.5 ha/1 000 people	Variable	C	
Play Equipment at other facilities	Optional	Variable	D	Only provided where no parks; placed at e.g. Health Clinics

KEY NOTES:

Most facilities should be on public transport routes/nodes unless otherwise stated
Mobile and satellite services only to be used in isolated situations where there is no alternative and access times would prove excessive otherwise. There should ideally be a central point or structure which is shared by all mobile/periodic services (could be a private or government building)
Alternative fire-fighting equipment deployment where widely spread, low-density development makes conventional services unsuitable

Source: CSIR Redhook Community Facility Planning Guidelines

Social Facilities required for Remote Villages

(Catchment size: 500 - 5 000 people),

i.e. villages that are more than 20 km from larger settlements

FACILITIES	AVERAGE THRESHOLD (POPULATION)	ACCEPTABLE TRAVEL DISTANCE (KM)	PROVISION CRITERIA	COMMENTS
HEALTH AND EMERGENCY SERVICES				
Primary Health Clinic	5 000 - 7 000	90% of population served within 5 km#	C/ D	May be limited to certain days of the week.# Ref.: NDoH Strategic Planning Cluster, March 2006 (updated Nov 2009) Service Transformation Plan Framework – Outline of the Service Transformation Plans for 2010-2025
Mobile/Periodic Health Clinic	Variable	Variable	D	Fixed service preferred to a mobile service; limited days per week
Police Station	Subject to SAPS work study and requirements of the area		D	
SAPS Contact Point	Variable 24 km		C (if no SAPS station)	SAPS Contact Points for use in areas not warranting a fully-fledged station but which are beyond the distance criteria for a fully-fledged police station
Fire bakkie pump deployment point	Variable	Variable	D	If no conventional fire-fighting service within reach (20 minutes)
SOCIAL AND CULTURAL (PUBLIC SERVICE FACILITIES)				
Museums – small	Variable	Variable	D	Site-specific demand
Mobile/Periodic Library	Variable	Variable	D	Needs-based for isolated or special categories; may be linked to schools in the area
CIVIC				
Mobile/Periodic	Variable	20 km - 25 km Variable	D	

Home Affairs Office				Mobile and periodic services. Government is advocating a single mobile service for all departments but this not yet achieved
Mobile/eGov Integrated Service	2 000	5 km if more than 2 000 people within this catchment/alternatively 25 km	C	
Labour Office	Variable	25 km Urban; 35 km - 50 km Rural; 100 km Sparse	C	May form part of above
Solid Waste Disposal Site and Recycling Depot	n/a	Variable	C	Unless clear guidelines for individual disposal are agreed upon

SOCIAL SERVICES

ICT Access Point	5 000 - 10 000	At central point	C	Located within schools or at central service point
Post Office/Agency with post boxes	Variable	Variable	D	Central location critical
Post Boxes	Where access required	Variable	R	Only in isolated locations/can be provided in addition to a Post Office where there is no home postal delivery
SASSA Office (Social Service Office)	40 000	40 km (up to 100 km in low-density areas, e.g. Northern Cape)	C	Local/Service offices may be at fixed point or satellite or mobile services. Services are offered from fixed points on one or more days per week from infrastructure such as schools, Thusong center's, community halls or one-stop development centers
Social Grant Pay Point	Variable	5 km	C	Multiple points within nodal area on fixed day in the month. Mobile may be used for special cases; if beneficiaries within 5 km of banks, Post Offices, Thusong center's then these services should be used instead
Cemetery (very small)	0.25 ha/1 000	15 km	C	Provide if no alternative facility within 40 km; geographical studies required; assumes no reburials over 30 year period, an annual death rate of 1.6% and that

				100% of the dead are buried

Social Facilities required for **Remote Villages** (cont) (Catchment size: 500 - 5 000 people),
i.e. villages that are more than 20 km from larger settlements

FACILITIES	AVERAGE THRESHOLD (POPULATION)	ACCEPTABLE TRAVEL DISTANCE (KM)	PROVISION CRITERIA	COMMENTS
EDUCATION				
Secondary School	2 500	10 km	C	Threshold corresponds to recommended minimum school size of 200 learners; school sports fields can be combined with municipal provision
Primary School	1 000	10 km	C	Threshold corresponds to recommended minimum school size of 135 learners; school sports fields can be combined with municipal provision
Grade R Class at Primary School	1 000	2 km (preferred) - 5 km	D	Linked to Primary School
Small Crèche/Early Childhood Development Centre	Variable	Variable	D	
RECREATION PROVISION (SPORTS AND PARKS) [COMBINATION OF SPORTS FACILITIES AND PARKS SHOULD BE PROMOTED]				
Level surface playing field	Total provision for these facilities approx. 0.56 ha/1 000 people		C	Sharing of facilities between schools and the wider community recommended; preferably sited at or near schools
Single hard surface court			D	
Local/Neighborhood Park (includes play equipment)	Total provision for these facilities approx. 0.5 ha/1 000 people	Variable	D	

Play Equipment at other facilities	Optional	Variable	C	Only provided where no parks; placed at e.g. Health Clinics

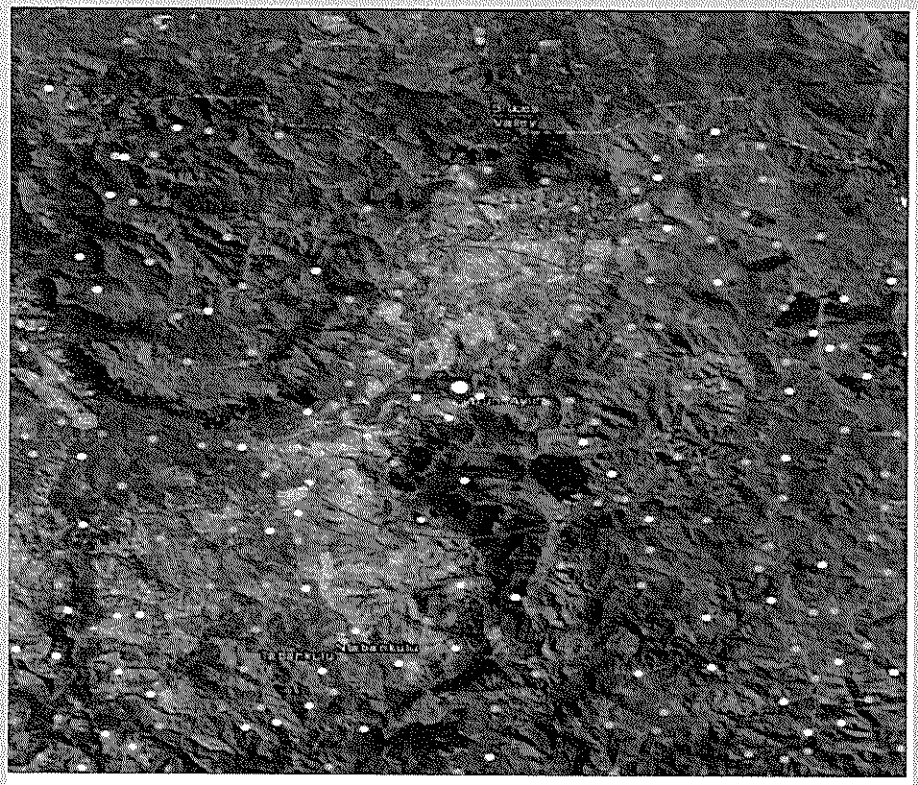
KEY NOTES:

Most facilities should be on public transport routes/nodes unless otherwise stated
Mobile and satellite services only to be used in isolated situations where there is no alternative and access times would prove excessive otherwise; There should ideally be a central point or structure which is shared by all mobile/periodic services (could be a private or government building)
Alternative fire-fighting equipment deployment where widely spread, low-density development makes conventional services unsuitable

Source: CSIR Redbook, Community Facility Handbook Guidelines

Facilities Points of Interest Maps

EMaXesibeni 5km Radius

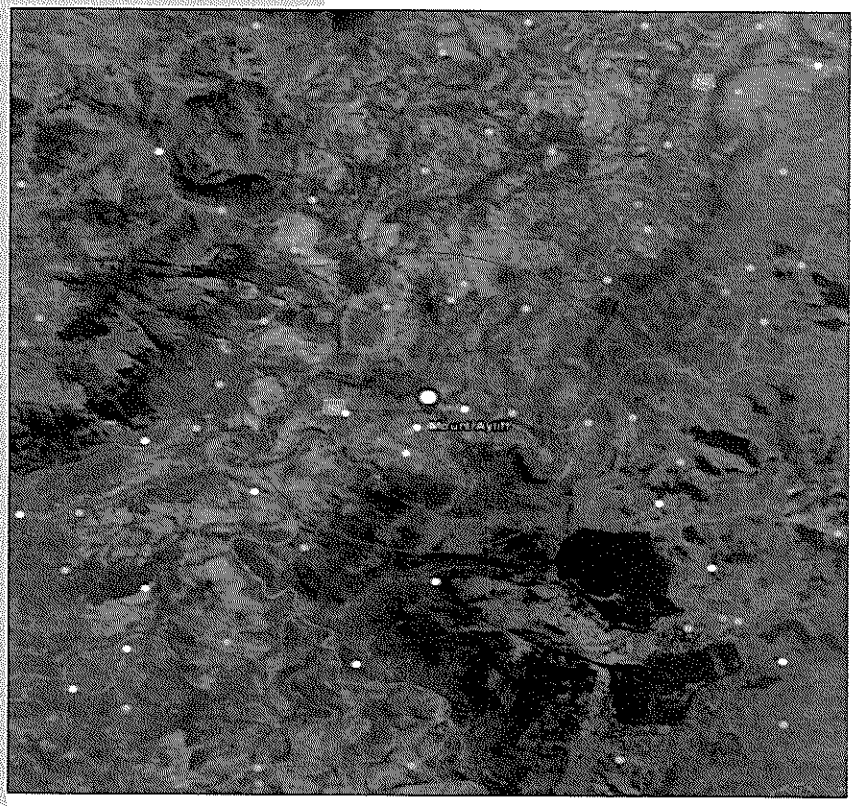


EDUCATION
- COMBINED SCHOOLS
- PRIMARY SCHOOLS
- SECONDARY SCHOOLS
- SPECIAL SCHOOLS

EMERGENCY
- POLICE STATIONS

HEALTH FACILITIES
- PROVINCIAL HOSPITALS

EMaXesibeni 10km Radius



EDUCATION
- COMBINED SCHOOLS
- PRIMARY SCHOOLS
- SECONDARY SCHOOLS
- SPECIAL SCHOOLS

HEALTH FACILITIES
- PROVINCIAL HOSPITALS

EMaXesibeni 15km Radius

EDUCATION
- COMBINED SCHOOLS
- PRIMARY SCHOOLS
- SECONDARY SCHOOLS
- SPECIAL SCHOOLS

EMERGENCY
- POLICE STATIONS

HEALTH FACILITIES
- PROVINCIAL HOSPITALS

PLACES OF WORSHIP
- MOSQUES

EMaXesibeni 20km Radius

EDUCATION
- COMBINED SCHOOLS
- PRIMARY SCHOOLS
- SECONDARY SCHOOLS
- SPECIAL SCHOOLS

EMERGENCY
- POLICE STATIONS

HEALTH FACILITIES
- PROVINCIAL HOSPITALS

PLACES OF WORSHIP
- MOSQUES

KwaBhaca 5km Radius

EDUCATION
- COMBINED SCHOOLS
- PRIMARY SCHOOLS
- SECONDARY SCHOOLS

EMERGENCY
- POLICE STATIONS

HEALTH FACILITIES
- PROVINCIAL HOSPITALS

PLACES OF WORSHIP
- MOSQUES

1:274,424
0 2 4 8 mi
0 3.25 6.5 13 km

KwaBhaca 10km Radius

EDUCATION
- COMBINED SCHOOLS
- PRIMARY SCHOOLS
- SECONDARY SCHOOLS

EMERGENCY
- POLICE STATIONS

PLACES OF WORSHIP
- MOSQUES

1:137,212
0 1 2 4 mi
0 1.5 3 6 km

KwaBhaca 15km Radius

EDUCATION
- COMBINED SCHOOLS
- PRIMARY SCHOOLS
- SECONDARY SCHOOLS
- SPECIAL SCHOOLS

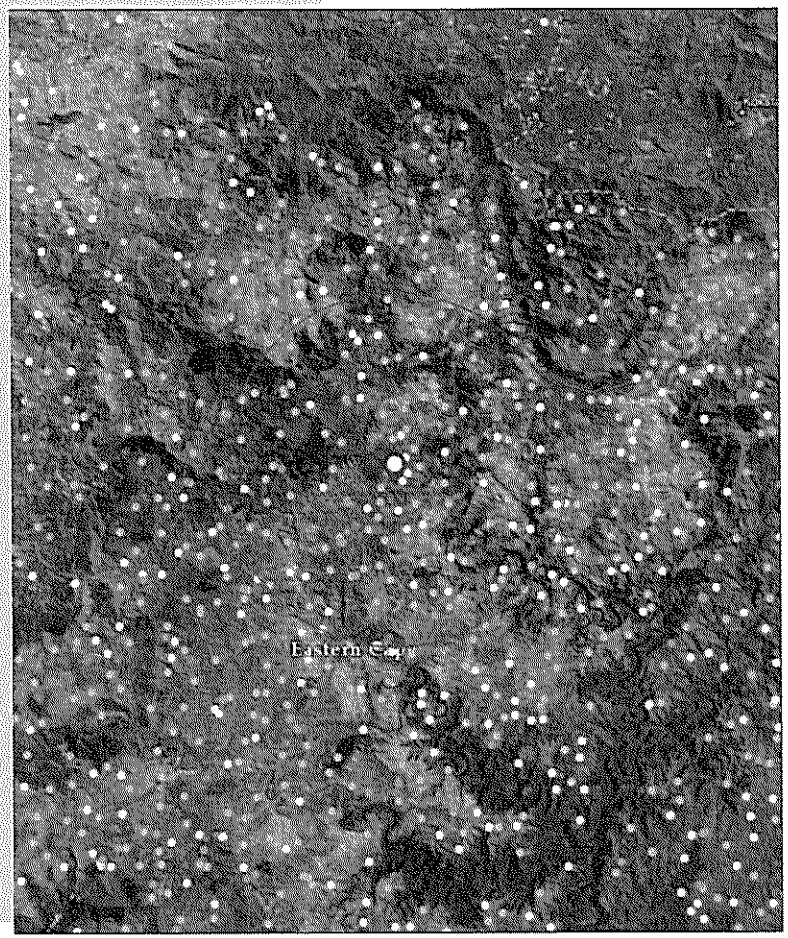
EMERGENCY
- POLICE STATIONS

HEALTH FACILITIES
- PROVINCIAL HOSPITALS

PLACES OF WORSHIP
- MOSQUES

1:548,849
0 4 8 16 mi
0 5 10 20 km

KwaBhaca 20km Radius



EDUCATION
- COMBINED SCHOOLS
- PRIMARY SCHOOLS
- SECONDARY SCHOOLS
- SPECIAL SCHOOLS

EMERGENCY
- POLICE STATIONS

HEALTH FACILITIES
- PROVINCIAL HOSPITALS

PLACES OF WORSHIP
- MOSQUES

1:548,849
0 4 8 16 mi
0 5 10 20 km

Local Economic Development Programme

- Agrarian Reform programmes, Agri-parks/zone, small scale agri-processing
- Tourism activities linked to AmaBhaca culture and tradition, EMaXesibeni -what sells about UMzimvubu as a package
- Brick Making projects
- Light Industrial production facilities (small scale steel works, welding, sewing, motor mechanics etc.)
- Urban Greening, planting of trees, beautification, paving, landscaping, street benches, Streets Lights,
- Small green urban parks
- Well Designed Trading Facilities in the main economic activity zone-entrance/exit of the Township

FUNDING AND RESOURCE INSTITUTIONS

INSTITUTIONS	CRITERIA AND FUNCTION	FUNDING THRESHOLD	REQUIREMENTS
Housing Development Agency (HAD)	Strategic land with a potential investment area (ALFRED NZO is identified as one of the investment region)	100 % Land Assembly Planning to Top Structure	Feasibility and Bankable Proposals Business Case
Housing Finance Development Cooperation (HFDC) , (DFI)	Finance project related infrastructure development + Internal roads, Streets, paving, Recreational areas etc. + Electrical Installation, Street Lights, unit connectivity etc. + Sewerage , storm water drainage	100 % Planning to Top Structure	Feasibility and Bankable Business Case
Department of Human Settlement Human Settlement Programmes BNG , CRU , Social Housing , Rental Accommodation Different Subsidies	Provide holistic Human Settlement beyond just a house, economic development agenda. Sustainability aspects Return on Investment Link to Transportation networks and urban corridors	100% planning to top structure	Feasibility and Business case
Trust for Urban Housing Finance (TUHF)	Provide access to finance for entrepreneurs, from all walks of life, to purchase, and subsequently convert r refurbish building in the inner cities of South Africa	100 & Planning to Top Structure	Bankable Business Case
	to affordable Residential units available for rental.		
Developers /EMERGING Contractors Ikhaya Connect has written a letter to us indication interest	Need land development agreement	100% Land Assembly Planning Top Structure	Land Availability
Eastern Cape Office of the Premier	Provide funding support for bulk infrastructure	Percentage as an additional funding	Business Case
UN Agencies – UN Habitant	Provide Funding support options especially people housing process more community driven initiatives	Percentage Funding based on other available resources	Business Case

Table 24- Funding and Resource Institutions

ACTIONS BY STAKEHOLDERS

INSTITUTIONS	CRITERIA AND FUNCTION
UMzimvubu Local Municipality	Business Case and detailed feasibility pertinent financial model
Transactional Advisory(TA)	Development options and suitable project finance structure that will attract various strategic public and private sector partners
UMzimvubu Local Municipality	Expression of interest
UMzimvubu Local Municipality Alfred Nzo District	Tender advert : Land Alienation process : Due Diligence , best bidder with capacity to develop sites provide needed Middle Income Housing and High density Residential Flats Bulk Infrastructure Provision.
Eastern Cape office of the Premier Eastern Cape Human Settlement Department and Regional office	Institutional and Infrastructure support Unleash all Projects and Funding: take a lead in Public sector Housing delivery target
ANDA	Provide funding support and linkages with other Private sector Funders , assist with Business Cases

Table 25- Stakeholders Actions

MARKET STUDY DEMAND

INTRODUCTION

This chapter focuses on the location aspects in the market with the objective of estimating the development potential within the designated area. The chapter therefore investigates the general character, development frameworks and development trends evident in the greater area to gain greater urban insight to inform development decisions.

It is also important to take into cognisance that UMzimvubu economy is not that diversified and is dependent on the public sector, government and community services combined at 38% and highest contributor to Gross Domestic Product. The market demand for residential development is also linked to the strongest sector and this needs to be exploited. This also reflect pivotal role of public expenditure in sustaining the economic activity of the local municipality. It must be conceded that the economy of UMzimvubu is at risk and measures must be mooted to diversify so that the Municipality achieve sustainability. (UMzimvubu Precinct Plan: Economic Research Input).

Market potential is influenced by; inter alia, the characteristics of the development site. Certain types of developments each have specific location requirements and should subsequently be assessed in terms of selected location criteria. To this effect, the various site evaluation models are utilised.

Summary of Current Status

The following section provides a summary of the current status of the KMA. The following core issues are identified as the current reality experienced within the KMA

- ✓ **High need for middle Income housing and lack of well-located developable land:** There is a severe lack of developable land. Due to bad planning and politically motivated policy, urban sprawl is the result.
- ✓ **Unachievable expectations from communities:** The majority of people reliant on government housing expect single free-standing housing units. This is unachievable as there is not enough strategically located publicly owned land available.
- ✓ **Lack of different housing typologies for the middle and high income market:** The majority of subsidized housing developments in the ULM are single-storey, free-standing units.
- ✓ **Lack of affordable housing:** The public sector has been focusing on provision of housing for the low-income groups, while the private sector has been focusing on developments aimed at the higher income groups. There is a severe lack of affordable, ap and Middle Income housing options available for households earning a monthly income of between R3 501 and R20 000.
- ✓ **Badly structured inherited neighborhoods:** There is no structure in the neighborhoods to promote social well-being, encourage economic development and to sustain the environment.
- ✓ **Lack of service capacity:** There is a lack of bulk service capacities and internal reticulation capacities (to support new developments and/or densification).
- ✓ **Informal Settlements:** The extent of the number of informal settlements provides a clear indication that the municipality has been unable to make provision for the necessary land, services and housing to be set aside at the scale required to prevent the development of such areas.
- ✓ **Extent of Housing Delivery Requirement: It** is estimated that the projected housing need for gap, middle and high income houses by 2030. The municipality's ability to provide housing, which based on the housing provision over the last 4 years, is considered to be very good, but the lack of available municipal-owned land and the lack of bulk service capacity could possibly delay future housing projects.

- ✓ **Backyard Rental:** No information on the number of backyard dwellers for the other settlements is currently available. It is, however, clear that this phenomenon plays an important role in addressing the housing need for the affordable rental market.
- ✓ **Relative low densities of current subsidized housing projects:** Based on a desktop study of the erf sizes in the subsidised housing project in the KMA, it was found that the average erf sizes are 250m², which seems quite big considering that the. High-density housing developments, which are focused around economic nodes or within access to employment opportunities and amenities, need to be prioritised.

PROPERTY MARKET OUTLOOK

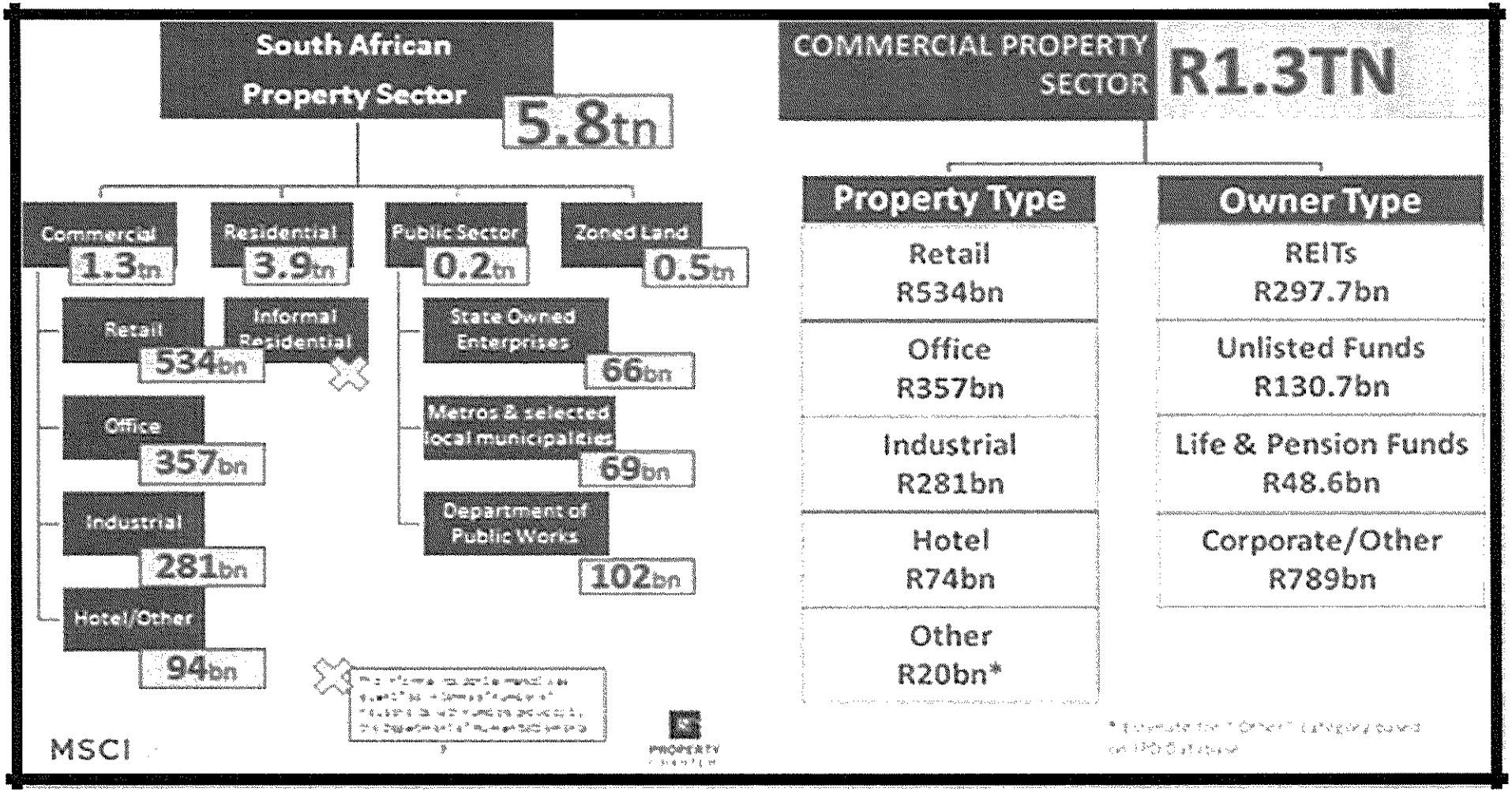
The South African property sector is valued at R5.8 trillion, per the latest Property Sector Charter Council's (PSCC) report aimed to determine the size of the country's property sector. **Commercial Property** carries a value of around R1.3 trillion, up from some R780 billion, with almost R790 billion held by corporates, R300 billion held by **REITs**, R130 billion by **unlisted funds**, and R50 billion by **life and pension funds**. Of this, **retail property** has the highest value at R534 billion (R340 billion in 2012) followed by **office properties** at R357 billion (R228 billion) and **industrial properties** at R281 billion (R187 billion). **Hotels and other property** accounted for R94 billion in value (R25 billion).

A key finding of the latest research shows that formal **residential property** still accounts for nearly three-quarters of property owned in South Africa, and grew from an estimated R3.0 trillion at the end of 2010 to R3.9 trillion. For the first time, it also considered informal residential property, although it has no value, which was quantified by the number of households provided by the Department of Human Settlements.

Undeveloped urban land zoned for development remained unchanged around R520 billion (1.1% of total land in SA). **The public sector** contributed a total of R237 billion, of which around R102 billion is estimated to be in the hands of the Department of Public Works, R66 billion held by SA's 19 largest state-owned enterprises, and R69 billion owned by metros and selected local municipalities.

[3] FNB Property Barometer, 2016

Diagram: South African Property Sector Value



Source: SA Commercial Prop News, 2017

Property Fundamentals – Outlook for 2017

Retail Market[4]

South Africa's retail sales increased 3.1 percent year-on-year in January of 2018, slowing from a downwardly revised 5.1 percent rise in the prior month and below market expectations of a 6.2 percent gain.

It is the smallest increase in retail sales since July last year. Sales rose at a softer pace for general dealers (1.1 percent compared to 3.1 percent in December); all other retailers (5.8 percent compared to 14.8 percent) and hardware, paint & glass sales rebounded (1.5 percent compared to 4.1 percent). Also, sales eased for pharmaceuticals goods & cosmetics (3.7 percent compared to 6.9 percent). Meantime, sales rebounded for food, beverages & tobacco (0.2 percent compared to -0.4 percent) while increased at a faster pace for textiles, clothing, footwear & leather goods (6.5 percent compared to 6.0 percent) and furniture & household equipment (9.2 percent compared to 7.6 percent). On a monthly basis, retail trade fell 1.6 percent, after a 3.3 percent drop in December. Retail Sales YoY in South Africa averaged 4.59 percent from 2003 until 2018, reaching an all-time high of 15.50 percent in September of 2006 and a record low of -6.40 percent in April of 2009.

Ortneil Kutama, SA Commercial Prop News Media Director

It is recorded that 2017 was a difficult year for South Africa's economy and in turn listed property. However, there will be opportunities for investors. The country managed to stave off ratings downgrades from the three major agencies which apply but it probably has a year to make improvements to the economy or it will be downgraded.

Offshore property funds listed on the JSE or South African funds with offshore exposure could still do well as long as the economies wherein they operate manage to perform. Listed property is a challenging asset to invest in like many others are but there are still rays of light ahead in 2017 and 2018.

According to Kutama one just needs to look for companies with good management teams, clear strategies and partners when trying to venture abroad or into operationally intensive property subsectors such as student accommodation. In conclusion, he indicated that a good investor will remember that investing real estate is a long-term game.

[4] South Africa Trading Economics, 2018

This section of the report focuses on the residential market, with the objective of estimating the development potential within the market area. In order to reach this objective, the supply and demand for residential facilities within the market segment should be identified and assessed in light of current trends.

Household Income Categories

Income Category	Type of Housing
R0 – R1 500	**Subsidy**
R1 500 – R3 500	**Subsidy & CRU Housing**
R3 500 – R7 500	**FLISP / GAP & Social Housing**
R7 500 – R15 000	**FLISP / GAP & Affordable Bonded**
R15 000+	**Bonded**

Table 26- Household Income Categories

Demand for residential units can be stated as follows:

Definition

The residential market refers to land uses associated with human habitation such as housing or dwelling units. Residential use can vary in typology, density, tenure, structure, layout and affordability. 'Residential' does not include hotels or guesthouses, which are defined as being 'short-stay' accommodation.

Defining demand

Residential demand depends on a variety of factors. In this context, residential demand can be conceptualised as follows:

Dres. = f {Po; P%; Q; Pr; Pr%, ROI, I, Tx; Y; Hs; R; Ci; Hs; Hp}

Where

Po	=	Population Size
P%	=	Population growth rate
Q	=	Existing quality of residential environment
Pr	=	House prices
Pr%	=	Growth in house prices
ROI	=	Return on investment
I	=	Interest rates
Tx	=	Rates and Taxes
Y	=	Household income
Hs	=	Household size
R	=	Rent
Ci	=	Cap Rates
Hs	=	Housing shortage
Hp	=	Housing preferences

Within the next 10 years UMzimvubu will have a demand for approximately 8500 additional units of which 2000 will be bonded private units, 2500 FLISP / GAP and affordable bonded units, 2000 Rental accommodation-social housing units, 1500 CRU units and 500 subsidy units. Based on this estimated positive demand which is really not ambitious, the Municipality should work hard to buy and also expropriate land along N2 Corridor and also along the Regional network access road for future housing targeting mix use density residential as a way of promoting mini-transit context based oriented developments.

Regional Institutional Market Results

As part of developing a credible and more pragmatic Municipal Housing Sector plan, the team consulted sample of key government departments and private financial institutions that are based in the UMzimvubu jurisdiction. This was a focal stride customised to extract relevant employment statistics and trends to actual give a clear picture of whether there is logical demand to develop sustainable human settlement in the Municipal area. The following government departments and private financial institutions were engaged through a simplified research questionnaire tailored to understand inter alia; number of employees in each department, salary/wages category, current location, current residential, distance travel to work and type of transport and potential to take up residential opportunities to be provided in the UMzimvubu area in the near future.

First National Bank (FNB)											
No. of Employees	Title of Employment	Salary Scales Per Annum	Classification	Permanent Workers		Contracted Workers		Location		Type of Housing	Qualifying Income bracket
				KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni		
20	Managers	R356 000 - R420 000	Upper Middle	12	7	1	0	13	7	Middle & High Income	R15001-R51200
	Junior Managers	R200 000 - R300 000	Lower Middle							Middle Income	R15001-R51200
	Consultants	R150 000 - R200 000	Emerging Middle							Gap and FLIPS	R7000-R15000
	Tellers (75% of basic contract 100hr)	R60 000 - R90 000	Low Emerging Middle							FLIPS, Social CRUs	R3500-R7000 R1500-R3500

Table 27- First National Bank

South African Police Service (SAPS)											
No. of Employees	Title of Employment	Salary Scales Per Annum	Classification	Permanent Workers		Contracted Workers		Location		Type of housing	Qualifying Income bracket
				KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni		
306	Station Commander	Level 12		151	155	0	0	151	155	Middle & High Income	R15001-R51200 >51200
	Support Head Captain	Level 10								Middle Income	R15000-R5200
	Visipol Commander	Level 10								Middle Income	R15000-R5200
	Visipol Support Commander	Level 8								Gap, Social	R7000-R15001
	Warrant Officer	Level 7								Gap. Social	R7000-R15001
	Sergent	Level 6								Gap, Social	R7000-15001
	Constable	Level 5								FLIPS, Social	R3500-R7000

Table 28- South African Police Services

Department of Health											
No. of Employees	Title of Employment	Salary Scales Per Annum	Classification	Permanent Workers		Contracted Workers		Location		Type of housing	Qualifying Income bracket
				KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni		
20	Operational Manager	R499 953 - R562 698	Upper Middle	213		0		213		Private, High Income	R51200>
59	Professional Nurse	R295 716 - R343 296	Lower Middle							High, Middle Income	R51200>
12	Enrolled Nurse	R161 376 - R181 620	Emerging Middle							Middle, Gap, Social	R51200> R15000- R51200 R7000- R15000
46	Enrolled Nurse Assistant	R124 788 - R166 221								Middle, Gap, Social	R51200> R15000- R51200 R7000- R15000
3	Health Promotion Officer	R196 407 - R231 351								Middle, Gap, Social	R51200> R15000- R51200 R7000- R15000
2	Nutrition Officer	R196 407 - R231 351								Middle, Gap, Social	R51200> R15000- R51200 R7000- R15000
1	Environmental Officer	R196 407 - R231 351								Middle, Gap, Social	R51200> R15000- R51200 R7000- R15000
1	Doctor	R780 612 - R840 942	Upper Income							Private, High income Housing	R52001>

1	Dentist	R780 612 - R840 942					Private, High income Housing	R52001>
23	Pharmacy Assistant	R136 800 - R161 148	Emerging Middle				Middle & Gap	R3500-R70000 R7000-R15000
20	Data Capture	R136 800 - R161 148					Middle & Gap	R3500-R70000 R7000-R15000
25	General Worker	R96 549 - R113 730	Low Emerging Middle				Social, Gap, FLIPS, CRUs	R3500-R7000 R1500-35000

Table 29- Department of Health

Post Office											
No. of Employees	Title of Employment	Salary Scales Per Annum	Classification	Permanent Workers		Contracted Workers		Location		Type of Housing	Qualifying income level
				KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni		
2	Managers			6	4	3	0	8	4	Middle Income housing	R15001-R51001
8	Tellers									FLIPS, Social	R7000-R15000

Table 30- Post Office

Metropolitan											
				Permanent Workers		Contracted Workers		Location			
No. of Employees	Title of Employment	Salary Scales Per Annum	Classification	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	Type of Housing	Qualifying income criteria
8	Branch Managers	Commision		8	0	0	0	8	0	Middle Income Housing	R15001-R5200
	Financial Advisor	Commision								Middle, Social, FLIPS, GAP	R15001 R7000-15001

Table 31- Metropolitan

Traffic Department											
No. of Employees	Title of Employment	Salary Scales Per Annum	Classification	Permanent Workers		Contracted Workers		Location			
				KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	Type of housing	Qualifying criteria
	Traffic Officer Level 10	R417 552 - R523 818	Upper Middle	6	4	3	0	8	4	Private Bond, High & Middle Housing	R52001> R15001-R52001
	Traffic Officer Level 8	R281 418 - R353 043	Lower Middle							Middle Income	R15001-R52001
	Traffic Officer Admin Level 7	R226 611 - R285 630								Middle income	R15001-52001
	Traffic Officer Level 6	R183 558 - R211 351	Emerging Middle							Middle and Gap, Social	R15001> R7000-R15000
3	Admin Clerk									FLIPS, GAP	R3500-R7000-R7000-R15000

Table 32- Traffic Department

Department of Justice											
No. of Employees	Title of Employment	Salary Scales Per Annum	Classification	Permanent Workers		Contracted Workers		Location			
				KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	Type of housing	Qualifying criteria
1	Manager			0	24	0	2	26	0	High & Middle income	R52001
1	Prosecutor									High & Middle income	R52001
2	Magistrates									Middle Income	R15001-R52001
20	Staff Members									Social, Gap	R7000-R15001
2	Interns									BNG, FLIPS & CRUs	R3500 R7000-R15000

Table 33- Department of Justice

Department of Roads and Transportation											
No. of Employees	Title of Employment	Salary Scales Per Annum	Classification	Permanent Workers		Contracted Workers		Location		Type of Housing	Qualifying Income level
				KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni		
29		R250 000 - R400 000	Lower & Upper Middle	97		92		189		High, Middle Income	R52001 R7000-R15000
68		R150 000 - R240 000	Emerging Lowe							Middle, Social/Gap	R7000-R15000
92		R1 900 - R5 000p/m	Second Slowest							BNG, FLIPS, CRU	R3500 R7000

Table 34- Department of Road and Transportation

Department of Sport Arts and Culture											
No. of Employees	Title of Employment	Salary Scales Per Annum	Classification	Permanent Workers		Contracted Workers		Location		Type of Housing	Qualifying Income level
				KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni		
2		R600 000 - R950 000	Upper Middle & Upper Income	58		21		79		Private bond, High Income	R52001>
5		R334 000 - R419 000	Upper Middle							High & Middle Income Housing	R15000-R52000
51		R150 000 - R330 000	Emerging & Lower Middle							Middle, Gap, Social, CRUs	R7000-R15000 R3500-R7000

Table 35- Department of Sports, Arts and Culture

Department of Labour											
No. of Employees	Title of Employment	Salary Scales Per Annum	Classification	Permanent Workers		Contracted Workers		Location		Type of Housing	Qualifying Income level
				KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni		
2		R300 000 - R400 000	Lower Middle		17		0		17	High, Middle Income Housing	R52001>
4		R200 000 - R300 000								Middle, Gap, Social	R15001-R52000 R3500-R7000
9		R150 000 - R200 000	Emerging Middle							Gap, Social, CRUs	R3500-R7000 R1500-R3500-R7000
2		R100 000 - R150 000									

Table 36- Department of Labour

Department of Treasury											
No. of Employees	Title of Employment	Salary Scales Per Annum	Classifcation	Permanent Workers		Contracted Workers		Location		Type of Housing	Qualifying Income level
				KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni		
10	Director	R948 174 - R1 116 918	Upper Income	8		2		10		Private, High Income	R52001>
	Deputy Directors	R605 558 - R774 576	Upper Middle							Private, High, Middle Income	R52001> R52000 R7000-R15000
	Assistant Director	R334 545 - R404 121								High & Middle Income	R52000 R7000-R15000
	Officers	R226 611	Emerging Middle							Middle Income, Gap, Social	R7000-R15000 R3500-R7000
	PA	R226 611								Middle Income, Gap, Social	R7000-R15000 R3500-R7000
	Interns	R65 080	Lower Emerging Middle							Gap, Social CRUs	R3500-R7000 R1500-R3500

Table 37- Department of Treasury

Department of Human Settlement											
No. of Employees	Title of Employment	Salary Scales Per Annum	Classification	Permanent Workers		Contracted Workers		Location			
				KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	Type of Housing	Qualifying Income level
1	Chief Construction Project Manager			5		0		5		Private bond, High & Middle Income	R52001>
2	Construction Project Managers									High & middle Income	R52001> R15000-R52000 R7000-R15000
2	Inspectors									Gap, Social, CRUs	R3500-R7000 R1500-R3500

Table 38- Department of Human Settlement

Alfred Nzo District Municipality											
				Permanent Workers		Contracted Workers		Location			
No. of Employees	Title of Employment	Salary Scales Per Annum	Classification	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	KwaBhaca	EMaXesibeni	Type of Housing	Qualifying - Income level
90		R250 00 - R400 000	Lower and Upper Middle		230		20		250	High, Middle, Gap, Social housing	R15000-R52000> R7000-R15000
160		R150 000 - R240 000	Emerging Middle							Gap, Social, CRUs	R3500-R7000 R1500-R3500

Table 39- Alfred Nzo District Municipality

5		R650 000 - R700 000					Private bond, High, Middle Income Housing	R7000-R15000 R52001>
1		R700 000 - R750 000					Private bond, High, Middle Income Housing	R7000-R15000 R52001>

Table 41- UMzimvubu Local Municipality

Annual Income Classification from Bureau of Market Research (BMR)

Annual Income Classification from Bureau of Market Research (BMR)		
Annual income	**Monthly income**	**Classification**
R0 – R11 600	R0 – R967	Lowest
R11 601 – R49 000	R968 – R4 083	Second lowest
R49 001 – R109 000	R4 084 – R9 083	Low emerging middle
R109 001 – R234 000	R9 084 – R19 500	Emerging middle
R234 001 – R378 000	R19 501 – R31 500	Lower middle
R378 001 – R783 000	R31 501 – R65 250	Upper middle
R783 001 – R1 693 000	R65 251 – R141 083	Upper income/Emerging affluent
R1 693 001+	R141 084+	Affluent

Table 42- Annual Income Classification

UMZIMVUBU HOUSING MARKET

UMZIMVUBU HOUSING MARKET DEMAND						
Institution	**No of Employees**	**Housing Type**	**Current residential**	**Land availability/Site**	**Allocation rate**	**Qualifying rate**
First National Bank	20	Middle Income Gap CRUs	EMaXesibeni Kwabhaca Kokstad	EMaXesibeni Middle Income Housing Site and KwaBhaca Infill Residential	100%	95%
South African Police Service (SAPS)	306	Middle income Gap housing FLIPS CRUs	EMaXesibeni Kwabhaca Kokstad	EMaXesibeni gap and Middle Income Housing Site and KwaBhaca Infill Residential	60%	80%
Department of Health	213	Private High income Middle income Gap housing FLIPS CRUs	Kokstad KwaBhaca EMaXesibeni	EMaXesibeni High and Middle Income Housing Site and KwaBhaca Infill Residential	70%	93%
Post Office	10	Middle Income Gap CRUs	Kokstad KwaBhaca EMaXesibeni	EMaXesibeni gap and Middle Income Housing Site and KwaBhaca Infill Residential	100%	100%
Department of Justice	26	Middle income Gap housing FLIPS CRUs BNG	Kokstad KwaBhaca EMaXesibeni	EMaXesibeni High and Middle Income Housing Site and KwaBhaca Infill Residential	86%	95%
Department of Roads and Transportation	189	Middle income Gap housing FLIPS CRUs BNG	Kokstad KwaBhaca EMaXesibeni	EMaXesibeni High and Middle Income Housing Site and KwaBhaca Infill Residential	60%	60%
Department of Sport Arts and Culture	79	Private bond, High Income High & Middle Income Housing	Kokstad KwaBhaca EMaXesibeni	EMaXesibeni High and Middle Income Housing Site and KwaBhaca Infill Residential	68%	67%

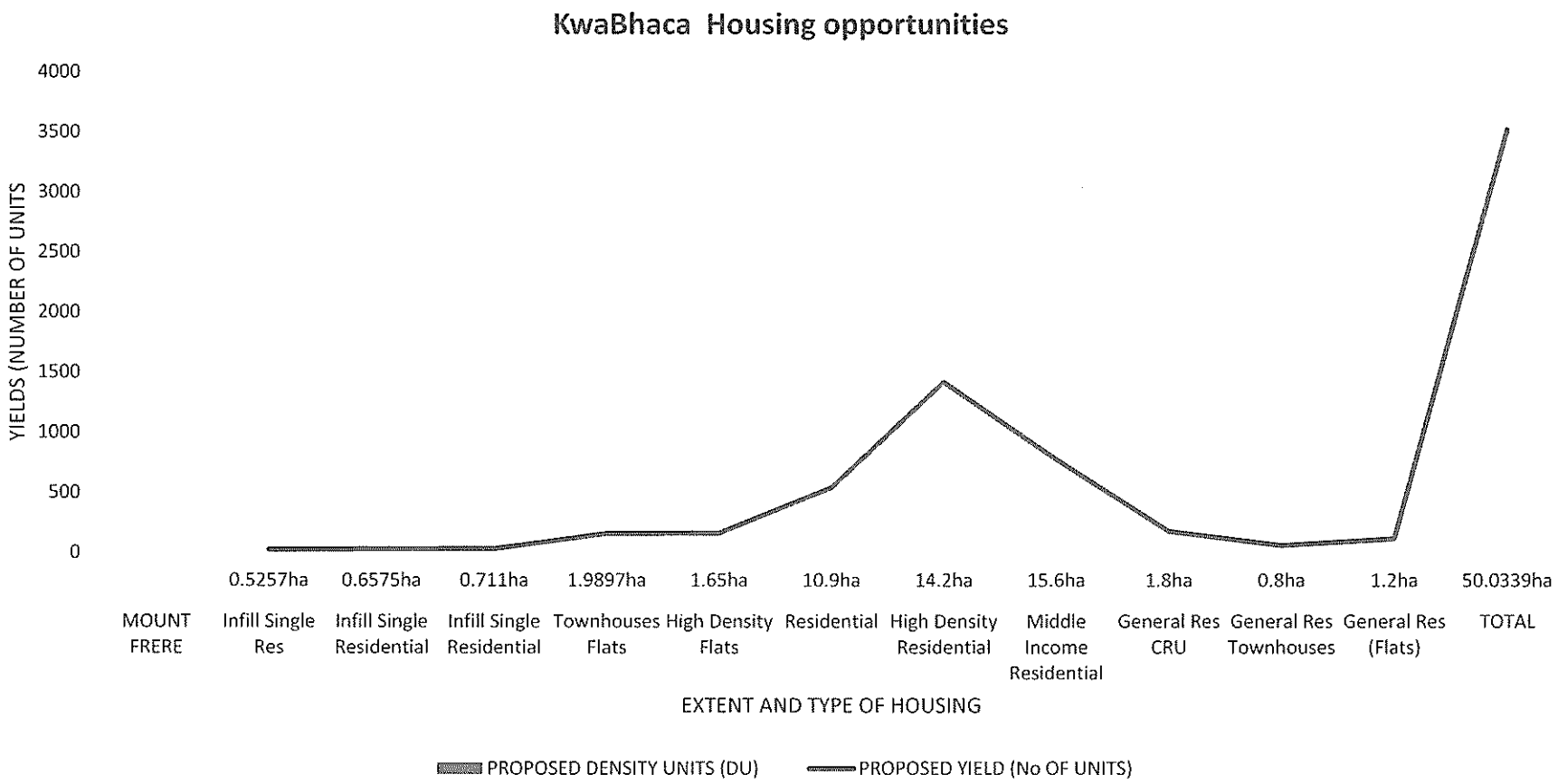
Department of Labour	17	High, Middle Income Housing Middle, Gap, Social	Kokstad KwaBhaca EMaXesibeni	EMaXesibeni High and Middle Income Housing Site and KwaBhaca Infill Residential	100%	100%
Department of Treasury	18	Private High income Middle income Gap housing FLIPS CRUs	Kokstad KwaBhaca EMaXesibeni	EMaXesibeni High and Middle Income Housing Site and KwaBhaca Infill Residential	97%	97%
Department of Human Settlement	10	Private High income Middle income Gap housing FLIPS CRUs	Kokstad KwaBhaca EMaXesibeni	EMaXesibeni High and Middle Income Housing Site and KwaBhaca Infill Residential	100%	100%
Alfred Nzo District Municipality	250	High, Middle, Gap, Social housing FLIPS CRUs	Kokstad (Managers)	EMaXesibeni High and Middle Income Housing Site and KwaBhaca Infill Residential	100%	100%
Department of Public Works	178	Private High income Middle income Gap housing FLIPS CRUs	Kokstad KwaBhaca EMaXesibeni	EMaXesibeni High and Middle Income Housing Site and KwaBhaca Infill Residential	69%	82%
UMzimvubu Local Municipality	210	Private bond, High, Middle Income Housing FLIPS CRUs	Kokstad KwaBhaca EMaXesibeni	EMaXesibeni High and Middle Income Housing Site and KwaBhaca Infill Residential	100%	100%
Metropolitan	8	Middle, Social, FLIPS, GAP	Kokstad KwaBhaca EMaXesibeni	EMaXesibeni High and Middle Income Housing Site and KwaBhaca Infill Residential	85%	85%

Traffic Department	13	Private Bond, High & Middle Housing FLIPS, CRUs	Kokstad KwaBhaca EMaXesibeni	EMaXesibeni High and Middle Income Housing Site and KwaBhaca Infill Residential	86%	86%
SUMMARY						
Department All Departments	Actual Employees 1547 Estimates 1530 (not accounted for in other Departments) Total 3077	All Housing types Middle & Gap Housing Income housing significant	Kokstad a concern as employees travel as far as 140km and beyond to and from work especially those based EMaXesibeni Also a significant number of employees who have decent income reside in backyards rooms, small rental rooms in both KwaBhaca and EMaXesibeni	Based on the approval of the Township Establishment Projects in both KwaBhaca and EMaXesibeni, the pivotal one is EIA approvals and transfer and registration of sites. All the spatial plans will come into effect for residential developments to house the 3077 available housing market demand	98%	98%
There is justification to build sustainable human settlement beyond BNG in UMzimvubu to accommodate the demand and need for housing as shown by the number of Government Regional Offices, two Local Municipalities and financial institutions. Gap and affordable, FLIPS is also dominating and also a dire need for rental and social housing to accommodate a growing working and middle income groups.						

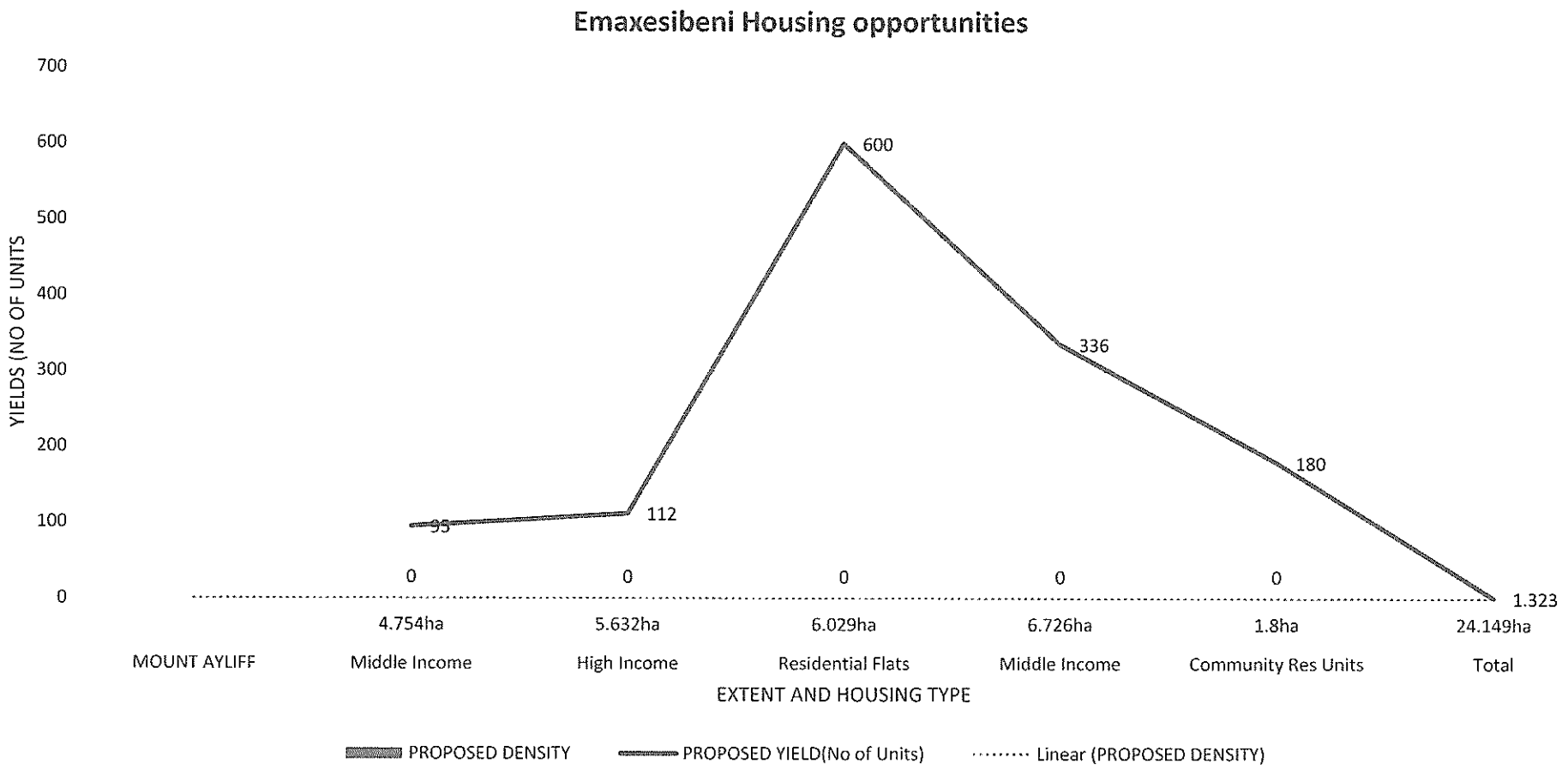
Table 43- UMzimvubu Housing Market Demand

LAND AVALIABILITY

KwaBhaca



EMaXesibeni



UMZIMVUBU POTENTIAL HOUSING TYPOLOGIES

Typology	Description	Density	Target User Group
Type A Walk-Up	• 2-4 storey walk-up apartment building • Designed to allow pedestrians to be served without entering the building (i.e. no elevator)	Nett: 80100du/ha Gross: 45du/ha	• R0 - R3500 • R3500 - R7000 • R7001 - R15000
Type B Row/ Terrace Housing	• 2-3 storey row houses or duplexes • Attached buildings with shared narrow frontages onto street	Nett: 80du/ha Gross: 35du/ha	• R0 - R3500 • R3500 - R7000 • R7001 - R15000 • R15001 - R51200
Type C Semi Detached Townhouse	• 2-3 storey townhouse or duplex • Semi-detached buildings with shared medium frontages onto street • Private backyards	Nett: 30-50du/ha Gross: 25-35du/ha	• R7001 - R15000 • R15001 - R51200 • >R51200
Type D Semi Detached Housing	• 1-2 storey semi-detached housing • Semi-detached dwellings with shared narrow to medium frontages onto street • Communal courtyards/backyards	Nett: 30-50du/ha Gross: 25-35du/ha	• R3500 - R7000 • R7001 - R15000
Type E Detached Housing	• 1-2 storey detached single residential • Medium to wide frontage onto street with private backyard	Nett: 20-30du/ha Gross: 10-20du/ha	• R15001 - R51200 • >R51200
Type F Serviced Plot	Serviced plots Incremental housing – extendable or adaptable units In-situ upgrading Flexible layout Various typologies Multi-family units	Nett: 50-70du/ha Gross: 25-25du/ha	R0 - R3500 R3500 - R7000
Type G Mixed Use	2-3 storey mixed use buildings On-street frontage Range of land uses with commercial on ground level and office space and mix of residential above	Nett: 60-80du/ha Gross: 45du/ha	R0 - R3500 R3500 - R7000 R7001 - R15000 R15001 - R51200

Table 44- UMzimvubu Potential Housing Typologies

CONCLUSION: PROJECT STRUCTURE AND STRATEGIC RECOMMENDATIONS

Below is a summary of the key strategic recommendations for UMzimvubu Human Settlement project;

- UMzimvubu Municipality to urgently apply for the Restructuring Zone Status so that the Municipality can attract funding for social housing programmes and other related grants (engage Social Housing Regulatory Authority (SHRA)
- Approval of the recommended projects and the prioritization list of projects is urgently required so that the Municipality can proceed with the detailed feasibility assessments and compilation of a comprehensive business plan;
- Approval or confirmation of the specific funding requirements for each project to kick start on the costings and financial modelling;
- Some of the targeted funding envelopes such as the Human Settlement Development Grants requires projects to be compliant to the local SDF and IDPs. For recommended and prioritized projects that are outside the current SDFs and IDPs, council resolutions supporting the funding and implementation of the said projects will be required by the Department of Human Settlements and the National Treasury for consideration of conditional approvals and budget allocations on such projects. The Council Resolutions will need to be attached as annexures to the Comprehensive Business Plan
- UMzimvubu Municipality must request SHRA 's project development team to provide technical capacity and assist in making the potential social housing projects bankable among other important issues such as the implementation models, this is linked to the Restructuring Zone approval.
- Alfred Nzo District must play a critical role in providing needed bulk infrastructure and this will help in the sustainability of the current, future housing and other economic development projects that requires an immediate upgrade of the bulk water supply in the region
- The national fund allocation for MIG must be utilised strategically so it links well with Human settlement spatial proposals

IMPLEMENTATION PATH

Projects Selection and Ranking Report

- Accelerate the approval of Township Establishment projects in both twin town, EMaXesibeni and KwaBhaca, accelerate the EIA approval process, resolve any potential land claim issue and community social unrest based on land ownership contestation
- Register all sites as new township with erf's with Survey General
- Priorities bulk services and internal infrastructure
- Review status of the shortlisted housing projects, assess council approval processes on each project, challenges/ bottlenecks and required interventions, and assess approved sources of funding of projects;
- Assess financial and other forms of capacity of the municipality to implement the targeted housing projects and the confirmed funding envelopes for the projects on the IDP report.

Detailed Feasibility Assessments for the Selected Housing Projects

- Review all land descriptions and do GIS mappings;
- Conduct detailed investigations or confirmation on the availability of the bulk services;
- Review / confirm title deed and all ownership status on the land parcels;
- Review all surveyor general diagrams and related servitudes;
- Review all site assembly diagrams;
- Check status on the land claims;
- Review all approved building plans and site development plans;
- Review alignment with SDF, other municipal plans and spatial planning report;
- Review all environmental scoping and EIA reports;
- Apply for restructuring zone status approval so as to accommodate proposed social housing projects;
- Review or conduct geotechnical Investigations (for Greenfield housing projects) or building condition audit and structural integrity studies (in the case of brownfield buildings being converted into housing structures);
- Conduct a detailed socio-economic analysis including GDP future projections for the municipality, utilized ECSEC Socio-Economic Study;
- Conduct a desktop housing demand and supply analysis for the municipality;
- Make a feasibility decision / recommendation
- Proceed and obtain architectural Inputs for housing projects confirmed as feasible;
- Do detailed costing housing projects confirmed

- Compilation of the Business Case
- Submit Draft TA Report, Feasibility Study Report and Business Case
- Link all the above with Sector plans such as Transportation Network Plans, Environmental Framework Plans, Local Economic Development Plan, Regional Bulk Infrastructure Plans and so forth.

HUMAN SETTLEMENT DELIVERY

UMZIMVUBU CAPACITY TO MANAGE HUMAN SETTLEMENT DELIVERY	RESOURCE AVALABILITY/UTILISATION				
	IN-HOUSE	CONTRACTORS	CONSULTANTS	DEVELOPERS	FUNDERS
Project Inception	x		X	X	X
Project Planning and programming			X		
Engineering design			X		
Beneficiary identification, screening and Departmental Approval	X				Department of Human Settlement
Prefeasibility and Business plan application	x		X		Department of Human Settlement
Financial control	X				HDA, SHRA, DOHS, EC Office of the Premier
Project Management	X		X		
Township Establishment	X		X		
Surveying and GP Registration			X		
Top Structure Design			X		
Top Structure Construction		X			
Services Installation		X			

Table 45- Human Settlement Delivery

APPROVAL OF THE POLICY

The Municipal Council has approved this policy and amendments thereof.

AUTHENTICATION

The amendments of the policy and or the new policy was adopted by the Council on the 30-08-19

As per Council Resolution number ULMC 036/19

Signed off

Mr. G.P.T. Nota

Municipal Manager

Clir. N.F Ngonyolo

Speaker of the Council