Province of the
EASTERN CAPE
MINISTRY OF HOUSING, SAFETY AND LIAISON

MEC of Housing, Safety and Liaison Thobile Mhlahlo’s
First 100 days Report.

Identified CHALLENGES

- Contractors assuming developer status with limited capacity and resources
- Slow implementation of projects by Implementing Agents.
- Slow processes of municipalities – especially on blocked projects
- Poor performance of contractors
- Lack of monitoring and evaluation of Projects.
- Land Availability

- Some of the Key interventions by MEC Mhlahlo was to Host a Military
  Veterans Summitt in East London:

  - 2 312 veterans from National database.
  - To date, 513 have already accessed subsidies.
  - Majority of veterans concentrated in East London area, followed by Port
    Elizabeth and Border / Central Region
  - Ukhahlamba has the least number of veterans
  - Provincial approach is to link beneficiary veterans to running projects.
  - Also Individual subsidy route applicable for buying an existing house/stand.
  - Currently undertaking ‘registration’ campaign to assist veterans with
    applications
  - Next would be to negotiate with developers for linking of beneficiaries.
  - Fairly healthy relations between Dept and veterans associations
• MINMEC empowered MECs to grant preferential access on a case by case
• Provincial approach is to link beneficiary veterans to running projects.
• Also Individual subsidy route applicable for buying an existing house/stand.
• Currently undertaking ‘registration’ campaign to assist veterans with applications
• Next would be to negotiate with developers for linking of beneficiaries.
• Fairly healthy relations between Dept and veterans associations

Some of the Priority Projects acquisition of Land

• 3 Land Parcels in Aliwal North; Gonubie (EL) & Phakamisa (KWT) (±7,000ha)
• Valuation completed. Service Providers being sourced for Valuation.
• Site Inspections conducted.
• 5 Properties in King William’s Town, Berlin & East London (± 60,000 ha)
• 5 Offers received.
• Site Inspection to check suitability for development being conducted during the week of the 13 to 17 October 2008. Terms of reference are currently being finalised for the appointment of Service Providers for valuation.

MEC Mhlahlo emphasised that only contractors that are willing to work even during December holidays will have a contractual agreement with the department.

Some of the Achievements to mention but a few are:

At the beginning of his term as MEC for Housing, Safety and Liaison Thobile Mhlahlo called public and private sector financial institutions at a breakfast meeting at Nelson Mandela Bay in kwantu Game Reserve to introduce his ambitious multi million rand housing turn around delivery plan that aims to fast track housing delivery process to beneficiaries in this remaining period of the financial year.
Major banks included ABSA,FNB, Standard Bank and Nedbank and other public and government financial institutions such as Development Bank of South Africa (DBSA), National Housing Finance Corporation (NHFC) and NURCHA are already working with the department on housing projects.
He announced the total allocation that has to be spent before the end of the financial year and priority areas.

Mhlahlo took these institutions to a housing project in Nelson Mandela Bay as part of showcasing projects that are underway and also to identify intervention areas such as Mathew Goniwe and Rocklands.

The consultative Breakfast meeting was a culmination of meetings that Mhlahlo had with contractors, municipalities and NHBRC as part of his intervention plan to remove stambling blocks in the housing development in the province. After the meeting with the banks he has had one on one meetings with ABSA, FNB and Nedbank.

The FNB has purchased a pineapple field near Da Gama textiles factory on the way to East London that has got hectors enough to built 6 thousand houses and Mhlahlo has appointed a task team to facilitate the process of engaging other stakeholders like Buffalo City to come on board.

He has handed over 500 house from the Sundays River Municipality, 300 houses were from Nomathamsanqa township in Addo and 200 in Kirkwood. The beneficiaries were seasonal farm workers who depend on old age grant, domestic workers and other people who earn less than a thousand rand including unemployed people.

“In February we are handing over 1000 houses and in March we should be finished, he said.

About R464 million has been spent on the conditional grant, and Mhlahlo has approved funding amounting to R285 million for other housing projects in the province.

After assuming office in August this year he took a vow to spend 1,2 billion rand allocated to the department with the target of 15 thousand houses to be built before the end of this financial year.

He said municipalities not spending their allocated budgets the department will have to recall those monies and redistribute to moving projects.

He introduced Sakhi’temba graduate development programme that is aimed at creating employment opportunities for young people and also to address the challenge of lack of the monitoring.

- 33 Municipalities supported to develop Housing Chapters of IDP’s
- Rural Housing and Rental Stock housing policy guidelines in place.
- Multi Year Housing Development Plan (MYHDP). Is at 80% Completion
- Emergency Housing Policy workshop conducted for Municipalities.
- 24 Officials are registered on modules in housing management, and another 15 emerging contractors registered for Construction Management at Nelson Mandela University.
• 40 unemployed graduates have been employed as housing consumer education practitioners (HCEP).
• Assessment of capacity of 6 District Municipalities has been completed.
• 6062 subsidies approved – Planned target 3617 (168%)
• 87 houses constructed by Youth in Ndlambe (projection for the year 157)
• 17 Emerging contractors have completed a short learning programme for emerging contractors
• Registration process for Military Veterans has commenced - 2000 names have been pre-screened
• 3194 families relocated from the flood plain at Soweto/Veeplaas
• 1000 houses completed and handed over at Zanemvula (Nelson Mandela Metro)

KWTHA (KING WILLIAM’S TOWN HOUSING ASSOCIATION)
UPDATE

• An agreement was entered into between the Department and King William’s Town Housing Association (KWTHA) in 2001, for the construction of 2447 units at King Williams’ Town.
• An amount of R38 034 364.00 was transferred to KWTHA for development of the units.
• KWTHA breached the terms of the contract in that only 783 units were constructed (instead of 2447) to the value of R14 407 200.00.
• As a result of the breach the department cancelled the agreements and KWTHA declared a dispute.
• Department takes over of the KWTHA business including its assets
• Identification of a legal entity to implement and finalise the projects and manage tenants.
• Social Housing Foundation to be utilised as an interim arrangement for 3 months to implement the four projects whilst procurement of a service provider (Social Housing Institution) is being conducted.
• Develop a policy guide to deal with non uniform standards in the houses in Ginsberg, Breidbach and Golf Course.

Engagements with Tenants
• Department turnaround team to meet with tenant representatives from each of the projects to present the position of the department in handling the take over.
• The tenants to be categorised according to:
  ▪ Affordability- Ability to purchase i.e. sales and transfers
- Non-affordability- unable to purchase in the income bracket above R3500 – discuss options with the tenant. A special process to be investigated. (This is a problematic category)
- Non-affordability- unable to purchase in the income bracket below R3500- Options to be discussed with each tenant. Could consider relocating to a more affordable unit. (N.B. Majority of tenants not willing to be right-sized).
  - Enter into individual agreements with tenants.

Issued by:
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