



MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KWAZULU – NATAL (KZN) PROVINCE

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1. Introduction

This report is submitted to the Social Housing Regulatory Authority (the "SHRA") as a second deliverable to conduct market demand study for affordable rental housing in KwaZulu – Natal (KZN) Province, specifically in the six regions presented below:

Regions	Name of Town	Name of Restructuring Zone Area
Alfred Duma	Ladysmith	Hospital Street Ladysmith Central Dunlop
Newcastle	Newcastle	Arbor Park Newcastle Central Fernwood
KwaDukuza	Stanger	KwaDukuza CBD Blythedale Beach Hyde Park
Umhlathuze	Richards Bay Empangeni	Aquadene Umhlathuze Village
Ray Nkonyeni	Port Shepstone	Marburg Protea Park Uvongo
Msunduzi	Pietermaritzburg	Pietermaritzburg Central, Oribi, Westgate/ Grange, Copesville, Raisethorpe Central, Otto's Bluff, Hayfields/ Linconmeade, Edendale Corridor

1.1. Overall Objective of the project

The overall purpose of the study will be to conduct a market study to determine the demand for affordable rental housing in the identified Restructuring Zones. The ultimate outcome of this process is to inform key decisions that relate to the current and future direction of the Social Housing Programme in the KZN Province in these six (6) identified regions.

This study will give the "SHRA" and housing developers some insights into the potential demand that exists for different categories of housing. In addition, the study will highlight the affordability issues facing households within the different income ranges and the risks these households face in maintaining the rental/ownership housing.

1.2. Scope of the work

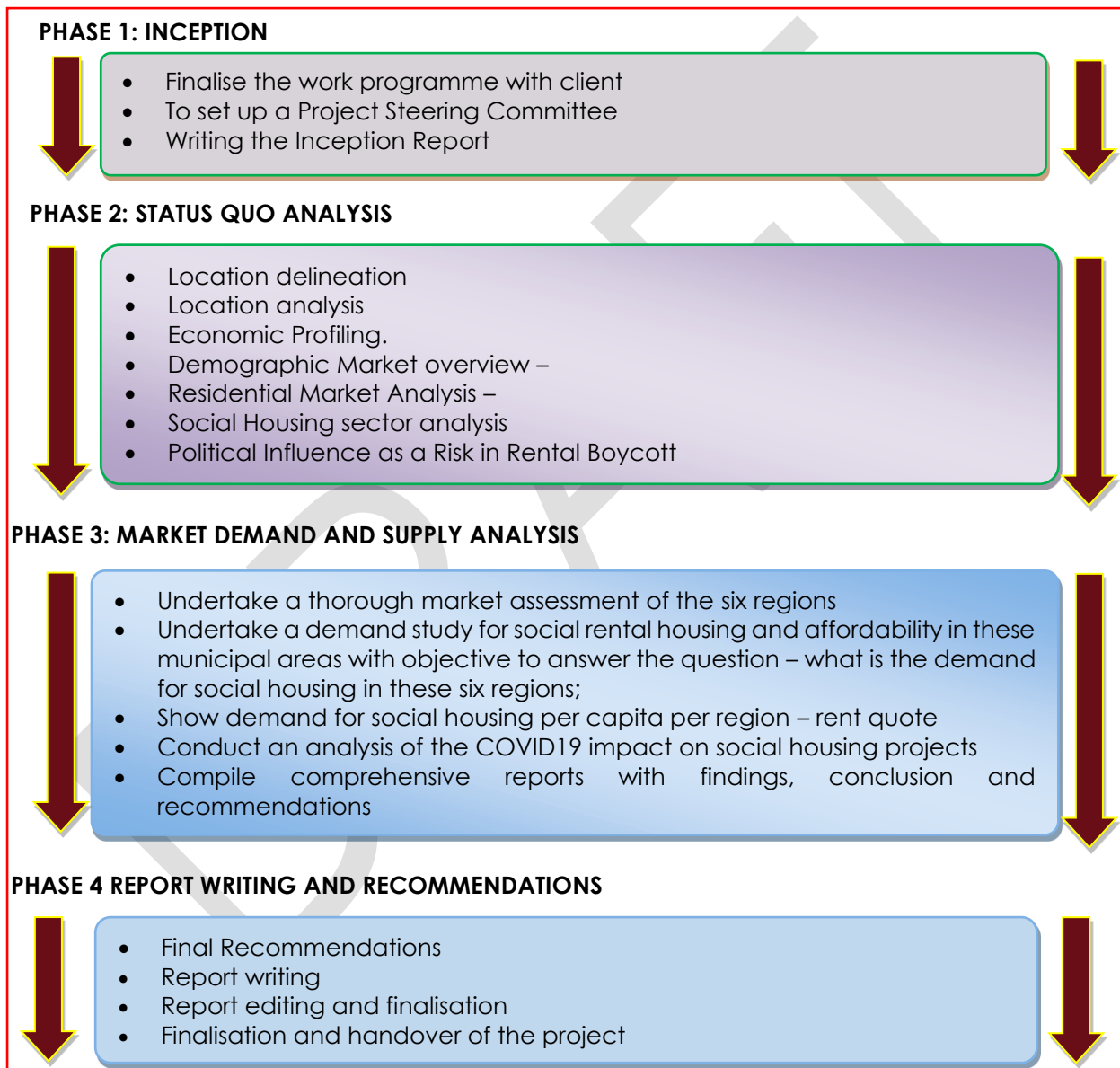
The scope of the work as per the terms of reference includes the following:

1. Undertake a thorough market assessment of the regions as identified in the table above;
2. Undertake a demand study for social rental housing and affordability in these municipal areas with objective to answer the question – what is the demand for social housing in these six regions;
3. Show demand for social housing per capita per region – rent quote
4. Conduct an analysis of the COVID19 impact on social housing projects
5. Compile comprehensive reports with findings, conclusion and recommendations that include the following:
 - **Location delineation** defining clearly the area of coverage and rationale e.g. looking at what modes of transport, education and health amenities exist and are planned for particularly in these demarcated RZs;
 - **Location analysis** for each of the six (6) regions: defining what the total need for housing is, what is the size of a social housing portfolio vs other housing responses, how is the current housing response segmented e.g. what is the percentage of informal vs formal settlements, subsidized vs privately funded, ownership vs rental, what is the land need to address current and future social housing needs vs the available feasible land in the RZ nodes;
 - **Economic Profiling**. What is the size of each of these six (6) regional economies, what in these are the dominant contributors, what are the current and future forecast growth and performance patterns of the various segments of these economies;
 - **Demographic Market overview** –housing market area delineation and population size, household sizes, age profile, racial profile, levels of education, employment status and what is the split of occupations in which sectors, what are people choosing for dwelling types and tenure status, annual household incomes, living standard measurement, level of indebtedness and affordability, dominant household expenditure patterns, what percentage across all these aspects represents the Social Housing target market;
 - **Residential Market Analysis** – South Africa affordable housing overview, local residential market activity in the surrounding areas, residential demand modelling, what is an overview of the residential market trends underlining the source market area.
 - **Social Housing sector analysis** – size of the existing portfolio, what is the size of the planned and approved developments, what are the occupancy vs vacancy rates, what are the average vacancy filling turnaround times, what are the unit types and sizes for which the market is most lucrative.

- **Political Influence as a Risk in Rental Boycott** – what is an overview on political interference to influence rent boycott and hijackings of units. Show what is the best approach to mitigate such risks.
- **Findings, Recommendations, and conclusion**

1.3. Methodology

The methodology indicated below is based on the understanding of the objectives, the scope and the requirements of the TOR.



1.4. Methodology Steps

The methodology that is generally followed consists of five main phases as displayed in the table below. It should be noted that the specific detailed work plan is formulated together with the client before commencement of the project.

PHASES OF THE PROJECT	STEPS OF THE PHASE	DELIVERABLES
Phase 1: Preparation	• Finalise the work programme with client	Inception Report
	• To set up a Project Steering Committee	
	• Writing the Inception Report	
Phase 2: Status Quo Analysis	• Location delineation for each of the six (6) regions	Status Quo Report
	• Location analysis for each of the six (6) regions	
	• Economic Profiling for each of the six (6) regions	
	• Demographic Market overview – for each of the six (6) regions	
	• Residential Market Analysis – for each of the six (6) regions	
	• Social Housing sector analysis for each of the six (6) regions	
	• Political Influence as a Risk in Rental Boycott for each of the six (6) regions	
Phase 3: Market Demand And Supply Analysis	• Undertake a thorough market assessment of the six (6) regions	Supply and Demand Analysis Report
	• Undertake a demand study for social rental housing and affordability in these municipal areas with objective to answer the question – what is the demand for social housing in these six regions;	
	• Show demand for social housing per capita per region – rent quote	
	• Conduct an analysis of the COVID19 impact on social housing projects	
	• Compile comprehensive reports with findings, conclusion and recommendations	
Phase 4: Report & Recommendations	Final Recommendations	Final Report
	Report writing	
	Report editing and finalisation	
	Finalisation and handover of the project	

1.5. Report Outline

This report has the following sections:

- Section 1: Introduction
- Section 2: Housing Policies and Programmes
- Section 3: Demographics and Access to Services
- Section 4: Housing Trends and Challenges

– Section 5: Conclusion

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2. HOUSING POLICIES AND PROGRAMMES

There are a number of policy and strategy frameworks which intend to bring economic benefits and improve quality of life for all South Africans. These national, provincial, and district policies and strategies are relevant to the housing development of any municipality in South Africa. Thus, the purpose of this section is to present the policy and strategy frameworks that have been developed to enable the housing development in the identified regions.

2.1. Background

The provision of housing has been a priority focus of the South African government since 1994. The Reconstruction and Development Programme (RDP) set a goal of building 300,000 houses per annum, with a minimum of 1 million low cost to be built by 1999. Although government was not able to achieve this goal and is still addressing a large housing backlog, the figures give an indication of the level of commitment by the government to provide adequate housing to its citizens.

South Africa's housing policy was entrenched in the Housing White Paper, which was published in 1994. The White Paper focussed on stabilising the environment to transform the fragmented, complex and racially based financial and institutional framework inherited from the previous government, while at the same time establishing new systems to ensure delivery to address the housing backlog.

Since 1994 the White Paper has been supplemented by a number of new policies and programmes that seek to enhance the existing delivery mechanisms to promote a more proactive and effective delivery of houses to the citizens of South Africa. Some of these include:

- Integrated Residential Development Programme;
- Upgrading of informal settlements;
- Social Housing Programme;
- Institutional Subsidies;
- Community Residential Unit Programme
- Individual Subsidy Programme;
- Consolidation Subsidy Programme;
- Enhanced Extended Discount Benefit Scheme;
- Enhanced People's Housing Process;

- Comprehensive Housing plan;
- Inclusionary Housing Policy;
- Rental Housing for the Poor;
- Breaking New Ground (BNG) Programme;
- Rental Housing Act, 1999 (Act 50 of 1999);
- Home Loan and Mortgage Disclosure Act, 2000 (Act 63 of 2000);
- Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998);
- Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 (Act 19 of 1998);

2.2. National Housing Policy Framework

The South African Constitution, 1996 enshrines the right of everyone to have access to adequate housing and makes it incumbent upon the State to take reasonable legislative and other measures within its available resources to achieve the progressive realization of this right.

In response to this Constitutional imperative, Government has in terms of the Housing Act, 1997 (Act No 107 of 1997) introduced a variety of programmes which provide the poor households access to adequate housing. The policy principles set out in the White Paper on Housing aim to provide poor households with houses as well as basic services.

The housing vision is the establishment of viable, socially and economically integrated communities, situated in areas allowing convenient access to economic opportunities, as well as to health, educational and social amenities in which all South Africans will, on a progressive basis, have access to permanent residential structures with secure tenure ensuring internal and external privacy and providing adequate protection against the elements; and potable water, adequate sanitary facilities and domestic energy supply.

The following table shows some of the relevant legislation that influences human settlement:

Table 1: Legislation

MANDATE	DESCRIPTION
Constitution of the Republic of South Africa (Act 108 of 1996)	right to have access to adequate housing; right to have access to land
Housing Act (Act 107 of 1997)	The establishment and maintenance of habitable, stable and sustainable public and private residential developments to ensure viable households and communities, in areas allowing convenient access to economic opportunities and to health,

MANDATE	DESCRIPTION
	educational and social amenities, in which all citizens and permanent residents of the Republic will, on a progressive basis, have access to: Permanent residential structures with secure tenure, ensuring internal and external privacy and providing adequate protection against the elements; and Potable water, adequate sanitary facilities and domestic energy supply.
Rental Housing Act (Act 50 of 1999)	The Rental Housing Act identifies objectives to be promoted to achieve a rental housing market which is stable and growing. Future housing projects should include rental housing in areas where there is a need for this type of housing. The management and administration capacity of the public and private sector with regards to rental housing should be improved.
Housing Consumer Protection Measures Act (Act 95 of 1998)	The aim of the Act is to protect home owners from inferior workmanship. Builders are responsible for design and material defects for three months, roof leaks for a year, and any structural failures of houses for five years. NHBRC inspectors may assess workmanship during and after the building process.
Division of Revenue Act (Act No. 7 of 2003)	The Act ensures the equitable division of revenue between national, provincial and local spheres of government. It prescribes conditions to be met to receive the grant funding. The Act clearly sets out the duties of the transferring officer and receiving officer of the Human Settlement Development Grant.
Comprehensive Plan for Creating Sustainable Human Settlements	Accelerating the delivery of housing as a key strategy of poverty alleviation; Utilizing provision of housing as a major job creation strategy; Leveraging growth in the economy; etc. The Breaking New Ground Principles should form the basis for housing project prioritization.
Spatial Planning and Land Use Management Act (Act no 16 of 2013)	All development applications need to be made in terms of the provisions made in SPLUMA, this include developments on Tribal Land. Spatial patterns of human settlement development should adhere to the principles outlined in SPLUMA.
Integrated Housing and Human Settlement Development Grant (IHAHSD) Schedule 5 to Division of Revenue Act of 2008	To provide for the facilitation of a sustainable housing development process by laying down general principles applicable to housing development in all spheres of government through the Division of Revenue Act
Integrated Urban Development Framework (IUDF) 2014	The Integrated Urban Development Framework (IUDF) is designed to unlock the development synergy that comes from coordinated investments in people and places and builds on

MANDATE	DESCRIPTION
	various chapters in the National Development Plan (NDP) and extends Chapter 8 'Transforming human settlements and the national space economy', and its vision for urban South Africa.
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act of 1998	The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act was promulgated in 1998. The Act repeals the Prevention of Illegal Squatting Act No. 52 of 1951 and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act also makes it an offence to evict legally without due process of law
Home Loan and Mortgage Disclosure Act of 2000	The Act provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities. It requires financial institutions to disclose information and identities discriminatory lending patterns. The Act came into operation during 2003.
The Less Formal Township Establishment Act No. 113 of 1991	This Act is specifically for guiding rapid township establishment where housing is in dire need.
Communal Land Rights Act No 11 of 2004	The Act deals with Communal Land Rights and is pertinent to the housing instruments that promote housing under this form of ownership.

Source: Department of Human Settlements - National Housing Policy and Subsidy Programmes 2010

2.3. Provincial Policy Framework

2.3.1 Provincial Growth and Development Strategy¹

The provision of a house continues to be an important part of human settlements. Liveable human settlements require integrated planning that involves: a safe and sustainable living environment, infrastructure that allows and enables economic activity, delivery of services and social facilities, as well as ongoing maintenance capacity.

Equitable human settlement refers to developments in both urban and rural settings that address the poverty traps that were created in the location of settlements in the past. This has not been an easy ideal to achieve given the historical issues related to land availability and the slow progress, almost a stalemate, on land reform in the Province. KZN is, "hampered by slow progress with suitable tenure arrangements that would promote sustainable settlements, as well as the delivery of adequate services throughout the province"

¹ Kwa-Zulu Natal Office of the Premier: 2035 Provincial Growth and Development Strategy

Much is still to be done to facilitate the existence of racially and culturally integrated human settlements, which are also promoting citizens to pursue their social, cultural, political and economic goals. This requires communities and their members to be at the centre of the scaling-up of service delivery through their involvement in planning and implementation of programmes either as part of voluntary self-provisioning system or as paid up community members. These issues are at the core of the KZN PGDS 2035, here discussed.

The vision for KwaZulu-Natal as outlined in the PGDS 2035 is to, "by 2035 [...] be a prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the World" (KZN PGDS, 2016). In line with reaching this vision the strategy outlines 7 strategic goals to address the challenges the Province faces and take advantage of the opportunities present. The strategic goals designed for the province focus on:

1. Inclusive Economic Growth;
2. Human Resource Development;
3. Human and Community Development;
4. Infrastructure Development
5. Environmental Sustainability;
6. Governance and Policy; and
7. Spatial Equity.

Each of these goals has a number of strategic objectives and goal indicators in order to further define the goal and provide a means of monitoring progress. As this report focuses on the provision of housing the strategic objectives and goal indicators identified for the third strategic goal, that of human and community development, are particularly relevant. This third strategic goals of the KZN PGDS 2035 focuses on human and community development towards poverty and inequality reduction in KZN. This Goal is aligned to various National Outcomes such as:

- Outcome 2: Health;
- Outcome 3: All people in South Africa are and feel safe;
- Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all;
- Outcome 8: Sustainable Human Settlements and Improved Quality of Household Life;
- Outcome 11: Create a better South Africa, contribute to a better and safer Africa in a better world;
- Outcome 13: An inclusive and responsive social protection system; and
- Outcome 14: Nation Building and Social Cohesion.

Human development and the development of communities are central themes of the Province's strategy for growth and development. The development of communities encompasses a wide range of services and functions that support the manner in which people live and socialise, and the PGDS recognises that social issues and social functioning have serious implications for infrastructure development, economic approaches, environmental, and spatial planning issues. This goal area looks at social services such as welfare, health services, the means for establishing and maintaining livelihoods and the structures/ settlements in which citizens live; the safety of citizens and the means to maintain and re-create bonds between people are pertinent here. The interventions in this goal area take place at a local level and all the other areas of the PGDS have implications for the way that community life is realised.

As with other goal areas, this area has to deal with the tangible and intangible legacies of deprivation and under-resourcing. An underlying theme is that of moving people from a mode of coping with poverty to a mode of empowerment – empowerment for self-sustenance. Underlying this is a need to transform the mind-set of asset entitlement whereby poverty eradication and social grants orientation is balanced with a mission towards socio-economic empowerment of citizens, coupled with the promotion of personal and community action. Qualitative and sustainable interventions have been proposed at community level – these require monitoring and evaluation mechanisms. As in other areas, political support is required for realising the objectives set out in this goal and the co-ordination of mandates across different levels and spheres of government.

In delivering services there is need to prioritise under-served areas and the objectives require the co-ordination of effort amongst the social partners: community organisations, business and labour organisations in partnership with government. The overarching KZN initiative, described in the Poverty Eradication Master Plan, sets an important framework for delivery: Integration and Coordination: calling for / mandating social partners to act in concert, the technical facilitation of game changing interventions through a central point of co-ordination and harnessing the resource commitments of provincial and municipal resources and of course to co-ordinate resource commitments of social partners.

This goal has particular resonance with services for the vulnerable. The demographic and poverty profile of KZN make it necessary to have a strong net of social services and the concept of community development encompasses social as well as local economic / livelihood strategies. This goal area can only achieve its objectives with the parallel efforts of

human resource development interventions – to bolster and further the individual's participation in and contribution to community life.

Since the publication of the PGDS, the Province, frequently in concert with national organs, has further built on and developed programmes and interventions to deal with poverty, unemployment and inequality at local level. This goal area incorporates much of the thinking that informs the Poverty Eradication Master Plan, the Agricultural Radical Socio-Economic Transformation Model and the Social Cohesion, Migration and Community Integration projects and works in tandem with SMME and informal economy support measures. These studies and plans are leaned on in this goal area as they offer latest research, approaches and have been drawn up in multi-stakeholder forums.

Human and community development services depend largely on access to a variety of social, socio-economic and health infrastructure. Goal 4 of the PGDS deals with transport – accessibility and bulk infrastructure to ensure in the medium to long term that social and health facilities are accessible – within relatively easy reach of communities both urban and rural. This goal area calls for accessible, quality services and leaves the task of enumerating the various types of facilities to the PGD Plan.

Communities are vital vehicles to effect collective transformation of rural and urban community areas. The opportunity to transform the lives of the poor are best located within the social, economic and institutional dynamics of communities. Therefore, community development programmes and projects that could be designed and implemented by the collective efforts of community members or in which community members have been fully participants and are more responsive to community felt needs and are capable of generating an enthusiastic sense of ownership. These are critical ingredients for sustainable development programmes and projects.

The strategic objectives towards the goal of Human and Community Development are the following:

- (a) Eradicate poverty and improve social welfare services;
- (b) Enhance health of communities and citizens;
- (c) Safeguard and enhance sustainable livelihoods and food security;
- (d) Promote sustainable human settlements;
- (e) Enhance safety and security;
- (f) Advance social cohesion; and
- (g) Promote youth, gender and disability advocacy.

The following table outlines the strategic objectives and the specific objective indicators for the third strategic goal of Human and Community Development towards poverty and inequality reduction in KZN.

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Table 2: KZN PGDS Strategic Goal 3, Objectives, Interventions and Indicators

STRATEGIC OBJECTIVE	INTERVENTIONS	OBJECTIVE INDICATOR
3.1 Eradicate poverty and improve social welfare	<p>3.1(a) Accelerate the roll-out of and the monitoring and impact evaluation of the Poverty Eradication Master Plan and Sukuma Sakhe (on which the PEMP builds) and related social welfare programmes including the development of Community and Ward Based Plans for the identified, most poverty-stricken municipalities; and to address facilities and services for the elderly, drug addicted individuals, indigent households and victims of abuse.</p> <p>3.1(b) Implement a comprehensive social welfare system. This refers to the services traditionally within the ambit of social welfare services – the imperative here is to expand social services progressively to people in all areas, urban and rural, formal and informal settlements.</p> <p>3.1(c) Achieve universal coverage in ECD for children from 0 to 4 years through the ECD Educator Development, ECD Practitioner Development and ECD Centre Development projects; recognising the potential for income generation and job creation. This should include up-skilling and development of DSD, its systems and professional staff a to extend their roles to systematically address the massification of ECD.</p> <p>3.1(d) Collaborate with NGOs with proven track records to augment service delivery, training of trainers / practitioners, and for implementation models.</p>	<p>3.1.1 Effective dependency ratio.</p> <p>3.1.2 Functional Operation Sukuma Sakhe war rooms.</p> <p>3.1.3 Poverty gap (p1) and severity of poverty (p2).</p> <p>3.1.4 Reduction in child poverty and malnutrition: % children that are stunted, wasted or obese.</p> <p>3.1.5 Reduction in relative poverty.</p> <p>3.1.6 Number of eligible social grant applications.</p>
3.2 Enhance the health of communities and citizens	<p>3.2(a) Re-engineer Primary Health Care including community and facility-based services and programmes, as well as to integrate lessons learned from NHI pilot.</p> <p>3.2(b) Implement the 90-90-90 strategy for HIV, AIDS; TB and Non-Communicable Diseases.</p> <p>3.2(c) Enhance physical and mental health programmes with increased focus on screening and referral.</p>	<p>3.2.1 Percentage of people living within an internationally acceptable radius of a fully functional healthcare facility throughout the Province.</p> <p>3.2.2 Infant mortality rate (per 1000 live birth).</p>

STRATEGIC OBJECTIVE	INTERVENTIONS	OBJECTIVE INDICATOR
	3.2(d) Research metric to track causes of natural deaths and notifiable deaths as an early warning	3.2.3 Under 5 mortality rate (per 1000 live birth). 3.2.4 Maternal mortality in facility ratio (per 100 000 live births). 3.2.5 Percentage of the population with private medical cover.
3.3 Safeguard and enhance sustainable livelihood and food security	3.3(a) Development of facilities for local markets, production / processing facilities and retail facilities including appropriate storage and logistics measures. 3.3(b) Facilitate skills development in communities aligned to local economies to support local food production and provision of consumer services. 3.3(c) Accelerate the implementation of the KZN Poverty Eradication Master Plan to contribute to food security. 3.3(d) Expedite the roll-out of the National Schools Nutrition Programme. 3.3(e) Implement an integrated system for continuous assessment of poverty, malnutrition and hunger and to measure migration out of the poverty trap, targeting the most marginalised urban and rural communities, including an early-warning system.	3.3.1 Dietary Diversity Index (%of households consuming fewer than the 15 major food categories in the previous month). 3.3.2 Hunger episodes (the incidence of a household member gone hungry at least sometimes in the preceding 12 months and refers to a percentage of households).
3.4 Promote sustainable human settlements	3.4(a) Establish a joint provincial forum to address human settlements to ensure coordinated and integrated development planning and implementation. 3.4(b) Implement polycentric nodal development aligned to Provincial Spatial Development Framework to achieve sustainable livelihoods. 3.4(c) Undertake a comprehensive review of the KZN Human Settlements Strategy incorporating the key focus areas of informal settlements upgrade, social housing, housing in the gap market and a comprehensive rural settlement policy. This will ensure housing programmes that address the needs of all KZN citizens and that	3.4.1 Percentage of households living in formal dwellings per district. 3.4.2 Percentage housing backlog. 3.4.3 Percentage households with a registrable form of tenure. 3.4.4 Percentage of Provincial Human Settlement budget spent on formal settlement development.

MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KWAZULU – NATAL (KZN) PROVINCE:
STATUS QUO REPORT

STRATEGIC OBJECTIVE	INTERVENTIONS	OBJECTIVE INDICATOR
	lays the foundation for a mixed approach in terms of tenure and products available, as well as reduce travel time between work and place of residence.	3.4.5 Percentage of Social Housing and Rental Opportunities.
3.5 Enhance safety and security	<p>3.5(a) Develop a Consolidated Crime Prevention and Crime Combating Strategy for the Province.</p> <p>3.5(b) Develop a consolidated Road Safety Strategy for the Province.</p> <p>3.5(c) Institute Victim Empowerment Programmes across the Province.</p> <p>3.5(d) Improve and extend programmes to address violence and anti-social behaviour amongst men, especially young men (who are often perpetrators and victims of such violence).</p> <p>3.5(e) Improve and extend programmes providing services to those often targeted in violence with a particular focus on women and children and those in the LGBT communities.</p> <p>3.5(f) Policing Forums across the Province. These partnerships between civil society, business and criminal justice system at local level can work in tandem with Victim Empowerment Programmes. The DCSL must take the lead role in promoting their effective functioning across urban-rural, formal and informal settlements including business and commercial districts. Establish and strengthen Community.</p> <p>3.5(g) Reduce livestock theft.</p>	<p>3.5.1 Total number of crimes measured as the number of crimes reported per 100 000 /population).</p> <p>3.5.2 Number of fatal accidents reported.</p> <p>3.5.3 Number and/or spread of functional Community Policing Forums.</p> <p>3.5.4 Number of serious crimes reported.</p> <p>3.5.5 Number of crimes against women and children and elderly.</p> <p>3.5.6 Number of drug related crimes reported.</p>
3.6 Advance social cohesion and social capital	<p>3.6(a) Establish a Social Development Council at Provincial level to systematically build social capital and work for social cohesion.</p> <p>3.6(b) Formalise and implement a social cohesion strategy for the Province (to cover responsible citizenry, moral regeneration, ethics at work etc.).</p> <p>3.6(c) Develop and implement programmes that provide norms and behaviour that create an enabling environment for the NGO sector.</p>	3.6.1 Numbers of incidents of politically motivated, racially or religiously based violence or other forms of intolerance or disharmony reported per district per annum, and trends, throughout the Province.

MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KWAZULU – NATAL (KZN) PROVINCE:
STATUS QUO REPORT

STRATEGIC OBJECTIVE	INTERVENTIONS	OBJECTIVE INDICATOR
	<p>3.6(d) Support mutually beneficial platforms as solutions to help reduce tensions between South African and foreign small and informal traders.</p> <p>3.6(e) Develop industry-orientated arts, culture and sports programmes.</p>	<p>3.6.2 Number and extent of community level organisations (NGOs) active in participating in government department programmes, with active registration status, as brought together through and represented in the proposed Social Development Council.</p>
<p>3.7 Promote youth, gender and disability advocacy and the advancement of women</p>	<p>3.7(a) Develop programmes to track social and economic development among the youth.</p> <p>3.7(b) Develop programme to track the socio-economic empowerment of women in both rural/traditional and urban areas.</p> <p>3.7(c) Develop programme for tracking social and economic advancement of people with disabilities.</p> <p>3.7(d) Strengthen mechanisms to measure the impact of development plans in the empowerment of women, youth and people with disabilities, including increased levels of participation in the governance structures and processes of the Province.</p>	<p>3.7.1 Percentage of youth, in all spheres of socio-economic opportunities.</p> <p>3.7.2 Percentage of women in all spheres of socio-economic opportunities.</p> <p>3.7.3 Percentage of people with disability in all spheres of socio-economic opportunities.</p> <p>3.7.4 Level of participation of women, youth and people with disabilities in the processes of governance and consultative structures at all levels.</p>

Source: KZN PGDS 2035

2.3.2 MASTER SPATIAL PLAN FOR KWAZULU-NATAL FOR HUMAN SETTLEMENTS INVESTMENT 2016

The Vision for the KZN Human Settlement Master Spatial Plan is: for KwaZulu-Natal by 2030 to be recognised for its compact, connected and integrated human settlement pattern across different scales reflecting successful spatial transformation, founded on the values of sustainability, collaboration, choice, and value creation. In this regard, a number of objectives have to be achieved, including the following:

- Objective 1: Spatial transformation
- Objective 2: Compact settlements and settlement patterns
- Objective 3: Connected settlements and settlement patterns
- Objective 4: Integrated settlements and settlement patterns
- Objective 5: Functional residential property market in urban and rural areas
- Objective 6: Consistent application of policies, principles, objectives and concepts across various scales (provincial, regional, local)
- Objective 7: Institutional capacity for effective planning and implementation.

2.3.3 Department of Human Settlements Annual Performance Plan 2017/18 – 2019/20²

The following are some of the important points for this report taken from the Annual Performance Plan 2017/18 – 2019/20 regarding the housing developments.

- 19,5% of the households live in a RDP/government subsidised dwelling.
- Housing development should be undertaken in an integrated and sustainable manner.
- Urbanisation brings along with it many challenges, mainly the availability of bulk infrastructure and the pressure on available and well-located land. A concerted effort is now being made to focus more on urban projects such as the fast tracking of the Informal Settlement Upgrades, IRDP, FLISP, GAP housing and Social Housing.
- The housing programmes implemented by Programme 3 Housing Development includes: Finance Linked Individual Subsidy Programme (FLISP), Enhanced Peoples Housing Process (EPHP), Informal Settlement Upgrade Programme (ISU), Informal Residential Development Programme (IRDP), Emergency Housing and Operation Sukuma Sakhe (OSS), as well as Social/Rental Housing, Community Residential Units, Rectification, Military Veterans, Social and Economic Amenities and Rural Housing.
- The eradication of the informal settlements in the Province and the eradication of the temporary residential accommodation within the eThekweni municipality remains a

² Human Settlement, Province of Kwa-Zulu Natal. Annual Performance Plan 2017/18 – 2019/20. http://www.kzndhs.gov.za/Uploads/documents/Resource_Centre/Strategic_documents/Annual_Performance_Plans/APP_2017-18-2019-20_CD.pdf

priority to be implemented over the remaining Medium-Term Strategic Framework (MTSF) period and beyond.

- Other key focus areas for the achievement of Outcome 8 targets are the acquisition of suitable well-located land for human settlements, creation of affordable rental stock and making provision for the gap market. In order to increase the supply of gap market housing to meet the high demand, the Department will be engaging with the private sector developers and other stakeholders inclusive of financial institutions. Furthermore, greater emphasis will be given to IRDP projects which will make available serviced sites for FLISP.
- In addressing the title deeds backlog, Built Environment Service providers have been appointed to attend to the opening of township registers, pegging of sites, beneficiary administration and conveyancing matters.
- The Department is currently utilizing innovative construction technologies i.e. alternative building technology and materials voucher system versus brick and mortar which takes longer and results in a longer waiting period for the beneficiaries to benefit from a housing opportunity.
- Strategic Objective 2 - Accelerate the creation of rental housing opportunities, and implement projects that ensure spatial, social and economic integration. The Department will continue to promote effective and efficient social and rental housing delivery.
- Strategic Objective 3 - Improve access to tenure. The Department will fast track the transfer of title deeds to promote home ownership.

2.4. Local Policy Framework

This sub-section presents the housing related plans that have been developed in the identified six regions of KwaZulu-Natal

2.4.1 Alfred Duma Integrated Housing Sector Plan

The overall objective of the Alfred Duma Integrated Housing Sector Plan is to have a five year Plan to serve as a strategic planning tool that guides human settlement development within Alfred Duma LM in a more responsive way to meet the municipal's housing demand. In this regard, the main objectives of the plan include:

- Identify and analyze the housing delivery gaps within the municipal area,
- Update the data in order to determine new trends that may influence the delivery of sustainable human settlements,

- Assess whether the existing projects (especially those that have not yet been implemented) should be encouraged or discouraged,
- Identify areas where housing development should be encouraged and where they should be discouraged – in line with both the District and municipality's IDP and SDF (including any sectoral plan),
- Align the sector plan with national and provincial legislative and policy framework,
- Advise on the appropriate mechanisms of speedy delivery of sustainable human settlements; or alternatively,
- Advise on the most effective mechanism of prioritizing and implementing the housing projects, within the available municipal capacity,
- Ensure that the plan has a clear programme that can be used to influence budgetary processes – internal and external,

The Vision for the Housing Sector Plan Vision is:

“A Municipality that embraces and promotes sustainable human settlements through the provision of affordable and sustainable housing, efficient social, economic and physical infrastructure”

To make this vision a reality, the Municipality has to support the notion of productivity, inclusivity, good governance and sustainability which should include but not limited to:

- Initiating measures that manage development of sustainable human settlements,
- Initiating housing delivery (sustainable human settlement) to respond to housing needs,
- Provision of other services and facilities that complement sustainable human settlements,
- Securing and coordinating funding for sustainable human settlements,
- Engaging the relevant housing stakeholders to achieve sustainable human settlements.

2.4.2 Newcastle Housing Plans

Newcastle Housing Plan

The Newcastle Municipality has a vision for human settlement development concentrated around the following:

- To facilitate delivery of sustainable integrated human settlements and manage efficiently and effectively construction of housing projects – Speeding up projects under construction phase and planning stage
- Finding innovative ways in dealing with issues of Sub-contractors currently posing challenge to our projects on ground. To identify strategies in dealing with projects at initial stages.
- Prioritisation and capacitation of Housing Project Implementation Unit.

- To provide a variety/typologies of housing opportunities to the range of households in the municipal area.

In this regards, Newcastle Municipality puts more emphasises on a number of priorities including the following:

- National and Catalytic and Spatial Transformative Projects –.
- Release and Development of State and Publically-Owned Land for Human Settlements Development and Spatial Transformation.
- Improving Access to Affordable Housing Finance through establishment of Human Settlements Development Bank.
- Upgrading of Informal Settlements:
- Targeted Applications of the Housing Subsidies:
- Employer Assisted Housing Schemes:
- Military Veterans Housing:
- Title Deed Restoration Programme:.
- Affordable rental housing opportunities:
- Social Housing and Community Residential Units (CRUs):

The Newcastle Informal Settlement Strategy

The Newcastle Informal Settlement Strategy and Programme has been finalised and its intension is to give effect to the National Upgrading Support Programme which acts as a support vehicle to the National Department of Human Settlements in its implementation of the Upgrading of Informal Settlements Programme (UISP). The overall strategy and programme is informed by the Assessment and Categorisation of each of the informal settlements, which is the specific purpose of this report. An assessment and categorisation is conducted in order to determine the current status of the informal settlements with the aim of establishing whether or not an informal settlement is suitable for in situ upgrading, or whether a settlement will require a different type of intervention such as relocation. These different outcomes were categorised into four classes namely: Category A (full upgrade); Category B1 (Interim Basic services); Category B2 (Emergency Basic services) and Category C (Relocation).

JBC (Jobstown, Blaaubosch and Cavan) Precinct Plan 2016

Further, the Municipality has developed the JBC precinct plan with more focus on human settlement development. JBC is currently a node in the east of Newcastle with a shopping complex, community hall and government-related services. It comprises of Jobstown, Blaaubosch and Cavan and is located along the P483 main road. The area was initially envisaged as a primary node, playing a competitive role to the CBD. However, its role in the

greater space economy has been reconsidered and the current JBC Precinct Plan aims to make the node a secondary node, with the main purpose of integrating Newcastle West and East spatially and functionally³.

JBC is one of the strategic development initiatives in the Newcastle East and along the P483 Corridor. It forms part of the urban regeneration and sustainable human settlement initiatives that covers the JBC farms. JBC has a large catchment area, with an existing population of 48 286 people and a secondary catchment of 271 294 people from the surrounding settlements. Currently, the area experiences various spatial, social and economic challenges. These include sprawling low densities, limited vacant land, poor access to bulk services, limited private sector investment, poor public safety, unemployment, environmental degradation and limited access to active open spaces. In order to counter these issues, the precinct plan delineates land for a mixture of activities that will resolve spatial issues, improve urban life and encourage economic activity.

The proposed land uses for the urban core of the JBC node are shown in the figure below. Total extent of the proposed development is 60 hectares, which is comparable to the 69 hectares of the Newcastle CBD development site. The land use delineations give an indication both of the needs in the JBC area as well as the market demand of the urban areas of Newcastle. Mixed use retail and residential are the dominant land uses proposed, which is likely due to the population and catchment area of JBC.

Table 3 Land use delineations of proposed JBC core

Land use	Core Precinct (ha)	Core precinct (%)
Open space	2.38	3.99
Residential single dwelling	1.30	2.18
Residential duplexes	0.00	0.00
Mixed-use retail	17.88	29.99
Mixed-use residential	26.82	44.99
Public facilities	2.53	4.24
Multi modal facilities	0.68	1.14
Roads	8.03	13.47
Total	59.62	100

Source: The National Treasury Final Precinct Plan Evaluation: Newcastle JBC Hub, 2016

³ The National Treasury Final Precinct Plan Evaluation: Newcastle JBC Hub, 2016

The proposed Newcastle CBD development mixed-use development will need to consider the its potential to capture the population from the east of Newcastle, where the majority resides. In order to do this successfully, the proposed Newcastle CBD development will need to identify market gaps and fill these. While the distance between the two proposed sites are quite significant, new infrastructural developments will create better linkages in the near future. Additionally, economic developments cannot occur in isolation and Newcastle CBD development will need to consider proposed developments to minimise negative externalities on the greater economy.

2.4.3 KwaDukuza Housing Plan

The primary objective of the Housing Sector Plan is to take all reasonable and necessary steps within the framework of National Legislation and Policy to ensure that all residents within KwaDukuza Municipality area of jurisdiction have access to adequate shelter on a progressive basis. In this regard, the vision developed for the development of human settlement states: *"To build vibrant and better communities within the KwaDukuza area of jurisdiction, through the provision of habitable, stable and sustainable settlement opportunities."*

To achieve the preceding vision, KwaDukuza Municipality's human settlement mission statement is:

"To be the leading human settlement services unit within the KwaZulu-Natal Province, working towards a slum-free environment through the provision of Low-income, affordable housing and rental accommodation to all residents who meets the criteria set by National Government."

Key programmes and strategies developed to achieve the vision and mission are presented in the following table

Table 4 KwaDukuza Housing Priority Programmes and Projects

Priority Programmes	Strategies
Medium Density Housing and or Rental stock	Identify projects
	Identify suitable land for development
Accelerate delivery of low income housing units	Implement in-situ upgrades in rural areas
	Implement Greenfield projects in well located land
	Implement infill Projects within Urban areas

Institutional Capacity

Source funding for programmes and necessary capital for payment of personnel

KwaDukuza Human Settlement Plan

2.4.4 UMhlatuze Housing Plan Review 2020/2021

The uMhlatuze Human Settlements Sector Plan is a strategic management tool developed to assist the Municipality to ensure that all activities in the human settlements sector plan are working towards the goal of housing delivery. The human settlements sector plan is aimed at achieving the following objectives:

- to integrate housing development plans into the municipality plans.
- to develop a comprehensive human settlements plan for City of uMhlatuze providing strategic direction and guidance.
- to develop a single shared vision and housing development plan between City of uMhlatuze and KZN department of Human Settlements.

The Human Settlements Sector plan for the City of uMhlatuze is founded or guided in the context of National, Provincial and Municipal directives. All the three spheres of government have their own vision, mission and strategies. In this regard, the key priority programmes recommended in the Housing Sector Plan include the following;

1. Priority programme one: upgrading of informal settlements
2. Priority programme two: integrated residential development programme (greenfield development)
3. Priority programme three: community residential units and social housing
4. Priority programme four: finance linked individual Subsidy programme (flisp)
5. Priority programme five: eradication of title Deeds back log (pre and post 1994)
6. Priority programme six: operation sukuma sakhe (oss)
7. Priority programme seven: rural housing projects
8. Priority programme eight: private housing developments
9. Priority programme nine: emergency housing programme.

2.4.5 Ray Nkonyeni Housing Plan

The core objectives of the Ray Nkonyeni Human Settlement Plan include the following:

- To accelerate housing delivery in line with the National and Provincial norms and Standards.

- To develop effective systems and procedures for an effective implementation of the Human Settlements programme.
- To use Human Settlements projects as a catalyst for local economic development
- To contribute towards spatial transformation and creation of an efficient settlement and spatial pattern and also being guided by environmental constraints created by climate change
- To facilitate rapid and cost-effective release of land for Human Settlements development purposes.
- To build capacity for effective Human Settlements development.

To achieve the above objectives, Ray Nkonyeni Plan has suggested the following human settlement strategies:

- Deliver housing units across the product spectrum provided in the National /Provincial Policies on Human Settlements.
- Identify and assess all informal settlements within the Municipal area and formulate a strategic response.
- Develop a housing needs register and the associated systems to monitor housing backlog /need.
- Review the Human Settlements Sector Plan annually.
- Establish a Project Management System for Human Settlements projects
- Facilitate programmatic service level agreements with Eskom and UGu DM in respect of bulk services.
- Establish and implement a contractor-training programme.
- Enrol Human Settlements projects with EPWP.
- Promote densification and different housing typology in Human Settlements projects.
- Prioritise projects located within development nodes and along development corridors.
- Work with induna to map all settlements and delineate settlement edges for each rural housing project.
- Identify land suitable for future housing development and within the Priority Development Areas as approved by the Municipal Council
- Undertake pro-active zoning of land for future housing development.
- Facilitate private public partnerships (PPPs) for strategic Human Settlements projects.
- Enlist the services of the Housing Development Agency for assistance with land acquisition.
- Purchase land and development schemes in public auctions.
- Make submission to the National Department of Human Settlements for a level 2 accreditation.

- Review organogram and provide for the appointment of professional project managers.
- Facilitate continuous staff training and capacity building.

2.4.6 Msunduzi Housing Plan

Msunduzi Municipality previously followed a “mass housing delivery approach” based on chasing pre-set delivery targets and paid limited attention to the quality of the environments being created. The municipality seeks to shift away from this and adopt a strategic approach in line with the long-term development vision.

In this regard, the Human Settlement Plan developed contained a number of housing programmes including the following:

- facilitates and promotes synergies while living space for each locality to develop a unique character based on its strengths and location advantages;
- acknowledges and seeks to refine the development vision outlined in the IDP by indicating the desired future situation in respect of the development of human settlements;
- outlines the human settlement development strategy which provide objectives statements and serve as a road map to the desired future situation; and
- presents the strategic intervention areas/initiatives which essentially are the activities that should be undertaken to achieve the objectives.

To achieve the preceding programmes, a number of strategies have been suggested. These include the following:

- To strengthening municipal capacity to deliver sustainable settlements.
- To establish synergistic relations with stakeholders and potential partners.
- To develop effective systems and procedures for the delivery of the human settlement programme.
- To reduce housing backlog in all its forms and transform existing settlements into sustainable human settlements.
- To use housing development as a catalyst for socio-economic development

2.5. Rental Housing Programmes

The purpose of this sub-section is to provide a greater understanding of the Gap/Affordable Housing market trends in South Africa, existing housing policies and subsidies that are in place, relevant stakeholders.

The section is structured under the following headings:

- Overview of the Gap Housing Market in South Africa;
- Gap Housing Programmes;

2.5.1 Overview of the Gap Housing Market in South Africa⁴

This 'GAP' housing market refers to those who are unable to participate in the open housing market due to the difficulty for individuals to secure loans yet have incomes that are too high to qualify for a state housing subsidy. Affordable housing involves a cheaper, more affordable housing type to answer to the needs of the GAP market. It is important to note that affordable housing does not refer to sub-standard accommodation and it shouldn't be seen as an extension of the RDP housing programme, but rather as a separate issue.

Three important things to know about Gap Market in South Africa

- It is the largest market in South Africa, with the most people and the most properties
- Volume + value: things are starting to change
- Lenders are active, and not only the ones expected

It is the largest market in South Africa, with the most people and the most properties²

- The GAP market is actually all those who cannot easily access affordable housing - that is, where supply doesn't match demand;
- Property values of less than R500,000;
- Households that earn between R3,500 and R15,000 per month and do not qualify for state subsidies or bank loans;
- Includes government subsidised and private sector housing stock;
- An affordable suburb is a neighbourhood with an identifiable name and recognized boundaries in which the average worth of the residential properties within it is less than or equal to R 500,000.
- Just under half (47%) of affordable market properties are found in former-black townships;
- Only about 4% of properties in the affordable market are in Sectional Title schemes;

⁴ Affordable Land and Housing Data Centre (2010).
www.alhdc.org.za/downloads/R500k_and_below.ppt

- During 2010, 80% of all new build was in the affordable market; vs. about 35% of all resale;
- Of almost 6 million residential properties on the Deeds Registry, 3.5 million (58%) are valued at less than R500,000; and
- There are 6,886 suburbs on the deeds registry, and about 3,500 have an average property value of less than R 500,000.

Volume + value: things are starting to change²

- While GAP market (and unvalued) activity dominates the new build market, resales are dominated by the 'regular' (R500 000 +) market.
- The gap market transacts much less frequently than the 'regular' market. The lower the property value, the lower the rate of churn. This means less supply in the resale market.
- Resale property values have been consistently higher than the values of new builds. In Gap market areas, new builds have not gone over an average value of R320 000 (affordable to a family earning R11 500 per month). This may be due to the affordability constraints in these areas.
- The majority of properties in South Africa are owned by people who do not own any other property.

Lenders are active, and not only the ones expected²

- Unsurprisingly, more higher value properties are financed with a mortgage than lower value properties. Fewer gap market properties are financed with a mortgage than 'regular' market properties.
- Absa bank (25%) holds the most mortgage loans (by number) in the Gap market, followed by Standard Bank (22%). Nedbank (19%) has a greater number of Gap market loans than FNB (17%). SA Home Loans (3%) also features, although marginally. The 10% belongs to other mortgagees.

Recognise Opportunities: Affordability for finance²

The following table shows the household affordability for a loan.

Table 5: Household Loan Affordability

HOUSEHOLD INCOME	FINANCIAL INSTITUTION	FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME (FLISP) SUBSIDY ⁵
R500 household income	BNG House	None
R1 500 household income	R10 000 loan	None
R2 500 household income	R70 328 loan	None

⁵ Finance Linked Individual Subsidy Programme [Online]. Available: www.flisp.co.za.

R3 500 household income	R98 459 loan	R87 000
R7 000 household income	R196 919 loan	R67 000
R9 000 household income	R253 181 loan	R55 000
R12 500 household income	R351 641 loan	R35 000
R15 000 household income	R480 000 loan	R20 000
R16 000 household income	R514 549 loan	None

Source: Finance Linked Individual Subsidy Programme (2018)

Home loan qualification⁶

The following are the things one should consider when intending to apply for a home loan:

- The home one can afford depends on his/her monthly income, expenses, outstanding debt, income tax and credit profile.
- To get bond pre-approval, one's disposable income should exceed 30% of his/her gross monthly income.
- The applicant would have to ensure that he/she has documents to prove his/her income and expenses. Also, he/she has to keep his/her pay slips, a record of his/her pension and medical-fund contributions, receipts, and more.
- Has the applicant made provision for a change in circumstances (e.g. getting married or starting a family), as well as inflation and interest-rate hikes?
- The applicant must put in an offer on a property he/she can afford. Thus, it is important for the applicant to take this step before he/she go house hunting.
- When one qualifies for a pre-approved home loan, he/she gets a certificate. Thus, he/she should take the same certificate with him/her when he/she put in an Offer to Purchase. This shows the amount one qualifies for and is valid for 90 days.
- A pre-approved home loan – and a certificate to prove that one has a bond pre-approval – shows the estate agent and the seller that he/she means business.

In addition, the size category of homes is as follows⁷: Small-sized homes – 20-80 square metres; Medium-sized homes – 80-230 square metres; and Large-sized homes – 230-800 square metres.

2.5.2 Housing Programmes

The following discusses some of the South African housing programmes that are relevant to this study.

⁶ Ooba, experts in home finance. <https://www.ooba.co.za/apply-home-loan/prequalify>

⁷ BusinessTech, 2017. The average house price in South Africa: 2013 vs 2017. <https://businesstech.co.za/news/wealth/171149/the-average-house-price-in-south-africa-2013-vs-2017/>

2.5.2.1 Comprehensive Housing Plan (CHP)⁸

The CHP for the Development of Integrated Sustainable Human Settlements (Breaking New Ground) is aimed at eradicating informal settlements in South Africa in the shortest possible time. It incorporates principles such as:

- integrating subsidised, rental and bonded housing
- providing municipal engineering services at a higher level, applying them consistently throughout townships
- providing ancillary facilities such as schools, clinics and commercial opportunities
- combining different housing densities and types, ranging from single-stand to double-storey units and row houses.

The CHP is being implemented through informal settlement-upgrading pilot projects in each province. The CHP focuses on:

- accelerating housing delivery as a key strategy for poverty alleviation
- using housing provision as a major job-creation strategy
- ensuring that property can be accessed by all as an asset for wealth creation and empowerment
- leveraging growth in the economy, combating crime and promoting social cohesion
- using housing development to break down barriers between the first-economy residential property boom and the second-economy slump
- using housing as an instrument for the development of sustainable human settlements in support of spatial restructuring
- diversifying housing products by emphasising rental stock.

2.5.2.2 Breaking New Ground⁹

Breaking New Ground is a policy initiated by the Department of Human Settlement to accelerate the delivery of quality housing to the people. The policy shifts focus from providing low cost housing to a comprehensive strategy that looks at low cost, middle income, rental stock, provision of serviced sites and the improvement of informal settlements.

Housing mandate before the BNG programme restricted subsidies to household earning less than R 3,500 per month. This was based on the assumption that private finance would be accessed for the construction of houses by income groups earning more than R 3,500 per

⁸ Human Settlement. South Africa Yearbook 2015/16. http://www.southafrica-newyork.net/consulate/Yearbook_2016/HumanSettlement-SAYB1516n.pdf

⁹ Breaking New Ground: A Comprehensive Plan for the Development of Integrated Sustainable Human Settlement. <http://bngtv.co.za/>

month. However, this did not occur as commercial banks were unable to extend finance effectively to this lower segment of the market. As a result, there has been a growing disjuncture between subsidised and non-subsidised residential units. This impacted negatively on the residential property market.

The BNG programme expands the mandate of government to encompass the broader residential housing market, meaning that lower-middle income groups will also be supported by the government subsidy programme. As an example, the Finance-Linked Subsidy Programme (FLISP) facilitates the accessibility of affordable housing finance to medium income households (earning R 3,501 to R 15,000 per month) by providing a mechanism to overcome the down-payment barrier.

The BNG programme also seeks to strengthen the partnerships between government and the private sector in the development of sustainable human settlements. The support of the private sector is sought through:

- Construction capacity and the collapsing of the subsidy bands;
- The provision of housing finance;
- Project management and other support;
- Employer-assisted Housing.

The Department of Human Settlements (DHS) launched the new Mortgage Default Insurance Scheme (MDI) and the revised Finance-Linked Individual Subsidy Programme (FLISP) on the 1 April 2012. The government has also made provision for other housing subsidies or grants, which is made available to qualifying beneficiaries. While there are many different housing subsidies available, only the relevant subsidies to the Gap Housing (Households earning between R 3,500 and R 15,000 per month) market are discussed below.

2.5.2.3 The Finance Linked Individual Subsidy Programme (FLISP)¹⁰

The Finance Linked Individual Subsidy Programme (FLISP) is a subsidy instrument that assists qualifying households by providing a once-off down payment to those households who have secured mortgage finance to acquire a residential property for the first time. FLISP assists qualifying beneficiaries who obtain mortgage finance from a bank to:

- Acquire ownership of an existing residential property.
- Obtain vacant serviced residential stands which are linked to house building contracts with home builders registered with the National Home builders Registration Council (NHBRC) or

¹⁰ FLISP KZN. <http://www.kzndhs.gov.za/index.php/flisp>

- Build a new house with the assistance of a home builder registered with the National Home Builders Registration Council (NHBRC), on a serviced residential stand, that is ready owned by the beneficiary.

The FLISP is targeted at households whose gross income range is between R3 501 to R15 000 and are South African citizens or must hold a permanent residence permit. Depending on their income level, a qualifying beneficiary will qualify for a subsidy of between R20 000 and R87 000 as it applies on a sliding scale.

To apply for FLISP one must be in the market looking for a house and should be able to secure a home loan / bond as it is a requirement to access the FLISP subsidy. One must contact or visit the Department of Human Settlements Helpdesk and The Bank.

The objective of the programme is to reduce the initial mortgage loan amount to render the monthly loan repayment instalments affordable over the loan payment term, or mortgage loan period, or can be used as a deposit to purchase the property.

If the home loan application of a person is declined by the bank then that person will not be able to access the Finance Linked Individual Subsidy Programme (FLISP).

If a person has already purchased a property, and the property has already been transferred into his/her name with effect from 01 April 2012 that person will also be eligible to apply for FLISP provided that he/she meet the necessary requirements.

The subsidy is also available to civil servants provided that their total household income including their housing allowance does not exceed R15 000 per month, excluding overtime and commission.

Government offers a subsidy application for first time home buyers. Few home buyers or estate agents assisting home buyers are aware that they can access a subsidy to assist them to buy a property. Many new home owners are unaware that they can: make use of FLISP to assist them to buy any type of property and that they are not restricted to a specific FLISP pre-approved property development, but can also buy a property from a private seller; Utilise FLISP as a deposit to cover a shortfall of a home loan approved; Use FLISP to reduce their home loan repayment and debt due to a lending institution and/or reduce their home loan term and save thousands of Rands; and Apply retrospectively for a FLISP subsidy, even after they have become home owners (each Province has their own "terms and conditions" for such retrospective applications).

As home buyers, estate agents, mortgage originators are not properly informed about the application of FLISP, many opportunities to convert unsuccessful home loan applications goes awry, property sales are lost, as well as opportunities for home buyers to own their own homes.

2.5.2.4 Integrated Residential Development Programme¹¹

Low income settlements continued to be located on the urban periphery without the provision of social and economic amenities, as in the Apartheid era. Thus, a new Programme was introduced to facilitate the development of integrated human settlements in well-located areas that provide convenient access to urban amenities, including places of employment. The Programme also aims at creating social cohesion.

The Integrated Residential Development Programme (IRDP) provides for the acquisition of land, servicing of stands for a variety of land uses including commercial, recreational, schools and clinics, as well as residential stands for both low, middle and high-income groups. The land use and income group mix will be based on local planning and needs assessment.

The IRDP can be undertaken in phases or in a single phase. The first phase could provide serviced stands, whereas the second phase provides for housing construction for qualifying low-income beneficiaries and the sale of stands to persons who for various reasons, don't qualify for subsidies, and for commercial uses.

2.5.2.5 Rental Programme¹²

The Rental Housing Strategy draws on policy and legislation from all three spheres of government, with the aim of directing government resources towards facilitating the development of the housing sector to maximise benefit for low-income households in South Africa.

Government's aim in facilitating access to housing in the country emphasises:

- the need to ensure that residential areas give people living access to socio-economic opportunities and amenities;
- that the quality of the housing provided makes for sustainable human settlements;
- that, to achieve this, greater densification and economic and racial integration of towns and cities is important; and
- that low and moderate-income households have greater choice of tenure types, including access to decent rental housing opportunities.

¹¹ Integrated Residential Development Programme (IRDP).

[http://www.kzndhs.gov.za/Uploads/documents/Services/Subsidy_Administration/Subsidy%20Instruments%20\(English\).pdf](http://www.kzndhs.gov.za/Uploads/documents/Services/Subsidy_Administration/Subsidy%20Instruments%20(English).pdf)

¹² The KwaZulu-Natal Rental Housing Strategic Plan 2012-2017.

http://www.kzndhs.gov.za/Uploads/documents/Resource_Centre/Strategic_documents/Strategic_Plans/KZN_KZN_Rental_Housing_Strategic_Plan.pdf

To ensure the fast tracking of rental housing delivery, national government has created an enabling environment directly involving all spheres of government through the following four national programmes:

- **Social Rental Housing** – Rental housing developed and managed mainly by not-for profit Social Housing Institutions (SHIs) for households with monthly incomes between R1 500 and R7 500. These are to be developed in well-located parts of the towns and cities in designated Restructuring Zones (RZs).
- **Community Residential Housing (CRU)** – The development of new housing and the improvement of existing housing stock on government-owned land for rental to households in the income band R800 to R3 500.
- **Private Sector Rental Housing** – The strengthening and improving of the quality of housing provided by small-scale private landlords through backyard dwellings and subletting alternatives.
- **Institutional Subsidy** – Provides for affordable rental accommodation in areas outside Restructuring Zones. Income target is R800 to R3 500.

Most Leader Towns do not have formal rental housing policies or property management processes within their housing chapters. This highlights the importance of prioritising the development of rental housing policies at municipal level.

2.6.3 Synopsis

The table below provides an overview of the definitions and target markets for both bonded and rental categories of low-income housing programmes and subsidies which will be considered as part of the potential housing development within the designated areas.

Table 6: Bonded Tenure Low Income Housing Programmes and Subsidies, 2018

BONDED TENURE	
PROGRAMME	DEFINITION
Breaking New Ground (BNG) Housing	<ul style="list-style-type: none"> • In 2004 the Cabinet approved the “Comprehensive Plan for the Development of Sustainable Human Settlements”. Also known as BNG, the policy sought to replace the conventional delivery of subsidised housing units (RDP). • Alter the housing patterns in the country by integrating communities and placing them closer to areas of economic opportunity. • Aimed at the low-income market, earning below R3 500 per month (gross). • Units should be developed in close proximity to public transport routes, work opportunities and social amenities such as schools, creches, churches etc.

Finance Linked Individual Subsidy Programme (FLISP) or GAP Housing	<ul style="list-style-type: none"> Financial assistance to qualifying households by providing a once-off down payment. Specifically towards first-time property owners. Aimed at the GAP market earning R3 500 – R15 000 per month (gross). Unit types are generally multi-storey, detached or semi-detached units – maximum product price of R 300 000 recently removed. Once-off subsidy of R20 000 – R87 000 depending on income level. Development of these units is along major roadways and close to social amenities such as churches, creches, schools etc/
Affordable Bonded Housing	<ul style="list-style-type: none"> Affordable bonded units cater to lower income earners able to qualify for a mortgage – aiming at earners of R9 000+ per month (gross). Units generally detached, semi-detached or freestanding units – stand sizes range from 120m² to 250m². Affordable housing units could also be obtained through the FLISP subsidy programme.

Source: NHFC, SHRA & Centre for Affordable Housing in Africa as seen in Fernridge Consulting

Table 7: Rental Tenure Low Income Housing Programmes and Subsidies

RENTAL TENURE	
PROGRAMME	DEFINITION
Community Rental Units (CRU's)	<ul style="list-style-type: none"> CRU housing is a fully subsidised rental option for income earners up to R3 500 per month (gross). Aim to provide temporary (less permanent) housing to persons currently residing in informal settlements. Usually provided by government owned housing institutions and excludes immediate individual ownership – Council owned units. Integration of public housing in the housing market. Sustainable public housing assets. Units are developed along major roadways and in close proximity to social amenities such as schools, creches etc.
Social Housing	<ul style="list-style-type: none"> Social housing is a partially subsidised rental option for income earners between R3 500 and R7 500 per month (gross). Provided by private Social Housing Institutions (SHI's). Excludes individual ownership. Short term accommodation options for households unable to access or commit to home ownership. This offers a first step to people entering the housing market. Administered and regulated by SHRA (Social Housing Regulatory Authority). The SHRA provides a subsidy with the shortfall funding by the SHI to apply financial requirements.

Source: NHFC, SHRA & Centre for Affordable Housing in Africa as seen in Fernridge Consulting

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3. DEMOGRAPHICS AND DEVELOPMENT INDICATORS

3.1. SPATIAL CONTEXT

3.1.1 Alfred Duma

REGIONAL CONTEXT

The strategic location of the Alfred Duma is recognised in the recently introduced Provincial Growth and Development for KwaZulu-Natal which classifies Ladysmith as a tertiary node with regional significance. This means that the area is earmarked for the location of infrastructure that serves the whole of UThukela District and beyond and connects the region with the major urban centres such as Durban and Johannesburg.

REGIONAL TOURIST DESTINATIONS

The Alfred Duma is also well located in relation to at least two of the major tourism destinations in KwaZulu-Natal. In fact, it serves as a base for the exploration of the Battlefields to the north and Ukhahlamba-Drakensburg Park to the south. The latter is a World Heritage Site and a world acclaimed tourist destination. This park is 243 000ha in extent and it is located along uThukela District administrative boundary. There are several natural and cultural attractions that exists within UKhahlamba-Drakensberg destination. The natural attractions include the Drakensberg Mountain, Archaeological sites, nature reserves (game viewing and bird watching), UThukela Biosphere Reserve, Tugela Catchments and Tugela River, Natural Bush, Forests and the climate is mostly comfortable. The cultural attractions include the certain parts of the Battlefields and Memorial, Museums, Monuments, Rock Art, Crafts, Recreation (Horse Riding) and tourism routes.

ADMINISTRATIVE ENTITIES

The municipality has a total of 36 wards. There are ten tribal councils within the Alfred Duma and the bulk fall within the former Indaka Area. The bulk of these areas still falls under private ownership and the main land use is residential, with small, scattered commercial shops and government offices.

CORRIDORS

The N3 And N11 National/Provincial Corridor

The N3 National Corridor runs along the south western part of the ALFRED DUMA LOCAL MUNICIPALITY. It is identified in the NDP and the PGDS as a development corridor linking the national economic hubs of Johannesburg and Durban. At a local level, it is however a limited

access movement corridor with limited bearing on the local spatial system except at key road intersections. The intersection, which is the closest to the urban core of the municipality, namely the N11 and N3 interchange, is not located in the municipality and falls in the Okhahlamba municipality. It also serves as a provincial access route to tourism destinations such as the Battlefields and the Drakensburg.

Although the N11 is also a limited access national corridor, it serves a dual function, it is a major link and trade route between KwaZulu-Natal and Mpumalanga Province through Ladysmith. It is also one of the major regional arterials connecting the northern parts of KwaZulu-Natal with towns such as Ladysmith (to a limited extent) and Newcastle all located along this route. It is the primary access route to the Battlefields and the northern Kwa-Zulu-Natal Coal Rim which includes all the above-mentioned towns. It provides access to the Klip River and connects it to several agricultural districts to the north of Ladysmith. Major settlements such as Matiwane,

Driefontein and Nkunzi also gain access off the N11. Development along the N3 and N11 Development Corridors should follow the following guidelines:

- The N3 and N11 are national limited access and highspeed public transport routes; as such direct access onto these roads is subject to the national road transport regulations.
- Higher order land uses should be accommodated in the nodes, but lower order land uses could develop in a linear fashion subject to alternative access opportunities; and
- A 15m buffer should be observed from the boundary of the road reserve. This has implications for settlements that have encroached onto the buffer areas.

This road provides an alternative route to Gauteng and Mpumalanga with views of scenic beauty, which can attract both domestic and international tourist thereby promoting LED projects at some locations.

Primary Development Corridors

At least two existing roads have potential to develop as primary or sub-regional development corridors. These routes create opportunities to unlock new development areas and consolidation of existing areas and provides direct access to Ladysmith. The key existing primary corridors are the following:

- P32 which runs in an east-west direction from Ladysmith through St Chads and the northern border to Ezakheni Township to Indaka Municipality in the east. This is the busiest corridor in the ALFRED DUMA LOCAL MUNICIPALITY. It is one of the roads that carry huge volumes of vehicular and trade related traffic. It also provides access to many peri urban and rural settlements located just outside of Ezakheni Township.

- R103 runs parallel to the N3 in an east west direction. It is a regional arterial which carries trade and passenger traffic, and runs through Colenso, Roosboom and Ladysmith.
- Development along this route is subject to the rules and regulations of the provincial Department of Transport.

Secondary Corridors

Several roads serve as secondary access routes within the ALFRED DUMA LOCAL MUNICIPALITY. These provide access to major settlements and serve as a link with Ladysmith town. Secondary corridors include the following:

- P189 which runs through Driefontein and serves as the main access route to settlements such Driefontein, Burford, Peace Town, Watersmeet, etc. It is also the main access route to the Driefontein node.
- P33 which branches off the N11 approximately 25km north of Ladysmith Town. It is the primary access route to settlements such as Nkunzi, Cremin, and Steincoal Spruit, and serves to connect Ladysmith and Dundee and Vryheid. It also runs through the coals rim and serves as a regional arterial carrying trade and passenger traffic. This is an agricultural corridor.
- P326 which runs between Colenso and Ladysmith through Pieters and Ezakheni Industrial Estate. This road serves as the main access to Ezakheni Industrial and Ezakheni Township. It also runs through commercial farms and has potential for both agriculture and eco-tourism.
- P263 which runs in an east-west direction linking settlements such as
- Elandslaagte and Cremin east of the N11 with Matiwane and Licitania west of the N11 and beyond. It is one of the major links with the Free State Province through Collins Pass and has potential to serve as a by-pass onto the N3. This is generally an agricultural and settlement corridor.

Tertiary Corridors

Tertiary corridors links service satellites in the sub-district and provides access to public and commercial facilities at a community level. Tertiary corridors are as follows:

- Road running through Ezakheni Township linking the Ezakheni Colenso Corridor with the Limehill/Ekuvukeni (Indaka) Ladysmith Corridor. This is the main collector distributor road for the Ezakheni Township and the surrounding settlements.
- P237 linking Driefontein Complex with R103 through Besters. This road requires substantial upgrading where it becomes D44.

- The road from Elandslaagte through Cremin linking Ekuvukeni Ladysmith Corridor with P33 (Ladysmith/Dundee) Corridor. Development of this corridor will open the area between Cremin and St Chads for future residential development.
- In addition, there is many local roads that serve different functions which also have potential to develop into local corridors. These will be identified and characterised as part of the refinement of the SDF and/or preparation of Local Area Plans (LAPs).

NODES

Primary Node

The Ladysmith Town is a sub-regional centre servicing the entire Alfred Duma Local Municipality and beyond. Therefore, this is a primary node for investment promotion and centre of supply of services in the Municipality. It forms part of the district spatial systems and is identified in the district SDF as a primary node or main economic hub. This is despite Alfred Duma being recognized as a third order centre at a provincial level. This node has administrative, social, and economic potential and there is provision of concentration of different activities of services.

Secondary Nodes

While Ladysmith serves as a regional centre, at least two other areas present an opportunity for the development of secondary nodes with much less threshold/sphere of influence, namely Colenso and Ezakheni. Three main factors have influenced the selection of these areas, that is location in relation to major access routes, location in relation to large rural or urban settlements, which provides a threshold for services, rendered from these areas and development potential based on the above two factors, and broad overview of the historical development of the areas as well as the current level of development.

Ezakheni has potential to serve the whole of Ezakheni Township and the surrounding rural settlement. Spatial development in Ezakheni should focus on transforming the area into a mixed land use area, and a viable service centre developed with social, economic and other facilities.

Colenso was previously a thriving rural service centre for the surrounding farming community has experienced decline in both character and function. It is characterized by derelict and poorly maintained buildings, deteriorating quality of infrastructure and the associated services, and lack of investment. With most of the land around this town being subject to land restitution and claims, it is critically important to repackage Colenso as a centre of activity and an anchor

point for the integration and coordination of support services to the various land reform projects. It also has potential for the following activities:

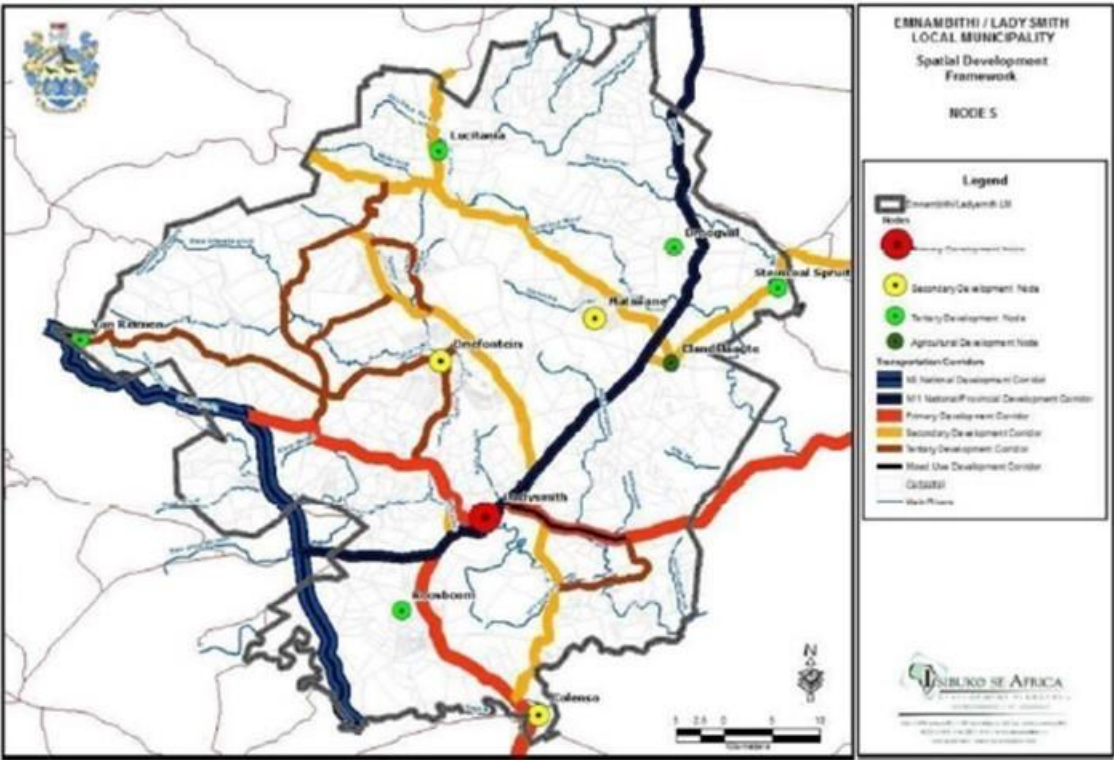
- Low-key commercial activities and service industry targeting local communities and vehicular traffic passing through R103.
- Low-density residential development for people who want to be close to urban opportunities but live a rural lifestyle.
- Public facilities serving different at least two or more settlement clusters.

Tertiary Centres

In addition to the secondary centres, the vision for the future spatial development of Alfred Duma Local Municipality makes provision for the development of community centres within a cluster of settlements. Driefontein, Roosboom, Matiwane and Lucitania can be classified as Tertiary centres on a municipal scale. These small centres serve as location points for community facilities serving the local community such as:

- Primary and secondary schools.
- Clinics including mobile clinics.
- Pension pay points.
- Community halls and other community facilities.
- The identification of tertiary nodes will be undertaken with the participation of the affected communities.

Figure 1 Alfred Duma Node and Corridors



Source: Alfred Duma IDP 2020

3.1.2 Newcastle

Newcastle Local Municipality is one the three local municipalities that make up Amajuba District Municipality, with the others being Dannhauser and eMadlangeni Local Municipalities. It is located on the North-Western of the KwaZulu-Natal Province and borders onto Free State and Mpumalanga Provinces to the West and North respectively. The local municipalities of eMadlangeni and Dannhauser Local Municipalities are located along the Eastern and Southern boundaries of Newcastle. Spatially Newcastle covers an area of approximately 1 854km² in extent.

DISTRICT CONTEXT.

Newcastle is by far, the largest economic hub within the administrative boundaries of Amajuba District. It is located on the North-Western side of KwaZulu-Natal province and shares the borders with the neighbouring provinces of Mpumalanga and Free State. Newcastle Local Municipality has a geographical coverage of 1854 km², and it is bounded by the Utrecht Municipality to the East, and Dannhauser Municipality towards the South, Free State Province (Thabo Mofutsanyane District Municipality) to the West and Mpumalanga Province (Gert Sibande District Municipality) to the North. The city of Newcastle is a service centre serving the region, mainly rural hinterlands, with the CBD being the primary economic and social node for the city. Newcastle also serves a number of small settlements which surround it.

Newcastle is well placed to benefit from regional economic growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of government in KwaZulu-Natal. Newcastle is centrally located in the northern region of KZN, halfway between Johannesburg and the harbours of Durban and Richards Bay, hence contributing to the export of manufactured goods, as well as for distribution to the Gauteng market. Newcastle is also provided with good access infrastructure to these areas, which includes road and rail networks. It is situated on the national rail route between the Durban Container Terminal and City Deep in Gauteng, and has within its confines, major rail exchange yards, supporting railway stations and extensive goods conversion/warehousing facilities. Previous reviews of the local economy have identified manufacturing, tourism and agriculture as the three main economic sectors in the area. In Newcastle, there are 34 sectors that contribute to the GVA-R, of which metal products, machinery and household appliances products is the largest contributor, followed by the education and land, and the land and transportation sector. The GVA-R, of Newcastle has experienced a significant increase over the last 12 years.

REGIONAL AND LOCAL ROAD NETWORK.

Movement within Newcastle can be divided into two categories, that is:-

- Movement that traverses the Municipal Area not having any settlement within the Municipal Area as a destination; and
- Movement that takes place between destinations or settlements within the Municipal Area.

With regards to the former, movements along the national road apply. For example, the N11 is used as the connecting route between Northern KwaZulu-Natal and Mpumalanga.

LOCAL ACCESS AND MOVEMENT.

With regards to internal movement, a number of prominent routes can be identified. Firstly, there is a strong movement of people between Madadeni and Osizweni, the latter being the core area of the Municipal Area. Secondly, a strong movement axis exists between Madadeni and Osizweni along the MR483. Thirdly, a movement axis is found between the Newcastle CBD on to other smaller settlements, such as Memel to the West and Ingogo, Charlestown and Volksrust to the North.

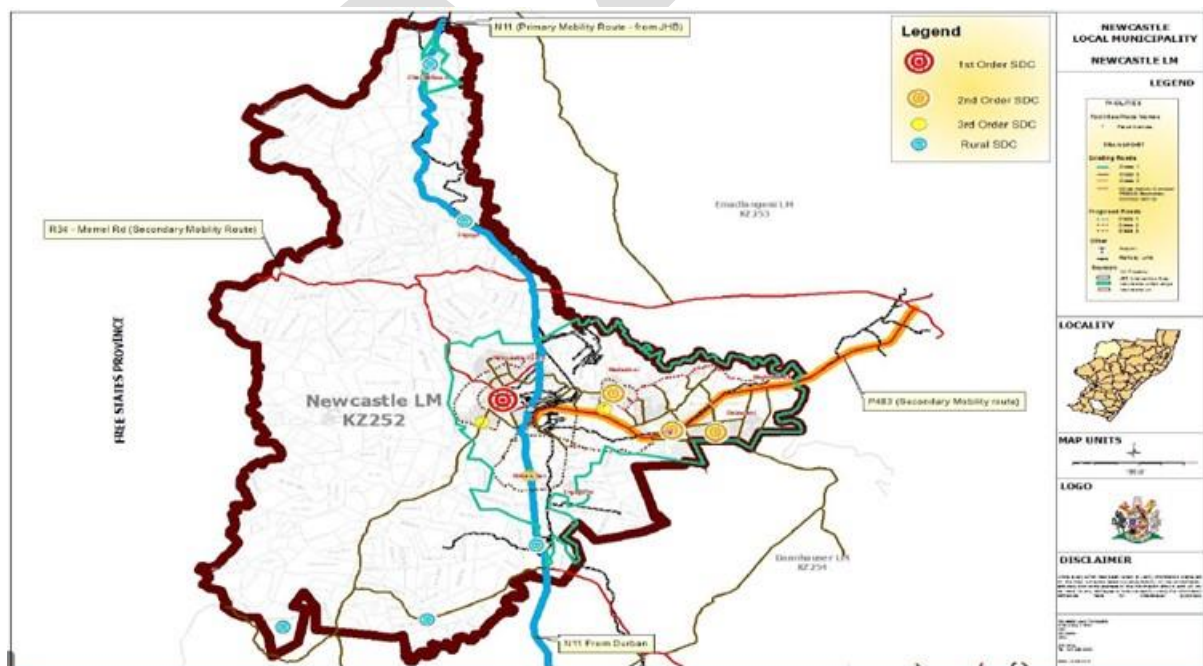
REGIONAL ACCESS AND MOVEMENT.

Newcastle Municipality enjoys relatively good access at a national and regional scale. North-South linkages are facilitated by the N11 and East-West linkages by the P483 and R34. The N11 is a primary movement and mobility corridor. It runs in a North-South direction from the N2 in Ermelo to the N3 in Ladysmith through Newcastle Town thus making the area highly accessible and well connected to the national, provincial and regional road network.

Although the SDF identifies this route as a primary corridor, access to it is governed in terms of the South African National Roads Agency Limited (SANRAL) regulations. This includes limitations imposed on the number and location of direct access points and location of uses, which may be viewed as having potential to interrupt traffic flows.

Secondary corridors include the R34 which runs East from Newcastle to Utrecht and beyond to Vryheid and Richards Bay, and West to Memel and Vrede as well as the R621 linking to Dannhauser. These routes all originate from the CBD. The Madadeni-Osizweni section of the road to Utrecht (MR483) has been identified as a mixed-use corridor and is to be developed with nodes of services and economic opportunities. Regional access routes are subject to the rules and regulations of the Department of Transport.

Figure 2 Newcastle Corridors



Newcastle IDP 2020

Four development corridors and Mobility Routes were identified in Newcastle. These development corridors and mobility routes must become the primary vehicles for the

establishment of urban cohesion and integration, as well as become the catalysts for land use and transportation integration. The identified development corridors are as follows:

- N11 Primary Mobility Route.
- R34 Secondary Mobility Route.
- P483 Mixed-used Activity Corridor.
- Allen Street Mixed-used corridor.

In terms of the urban accessibility index, the majority of Newcastle is regarded as 1.25 to 2 hours regarding the efficiency in accessing both the public and private sector services. There are also areas within Newcastle which were identified as Protected Areas and also Landscape Corridors mainly significant for tourism development.

Further, Newcastle municipality has been identified as being along a Secondary Corridor, the N11 National Route. the area within the vicinity of the Newcastle CBD has been identified as an Economic Value Adding Area. We have also been identified as KwaZulu-Natal's Secondary Node, which is basically an urban centre with good existing economic development and the potential for growth and services to the regional economy. Furthermore, there are pockets of areas which have been identified as being part of either a Protected Area/Landscape Corridors/Protected Areas Expansion Strategy.

Key Nodes

Newcastle has been identified as a secondary investment node with a number of nodes and potential nodes within. This nodal structure is as follows:

Type of Node	Area
Secondary Investment Node (PSEDS)	-Newcastle
Secondary Node (PGDS)	-Newcastle
Primary CBD Node (Municipal SDF)	-Newcastle CBD -Proposed JBC CBD
Regional Multi Use Node (Municipal SDF)	-Emerging Southern Business extension (Casino Development Newcastle Mall and surroundings)
Community Multi Use Node (Municipal SDF)	-Emerging Northern Business extension, (Majuba Mall and surroundings), -Madadeni CBD -Osizweni CBD
Neighbourhood Multi Use Nodes	-Huttenheights, -Pioneer Park, -Barry Hertzog Park -Ncandu Park, -Arbor Park, -Fairleigh, -Lennoxton -Fernwood, -Surayaville, -Madadeni Sec D (x2)

Type of Node	Area
	-Madadeni Sec F, -Madadeni Sec P, -Osizweni Sec A, -Osizweni Sec B, -Osizweni Sec C, -Kilbarchan
Multi Use Node	-Vlam
Industrial Node	-Newcastle Industrial Area / Mittal / , Karbochem / Madadeni Industrial
Large-Scale Mixed-Use Nodes	-P483 Corridor
Rural Nodes (Municipal SDF)	-Ingogo, -Leokop, -Charlestown, -Ballengeich / Bosworth, -Normandien
Smaller nodes of importance: Medical Multi Use Nodes Educational Multi Use Nodes	-Newcastle Private & Provincial Hospital, Madadeni Provincial Hospital, -Newcastle Training Centre, Madadeni, Majuba FET College, NUTEC, UNISA,
Social Multi Use Nodes	Damelin, Boston College, ITB , -Madadeni Section 2
Amajuba Mountainous Nodal Policy Development Nodes (District SDF)	-Dunblane node, -Normandien Pass Node -Muller's Pass Node, -Ingogo / Botha's Pass Node

Newcastle IDP 2020

However, in a simplified way, the key nodes are the following:

- The Newcastle CBD as a Primary CBD Node;
- The Madadeni CBD as a Community Multi use Node;
- The Osizweni CBD as a Community Multi use Node;
- The JBC intervention and investment area as a Primary CBD Node;
- The Newcastle South intervention and investment area (Equarand) as a Regional Node;
- The Kilbarchan, Ingagane & Ballengeich intervention area as a Neighbourhood Multi Use Node.
- The Charlestown intervention area as a Rural Node.

The majority of the area west of the Newcastle CBD has been identified as Priority Agriculture, with small pockets being identified as Tourism. The area that is immediately within the vicinity of the Newcastle CBD has been identified as Economic Value Adding Areas, whereas most of the Newcastle east area is identified as having very small pockets of Potential Agriculture. Up north, along the N11 route, the area has been identified for Tourism, and small pockets with Mining Rights.

3.1.3 KwaDukuza

KwaDukuza Municipal area of jurisdiction is approximately 734.971km² in extent. The KwaDukuza municipal area stretches from the Zinkwazi River in the north to the UThongathi River in the South. It borders four Municipalities, viz, eThekweni, Ndwedwe, Maphumulo and Mandeni. It is one of the four municipalities that make up the ILembe District Municipality.

KwaDukuza functions as the district node and dominant commercial center in the ILembe District. KwaDukuza Municipality occupies a coastal and inland stretch of approximately 52.3 km in length and 23 km in width, a variety of clustered and ad hoc settlements and small towns exist and are linked with a well-developed network of roads and rail infrastructure. The key feature of KwaDukuza is the N2 Development Corridor that runs through it.

The KwaDukuza Municipality is probably one of the most exciting and best kept secrets in South Africa currently. Nestled between the Tongati and Tugela rivers, KwaDukuza covers an area of approximated at 633km². This is the economic hub of the iLembe District Municipality. A total of 29 municipal wards constitute the KwaDukuza Local Municipality.

The name KwaDukuza epitomizes the historical background of the area being the home to King Shaka Gravesite and Memorial. The town KwaDukuza is built on the original site of King Shaka's Royal settlement called Dukuza. The KwaDukuza museum is situated opposite the site of King Shaka Memorial and is dedicated to the sugar industry and colonialism, the cultural heritage of the early settlers of the town Stanger. The population dynamics of KwaDukuza Municipality is highly diverse due its multi-racial composition and rich settlement history.

KwaDukuza has a distinct eastern flavour and is linked to the earlier settlement of Indian families who were imported to work on the sugar cane farms of the big sugar barons such as Sir Liege Hullet.

In terms of settlements, the existing urban development is located in the formally established towns of KwaDukuza, Ballito, uMhlali, Shaka's Kraal, Prince's Grant, Blythedale Beach, Tinley Manor, Zinkwazi as well as portions of Groutville. Peri-urban to semi-rural settlement occurs throughout much of the center of the municipality, extending from the northern boundary via KwaDukuza, Groutville and uMhlali to the southern edge abutting eThekweni.

It must be noted that densities and development qualities vary significantly. Although some rural settlement occurs in the Groutville area, much of the rural and traditional settlement is concentrated in the north-western Ingonyama Trust areas. A variety of new housing areas are

in the process of being established throughout the municipality from Ballito in the south to Darnall in the north.

KwaDukuza Nodes

KwaDukuza Spatial Development Framework identified four economic growth nodes within KwaDukuza area of jurisdiction. The following are the four economic growth nodes:

1. Darnall Node, which includes areas of Zinkwazi, Darnall, Nyathikazi, Sakhamkhanya, Doringkop, San Sauci, Nonoti Mouth, Princess Grant, New Guiderland, etc.
2. KwaDukuza Node, which includes areas of Blythedale Beach, Shakaville, Lindelani, Stanger Manor, Stanger Heights, Doctorskop, Glenhills, Shayamoya, Rocky Park, KwaDukuza Central, Madundube, etc.
3. Groutville Node, which includes areas of Ntshawini, Groutville, eTete, Thembeni, Addington Farm, etc.
4. Southern, Driefontein, Ballito Node, which includes areas of Driefontein, Shakaskraal, Salt Rock, Tinley manor, Woodmead, Shayamoya, etc.

Regional Mobility N2, M4

Provide connectivity to region & beyond mobility function. Activity concentrations at intersections; response to visibility value; Possible future mass transit (BRT) to be explored

Regional Accessibility

R102 Provide higher level accessibility to main development areas, structure intensive growth responses Linear patterns of higher intensity radiating from route Mass Transit – regional access (BRT), Bus and Taxi.

Urban Arterial

R613, R74 Provide higher level accessibility to main development areas, structure intensive growth responses. Higher intensity development along routes and concentrations of activity at interchanges. Regional and local transit systems (Bus and Taxi).

Rural Arterial

R613, R74 Primarily mobility, providing improved connectivity between rural/ transitional areas and the core corridor opportunity area. Limited development along route, Regional and local transit systems (Bus, Taxi).

Local Collector

P100 and other P routes provide access to more localized settlements, tying them into the broader urban system. Lower intensity non-residential development along route, higher density residential clusters at key points.

3.1.4 Umhlathuze

The City of uMhlathuze (KZ 282) is situated on the north-east coast of the province of KwaZulu-Natal, about 180 kilometers north-east of Durban. The uMhlathuze land area currently covers 123 359 ha and incorporates Richards Bay, Empangeni, eSikhaleni, Ngwelezane, eNseleni, Felixton, Vulindlela, Bhucanana, Heatonville as well as the rural areas under Traditional Councils namely, Dube, Mkhwanazi, Khoza, Zungu (Madlebe), Somopho, Obizo and small portion of Obuka.

The municipality borders a coastline that spans approximately 45 kilometers. The N2 highway traverses the uMhlathuze Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. The R34 Provincial Main Road passes through Empangeni towards Melmoth.

uMhlathuze's climate is characterized by a warm to hot and humid subtropical climate, with warm moist summers. Average daily maximum temperatures range from 29 °C in January to 23 °C in July, and extremes can reach more than 40 °C in summer. The average annual rainfall is 1 228 mm and most (~80%) of the rainfall occurs in the summer, from October to March, although rainfall also occurs in winter (~20%). The Richards Bay area is generally very flat and is situated on a coastal plain and whilst going west towards Empangeni the terrain rises and becomes undulating.

Administrative Entities

The uMhlathuze Municipality was established on 5 December 2000 after the demarcation process and the local government elections of that date. As such it encompasses the towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas under Amakhosi Dube, Mkhwanazi, Khoza, Mbuyazi, Zungu, Mthembu, Cebekhulu and small portions of Biyela (Obuka). The uMhlathuze Local Municipality has been divided into 34 municipal wards.

Structuring Elements

There are a number of natural and man-made phenomena that have shaped and continue to shape the uMhlathuze Municipality. The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers

include the Mhlathuze and Nsezi. The main access into the municipal area is via the N2 in a north south direction and in an east west direction the R34 from Ntambanana. Other significant roads in the area include the MR431 (that provides a northerly entry into Richards Bay from the N2) as well as the Old Main Road that straddle the N2. Railway lines are prevalent in the municipal area but do not provide a passenger service, only a commercial/industrial service is provided.

The municipality has the benefit of about 45km of coastline of which about 80% is in its natural state. Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. There is one airport and a couple of land strips in the municipal area. The municipal areas includes the formal towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas under Amakhosi Dube, Mkhwanazi, Khoza, Mbuyazi, Mthembu, Biyela, Cebekhulu and Zungu. Apart from the areas of natural significance, large tracts of land are under commercial agricultural production.

Existing Nodes and Corridors

The following table provides a summary the uMhlathuze Nodal Hierarchy:

Table 8 Nodal Hierarchy:

Types and Description	Nodes
Primary Nodes Urban centre for development initiatives that are innovative based on a new ethos which aims at creating a unique high performance unique sense of place and belonging live, i.e. work-play-trade environment.	<ul style="list-style-type: none"> o Empangeni o Richards Bay
Secondary A socio-economic and/or institutional node that offers sustainable economic and social opportunities to the benefit of its inhabitants and visitors based on a human scale principle. In time, secondary nodes should evolve into primary nodes.	<ul style="list-style-type: none"> o Esikhaleni o Ngwelezane o Vulindlela o Felixton
Tertiary A socio-economic node that offers sustainable mixed-use development opportunities based on a human scale principle.	<ul style="list-style-type: none"> o Felixton o Nseleni o Buchanana
Emerging Tertiary	<ul style="list-style-type: none"> o Port Durnford

A node that is already fulfilling a local need and has the potential to further develop, or is moving toward, being a tertiary node.	
Rural Nodes Socio-economic nodes that offer tailor made mixed use development opportunities closer to their surrounding communities.	<ul style="list-style-type: none"> o Hluma o Matshana o Mabuyela o Luwamba o Makwela o eGroundini o Mambuka
Opportunity Nodes By virtue of their location at a major intersection or significant passing trade, these areas offer opportunities that not necessarily of a residential nature.	<ul style="list-style-type: none"> o Empangeni Milling o Heatonville

uMhlathuze IDP 2020

The above nodes were identified by their spatial characteristics, primary land use characteristics, roles and functions to city and the region. The identified nodes are classified as Primary, Secondary, Tertiary, Emerging Tertiary, Rural Nodes and Opportunity Nodes.

3.1.5 Ray Nkonyeni

Ray Nkonyeni is a newly established Local Municipality which emerged as a result of the merger between the former Hibiscus Coast and Ezinqoleni Local Municipalities. It is a category B municipality and falls within Ugu District Municipality. It is commonly referred to as South Coast given its geographical location in relation to the southern coastal part of KwaZulu-Natal. The municipality has its administrative seat in Port Shepstone and Ezingolweni Town. It stretches along the coastal strip from Hibberdene to Port Edward covering 67km and about 60km into the interior primarily via N2 to Eastern Cape. The Indian Ocean borders the Eastern part of the municipality, while on the Southern part runs Umtamvuna River which is the boundary between KZN and the Eastern Cape.

Umzumbe Municipality borders the northern part, UMuziwabantu Municipality is on its north-eastern boundary and Mbizana Municipality is on the southern part. The municipality covers approximately 1594 km² in geographic area. The spatial location of the Municipality is an advantage as the N2 runs through it ensuring accessibility and linkage with both Ethekwini and the Eastern Cape. The main features of the local economy are tourism, commercial,

agriculture and some limited manufacturing. Other economic activities include services, fishing, and craft.

Though limited and more still needs to be done, however, there is some concerted effort to support SMME's and have recently supported establishment of their association. Through its Extended Public Works Programme (EPWP), the municipality provides gap job opportunities to many unskilled especially young people and this is implemented mainly through its infrastructure development and services programme. Ray Nkonyeni Municipality consist of 36 wards and eleven town centres which are: Hibberdene; Port Shepstone; Shelly Beach; Uvongo; Sea Park; Margate; Ramsgate; Munster; South Broom; Port Edward; and Ezingolweni.

The inland of the municipality are mainly rural with farmlands and tribal areas. The farms are under private ownership while the tribal council areas are largely under the ownership of Ingonyama Trust Board. These traditional council areas are KwaXolo, KwaNzimakwe, KwaNdwalane, KwaMadlala, KwaMavundla, Lushaba, Vukuzithathe, Nkumbini and Qiniselani-Manyuswa. These areas are managed by the traditional chiefs (Amakhosi) who are assisted by Izinduna (Headman). Traditional land allocation practices prevalent within these areas create new dynamics in terms of the administration of this land.

NODES

Table 9 Municipal Nodes

Types	Node Description
DISTRICT DEVELOPMENT NODE	DISTRICT DEVELOPMENT NODE Port Shepstone town has been identified as a District Node as it is the main urban centre within the Ray Nkonyeni and Ugu District Municipality area of jurisdiction. The town is strategically located at the central parts of the District and it plays an important role as a regional centre for the District.
MUNICIPAL DEVELOPMENT NODE	There are six (6) Municipal Development Nodes identified which provide medium order goods and services to surrounding settlements. They include Shelly Beach; Margate; Hibberdene; Port Edward; Marburg; and Ezingolweni.
COMMUNITY DEVELOPMENT NODE	While the District and Municipal Development Nodes serves as a regional and sub-regional centres, at least fourteen (14) other areas present an opportunity for the development of the Community Development Nodes

Types	Node Description
	with much less threshold/ sphere of influence. These are Umzumbe; Glenmore Beach; Leisure Bay; Oslo Beach; Umtentweni; Ramsgate; Uvongo; Southport; Sea Park; Palm Beach; Munster; Gamalakhe; Southbroom; and Munster.
SETTLEMENT DEVELOPMENT NODE	Settlement Development Node serves specific geographical area and social network. Its service area would be limited to the surrounding cluster of settlements within a specific neighbourhood and would include low order public, shopping and small business enterprise facilities. They include KwaNzimakwe; Gcilima; Murchison; Ndimeni (Vukuzithathe); Moguntia; Nkumbini; and Mahlabathini.
RURAL INVESTMENT NODES	Rural Investment node is focussed on improving the local economic growth of the rural centre with basic socio-economic elements. KwaMadlala has been identified as the Rural Investment Node
RURAL SERVICE NODES	In addition to the Rural Investment Nodes, the vision for the future spatial development of Ray Nkonyeni makes provision for the development of community centres within a cluster of settlements. These small centres will serve as location points for community facilities serving the local community such as Primary and secondary schools, Clinics including mobile clinics, Pension pay points and Community halls and other community facilities. They include Mtateni (Vukuzithathe); Nqabeni; Thonjeni; Paddock; KwaMavundla (Gamalakhe); KwaNdwalane; and Lushaba.
RECREATIONAL NODE	Gamalakhe is a recreational node and it provides multifunctional recreational and network of public open spaces that could provide in all the needs of the local community.
TOURISM NODE	Oribi Flats are situated to the north of the Oribi Gorge and represents the centre point of an agri-tourism, eco-tourism and adventure areas. Oribi Flats are situated to the north of the Oribi Gorge
OTHER: TOURISM INTENSITY NODES	There are five nodes which have a tourism character over and above the role and function that has been listed above. Although, the coastal strip is generally a tourism hive for the municipality but the main concentration of tourism activities is centred around these nodes. They include Port Shepstone; Margate; Ramsgate; Port Edward; and Shelly Beach.

TRANSPORT NETWORK - CORRIDOR

An extensive road network exists in Ray Nkonyeni, providing a large number of households with access to road transport. While the national and provincial roads are in a generally good condition, the quality of district and local roads is poor. This is mainly because these roads are gravel they require regular maintenance and upgrading. During the rainy season, these roads are particularly bad and hamper access to settlements.

Regional Road Network

The N2 is the primary north-south regional linkage route. It links Port Shepstone in the South with Durban in the North. The N2 also links Port Shepstone with Kokstad as an east-west linkage. The section of the N2 which runs in the north-south direction up to Port Shepstone is of freeway standard, and comprises of 4 lanes, 2 lanes in each direction for most parts. The N2 is regarded as a generator for growth, particularly between Port Shepstone and Harding. This is the main high level limited access mobility road and is component part of the Provincial "Corridor" system. Interchanges link this road to the Regional major arterials that give access to both formal urban settlements and most of the rural settlement clusters that occur mostly within Traditional Authority areas.

Primary Road Network in Ray Nkonyeni

Some of the main provincial roads within the study area include the R102, R61, R612 and the R56. R102/R61: The R102/R61 is termed the 'beach road' and it runs in the north-south direction along the coast, linking the various coastal towns. The provincial roads are predominantly in the east-west direction and provide high levels of accessibility linking into the minor arterials. This network of provincial roads functions as primary transport corridors. The regional road network can be classed into either surfaced (blacktop) or un-surfaced (gravel), which can be further classified into a north-south link or an east-west link. There are also District Roads. The district roads provide major internal linkage, linking schools, clinics etc. A problem that faces the municipality is the alignment of KZNDOT implementation projects with that of the municipality's implementation projects.

3.1.6 Msunduzi

The Msunduzi Municipality is one of the seven local municipalities that make-up uMgungundlovu District Municipality (UMDM) in the KwaZulu-Natal Province. Although the district municipality covers an area of approximately 8 500km² and is the second largest municipality in size in KwaZulu Natal after eThekweni metropolitan municipality, the Msunduzi Municipality occupies only 7% of the UMDM area.

The Msunduzi Municipality lies approximately 85km west of Durban. The N3 national highway (corridor) and the R56 provincial arterial route runs through the municipality in an east-west and north-south directions respectively. The municipality shares boundaries with the Mkhambathini Municipality to the east, Richmond Municipality to the south, Impendle Municipality to the southwest, uMngeni Municipality to the west and uMshwathi Municipality to the north.

Pietermaritzburg, situated in the Msunduzi Municipality, is the second largest city within KwaZulu-Natal Province and the fifth largest city in South Africa. It is the capital city of the Province of KwaZulu-Natal and the main economic hub within uMgungundlovu District Municipality and the Midlands generally. It is well developed with industrial and commercial activities and is the service centre for the surrounding commercial farmlands, rural settlements, rural towns and tourist destinations such as the Midlands Meander.

It is also the seat for the provincial legislature and parliament, and an administrative hub for the whole KwaZulu-Natal Province. A well-established provincial road network supports functionality between the Msunduzi Municipality and its catchment area.

Msunduzi Nodes

The following table presents the nodes from Msunduzi Local Municipality

Table 10 Msunduzi Nodes

Name of the node	Description of the node
The CBD Node	This is the heart of the City and consists of the core and the frame surrounding it. The core contains the full range of uses associated with a CBD, while the frame accommodates transitional uses at a lesser density. The so-called CBD extension node, which includes the recently developed Motor World, the Bird Sanctuary Site, the Midlands Mall, and the RAS is incorporated into the CBD Node.
Regional Multi-Use Nodes	This level of node includes a retail component between 75 000 m ² and 120 000 m ² , and serves a regional function. In addition to retail, it can include a wide range of compatible uses. There is one existing Regional Multi-Use Node (Liberty Mall and the surrounding area). There is a new proposed Multi-Use Node that will be introduced at Shenstone, in the Edendale area.
Community Multi-Use Nodes	These serve a community function, and would have a retail component ranging from 25 000 m ² - 40 000 m ² . These nodes also accommodate

Name of the node	Description of the node
	a wide range of compatible uses, and the SDF distinguishes between existing community nodes to be maintained at existing levels, those with the potential for expansion, and future nodes. Essentially, a new Multi-Use Community Node will be developed on the Edendale Road.
Neighbourhood Multi-Use Nodes	These operate at a neighbourhood level, and have retail components of between 5 000 m ² and 12 000 m ² . These types of nodes occur in two forms, viz as mono use nodes that are pure retailing, and those that are multi-use. Again, the SDF identifies existing nodes that are to be maintained or expanded, and future nodes.
Focussed Multi-use Nodes	This node includes light industrial, warehousing, "big-box" retailing, and other uses not normally found in the other nodes, and is located at Camps Drift.
Administrative Node	This node is on the edge of the CBD Node and includes Greys Hospital, Carter High School, and the Town Hill Hospital Grounds, to which the Provincial Parliament is likely to relocate.
Rural Service Centres	Rural Service Centres (RSC's) are identified focal points from which a conglomeration of services would occur to serve the generally poor rural communities. These are main distribution centres, or higher order points (nodes) where services are concentrated. The RSC's are based on the Rural Service System model which seeks to spatially distribute economic activities (including effective service delivery) at an identified concentration point (node) along movement networks. The concentration of economic activities is based on mutual benefit i.e. shared infrastructure, shared market, and one activity producing an input for another activity. The range of services at a concentration point is determined by the threshold which it serves, and, therefore, the larger the threshold, the greater the range of activities. Most of these nodal points are located in the Vulindela area.
Large Scale Mixed- Use Nodes (Corridor Opportunity Areas)	Large scale mixed-use nodes are identified along the N3. These offer opportunities for integrated and coordinated mixed use developments, which include activities such as industry, offices, and commercial land uses. In terms of Provincial policy, development is to be encouraged along the Provincial Priority Corridor (N3) at appropriate locations. In the case of Msunduzi, this would be around the intersections where development potential still exists, i.e. the

Name of the node	Description of the node
	Lynfield Park/Lion Park and Richmond/Umlaas Road intersections. Local Area Development Plans would be required.

Msunduzi IDP 2020

Msunduzi Corridors

The following table presents the corridors from Msunduzi Local Municipality:

Table 11 Msunduzi Corridors

Name of the corridor	Description of the corridor
Provincial Priority Corridor/Limited Access Mobility Road	This is the N3 which has been identified as a priority development corridor by the Provincial Cabinet. Its prime function is to serve as a long-distance movement corridor, and although the agglomeration benefits of the corridor should be optimised, this should not interfere with its primary function. Consequently, development will be located at or near some intersections.
Activity Spines	Generally referred to as development corridors, these occur along major arterials leading into or from the CBD Node. A mix of complementary land uses including retail, office, entertainment, and residential; about half a street block in width fronting onto the arterials are to be encouraged, but only in specific areas.
Arterial Roads and Bypasses	These existing, improved, and proposed roads are aimed at improving accessibility, alleviating congestion in and around the core, and opening up areas previously excluded from the local economy. In the case of future roads, the alignment shown is merely diagrammatic. The proposed road "matrix" comprises both major and minor arterial connections. A number of such roads is proposed in the Edendale, Imbali, Ashburton areas in order to improve connectivity to all parts of the city, especially new employment areas.

Msunduzi IDP 2020

3.2. Demographics

This subsection outlines the population size, household size, population density, household size and the income distribution of the six regions.

Table 12 population Trends

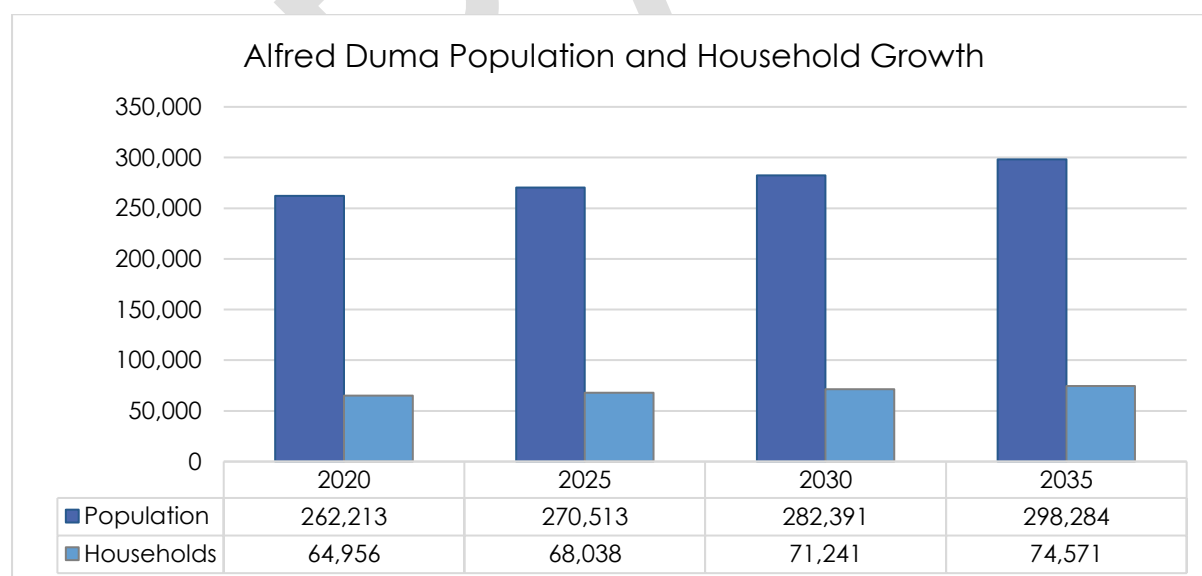
	Population ¹³	Households	Average household size	Population density ¹⁴	Households density ¹⁵
Alfred Duma	249,458	60,313	4.1	84.1	20.3
Newcastle	400,377	91,687	4.4	215.8	49.4
KwaDukuza	253,743	76,638	3.3	345.2	104.3
uMhlathuze	347,573	89,276	3.9	438.2	112.6
Ray Nkonyeni	279,921	76,331	3.7	333.6	91.0
Msunduzi	677,365	176,297	3.8	1,068.4	278.1

Source: Standardised Regional Services Quantec 2019

The table above shows the population size and household sizes of the six regions in 2019. Msunduzi has the largest population and number of households at 677,365 persons and 176,297 households respectively. The population and household density are also the highest in Msunduzi compared to the other six regions. KwaDukuza has the lowest population and number of households at 253,743 persons and 76,638 households in 2019. The average household size is largest in Newcastle and the lowest in KwaDukuza.

The population and household growth trends for each region is illustrated in the following six graphs in order to provide an indication of the future expansion of these regions.

Figure 3 Alfred Duma population and household growth trends



Source: Standardised Regional Services Quantec 2019

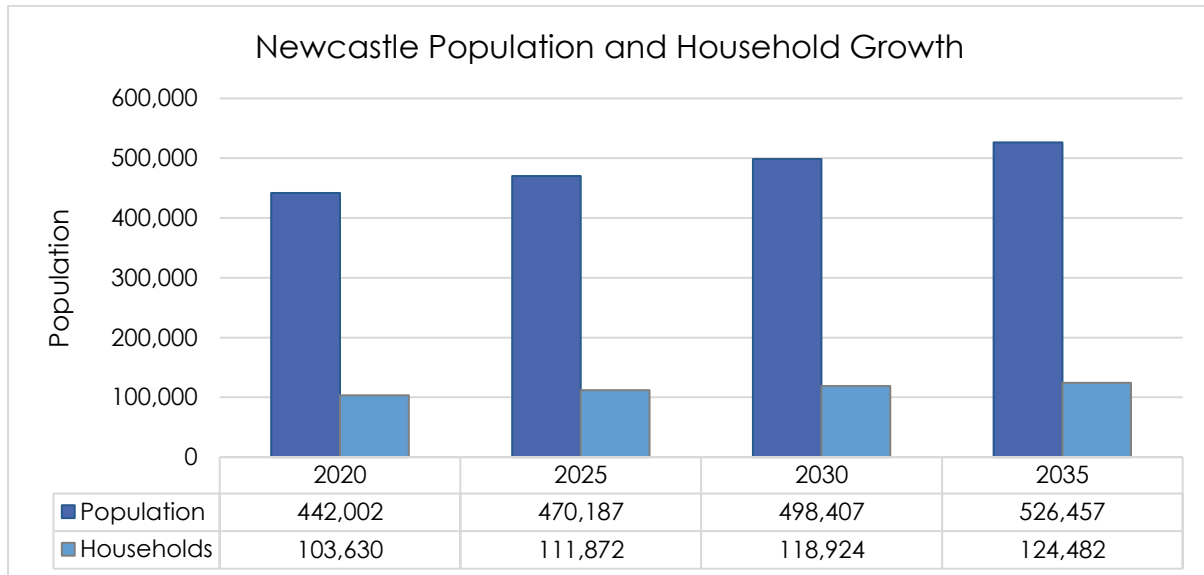
¹³ Population estimates may be further refined in the next phase of this study.

¹⁴ Number of persons per square kilometre

¹⁵ Number of households per square kilometre

An average annual population growth rate of 0,6% and a household growth rate of 0,9% was experienced in Alfred Duma between 2009 and 2019.

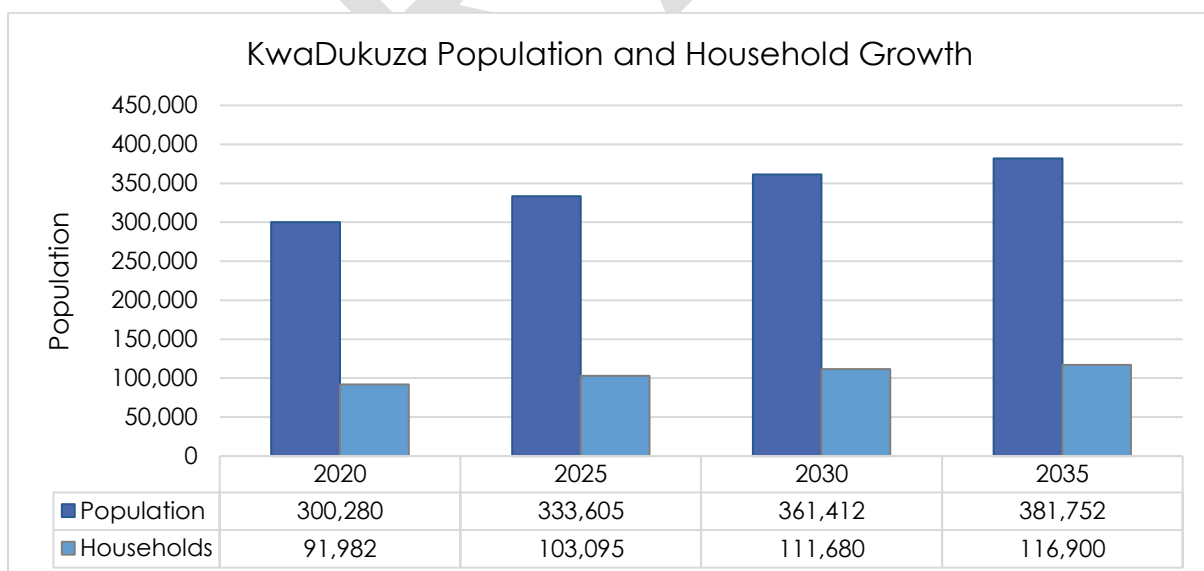
Figure 4 Newcastle population and household growth trends



Source: Standardised Regional Services Quantec 2019

An average annual population growth rate of 1,2% and a household growth rate of 1,5% was experienced in Newcastle between 2009 and 2019.

Figure 5 KwaDukuza population and household growth trends

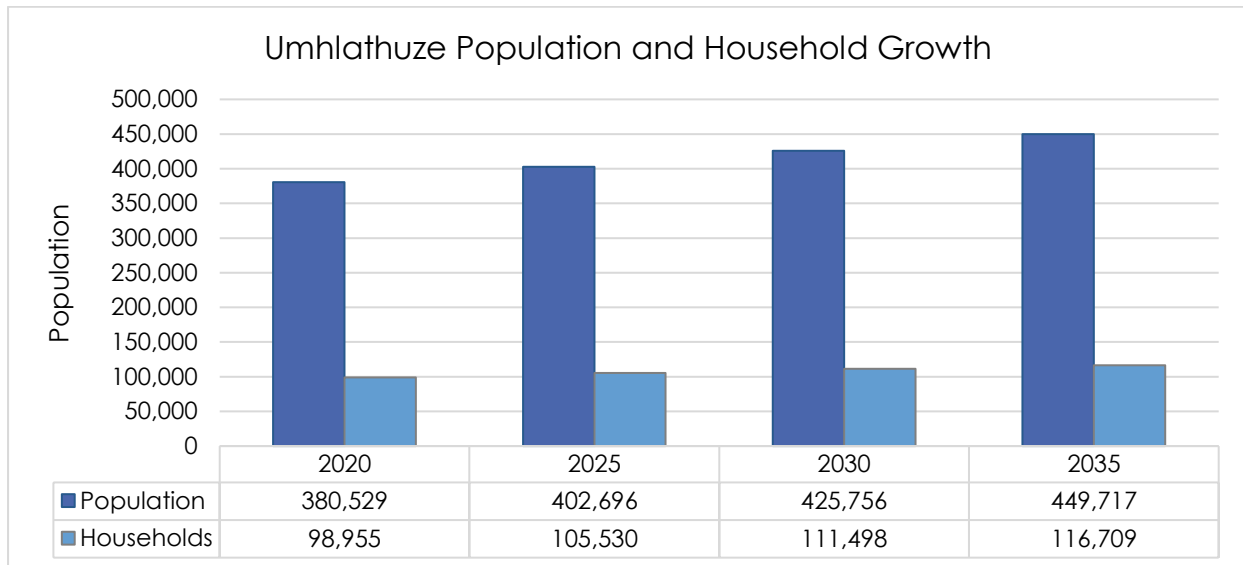


Source: Standardised Regional Services Quantec 2019

An average annual population growth rate of 2,1% and a household growth rate of 2,3%

was experienced in KwaDukuza between 2009 and 2019.

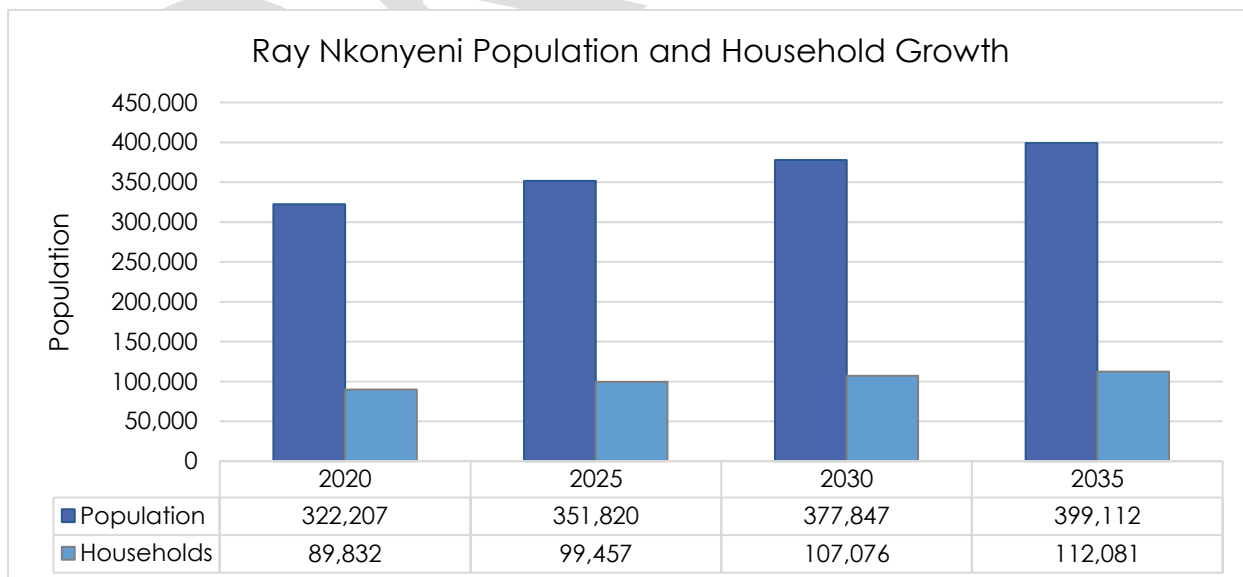
Figure 6 Umhlathuze population and household growth trends



Source: Standardised Regional Services Quantec 2019

An average annual population growth rate of 1,1% and a household growth rate of 1,3% was experienced in Umhlathuze between 2009 and 2019.

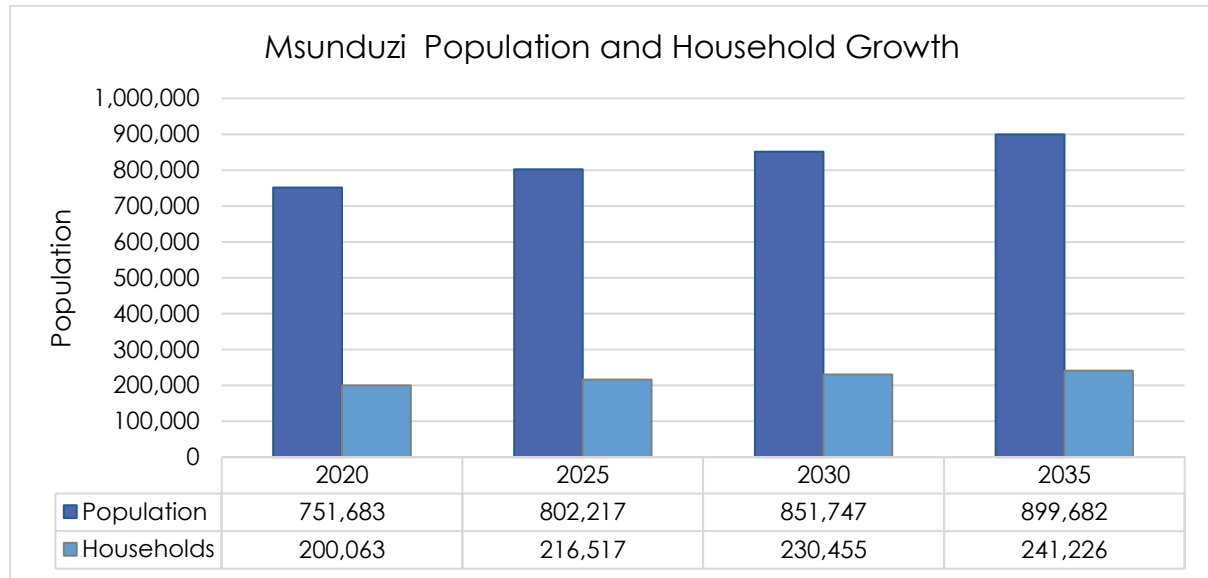
Figure 7 Ray Nkonyeni population and household growth trends



Source: Standardised Regional Services Quantec 2019

An average annual population growth rate of 1,8% and a household growth rate of 2,1% was experienced in Ray Nkonyeni between 2009 and 2019.

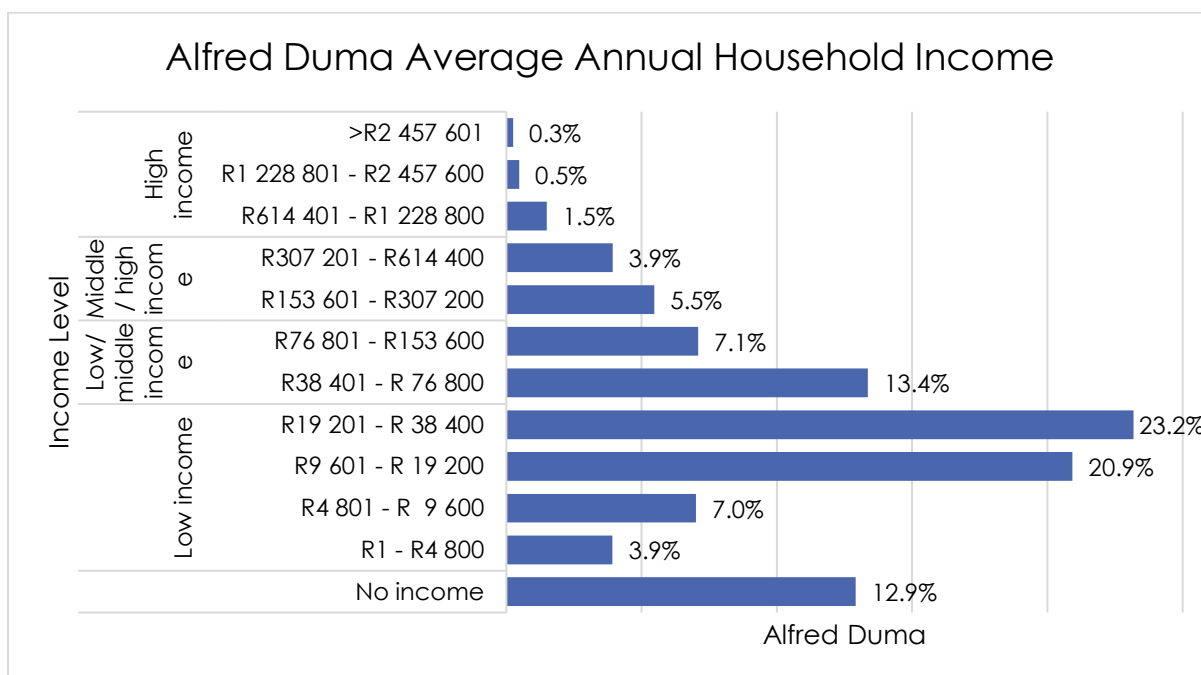
Figure 8 Msunduzi population and household growth trends



Source: Standardised Regional Services Quantec 2019

An average annual population growth rate of 1,3% and a household growth rate of 1,6% was experienced in Msunduzi between 2009 and 2019.

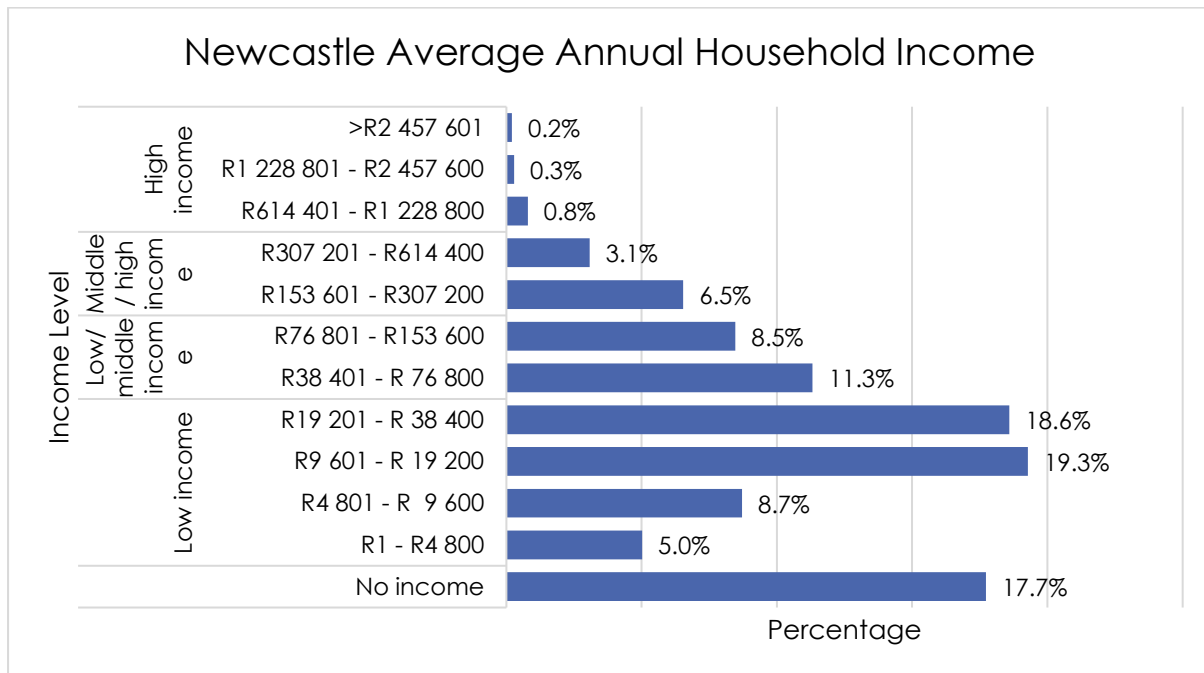
Figure 9 Alfred Duma Annual Household Income



Source: Calculations based on data from the 2011 Census

In terms of income category, the majority of the households in Alfred Duma falls within the lower income segment with 23,2% of the households earning between R19,201 – R38,400 per annum followed by 20,9% earning between R9,601 – R19,200 per annum. The smallest number of households in this region fall within high income category (>R 2,457,601 per annum) which make up only 0,3% of all households. It is estimated that in 2020, the average household income in this region is R7,551 per month or R90,606 per annum based on historical data trends.

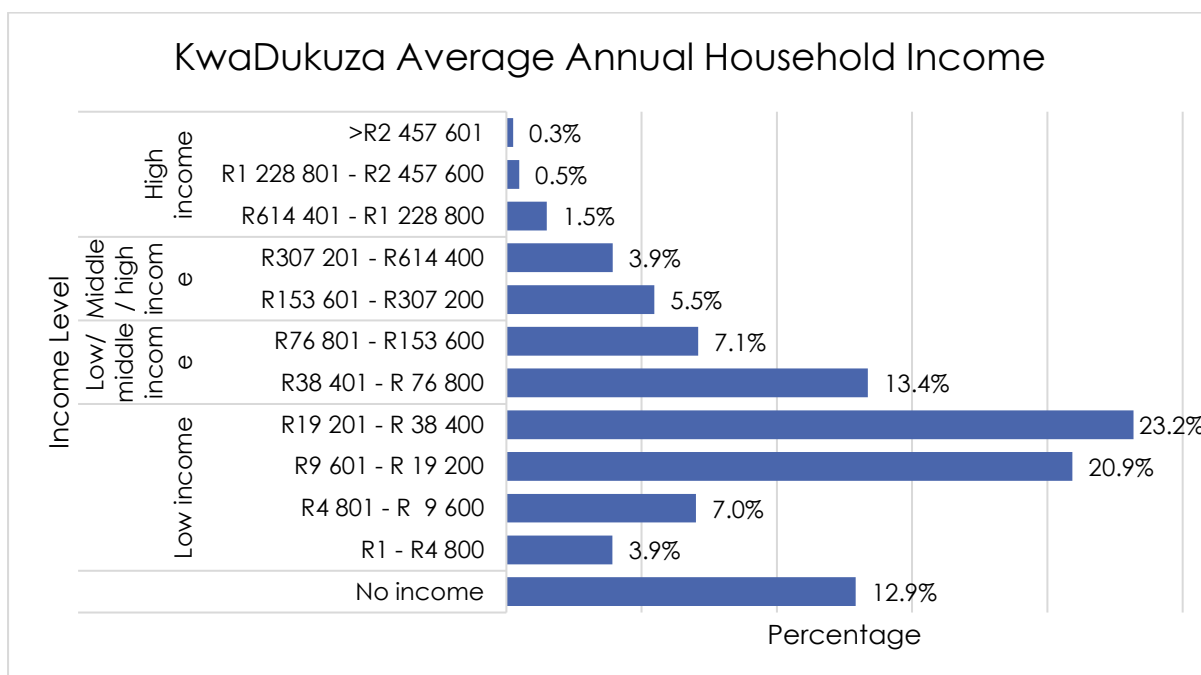
Figure 10 Newcastle Annual Household Income



Source: Calculations based on data from the 2011 Census

The majority of the households in Newcastle also falls within the lower income segment with 19,3% of the households earning between R9,601 – R19,200 per annum followed by 18,6% earning between R19,201 – R38,400 per annum. The smallest number of households in this region fall within high income category (>R 2,457,601 per annum) which make up 0.2% of all households. It is estimated that in 2020, the average household income in this region is R7,832 per month or R93,986 per annum based on historical data trends.

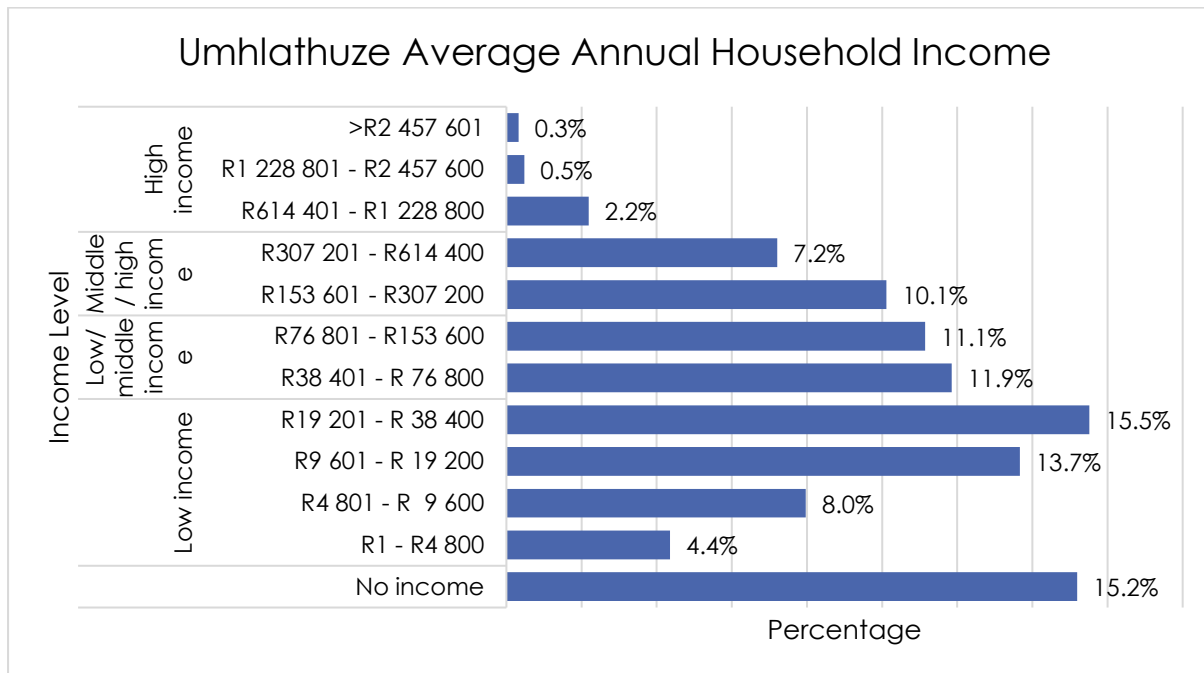
Figure 11 KwaDukuza Annual Household Income



Source: Calculations based on data from the 2011 Census

The majority of the households in KwaDukuza falls within the lower income segment with 23,2% of the households earning between R19,201 – R38,400 per annum followed by 20,9% of households earning between R9,601 – R19,200 per annum. The smallest number of households in this region fall within high income category (>R 2,457,601 per annum) which make up only 0,3% of all households. It is estimated that in 2020, the average household income in this region is R9,295 per month or R111,537 per annum.

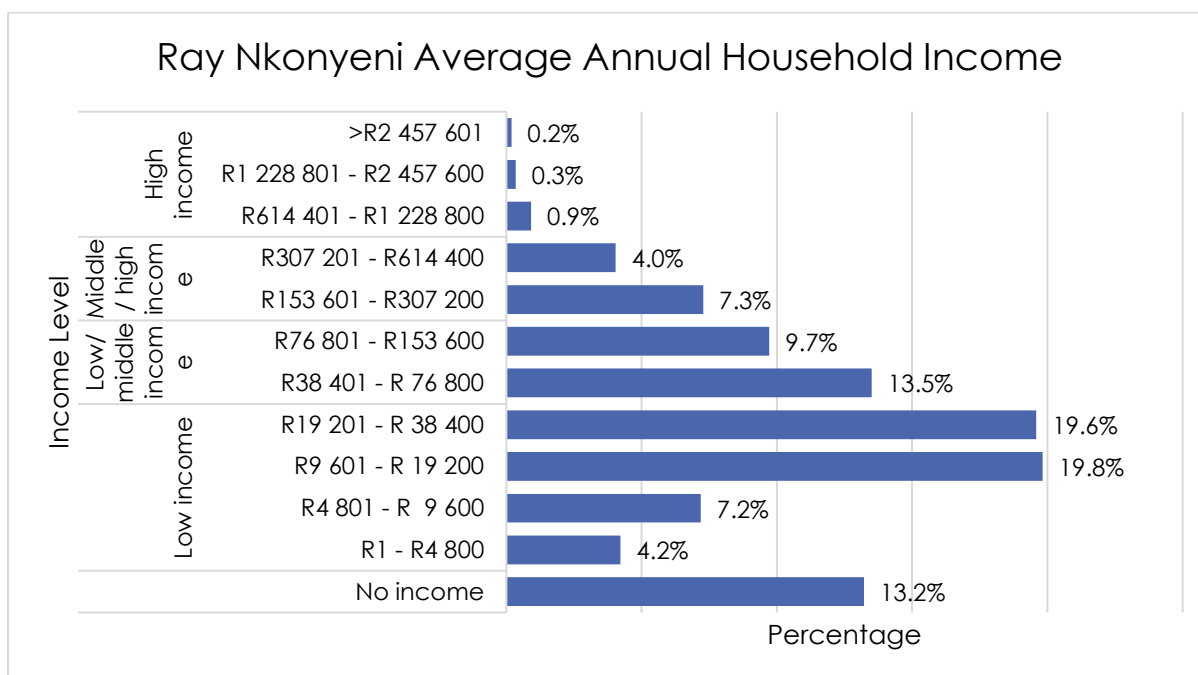
Figure 12 uMhlathuze Annual Household Income



Source: Calculations based on data from the 2011 Census

Most of the households in Umhlathuze fall within the lower income segment with 15,5% of the households earning between R19,201 – R38,400 per annum followed by 13,7% of households earning between R9,601 – R19,200 per annum. The high-income category (>R 2,457,601 per annum) makes up only 0,3% of all households. It is estimated that in 2020, the average household income in this region is R13,078 per month or R156,941 per annum.

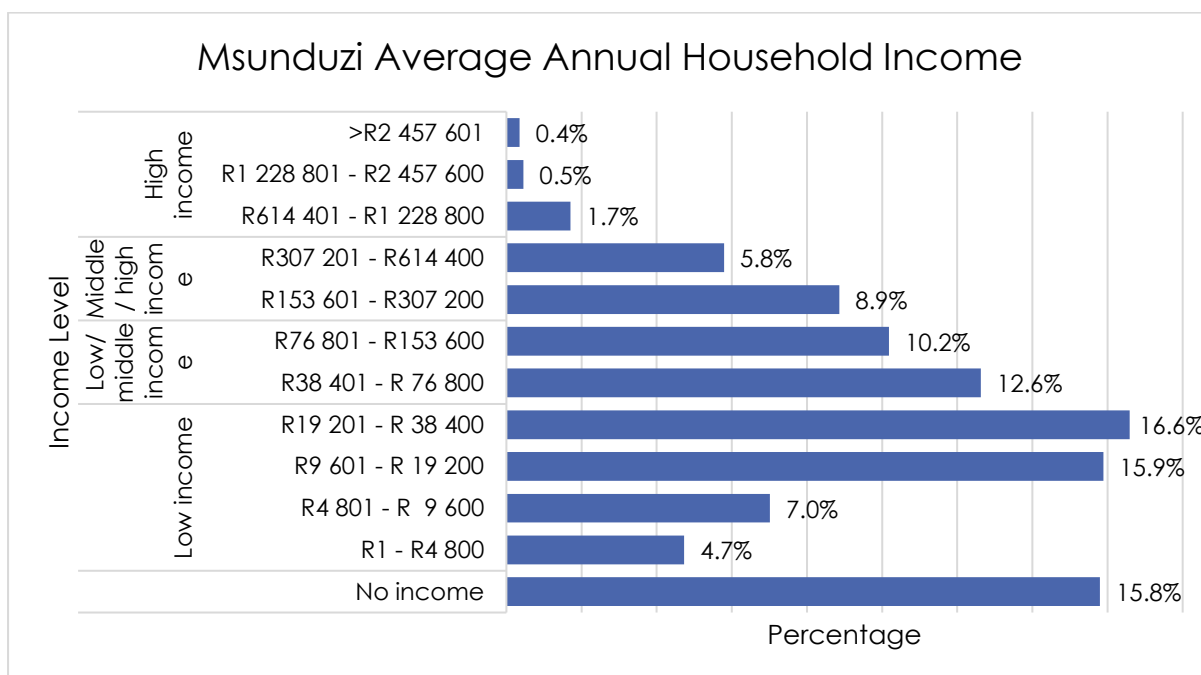
Figure 13 Ray Nkonyeni Annual Household Income



Source: Calculations based on data from the 2011 Census

The majority of the households in Ray Nkonyeni falls within the lower income segment with 19,8% of the households earning between R9,601 – R19,200 per annum followed by 19,6% earning between R19,201 – R38,400 per annum. The high-income category (>R 2,457,601 per annum) makes up only 0,2% of all households. The estimated average household income in this region is R9,002 per month or R108,019 per annum in 2020.

Figure 14 Msunduzi Annual Household Income



Source: Calculations based on data from the 2011 Census

The majority of the households in Msunduzi falls within the lower income segment with 16,6 % of the households earning between R19,201 – R38,400 per annum followed closely by 15,6% earning between R9,601 – R19,200 per annum. The high-income category (>R 2,457,601 per annum) makes up 0.4% of all households. The estimated average household income in this region is R11,590 per month or R139,083 per annum in 2020.

3.3. Development indicators

This section outlines the access to services in the six regions. These services include electricity, phone access, refuse removal, toilet facilities and access to water. The following six tables shows the percentage of households in each region that has access to the services listed above.

Table 13 Alfred Duma Access to Services

Alfred Duma Access to Services	Number of Households	Percentage of Households
TYPE OF ENERGY SOURCE		
Electricity	49,509	82%
Gas	107	0%
Paraffin	500	1%
Candles	9,767	16%
Solar	161	0%
None	270	0%

Total - Energy for lighting	60,313	100%
PHONE ACCESS		
In this dwelling and/or cellular phone	54,217	90%
NA (institution)/unspecified/none	6,096	10%
Total - Phone access	60,313	100%
TYPE OF REFUSE REMOVAL		
Unspecified / other	524	1%
Removed by local authority at least once a week	34,889	58%
Removed by local authority less often	361	1%
Communal refuse dump	566	1%
Own refuse dump	19,822	33%
No rubbish disposal	4,151	7%
Total - Refuse removal	60,313	100%
TYPE OF TOILET FACILITY		
Flush or chemical toilet	35,854	59%
Pit latrine	20,957	35%
Bucket latrine	646	1%
None of the above	2,856	5%
Total - Toilet facility	60,313	100%
ACCESS TO WATER		
Piped water inside dwelling	27,105	45%
Piped water inside yard	13,776	23%
Piped water on community stand: distance less than 200m. from dwelling	8,059	13%
Piped water on community stand: distance greater than 200m. from dwell	6,225	10%
Borehole/rain-water tank/well	2,254	4%
Dam/river/stream/spring	1,252	2%
Water-carrier/tanker/Water vendor	403	1%
Other	1,239	2%
Total - Access to water	60,313	100%

Source: Standardised Regional Services Quantec

Table 14 Newcastle Access to Services

Newcastle Access to Services	Number of Households	Percentage of Households
TYPE OF ENERGY SOURCE		
Electricity	79,819	87%
Gas	423	0%
Paraffin	662	1%

MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KWAZULU – NATAL (KZN) PROVINCE:
STATUS QUO REPORT

Candles	10,267	11%
Solar	142	0%
None	374	0%
Total - Energy for lighting	91,688	100%
PHONE ACCESS		
In this dwelling and/or cellular phone	84,182	92%
NA (institution)/unspecified/none	7,506	8%
Total - Phone access	91,688	100%
TYPE OF REFUSE REMOVAL		
Unspecified / other	528	1%
Removed by local authority at least once a week	64,912	71%
Removed by local authority less often	340	0%
Communal refuse dump	861	1%
Own refuse dump	21,484	23%
No rubbish disposal	3,563	4%
Total - Refuse removal	91,688	100%
TYPE OF TOILET FACILITY		
Flush or chemical toilet	56,952	62%
Pit latrine	29,515	32%
Bucket latrine	761	1%
None of the above	4,460	5%
Total - Toilet facility	91,688	100%
ACCESS TO WATER		
Piped water inside dwelling	45,374	49%
Piped water inside yard	32,381	35%
Piped water on community stand: distance less than 200m. from dwelling	6,730	7%
Piped water on community stand: distance greater than 200m. from dwell	3,548	4%
Borehole/rain-water tank/well	511	1%
Dam/river/stream/spring	687	1%
Water-carrier/tanker/Water vendor	954	1%
Other	1,503	2%
Total - Access to water	91,688	100%

Source: Standardised Regional Services Quantec

Table 15 KwaDukuza Access to Services

KwaDukuza Access to Services	Number of Households	Percentage of Households
TYPE OF ENERGY SOURCE		
Electricity	69,200	90%

MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KWAZULU – NATAL (KZN) PROVINCE:
STATUS QUO REPORT

Gas	122	0%
Paraffin	357	0%
Candles	6,569	9%
Solar	141	0%
None	249	0%
Total - Energy for lighting	76,638	100%
PHONE ACCESS		
In this dwelling and/or cellular phone	67,227	88%
NA (institution)/unspecified/none	9,411	12%
Total - Phone access	76,638	100%
TYPE OF REFUSE REMOVAL		
Unspecified / other	392	1%
Removed by local authority at least once a week	46,595	61%
Removed by local authority less often	2,074	3%
Communal refuse dump	3,179	4%
Own refuse dump	20,341	27%
No rubbish disposal	4,056	5%
Total - Refuse removal	76,638	100%
TYPE OF TOILET FACILITY		
Flush or chemical toilet	35,730	47%
Pit latrine	35,627	46%
Bucket latrine	788	1%
None of the above	4,494	6%
Total - Toilet facility	76,638	100%
ACCESS TO WATER		
Piped water inside dwelling	25,670	33%
Piped water inside yard	12,626	16%
Piped water on community stand: distance less than 200m. from dwelling	24,663	32%
Piped water on community stand: distance greater than 200m. from dwell	9,252	12%
Borehole/rain-water tank/well	769	1%
Dam/river/stream/spring	1,855	2%
Water-carrier/tanker/Water vendor	392	1%
Other	1,411	2%
Total - Access to water	76,638	100%

Source: Standardised Regional Services Quantec

Table 16 Umhlathuze Access to Services

Umhlathuze Access to Services	Number of Households	Percentage of Households
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TYPE OF ENERGY SOURCE		
Electricity	83,347	93%
Gas	221	0%
Paraffin	187	0%
Candles	4,934	6%
Solar	255	0%
None	332	0%
Total - Energy for lighting	89,276	100%
PHONE ACCESS		
In this dwelling and/or cellular phone	83,743	94%
NA (institution)/unspecified/none	5,534	6%
Total - Phone access	89,276	100%
TYPE OF REFUSE REMOVAL		
Unspecified / other	591	1%
Removed by local authority at least once a week	46,685	52%
Removed by local authority less often	1,377	2%
Communal refuse dump	2,328	3%
Own refuse dump	35,232	39%
No rubbish disposal	3,064	3%
Total - Refuse removal	89,276	100%
TYPE OF TOILET FACILITY		
Flush or chemical toilet	56,617	63%
Pit latrine	25,136	28%
Bucket latrine	1,518	2%
None of the above	6,006	7%
Total - Toilet facility	89,276	100%
ACCESS TO WATER		
Piped water inside dwelling	43,659	49%
Piped water inside yard	38,671	43%
Piped water on community stand: distance less than 200m. from dwelling	3,063	3%
Piped water on community stand: distance greater than 200m. from dwell	1,251	1%
Borehole/rain-water tank/well	356	0%
Dam/river/stream/spring	490	1%
Water-carrier/tanker/Water vendor	653	1%
Other	1,134	1%
Total - Access to water	89,276	100%

Source: Standardised Regional Services Quantec

Table 17 Ray Nkonyeni Access to Services

Ray Nkonyeni Access to Services	Number of Households	Percentage of Households
TYPE OF ENERGY SOURCE		
Electricity	64,659	85%
Gas	247	0%
Paraffin	2,041	3%
Candles	8,902	12%
Solar	224	0%
None	258	0%
Total - Energy for lighting	76,331	100%
PHONE ACCESS		
In this dwelling and/or cellular phone	67,352	88%
NA (institution)/unspecified/none	8,979	12%
Total - Phone access	76,331	100%
TYPE OF REFUSE REMOVAL		
Unspecified / other	638	1%
Removed by local authority at least once a week	26,554	35%
Removed by local authority less often	1,136	1%
Communal refuse dump	1,320	2%
Own refuse dump	44,051	58%
No rubbish disposal	2,632	3%
Total - Refuse removal	76,331	100%
TYPE OF TOILET FACILITY		
Flush or chemical toilet	34,691	45%
Pit latrine	32,193	42%
Bucket latrine	620	1%
None of the above	8,827	12%
Total - Toilet facility	76,331	100%
ACCESS TO WATER		
Piped water inside dwelling	27,885	37%
Piped water inside yard	8,158	11%
Piped water on community stand: distance less than 200m. from dwelling	26,143	34%
Piped water on community stand: distance greater than 200m. from dwell	11,134	15%
Borehole/rain-water tank/well	318	0%
Dam/river/stream/spring	1,723	2%
Water-carrier/tanker/Water vendor	349	0%
Other	622	1%
Total - Access to water	76,331	100%

Source: Standardised Regional Services Quantec

Table 18 Msunduzi Access to Services

Msunduzi Access to Services	Number of Households	Percentage of Households
TYPE OF ENERGY SOURCE		
Electricity	161,717	92%
Gas	327	0%
Paraffin	1,197	1%
Candles	12,049	7%
Solar	461	0%
None	546	0%
Total - Energy for lighting	176,297	100%
PHONE ACCESS		
In this dwelling and/or cellular phone	160,254	91%
NA (institution)/unspecified/none	16,044	9%
Total - Phone access	176,297	100%
TYPE OF REFUSE REMOVAL		
Unspecified / other	2,925	2%
Removed by local authority at least once a week	91,934	52%
Removed by local authority less often	2,734	2%
Communal refuse dump	2,486	1%
Own refuse dump	68,622	39%
No rubbish disposal	7,597	4%
Total - Refuse removal	176,297	100%
TYPE OF TOILET FACILITY		
Flush or chemical toilet	104,155	59%
Pit latrine	61,795	35%
Bucket latrine	1,797	1%
None of the above	8,551	5%
Total - Toilet facility	176,297	100%
ACCESS TO WATER		
Piped water inside dwelling	82,130	47%
Piped water inside yard	69,874	40%
Piped water on community stand: distance less than 200m. from dwelling	10,166	6%
Piped water on community stand: distance greater than 200m. from dwell	6,979	4%
Borehole/rain-water tank/well	790	0%
Dam/river/stream/spring	1,201	1%
Water-carrier/tanker/Water vendor	2,139	1%

Other	3,019	2%
Total - Access to water	176,297	100%

Source: Standardised Regional Services Quantec

In terms of access to electricity, Alfred Duma has the lowest percentage of households that have access to electricity (82%), while Umhlathuze has the highest percentage of households that have access to electricity (93%). Although most of these regions have majority of households electrified, there are still substantial numbers of households in these regions that still rely on candles and paraffin as an energy source. Alfred Duma for example has 9,767 still rely on candles for a source of energy while 1,197 in Msunduzi are relying on paraffin.

KwaDukuza and Ray Nkonyeni have fewest number of households with access to a telephone in their dwelling (88% each) while Umhlathuze has the highest percentage of households that have access to a telephone in their dwelling (94%).

In terms of refuse removal, the majority of households in the six regions either have their waste removed each week by the local authority or they have their own refuse dump. Ray Nkonyeni has the smallest percentage of households that have their waste removed by the local authority while Newcastle has the highest percentage of households at 71% that have their waste removed by the local authority. In Msunduzi 7,597 households have no form of waste disposal.

Flush or chemical toilets and pit latrines are most common in these six regions with Ray Nkonyeni having the fewest percentage of households with a flush or chemical toilet at 45%. Umhlathuze and Newcastle has the highest percentage of households with a flush or chemical toilet at 63% and 62% respectively. A substantial number of households in all six regions have no access to any type of toilet facility, specifically Ray Nkonyeni and Msunduzi have 8,827 8,551 households respectively that have no access.

In terms of access to water, most households in the six regions have either piped water inside their dwelling, piped water inside their yard or piped water on a community stand. Umhlathuze and Newcastle have the highest percentage of households that have piped water inside their dwelling (49% each) while KwaDukuza has the lowest percentage of households (33%).

4. HOUSING SECTOR TRENDS

4.1. Current Housing Projects

4.1.1 Alfred Duma Housing Trends

Currently, the Municipality is in the process to develop and package additional housing projects as a means of addressing the housing backlog and respond to the expressed or felt housing need. Housing projects in Alfred Duma Municipality are at different stages of development with the majority being in the planning phase.

Current Housing Projects

Storm Water Damaged Projects

The table below reflects the stormwater projects that are underway.

Table 19 Storm Water Damaged Projects

Wards	9, 10, 20,22,25
Project Number	K13070013, K13070014, K130700118, K130700117, K130700119, K130700115
Implementing Agent (IA)	Bkekzas Trading, Tshwara Thebe Construction cc, Mandlethu Projects, NMQ Surveyors, Hencon Vob JV & Five and Only Development
Number of Units	3 600
Approved Beneficiaries	2 791
Status	IA's were advised to submit close out reports no later than 09 June 2017. They were also informed that the municipality will not accede to any applications of time and will not be responsible for any payments after the expiration of the contracts. At a meeting held with the DoHS on 12 May it was agreed that the contracts will not be extended and that two submissions be made to the HOD to appoint a service provider to complete the project, i.e. To appoint a service provider from the DoHS database and for the municipality to appoint a service provider in terms of Regulation 36 of the MFMA. It was also agreed that the DoHS appoints an independent structural engineer to undertake and assess the houses. The DoHS has prepared the submissions to the HOD for the above appointments. VNA was also requested to ensure

Wards	9, 10, 20,22,25
	that the close out reports are submitted no later than 18 June 2017 which should include those of the IA's.

Alfred Duma Integrated Housing Sector Plan 2017

Ezakheni 642 Slums Clearance Projects

The table below reflects the Slums Clearance Projects which are mainly from Wards 6 and 8.

Table 20 Slums Clearance Projects

Wards	6 & 8
Project Number	K10110004
Implementing Agent (IA)	Akusheshe JV
Number of Units	642
Approved Beneficiaries	633
Status	A letter was submitted to the DoHS for funding to complete the planning stage of the project culminating in the opening of a Township register and deal with the beneficiary issues. The DoHS has confirmed that it is working on a submission to HEAC for funding to appoint a serve provider to finalise all outstanding issues of the project.

Alfred Duma Integrated Housing Sector Plan 2017

Ezakheni Rectification Housing Projects

The table below reflects the rectification housing projects that are mainly in Ezakheni within Wards 9,1,2,3 and 4.

Table 21 Rectification Housing Projects

Wards	9,1,2,3 & 4
Number of Units	199
Approved Beneficiaries	199
Status	At a meeting with the DoHS it was agreed that the municipality appoint a service provider to complete the outstanding houses using Regulation 36. It was also agreed that the DoHS appoints a structural engineer to do the assessment. The Bid Specs sat on 12 June 2017 to consider the

Wards	9,1,2,3 & 4
	bid document. It was agreed that the bid document be finalised once the structural engineer has finalised the assessments in order attain an accurate figure.

Alfred Duma Integrated Housing Sector Plan 2017

Emergency Housing Projects

The table below reflects the emergency housing projects that are mainly in Ward 25.

Table 22 Emergency Housing Projects

Ward	25
Project Number	K11030004
Implementing Agent (IA)	Dezzo Holdings, Isibanisezwe, Ntokozweni, Umlilo
Number of Units	1 500
Approved Beneficiaries	306
Status	The Tri-partite agreement for Messrs Isibanisezwe and Umlilo were signed. Messrs Umlilo and Isibanisezwe are not on site. Messr Isibanisezwe indicated that they cannot continue until their outstanding payments are finalised which are due to them for over a year. Messrs Dezzo has confirmed that they will re-establish site within two weeks but raised concern about the signing of the Tri-partite agreement.

Alfred Duma Integrated Housing Sector Plan 2017

Housing Projects at Planning Stage

The Municipality through the implementing agency undertakes the prefeasibility studies (Stage 1) in respect of the projects to determine the viability of the projects. Thereafter, there was a need to proceed to Stage 2 which included the installation of internal services and the construction of the top structures. Below is a list of projects that are in the planning phase.

Table 23 Housing Projects at Planning Stage

Project Name	Ward No.	Units	Status
Cremin Restitution Project	24	500	Implementing Agent has commenced with the planning of the project and the project is 80% complete. Awaiting the finalization of the issue of

MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KWAZULU – NATAL (KZN) PROVINCE:
STATUS QUO REPORT

Project Name	Ward No.	Units	Status
			the land which has partial land claim. Progress meetings are being held on a monthly basis.
Besters Housing Project	23	1 000	The IA has completed Stage 1 application pack and has submitted same to the DoHS for approval. The project will be an urban project. Awaiting confirmation of bulk services from the District Municipality. One farm removed from the project as it falls within the Ukhahlamba Municipal jurisdiction.
Mthandi Insitu Upgrade	20	1 000	IA has submitted the application for Stage 1 to the DoHS. The pack has been assessed and the outstanding information has been requested from the IA. No progress has been made from the IA thus far.
Acaciavale 250	20	250	IA has been appointed
Acaciavale Phase 1	20	1 000	IA has been appointed
Acaciavale Phase 2	20	1 000	IA has been appointed
Stimela 400 Ezakheni D	4	400	IA has been appointed
Colenso 4000	25	4 000	IA has been appointed
Limit Hill 200	22	200	IA has been appointed
St Chads 500	23	500	IA has been appointed
Ezakheni 1000	6	1 000	IA has been appointed
Roosboom 1000	13	1 000	IA has been appointed
Ezakheni C/Colenso 250	5 & 25	250	IA has been appointed
Kwashuzi Tshwara Thebe	28	1 000	All milestones completed. Two IA's working in same area. Awaiting the Ingonyama Trust Board to finalize development agreement. Upon receipt of letter, Stage 1 pack will be submitted to the DoHS for approval.
Somshoek/Skoko	31	1 000	IA requested to close out stage 1. PDA application approved. IA submitted house plan

Project Name	Ward No.	Units	Status
			and it was referred back by the Engineering Department.
Fittypark	28	1 000	Stage 1 complete. Awaiting for the Tripartite agreement to be signed by DoHS. 879 beneficiaries have been approved. The boundaries which are common with Kwashuzi housing project are being attended to.
Vaalkop	32	1 000	The IA is experiencing a problem in resolving the Land/legal issues. Meeting held with DRDLR for new Development Rights Agreement and Item currently serving at various council committees for approval so that DRDLR can provide a new Agreement for the MM to sign.
Kwajwili/Ncama	31	1 000	The PDA application submitted by 03/03/2017. Finalizing co-ordinates. Geotech report being finalized. The project falls on ITB land and State land. The project is continuing on ITB land while the acquisition of the state land is being finalized. Meeting held with DRDLR for new Development Rights Agreement and Item currently serving at various council committees for approval so that DRDLR can provide a new Agreement for the MM to sign.
Nazareth Mkhombe	32	1 000	The Tri-partite agreement has been signed by all parties for stage 1 and the IA is in the process of submitting the stage 2 application to the DoHS.

Alfred Duma Integrated Housing Sector Plan 2017

Mixed Housing Projects

The constitution mandates the municipality to provide shelter for low income earners. Whilst this is the role mandate of the municipality, it is also expected play a role other segments of the society. In this regard, the mandate of the municipality with regard to other social segments of society is to facilitate the development of housing by creating an enabling environment for the market to create housing opportunities.

The municipality is currently engaged in a number of projects that will deliver housing opportunities for low income earners. Government partly subsidises middle income housing for people who earn between R3 500 to R7 500. Government's direct intervention in the property market has been to ensure provision of shelter for low income earners and lower middle class. The assumption is that the property market will provide for the middle class and high income earners. However, the property market can no longer cater for the housing needs of the working class. Consequently, this class is being eroded to low income category while they do not qualify for full government support.

The role of Alfred Duma Municipality in the district economy has resulted in a growing working class. This requires municipality to develop models for rolling out middle income housing. The municipality has entered into creative partnerships with the private sector to develop this housing segment. The municipality has made land available to prospective developers or individual entrepreneurs or entrepreneurs or companies with a view to promoting economic development.

Table 24 Mixed Housing Projects

Site Description	Zoning	Ownership	Site Area	No. Of Blocks Per Site	Total Number Of Units At 30 Units/ Blocks
Acaciavale	Mixed use	ELM	9Ha	10	300
Colenso Hostel	CRU	ELM	2Ha	3	90
Steadville Hostel	CRU	RSA	2.3Ha	3	90
Ezakheni C	CRU	ELM	8Ha	10	300
Total					780

Alfred Duma Integrated Housing Sector Plan 2017

4.12 Newcastle Housing Trends

Housing projects under Construction Phase

The following table provides a breakdown of housing projects to be implemented by the Municipality in the next 5 years. The projects are at various stages in terms of, construction and planning.

Table 25 Housing Projects Under Construction

No	Project Name	Type	Ward	No of Units
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MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KWAZULU – NATAL (KZN) PROVINCE:
STATUS QUO REPORT

1	Osizweni Section E Phase 3 Housing Project	ISU	Ward 9/ 32	507
2	Kathide Housing Project	Rural	Ward 6 and Ward 12	2000
3	Siyahlala-la Housing Project	ISU	Ward 25	1205
4	Madadeni H 39 Housing Project	ISU	Ward 19	923
5	Charlestown Housing Project	IRDP	Ward 1	1200
6	Emawozeni Housing Project (Greenfield)	IRDP	Ward 30	100
7	Madadeni Storm Damage Houses (Repair of RoofS0	Rectification Project (RP)	Ward 23	500
8	Madadeni Sinking Houses	Rectification Project (RP)	Ward 20	33
9	Osizweni Replacement of Asbestos Roofs	Rectification Project (RP)	Ward 13,	
	Total			5935

Newcastle Municipality IDP 2018-2022

Projects Under Planning Phase

Future housing projects should go beyond the delivery of housing units and focus on the creation of sustainable communities and settlements. This includes improving access to basic services, social/public facilities and creating opportunities for economic development. The municipality has submitted an application to the Social Housing Regulatory Agency for construction of 555 Social Housing Units, Central along N11. It is hoped that these housing developments will play a significant role in assisting the municipality to alleviate housing shortages.

Table 26 Projects under Planning Phase

PROJECT NAME	TYPE OF PROJECT	WARD	NUMBER OF UNITS
JBC Phase 1 Housing Project	ISU	15/16/18	2011
JBC Phase 2 and 3 Housing Project	ISU	15/16/18/12	7500
Soul City / Stafford Hill Housing Project	ISU	31	3500
Vezokuhle / Roypoint Housing Project	IRDP	21	900
Drycut Housing Project	ISU	16	1000
Kwamathukuza Phase 2	IRDP	20	200
Khathide Phase Extension (220)	Rural	6/12	220

PROJECT NAME	TYPE OF PROJECT	WARD	NUMBER OF UNITS
TOTAL			15331

Newcastle Municipality IDP 2018-2022

Proposed Pipeline Projects

The following table presents all projects in pipeline from the Newcastle Municipality

Table 27 Proposed Pipeline Projects

NO.	PROJECT NAME	WARD	TYPE OF PROJECT	NUMBER OF UNITS
1	Ingogo Housing Project	1	IRDP	1000
2.	Normandien	25	Agri-village	300
3.	Bosworth Farm	21	IRDP	1500
4.	Wykom	1	IUP	100
5.	Amajuba Forest	1	IUP	800
6.	Kilbachan Settlement	21	IRDP	200
7.	Soulcity Madadeni Section 3	20	Slum Clearance	100
8.	Khathide Rural Housing Project Phase 3 (Sigodiphola Settlements)	7	Rural	1000
9.	Umshenguville	9 /7	IUP	500
10.	Bosch Hoek GAP/ FLIPS, Service Sites, GNB & Military Veterans	21	FLIPS & Military Veterans	2400
11.	Sunnyridge (Erf No. 9449) FLIPS	2	FLIPS	To be confirmed
12.	Pioneer Park (Erf No. 12155) FLIPS	4	FLIPS	To be confirmed
13.	Fernwood (Erf No. 14144) FLIPS	3	FLIPS	To be confirmed
	Total Units			6900

Newcastle Municipality IDP 2018-2022

Proposed Rectification Housing projects

The following table presents all rectification projects from the Newcastle Municipality

Table 28 Proposed Rectification Housing projects

MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KWAZULU – NATAL (KZN) PROVINCE:
STATUS QUO REPORT

NO.	Project Name	Ward	Project Type	No of Units	Project Stage
1.	Surryville and Fairleigh Municipal Flats Refurbishment	3 / 25	Rectification	120	Application for funding submitted to KZN Human Settlements
2.	Madadeni Storm Damage Houses – Repair of Roofs	20/ 22 / 23 / 24 /26/ 28	Rectification	1350	Application for funding submitted to KZN Human Settlements, and the first 500 has been approved (1850-500=1350).
3.	Madadeni Sinking Houses	20	Pre 1994 Housing Stock	327	Application for funding submitted to KZN Human Settlements, 33 housing unit is allocated for the next financial year(350-33=327).
4.	Osizweni Replacement of Asbestos Houses	11/ 13 / 17 / 30	Pre 1994 Housing Stock	1600	Application for funding submitted to KZN Human Settlements
5.	Madadeni and Osizweni Intercon Houses	Various Wards in Madadeni and Osizweni	Post 1994 Housing Stock	4000	Still under subjudicare
6.	Madadeni Section K Rectification Project	20 /26	Post 1994 Housing Stock	1141	Application for funding has been submitted to KZN Human Settlements
7.	Khathide Phase 1	9/7/33/30	Post 1994 Housing Stock	2000	Application for funding has been submitted to KZN Human Settlements
Total Units				11.61	

Newcastle Municipality IDP 2018-2022

Rental Housing Stock.

The Department of Human Settlements is at the same time embarking on the establishment of Community Residential Units which cater for families earning an income of R3500 and less. The project seeks to achieve the following objectives:

- Spatial restructuring by bringing lower income people into areas of economic opportunity;
- Social restructuring by promoting mixing of races and class; and
- Economic restructuring by promoting spatial access to economic opportunities and job creation through the building of medium density housing.

Table 29 Proposed Social and Rental Projects

No.	Project Name	Ward	Type Of Project	Number Of Units	Project Stage	Implementing Agent
1	Newcastle-Hospital Street	Ward 25	Social Housing / CRU	1056	Planning Stage	Project Manager - Moteko Contractor to be appointed
2.	Newcastle-Arbor Park	Ward 34	Social housing	555	Planning Stage	Project Manager - Moteko Contractor to be appointed
	Total Units			1611		

Newcastle Municipality IDP 2018-2022

Informal Settlements.

The eradication of informal settlements is a priority for the national and provincial government. A strategy has been devised at a national level and is implemented with the support of the provincial Department of Human Settlement. Newcastle Municipality has been included among the 17 prioritised municipalities for the implementation of an Upgrading of Informal Settlements Programme (UISP). The following areas have been classified as informal settlements within the municipality:-

	INFORMAL SETTLEMENT	WARDS	HOUSEHOLD NO	CATEGORY
1	Amajuba Forest	1	83	C
2	Wykom	1	35	C
3	Soul City	31	1 080	A
4	JBC	16	6 360	A
5	Ingogo	1	85	A
6	Drycut	15	450	A
7	Bosworth	21	350	B2
8	Roy Point / Vezukuhle	21	270	B2
9	Normandien (Agrivillage programme)	21 and 1	30	B2

	TOTAL		8743	
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Newcastle Municipality IDP 2018-2022

Affordable Housing.

Gap Housing is the affordable housing sector comprises of those households that earn between R3 500 and R15 000, which is too little to enable them to participate in the private property market, yet too much to qualify for state assistance.

Newcastle Municipality has approved and allocated vacant pieces of land for the purpose of developing financial linked individual Subsidy Programme (Flisp) namely erf 14144; erf 9449 and 12155. This programme will also assist in accommodating residents in our current housing projects whose status has changed; and who no longer qualify for BNG Housing Scheme anymore. The FLISP Programme is also expected to address the GAP Housing as well as middle income earners.

Urban Renewal.

Madadeni and Osizweni are the two main townships located within Newcastle Municipality area of jurisdiction. The area, generally referred to as the MBO (Madadeni, Blaauwbosch and Osizweni areas) is the main focus of urban renewal initiatives by the municipality. To this extent, a regeneration framework has been developed as a means to provide guidance, coordination and alignment of sectoral activities to facilitate development of MBO complex.

Key performance areas with their identified strategies identified for the MBO complex include:

- **Quality Living Environment:** this key performance area deals with strategies to improve the quality of the environment. It includes, amongst others, strategies for conservation, environmental health, rehabilitation and reclaim of degraded areas, air quality, water resource management, waste management.
- **Access to Public Services and Amenities** includes strategies for road maintenance, ensuring adequate and reliable bulk resources for all services over next 20 year period site and service strategies, etc.
- **Functional Local Economy:** this KPA identifies strategies for recycling programmes, encouragement of home enterprises, mixed activity Economic Opportunity Zones, multi modal transport interchanges at major nodes, secondary residential property market, land tenure upgrading as part of all housing projects, etc.
- **Linkages and Integration:** Strategies of importance are inter-neighbourhood linkages, extension of new road linkages towards improved integration, Investment Promotion

Office dealing with specifically the former township areas (now economic opportunity zones).

Upgrading and formalisation of the JBC Area.

The JBC Framework identifies six development units or precincts, and recommends that these form the basis of a housing development program in the area. Layout plans and development applications have already been packaged for some of these precincts. It further suggests the following initiatives for the area:

- Effective environmental management.
- Provision of bulk engineering services, particularly waterborne sewerage.
- Upgrading of main transport networks and the associated public transport networks. This includes walkways and pavements.
- Promoting local economic development through the development of a new town centre in the area.
- Introducing an effective land use management system.

It further acknowledges the importance of P483 as the primary development corridor running through the area, and a number of mixed use strips (activity streets). It also suggests at least three development nodes with the major node being the proposed JBC Town Centre.

JBC Mega Catalytic Housing Project.

JBC has received a National approval as one of the 8 Catalytic/ Mega project in KwaZulu-Natal. The JBC with a total 14 011 housing opportunities was approved. The intention of Government with the concept of Mega projects is to unlock the investment opportunities for big projects that will yield between 10 000 and 20 000 different typologies of housing units.

4.1.3 KwaDukuza Housing Trends

The iLembe DM is one of the fastest growing municipalities in the province, with KwaDukuza experiencing one of the highest levels of population growth, due to the better working opportunities that exist within the municipality and better access to social and infrastructure. There is a definitive correlation between population growth and infrastructure development and the associated delivery of housing for the anticipated growth. In addition to this, population growth also creates many social problems and puts more pressure on the municipality to provide sufficient housing and infrastructure to cater the influx of people coming into the municipality.

The housing developments in the municipality comprises of:

- traditional rural dwelling units; formal dwelling units within the urban areas;

- private housing developments;
- 'Informal settlement' mainly situated on periphery.

As part of dealing with the emerging developmental trends the municipality has developed Precinct Plans/Local Area Plan as a way to map out the way basic development should take place.

Housing Demands and backlogs

KwaDukuza IDP 2017/2022 estimates the current housing backlog within the municipality at 68 000 dwelling units.

According to the presentation completed at the Housing Summit (May 2018) housing demand was 78000, which is broken down as follows: -

- Low-Income Housing is estimated at 38 000.
- Affordable Housing is estimated at 15 000.
- Community Residential Units is estimated at 10 000.
- Social Housing is estimated at 10 000.
- Old Age Home Units is estimated at 5 000.

*For purposes of being consistent with information contained within the KwaDukuza IDP (2017/2022), the estimated housing backlog used within this report will be **68000 units**.*

The current KwaDukuza Integrated Human Settlement Development Plan (IHSDP) 2012 – 2017 notes various housing projects geared toward addressing housing backlog.

Table 30 Backlogs dealt with in the past financial years

Ward No.	Name of the Project	Classification	No. of Units	Funding Source
10	Aldinville	Insitu -Upgrade	600	DoH.
10&11	Charlotdale	Greenfield & Insitu-Upgrade	3000	DoH.
9/11/ 12/14 &26	Chief Albert Luthuli	Rural	1000	DoH.
11	Chris Hani	Slum Clearance	Unknown	DoH.
1	Dendethu	Greenfield	Unknown	DRDLR & DoH.
10 &12	Dube Village	Insitu Upgrade	700	DoH.
21	Driefontein	Insitu Upgrade	1500	DoH.
12	Ethafeni	Insitu Upgrade	1000	DoH.
7	eTete Phase 1	Combination of Greenfield and Slum clearance	510	DoH.

MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KWAZULU – NATAL (KZN) PROVINCE:
STATUS QUO REPORT

Ward No.	Name of the Project	Classification	No. of Units	Funding Source
7	eTete Phase 2	Combination of Greenfield and Slumclearance	1095	DoH.
20	eTete Phase 4	Insitu Upgrade	1000	DoH.
5	Extension 36	Slum Clearance	298	DoH.
5	Extension 46	Slum Clearance	284	DoH.
25	Emdlebeni	Rural	1000	DoH.
14&24	Groutville P1	Slum-Clearance	1841	DoH
11	Groutville P2	Insitu Upgrade	1980	DoH
9	Groutville P5	Insitu Upgrade	980	DoH
3	Hyde Park Sugar Estate	Integrated Residential Development	Unknown	DoH
5	Lindelani P1	Consolidation	272	DoH
5	Lindelani P2	Insitu Upgrade	303	DoH
14	Lloyds	Slum Clearance	1000	DoH
27	Madundube	Insitu Upgrade	1000	DRDLR & DoH.
18	Mbozamo	Slum Clearance	Unknown	DoH
24	Melville	Unknown	Unknown	DoH
22	Mellowood Park	Greenfield	Unknown	DoH
9	Mgigimbe	Insitu Upgrade	600	DoH
8	Nkobongo P1	Slum Clearance	Unknown	DoH
8	Nkobongo P2	Slum Clearance	Unknown	DoH
3	Nonoti Mouth	Insitu Upgrade	380	DoH
3	Nyathikazi	Insitu Upgrade & Greenfield	Unknown	DoH
26	Ntshaweni	Slum Clearance	Unknown	DoH
1	Sakhamkhanya	Insitu Upgrade	3000	DoH
18	Senzangakhona	Consolidation	120	DoH
23	Shayamoya P1	Combination of Greenfield and Slum clearance.	988	DoH
23	Shayamoya P2	Combination of Greenfield and Slum clearance.	1235	DoH
2	Siyembezi/Zinkwazi P1	Greenfield	494	DoH
2	Siyembezi/Zinkwazi P2	Greenfield	1100	DoH
4	Shakashead P1	Slum Clearance	382	DoH
4	Shakashead P2	Slum Clearance	737	DoH
18	Shakaville Extension	Greenfield	295	Financial Institution.
13	Steve Biko P1	Slum Clearance	198	DoH
13&26	Steve Biko P2	Slum Clearance	1000	DoH
1	Sokesimbone	Rural	100	DoH

MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KWAZULU – NATAL (KZN) PROVINCE:
STATUS QUO REPORT

Ward No.	Name of the Project	Classification	No. of Units	Funding Source
19	Rocky Park	Integrated Residential Development	Unknown	DoH/Financial Institution
Total				29 992

KwaDukuza Housing Sector Plan 2018

In addition to the above the KwaDukuza IHSDP also notes affordable/middle and high income projects. The table below indicates the breakdown of the housing categories within the municipality, which starts to paint a picture in terms of the housing needs within the municipality especially within the low-income market:

Table 31 Breakdown of Housing Categories per Wards

Housing Category	2011	2016
Formal	56 853	74 934
Traditional	3746	3858
Informal	9685	11 674
Total	70 284	90 466

KwaDukuza Housing Sector Plan 2018

Current Housing Projects

A list of the current housing projects implemented by the Municipality is as follows:

Table 32 KDM Housing Projects- 2018

March 2018	Development Name	Ward No	Project Yield
Pre Planning	Gaza Strip		
	Shakaville Extension		
Obtained Stage 1 Approval	Charlotte Dale Station	11/29	1000
	Driefontein	21	1500
	Etete Phase 4	7/20	1480
	Hyde Park Country Estate		4600
	Madundube	27	1000
	Nonoti Mouth	3	350
	Nyathikazi	3	1009
	Sihle Phakathi	24	1000
	Mgigimbe	9	500

MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KWAZULU – NATAL (KZN) PROVINCE:
STATUS QUO REPORT

March 2018	Development Name	Ward No	Project Yield
Not Yet Obtained Stage 1 Approval	Gledhow Compund	15	
	Greater Driefontein	21	1000
	Hangoes	9	1000
	Kwatwele		1000
	Mellowood Park	22	
	Monkey Town	17	1000
	Mvoti Toll	15	
	Ohlange	17	1000
	Old Military Base Mvoti		
	San Souci	25	1000
	Vlakspruit	23	
Implementation Phase	Aldinville	10	600
	Chris Hani	15	1000
	Dube Village	12/29	700
	Ethafeni		
	Etsheni / Njekane (P2)	12	842
	Lindelani Phase 1	303	
	Lloyds	14	1000
	Mnyundwini (Priority 5)		
	Ntshawini	26	1000
	Rocky Park Intergrated Res Dev	19	776
	Sakhamkhanya	1	2224
	Shakashead Phase 1	4	382
	Shayamoya Phase 2	23	1235
	Siyembezi Phase 1	2	494
	Sokesimbone	1/25	1000
	Steve Biko Phase 2	13/16/26	881
	Groutville Priority 2	11	2000
	Groutville Priority 5	9	900
Housing Projects Blocked	Groutville (Priority 1)	14/24	1863
	Shakashead Phase 2	4	737
	Melville Village	14/24	
	Chief Albert Luthuli Reform	9/11/12/14&26	1000

March 2018	Development Name	Ward No	Project Yield
	Siyembezi Phase 2	2	1100
	Extension 46	5	284
Close Out	Shayamoya Phase 1	23	988
	Steve Biko Phase 1	13	188
	Nkobongo Phase 1	8/22	499
	Etete Phase 2	7	1349
	Stanger Section 36		
	Nkobongo Phase 2	8/22	1052
Total			42836

KwaDukuza Housing Sector Plan 2018

4.1.4 Umhlathuze Housing Trends

The Human Settlements Sector plan for the City of uMhlathuze is has nine priority programmes; and under each programme there are a number of projects as presented below.

Priority Programme One: Upgrading Of Informal Settlements

The following seven informal settlements were targeted for assessment and planning under this programme:

1. uMzingwenya River settlement
2. Bhejane/Khoza (Nseleni) Traditional Authority areas
3. Mzingazi Agri-Village and Buffer Strip settlement
4. Mandlazini Agri-Village and Buffer Strip settlement
5. Mkhwanazi (Vulindlela) Traditional Authority areas
6. Ngwelezana Hospital
7. Vulindlela

Priority Programme Two: Integrated Residential Development Programme (Greenfield Development)

The following current IRDP projects fall within this Priority Programme:

- Dumisani Makhaye Village
- Aquadene Housing Project
- Empangeni Mega Housing Project
- Idt Project: People's Housing Process

Priority Programme Three: Community Residential Units And Social Housing

The following projects fall within this Priority Programme:

- Esikhaleni Hostel Upgrade
- Nseleni Hostel upgrade: Old Transnet Housing Stocks
- New Social Housing projects

Priority Programme Four: Finance Linked Individual Subsidy Programme (Flisp)

The municipality continues to assist people who fall in the gap market segment. Phase 6 of Dumisani Makhaye Village, 82 sites are ready for the construction of FLISP units and other sites will also be ready at Empangeni Mega Housing before end of March 2020. More houses will be constructed in Aquadene IRDP project as reflected in the priority programme one above on the layout plan. Free standing houses and flats will be made available within this programme for Aquadene and Empangeni Mega Housing projects.

Priority Programme Five: Eradication Of Title Deeds Back Log (Pre And Post 1994)

Pre-1994: The intention of this programme is to rectify, regularize and normalize occupancy to ensure that the Old housing stocks are occupied legally by rightful beneficiaries. The housing stocks are spread in all former R293 townships (Ngwelezane, Esikhaleni, Vulindlela and Nseleni)
Post-1994: To eradicate title deeds of houses constructed after 1994 in this case will be the Dumisani Makhaye Village Housing project.

Priority Programme Six: Operation Sukuma Sakhe (Oss)

The OSS initiative prioritises households that need urgent interventions.

- 41 cases have been approved and the contractor (Stedone) has been appointed to construct the houses.
- 241 cases have been submitted to department and they have been approved by the Department of Human Settlements.
- 3 houses were constructed in ward 31 & 33.
- 2 houses have been completed in ward 26.

Priority Programme Seven: Rural Housing Projects

The following table presents the planned rural housing units

Table 33 planned rural housing projects

PROJECT NAME	REFERENCE NO.	WARD	NO. OF SITES	STATUS
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Buchanana Rural Housing		33	1500	Planning
Luwamba Rural Housing	K14050027	31	1000	Planning
Mkhwanazi Rural Housing		10,11,18,19,22 & 30	1000	Pre-planning
Madlebe Rural Housing		24,25,27,28 & 29	1000	Pre-planning
Dube Rural Housing		12,13,14,15,16 & 17	1000	Pre-planning
Bhejane Rural Housing		5,6,7 & 8	1000	Pre-planning

uMhlathuze Housing Sector Plan 2020

Priority Programme Eight: Private Housing Developments

The following table presents the planned private housing units. It is estimated that the number of potential developments in the high income housing range is sufficient to meet the demand for housing in this range. It is also envisage that most of these developments will be completed through the private sector developers.

Table 34 Proposed Middle-High income Housing Projects

Project	Est. Sites	Potential issues/Comments
Aquadene medium income housing (Transnet and Mondi)	230	EIA and bulk sanitation to be upgraded
Sinkinifi	400	Potential for development to be investigated
Hillview Phase 2	230	EIA and DFA approval required, poss clayey soils
Wild-en-Weide ext.	1719	Access to private land may be difficult
Birdswood ext./ Sappi Development	407	EIA required
Wild-en Vilde –Brackenham buffer	50	Potential for development to be investigated
TOTAL SITES	3036	

uMhlathuze Housing Sector Plan 2020

Priority Programme Nine: Emergency Housing Programme

The Emergency Housing Programme is a programme provided for in Part 3 Volume 4 of the National Housing Code. According the Housing Code "The main objective of this Programme is to provide temporary assistance in the form of secure access to land and/or basic municipal engineering services and/or shelter in a wide range of emergency situations of exceptional housing need through the allocation of grants to municipalities".

Currently a total of 39 temporal houses are being constructed in ward 1, 5, 6, 11, 18,19, 20, 31 & 33 to assist some of the beneficiaries that were identified through this programme.

LAND SUITABLE FOR FUTURE HOUSING DEVELOPMENT

The uMhlathuze Municipality's Spatial Development Framework identifies a number of expansion areas as future development nodes. All these properties are privately owned. However, the Municipality is heavily reliant on stakeholders such as Department of Human Settlements, Housing Development Agency (for social housing development) and the Department of Rural Development & Land Reform to assist with acquiring of suitable land for housing development which is currently privately owned or state owned.

These expansion areas were identified given due consideration to, amongst others, geotechnical, air quality and environmental constraints. Apart from these listed constraints, planning principles were also applied. Some of the main principles relate to developing a more integrated urban structure, infill development and also creating economic opportunities in proximity to areas of dense settlement. Out of eight proposed expansion areas, seven of them will accommodate housing development in different categories (i.e. medium, high, mixed etc). These include the following:

The following information is provided in respect of each of the identified expansion areas.

- location
- ownership
- availability of bulk and/or connector services
- accessibility in terms of transport and economic opportunities
- linkage to Spatial Development Framework

Table 35: Land Suitable for Housing Development: SDF Proposed Expansion Areas

PROJECT NAME	LOCATION	LAND OWNERSHIP	PROJECT TYPE
Expansion Area A	Esikhaleni-Vulindlela Corridor	Mkhwanazi Traditional Authority (Mkhwanazi Community)	Mixed Residential
Expansion Area B	Felixton	Private	Mixed Residential
Expansion Area D	Empangeni	Private	High Residential
Expansion Area E	Empangeni	Private	Mixed Residential
Expansion Area F	Richards Bay-Birdswood-Mandlazi & Veldenvlei	State	Mixed Residential
Expansion Area G	Nseleni Interchange	Private	Mixed Residential
Expansion Area H	Empangeni (Empangeni Mega Housing)	Council	Mixed Residential

uMhlathuze Housing Sector Plan 2020

LAND REFORM PROGRAMMES

Land claims are made against the State in terms of the Restitution of Land Rights Act (No. 22 of 1994) and are resolved by way of physical land redistribution or other appropriate/practical means, e.g. financial compensation. Following the commencement of the Restitution of Land Rights Amendment Act (Act No. 15 of 2014), people who missed the 31 December 1998 deadline to lodge land claims now have an opportunity to lodge claims until 30 June 2019. It is important to note that the intention of land claims is not to stop development.

The Municipality is constantly engaging with the Land Claims Commission to attend to matters relating to land claims in the municipal area. It has been determined that the following land claims in the municipality are being attended to:

1. Mandlazini / Mambuka Land Claim (Ref No Krn6/2/2/E/21/0/0/3)
2. Mambuka Amendment Claim (Amendment Notice 255 Of 2017)
3. Mbonambi Land Claim (Ref No Krn6/2/2/E/21/0/0/67)
4. Mndaba Group Land Claim (Ref No Krn6/2/2/E/21/0/0/53)

4.1.5 Ray Nkonyeni Housing Trends

The Municipality has been implementing housing projects to address the housing need within their area of jurisdiction to improve the standard of living of the local communities. The programmes & projects being implemented fall within different categories and include Breaking New Ground (BNG) housing, rural housing, rectification and others. The following reflects the current and future provision of housing opportunities for the citizens of Ray Nkonyeni Municipality.

NUMBER OF HOUSING OPPORTUNITES BEING PROVIDED

The following table presents the provision of housing opportunities

Table 36 Provision of Housing Opportunities

HOUSING OPPORTUNITIES BEING PROVIDED	NUMBER (APPROXIMATELY)
Number of housing units already provided across all housing programmes (completed in old and current projects)	12 124
Number of housing units in the process of being provided across all housing programmes which are at various stages of construction	2170
Number of housing opportunities (sites / units) being planned for the future across all housing programmes	9173

Number of rectifications completed	177
Title Deed Restoration Programme (title deeds to beneficiaries)	2071

Ray Nkonyeni Human Settlement Plan 2020

NUMBER OF PROJECTS IN TERMS OF THE DIFFERENT HOUSING PROGRAMMES

The following table presents a variety of the housing programmes as well as their implementation status

Table 37 Programmes and projects

PROGRAMMES	TOTAL NUMBER OF PROJECTS	STAGES
Rural Housing Programme	16 projects	6 at planning stage 10 at implementation stage (tranche 1 & 2)
Informal Settlement Upgrading	3 projects	1 at planning stage 2 at implementation
Greenfield Housing Programme	3 projects	1 at planning stage 3 at implementation
Financed linked individual Subsidy Programme (FLIPS/Gap market)	2 projects	2 at concept/ feasibility stage
Rectification Programme	1 project	1 at implementation stage
Social / Rental Housing	1 project	1 planning stage
Title Deed Restoration Programme	5 project	comprising of 2546 sites
Integrated Residential Development Programme	8 land parcel	Identified land parcels for further development

Ray Nkonyeni Human Settlement Plan 2020

STATUS OF THE VARIOUS PROGRAMMES AND PROJECTS (COMPLETED/ CURRENT / PLANNED)

Informal Settlement Upgrading Programme

The Municipality has been very progressive in the eradication of informal settlement. The Municipal strategy predominantly aims at providing new Greenfield Housing Developments in close proximity to the current informal settlements.

Table 38 Slums Clearance (eradication of Informal Settlements) Projects

PROJECT	WARD	NO OF UNITS	CURRENT STATUS
Louisiana	15	564	Completed- 697 sites were serviced, however due to slope only 564 units were built. Last land parcel (portion 30 (of 6) of the farm Louisiana No 3239) which is privately owned is in the process of being transferred into the name of the Municipality. Need to undertake consolidation of land parcels, receiving of completion certificates (various services) to enable a process of opening of township register leading to the issuing of title deeds to approved beneficiaries. The completion date of the project is still to be determined
Masinenge	3	882	High Density Development. The services of the contractor was terminated. The development of the project has now been taken over by PDoHS with the appointment of an Implementing Agent. 129 top structures have been completed
Mkholombe	20	1000	Planning stage – Detailed studies are being carried out with the option of providing mixed income housing. PDoHS has committed funding in the 2019/2020 financial year for planning processes.
TOTAL		2446	

Ray Nkonyeni Human Settlement Plan 2020

Rural Housing Programme

The Municipality has initiated various rural housing projects in terms of the rural housing programme which will yield approx. 18822 housing opportunities. The table reflects projects that have already been completed, those which are at implementation stage (different levels of construction/ upgrading) and lastly those that are at the planning phase.

PROJECT	WARD	NO OF UNITS	CURRENT STATUS
Vukuzithathe Phase 1 (Nkulu & Mbeni)	33 & 36	1116	Completed
Vukuzithathe Phase 2 (Dlovinga))	31,33 & 36	1000	Completed
KwaNyuswa Phase 1 (Mahlabathini & Thonjeni)	34	1000	Completed

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PROJECT	WARD	NO OF UNITS	CURRENT STATUS
Mthimude Phase 1	36	1000	Project closed off at 989 units. 11 sites have challenges . The project is deemed as completed and will be closed off.
KwaMadlala	14	1000	Construction – 871 units have been completed with a balance of 129 units remaining. Anticipated completion of project will be March 2021.
Oshabeni (phase 1)	4 and 12	502	Construction – 502 units completed. Closing off of the project is currently taking place.
KwaNdwalane (deep rural)	24 and portions of wards 3,20,21,22,and 23	1000	Construction – 979 units completed. Balance of 21 units. Anticipation completion will year ending 2020.
KwaNdwalane (Phase 2)	Portions of wards ,20,21,22 ,and 23	500	Construction –128 units completed. Balance of 372 units. Anticipation completion of project being year ending 2023. Anticipated completion of Phase 1 project being year ending 2023.
Gamalakhe (insitu-upgrade)	Portions of wards 25,26,27,and 28	2000	Construction – phase 1 approved for 500 units. 127 upgrading of units have been completed. Balance of 373 units
KwaMavundla	17, 20,25,26 &27	1104	Construction –1100 unit have been completed. Balance of 4 units Anticipated completion will be year ending 2020.
KwaXolo (Phase 1)	7 and 9	1000	Construction – 977 units have been completed. 23 site with challenges to be addressed. Anticipated completion/ closing off the project is still to be determined.
KwaXolo Phase 2	8. 29 & 32	1100	Construction: 1100 units. 1050 units have been completed. Balance of 50 units. Anticipated
KwaNzimakwe (Phase 1)	8,10 and 11	500	Construction – 500 units completed. Closing off project is underway .
KwaNyuswa Phase 2 (WoSiyane/Nkulu)	34	1000	Planning – Implementing Agent appointed. Tranche 1 Application submitted to the PDoHS. Project will be phased with 500 units. Land ownership issues resolved , to conclude land availability agreement and submission of application to the PDoHS

PROJECT	WARD	NO OF UNITS	CURRENT STATUS
KwaNyuswa Phase 2- Blose	35	1000	Planning-Implementing Agent appointed. Tranche 1 application submitted. Project will be phase with 500 units. In the 2019/2020 financial year the PDoHS has committed funding for the project (tranche 1)
Mthimude Phase 2 Hlomendini /Bhosiki	35	1000	Planning -Implementing Agent appointed. Tranche 1 application submitted. Project will be phased with 500 units. In the 2019/2020 financial year the PDoHS has committed funding for this project (tranche 1). Detailed studies are being carried out by the Implementing Agent
Mthimude Phase 2 Shibe	35	1000	Planning: Implementing Agent appointed .Tranche 1 application approved by the PDoHS. Project will be phased with 500 units. In the 2019/2020 financial year the PDoHS has committed funding for this project (tranche 1). Detailed studies are being carried out by the Implementing Agent
Vukuzithathe phase 3- Ngawusheni Bdlazi	30 /	1000	Planning: Implementing Agent appointed. Tranche 1 application submitted. Project will be phased with 500 units In the 2019/2020 financial year the PDoHS has committed funding for this project (tranche 1). Detailed studies are being carried out by the Implementing Agent
Vukuzithathe Phase 3- Bandlana/ Shobashobane	30 /31/33	1000	Planning – Tranche 1 application is currently being finalised for submission to the PDoHS. Project will be phased with 500 units
TOTAL		18822	

Ray Nkonyeni Human Settlement Plan 2020

GREENFIELD HOUSING PROGRAMME

In addition to the upgrading of informal settlements and rural housing projects, the Municipality is also implementing a number of greenfield housing projects. The majority of these are urban and will contribute significantly towards addressing the housing backlog as it affects both the low income and middle-income communities. These projects will yield a total of approx. 1366 units. They are at different stages of the development programme. In Merlewood, it has been

established that some of the housing units were build outside of the cadastral boundaries and require bulk water supply. However, these matters are being addressed.

Table 39: HCM Greenfield Human Settlements Projects

PROJECT	WARD	NO OF UNITS	CURRENT STATUS
Bhobhoyi Phase 1	20	711	711 sites were serviced. 699 units were built. 427 sites transferred, transfer process was suspended due to houses built outside cadastral boundaries. Need to replace the existing GP with an as built General Plan. Need to redo the entire transfer process. Funds were approved by the PDoHS to undertake social facilitation and conveyancing activities. budget shortfall being address with the PDOHS to address the historical challenges
KwaNzimakwe (PHP) KwaLatshoda	1	1813	1813 sites were serviced. 600 top structures were built. General Plan needs to be redone due to houses affected by road expansion (SANRAL). Budget shortfall being address with the PDoHS to address the historical challenges Funding approved by the PDoHS to address social facilitation and conveyancing tasks. Challenges. Engagements with PDoHS to address funding challenges to address historical challenges
Bhobhoyi Phase 11	20	1098	Bulk Infrastructure challenges being addressed between RNM Municipality and by Ugu District Municipality.
Merlewood housing	17	228	37 sites unbuildable. 137 units completed, 45 with bulk challenges, awaiting for additional bulk infrastructure funding (water).
Lot 7 Albersville	12	40	Challenges with local community on land ownership. Project is on hold due to land owner challenges within the beneficiary community.
TOTAL		3890	

Ray Nkonyeni Human Settlement Plan 2020

RECTIFICATION HOUSING PROGRAMME

The project is about the refurbishment of pre -1994 units that were built and had various construction challenges. Government has provided funding to undertake remedial work on these units so that they become more liveable.

Table 40 Rectification Projects

PROJECT NAME	PROGRAMME TYPE	WARD	NO. UNITS	CURRENT STATUS
Gamalakhe	Rectification	26 & 28	273	187 rectification of units completed. Anticipated project completion September 2020.
Total			273	

Ray Nkonyeni Human Settlement Plan 2020

SOCIAL HOUSING PROGRAMME

The following sites were identified as Restructuring Zones, but only 3 of them were approved by the Provincial Department of Human Settlements.

- Erf 1675Uvongo.
- Rem 26 of erf 4939 & 4941 Marburg
- Erf 2319 Marburg
- Rem 1627 and erf 2309 Oslo Beach
- Erf 1735 Rathbonville
- Erf 137 Port Shepstone

ERF 4939 & 4941 (Marburg) and Erf 1675 (Uvongo) has been gazette for Social Rental Housing Provision . The Municipality will enlist the services of established Social Housing Institution with good management and track record on social housing provision to assist the Municipality in this regard Approx. 2000 housing opportunities can be provided with different housing typologies and densities, mainly rental accommodation for Government employees.

INTEGRATED RESIDENTIAL HOUSING PROGRAMME (FLIP AND GAP HOUSING)

In terms of ensuring integrated sustainable human settlement development the Municipality has identified developable land to implement the integrated residential housing programme by providing mixed income housing in terms of the relevant income bands with a variety of housing typology and density. The programme will also address overflow of beneficiaries from informal settlements, settlements that cannot be developed,

Table 41 Land for mixed income housing

MARKET DEMAND STUDY FOR AFFORDABLE RENTAL HOUSING IN KWAZULU – NATAL (KZN) PROVINCE:
STATUS QUO REPORT

AREA	WAR D	No of Housing Opportunities	STATUS
Marburg (6439) – Social (Rental) Housing	20	144	Technical Feasibility study was carried out by SHRA. Have established bulk water infrastructure challenges that need to be addressed. with funding.
Marburg (4941)- Social (Rental) Housing	20	Still to be determined	To undertake pre- feasibility study
Uvongo (1675)- Social (Rental) Housing		Still to be determined	To undertake pre- feasibility study
Portion 15 (of17) Portion 16 (of 17) and the remainder of 7 of the farm success no 7108 (Mr Dammont)	22	281	PDoHS has assisted by purchasing the land for the Municipality. The property was registered in the name of the Municipality in the 2018/2019 financial year. Project still needs to be planned for mixed income housing.
Disposal of Council Owned land parcels for Social Housing and FLIPS (Marburg and White City)	Vari ous	350	Land parcels are in the Marburg area / White City. The Municipality has appointed an Implementing Agent to plan and implement the development of the sites for Social (Rental) Housing and Finance Linked Subsidy Programme. The project development is ongoing.
Portion 8 (of 4) of the farm Louisiana No 3239, Portion 46 (of 7) of the farm Louisiana no 3239 and portion 34 of the farm Sanderstead No 15566 (Mixed Income Housing) (Mr Chetty)	Vari ous	Still to be determined	The land was acquired by the PDoHS and is registered in the name of the State. Still to be planned for housing development . Possible challenge with bulk infrastructure services
Portion 1 of Lot 7 Marburg Settlement 5344 (Mr Frik Pieterse)	Vari ous	Still to be determined	The land was acquired by the PDoHS and is registered in the name of the State. Still to be planned for housing development .

Ray Nkonyeni Human Settlement Plan 2020

4.1.6 Msunduzi Housing Trends

The Msunduzi Municipality has identified a number of housing projects that aim to address the municipality's housing demand. These projects are at different stages – a number of them have been completed; with a majority of them being either in planning or implementation phases.

HOUSING PROJECTS IN URBAN AREAS

The majority of housing projects in the Msunduzi are individual, and project linked subsidy projects. Housing projects in urban areas are as follows:

- The Municipality is administering a total of 40 housing projects at present.
- A total of 30 056 housing subsidies for these projects have been applied for.
- To date 25 657 houses have been built, and 4 399 houses still have to be built.

Table 42 Current Urban Housing Projects

Project Area	Current Stages	No. of Units
Msunduzi Wirewall Rectification	Construction of Top structures	2086
Msunduzi Operation Sukuma Sakhe (OSS1) Housing Project	Construction of top structures	117
Jika Joe CRUs Project	Construction of bulk engineering services	1164
Msunduzi Operation Sukuma Sakhe (OSS2) Housing Project	Construction of top structures	216
Thembalihle Housing Project	Social Facilitation	401
Thamboville Housing Project	Social Facilitation	203
Glenwood Q-section Housing Projects	Resolving social issues	216
Ethembeni		4000
Site 11 Housing Project	Resolving social issues	252
Total		8 655

Msunduzi Housing Sector Plan 2018

HOUSING PROJECTS IN RURAL AREAS

Table 43 Current Rural Housing Projects

Project Area	Current Stages	No. of Units
Vulindlela Rural Housing Project	Construction of top structures	25 000
Total		25 000

Msunduzi Housing Sector Plan 2018

HOUSING PROJECTS IN INFORMAL SETTLEMENTS

According to the Msunduzi (IDP, 2017-2022:131), 97% of all informal settlements in Msunduzi are in urgent need of upgrading intervention. The distribution of projects within the Municipality indicates that:

- 60% of projects are located in Edendale/Imbali ABM
- 22.5% of projects are located in the Central Areas ABM
- 17.5% of projects are located in the Northern ABM.

Table 44 Current Housing Projects

Project Area	Ward Number	No. of Units
Vulindlela Rural Housing Project	-	25 000
Edendale Unit S Phase 8 Ext.	Ward 17	428
Willowfountain EE (Phase 1)	-	73
Lot 182 Sinathing Housing Project	-	133
Crest Place	Ward 28	31
Imbali Crossing	Ward 19	142
Bantine Place	Ward 23	350
Nkululeko/ Regina Road	Ward 28	251
Shamrock	Ward 28	35
Wayside Place	Ward 28	37
Nhalakahle	Ward 31	599
Maryvale	Ward 35	70
Mkondeni	Ward 37	965
Mkondeni / Sport	Ward 37	3000
Hollingwood	-	1000
Khalanyoni	-	1000
Edendale J2 & Quarry	Ward 11 & 12	1000
Revamp, RefurbishmentSlangspruit	Ward 13	585
Khalanyoni	-	1000
Edendale J2 & Quarry	Ward 11 & 12	1000
Revamp, RefurbishmentSlangspruit	Ward 13	585
Edendale Bulwe	Ward 11 & 12	1000
Total		35 699

Msunduzi Housing Sector Plan 2018

RENTAL/SOCIAL HOUSING SUPPLY

In the absence of a waiting list, it is hard to calculate the total demand for rental housing in Msunduzi. However, in 2013, the MHA proposed the construction of more than 900 rental housing units in the Westgate/Grange area - it was proposed that 287 units will cater for households earning up to R3 500 and 665 will cater for households with an income of around R7 500 per month. The programme commenced in 2014.

Table 45 Rental/Social Housing Projects

PROJECT AREA	WARD NUMBER	NO. OF UNITS
Imbali Crossing	Ward 19	142
Buntine Place	Ward 23	350
Gomorra	Ward 23	571
Crest Place	Ward 28	31
Mayfair Road	Ward 28	63
Nkululeko/ Regina Road	Ward 28	251
Shamrock	Ward 28	35
Wayside Place	Ward 28	37
Mattison Drive	Ward 30	5
Comet Place	Ward 30	35
Privet Road	Ward 30	48
Old Greyton/ Khan Road	Ward 30	94
Springvale	Ward 30	73
Nhalakahle	Ward 31	599
Jesmondene	Ward 35	88
Maryvale	Ward 35	70
Ohtmann Road	Ward 35	41
Mkondeni	Ward 37	965
Total		3498

Msunduzi Housing Sector Plan 2018

Table 46 Projects By Capital City Housing

PROJECT NAME	STREET	NO. OF UNITS	YEAR
Aloe Ridge	Westgate/ Grange (R56)	950	2018
Acacia Park	Oribi Road	300	2004

PROJECT NAME	STREET	NO. OF UNITS	YEAR
Municipal Units	Various	55	2002
Signal Hill	Nienaber Road	364	2008
Total		1669	

Msunduzi Housing Sector Plan 2018

PLANNED HOUSING PROJECTS FOR MSUNDUZI

Table 47 Planned Housing Initiatives

Project Area	Current Stages	No. of Units
Verification of Occupancy of Rental	Verification has started. To date a very poor response by tenants	250
Prepare New Leases for All Verified Tenancies	Prepare and sign new leases. To date a very poor response by tenants.	250
Implementation of Eviction Orders for Defaulting Tenants	Commence Legal Action and eviction if necessary, on defaulting tenants.	250
Valuation and Rent Determination	Commence valuation and rent determination report.	305
Total		1055

Msunduzi Housing Sector Plan 2018

HUMAN SETTLEMENT PROJECTS

Table 48 housing projects - planning stage

Project Area	Wards	No. of Units
Ethembeni	-	4000
Harewood	-	1000
Mkondeni / Sport	Ward 37	3000
Yellowwood Place	Ward 32	90
Copesville	Ward 29	1176
Kwa 30 Housing Project	-	400
Hollingwood	-	1000
Khalanyoni	-	1000
Glenwood 2 South East Sector (3000 units)	-	3000
Edendale J2 & Quarry	Ward 11 & 12	1000
Edendale Bulwe	Ward 11 & 12	1000

Project Area	Wards	No. of Units
Signal Hill	-	3000
Ambleton Ph 3	-	3000
Revamp, Refurbishment Slangspruit	Ward 13	585
Msunduzi Wirewall	-	2086
North East Sector	-	281
Edendale S 8 Ext	Ward 17	428
Total		26046

Msunduzi Housing Sector Plan 2018

MSUNDUZI' S HOUSING DELIVERY PERFORMANCE

According to statistics from the KZN Department of Human Settlements-Inland Region, Msunduzi delivered 22 473 housing units (actual delivery) between 2009 and 2018. The delivery formed part of 16 projects across Msunduzi, of which the Vullindlela Rural Housing project contributed 93%. The municipality had a planned delivery target of 24 795 for the same timeframe. This implies that 2322 housing units were not delivered.

4.2. TYPES OF DWELLINGS

The types of dwellings in the six regions are outlined below.

Table 49 Alfred Duma Type of Dwelling

Alfred Duma Type of Dwelling	Number of Households	Percentage of Households
House or brick structure on a separate stand or yard	43,349	72%
Traditional dwelling/hut/structure made of traditional materials	10,132	17%
Flat in a block of flats	2,274	4%
Town/cluster/semi-detached house (simplex, duplex or triplex)	914	2%
House/flat/room, in backyard	1,728	3%
Informal dwelling/shack, in backyard	726	1%
Informal dwelling/shack, NOT in backyard, e.g. in an informal/squatter settlement	619	1%
Room/flatlet not in backyard but on a shared property	212	0%
Other/unspecified/NA	359	1%
Total - Type of dwelling	60,313	100%

Source: Standardised Regional Services Quantec

In terms of type of dwellings, in Alfred Duma 72% of dwellings are house or brick structures on a separate stand or yard followed by 17% that are traditional dwellings. The third most common dwelling type in Alfred Duma are flats at 4% of all households in the region.

Table 50 Newcastle Type of Dwelling

Newcastle Type of Dwelling	Number of Households	Percentage of Households
House or brick structure on a separate stand or yard	77,419	84%
Traditional dwelling/hut/structure made of traditional materials	2,908	3%
Flat in a block of flats	2,286	2%
Town/cluster/semi-detached house (simplex, duplex or triplex)	1,307	1%
House/flat/room, in backyard	2,302	3%
Informal dwelling/shack, in backyard	2,062	2%
Informal dwelling/shack, NOT in backyard, e.g. in an informal/squatter settlement	2,814	3%
Room/flatlet not in backyard but on a shared property	158	0%
Other/unspecified/NA	430	0%
Total - Type of dwelling	91,688	100%

Source: Standardised Regional Services Quantec

In Newcastle 84% of dwellings are house or brick structures on a separate stand or yard. This is followed by 3% that are traditional dwellings, 3% House/flat/room, in backyard and 3% informal dwelling in an informal settlement.

Table 51 KwaDukuza Type of Dwelling

KwaDukuza Type of Dwelling	Number of Households	Percentage of Households
House or brick structure on a separate stand or yard	54,746	71%
Traditional dwelling/hut/structure made of traditional materials	4,086	5%
Flat in a block of flats	2,969	4%
Town/cluster/semi-detached house (simplex, duplex or triplex)	1,972	3%
House/flat/room, in backyard	1,808	2%
Informal dwelling/shack, in backyard	2,564	3%
Informal dwelling/shack, NOT in backyard, e.g. in an informal/squatter settlement	5,869	8%
Room/flatlet not in backyard but on a shared property	531	1%
Other/unspecified/NA	2,093	3%
Total - Type of dwelling	76,638	100%

Source: Standardised Regional Services Quantec

In KwaDukuza 71% of dwellings are house or brick structures on a separate stand or yard followed by 8% to households that are in informal dwellings in an informal settlement and 5% that are traditional dwellings.

Table 52 Umhlathuze Type of Dwelling

Umhlathuze Type of Dwelling	Number of Households	Percentage of Households
House or brick structure on a separate stand or yard	67,458	76%
Traditional dwelling/hut/structure made of traditional materials	7,267	8%
Flat in a block of flats	7,229	8%
Town/cluster/semi-detached house (simplex, duplex or triplex)	1,794	2%
House/flat/room, in backyard	1,442	2%
Informal dwelling/shack, in backyard	1,611	2%
Informal dwelling/shack, NOT in backyard, e.g. in an informal/squatter settlement	1,074	1%
Room/flatlet not in backyard but on a shared property	667	1%
Other/unspecified/NA	735	1%
Total - Type of dwelling	89,276	100%

Source: Standardised Regional Services Quantec

In Umhlathuze 76% of dwellings are house or brick structures on a separate stand or yard followed by 8% that are traditional dwellings and 8% that are flats.

Table 53 Ray Nkonyeni Type of Dwelling

Ray Nkonyeni Type of Dwelling	Number of Households	Percentage of Households
House or brick structure on a separate stand or yard	54,526	71%
Traditional dwelling/hut/structure made of traditional materials	7,994	10%
Flat in a block of flats	3,678	5%
Town/cluster/semi-detached house (simplex, duplex or triplex)	2,247	3%
House/flat/room, in backyard	1,652	2%
Informal dwelling/shack, in backyard	1,462	2%
Informal dwelling/shack, NOT in backyard, e.g. in an informal/squatter settlement	3,041	4%
Room/flatlet not in backyard but on a shared property	716	1%
Other/unspecified/NA	1,014	1%
Total - Type of dwelling	76,331	100%

Source: Standardised Regional Services Quantec

In Ray Nkonyeni 71% of dwellings are house or brick structures on a separate stand or yard. This is followed by 10% that are traditional dwellings and 5% that are flats.

Table 54 Msunduzi Type of Dwelling

Msunduzi Type of Dwelling	Number of Households	Percentage of Households
House or brick structure on a separate stand or yard	106,436	60%
Traditional dwelling/hut/structure made of traditional materials	29,795	17%
Flat in a block of flats	10,209	6%
Town/cluster/semi-detached house (simplex, duplex or triplex)	6,896	4%
House/flat/room, in backyard	3,341	2%
Informal dwelling/shack, in backyard	4,803	3%
Informal dwelling/shack, NOT in backyard, e.g. in an informal/squatter settlement	10,107	6%
Room/flatlet not in backyard but on a shared property	1,819	1%
Other/unspecified/NA	2,892	2%
Total - Type of dwelling	176,297	100%

Source: Standardised Regional Services Quantec

In Msunduzi 60% of dwellings are house or brick structures on a separate stand or yard followed by 17% that are traditional dwellings. The third most common dwelling type in Msunduzi are flats at 6% of all households in the region

4.3. HOUSING TENURE STATUS

The following table outlines the housing tenure status of each region.

Table 55 tenure status of each region

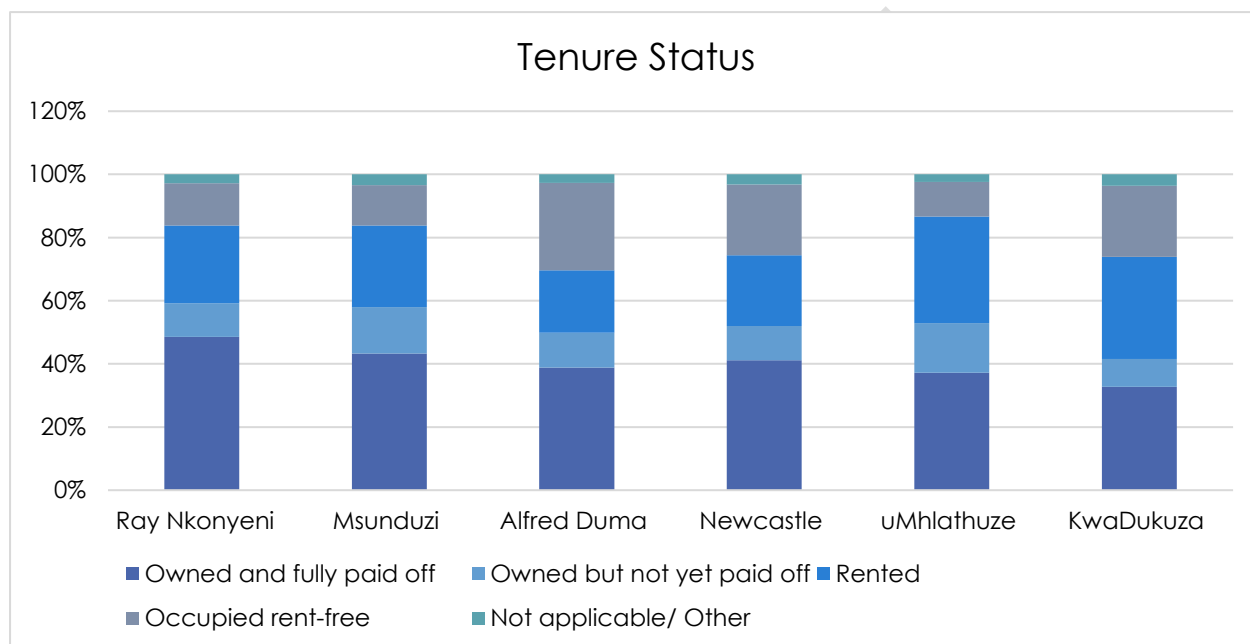
	Owned and fully paid off	Owned but not yet paid off	Rented	Occupied rent-free	Not applicable/Other	Total Households:
Alfred Duma	39%	11%	20%	28%	3%	100%
Newcastle	41%	11%	22%	22%	3%	100%
KwaDukuza	33%	9%	32%	23%	4%	100%
uMhlathuze	37%	16%	34%	11%	2%	100%
Ray Nkonyeni	49%	11%	25%	13%	3%	100%
Msunduzi	43%	15%	26%	13%	3%	100%

Source: Calculations based on data from the 2011 Census

From the six regions, Ray Nkonyeni has the highest percentage of households that are owned and fully paid off at 49% while KwaDukuza has the smallest percentage of the six regions at 33%. A significant portion of households are renting with the highest rental market being Umhlathuze at 34% followed by KwaDukuza at 32%. Alfred Duma has the highest percentage of households that are occupying dwellings rent free at 28% followed by KwaDukuza at 23%.

The tenure status of these regions is represented graphically below.

Figure 15 The tenure status



Source: Calculations based on data from the 2011 Census

4.4. HOUSING Challenges

4.4.1 Alfred Duma

Alfred Duma Municipality faces a range of key issues related to housing development. These issues are significant, and some can hamper the municipality from delivering sustainable human settlements to its citizens. These key issues include serious housing backlog, land issues, delivery sustainable human settlement, land typology, basic infrastructure and overlapping housing institutions. These issues are explained further in the section that follows.

Housing Backlog: Alfred Duma Municipality faces a serious housing backlog. This has been exacerbated by the merger of the two municipalities where one of them was largely rural.

Land Release for Housing Development: the pattern of land ownership within the Municipality demonstrates multiple tenure rights. It ranges from ITB, private, communal to state land. Land

parcels that are privately owned or are under DRDLR or Tribal Authority slows down the housing delivery pace due to its complex and cumbersome processes involved in unlocking land for housing development.

Basic Infrastructure: the urban areas and some towns in Alfred Duma are supplied with an advanced level of infrastructure (i.e. water, electricity, sanitation, road and transport facilities) compared to other areas particularly the rural areas.

Land Topography: the topography of the municipality is characterized by hilly, undulating landscapes, moderate to steeply slopes, broad valleys and flat plains along with the rolling hills. The topography and slopes impact on development and provision of services including housing and road network.

Population Growth Rate: Alfred Duma like many other many other municipalities in South Africa that have vibrant economic towns or cities experience an influx of people coming to their areas in search of employment opportunities and better living standards.

Overlapping Authority: the issue of overlapping authority is linked to matters of land. There is an overlapping authority between traditional councils (who are allocating land for settlement purposes and administering the state land on day-to-day basis) and the Department of Rural Development and Land Reform that is the custodian of state land.

Sustainable Human Settlement: rural settlements in Alfred Duma Municipality are not sustainable in the short to long term. Most people in the area do not derive a sustainable living from rural agriculture.

Land Invasion: land invasion is one of the serious issues confronting the municipality. Some of the land parcels that are privately owned or under the state have experienced mushrooming of unplanned settlements.

4.4.2 Newcastle

While government housing grants and subsidies serve as an opportunity for the development of sustainable human settlements and meeting the housing needs of local communities, several factors have potential to impede realisation of this ideal. Firstly, some of the land that could potentially be accessed for housing is still subject to the Subdivision of Agricultural

Land Act, Act No. 70 of 1970. These properties may not be used for settlement purposes unless the Department of Agriculture has released them from agricultural use. In this regard, the key challenges facing the housing sector in Newcastle include the following:

- Limited land for housing projects (limited land availability and release).
- Land legal challenges affecting the transfer of land and housing.
- Illegal occupation of land already identified for housing projects.
- Limited availability of bulk infrastructure (water, electricity, refuse removal, sanitation, etc.).
- Housing development structure and staffing in the Municipality have to be improved. This will contribute to more effective housing delivery.
- Limited coordination among spheres of government.

4.4.3 KwaDukuza

The following challenges hinders the delivery of housing in KwaDukuza:

- The scarcity of land for human settlement development'
- In cases where land is available, the land owners request for extremely high compensation (prices),
- Unavailability of funds for land acquisition,
- Unavailability of Council owned land for human settlement in Ballito make it impossible for Council to ensure integration of communities,
- Insufficient budget provided by the National and Provincial Human Settlements department (Housing Development Grant),
- Land invasion of land earmarked for human settlements development,
- Lack of bulk infrastructure funding for water, sanitation and electricity,
- Slow pace in eradicating informal settlements due to budget constraints,
- Incomplete Chief Albert Luthuli Informal Land Tenure Upgrade programme,
- In most instances, these people are living in very squalor or difficult conditions. This then necessitates KwaDukuza Municipality to be proactive in providing decent living conditions for these people e.g. Shakaspring;
- Unavailability of Funds for Land Acquisition;
- Lack of Council owned land for human settlement in Ballito make it possible for Council to ensure integration of communities.
- Insufficient Funds for Bulk Infrastructure e.g. bulk electricity, roads, sewerage and water;
- Land Invasion;
- Selling of Council Land;

- Rapid increase of population adds on the housing backlogs, unavailability of accommodation;
- Influx of people coming to KwaDukuza to seek job opportunities;
- Budget -Cut/Constraints;
- Discontinuing of Rectification Programme;
- None-Prioritisation of Rural Development;
- Slow turnaround time in issuing of title deeds for beneficiaries of human settlements projects,

4.4.4 Umhlathuze

While uMhlathuze Municipality has a number of programmes for housing delivery, many challenges still need to be faced in this regard including the following:

- Land ownership and unsettled land claims
- Demand is higher than supply of housing due to lead time to deliver housing.
- The availability of capacity in bulk infrastructure (Waste Water Treatment Works, Electricity, Roads, Water, Storm-water)
- To obtain environmental authorisation and water use licenses in time.
- Availability of suitable land for housing development
- Insufficient integrated engineering bulk infrastructure to connect new housing development with existing corridor, settlement patterns and economic nodes.
- Funding constraints due to performance linked payments
- Land Invasions and Vandalism of completed housing structure
- Illegal occupation of completed housing structure
- Lack of Education of new housing owners could result in:
 - Lack of payment of rates
 - Difficult renting of houses
 - Difficult maintenance issues
 - Loss of revenue

4.4.5 Ray Nkonyeni

Ray Nkonyeni Municipality area is facing a number of housing development related issues that should be addressed in order to realize the ideal of sustainable Human Settlements. These range from land related issues (Land Tenure), Municipal Capacity, the housing need to institutional and governance issues.

- Housing backlog: Housing backlog in Ray Nkonyeni Municipality manifests itself in the form of substandard dwelling units, particularly in the traditional authority and informal settlement areas.

- Sustainability of settlements: rural settlements in Ray Nkonyeni Municipality are not sustainable in the short to long term. Most people in the area do not derive a sustainable living from rural agriculture. There is a heavy dependence on welfare grants ("survival capital") and external in-flows of remittances from urban centres or commercial farms. The key challenge is therefore to transform these rural villages into sustainable Human Settlements with basic services, social infrastructure and economic development opportunities.
- Land release for housing: The Human Settlements Development Projects that are located in peri-urban areas are moving very slowly because they are urban in character, but are located on land that requires a rural housing subsidy instrument. As such, there is conflict between the policy requirements and the community development aspirations
- Illegal occupation of low income houses: It has been established that some completed houses are being rented or sold illegally, and are being illegally extended. This is problematic because the housing delivery process is to curb the housing backlog challenge and if more houses are being illegally used the housing need will not be addressed timously

4.4.6 Msunduzi

While government housing grants and subsidies serve as an opportunity for the development of sustainable human settlements and meeting the housing needs of local communities, several factors have potential to impede realisation of this ideal. Firstly, some of the land that could potentially be accessed for housing is still subject to the Subdivision of Agricultural Land Act, Act No. 70 of 1970. These properties may not be used for settlement purposes unless the Department of Agriculture has released them from agricultural use. In this regard, special issues include the following:

- Land Availability & Release
- Land legal problems affecting the transfer of land and housing
- Coordination Among Spheres of Government
- Apartheid spatial structure
- Availability of Bulk Infrastructure
- Illegal occupation of land identified for housing

Secondly, implementation of human settlement projects is the mandate of the national and provincial Human Settlement. It involves the coordination of the activities of various government department, the municipality and service delivery agencies. However, it is common for government departments to identify projects and develop programmes

separately. This makes coordination difficult and delays the development of settlements into sustainable human settlements in line with the national policy.

other issues related to housing delivery include among others the following:

- Accreditation level 1 for housing delivery from the Department of Human Settlement (DOHS);
- Funding and assistance for upgrading of informal settlements from DOHS (National Upgrading Support Programme);
- Prioritised for Social Housing and identified as one of 13 municipalities with Provisional Restructuring Zones;
- Land invasion creates queue jumping;
- Release of suitably located land for housing being delayed by the state. Many parcels have been identified but the state is delaying release
- Land/ legal problems are affecting transfers both of land for housing and completed houses; and
- Suitable organisational structure and staffing in the Municipality not approved to deliver on housing fully.

Issues related to rental stock include among others the following:

- Ageing infrastructure (rental flats);
- Insufficient funding for repairs and maintenance which relates to poor rental payments;
- Possibility of transferring certain rental units under Enhanced Extended Discount Benefit Scheme (EEDBS) policy (National Department of Human Settlement Policy); and
- Delays by DOHS in investigation of rental stock for the EEDBS transfers.
- Illegal occupation of land.
- Land legal problems affecting the transfer of land and housing.

5. CONCLUSION

This report presented the situational analysis related to the housing delivery for Alfred Duma Newcastle, KwaDukuza, uMhlathuze, Ray Nkonyeni and Msunduzi Local Municipality. The Status Quo phase focused the analysis on the following areas:

- Location delineation for each of the six regions,
- Location analysis for each of the six regions,
- Economic Profiling for each of the six regions
- Demographic Market overview – for each of the six regions,
- Residential Market Analysis – for each of the six regions,
- Social Housing sector analysis for each of the six regions, and
- challenges faced during the housing delivery for each of the six regions.

Regarding the household annual growth, it is important to note that the majority of the regions analysed presents a growth rate averaging 1,62% per annum.

Regarding the access to various services, it is important to note that the majority of the regions analysed presents inadequate and uneven service provision. In terms of access to electricity, Alfred Duma has the lowest percentage of households that have access to electricity with 9,767 households still relying on candles for a source of energy while 1,197 in Msunduzi are relying on paraffin. KwaDukuza and Ray Nkonyeni have fewest number of households with access to a telephone in their dwelling. Ray Nkonyeni has the lowest percentage of households that have their waste removed by the local authority. In Msunduzi, 7,597 households have no form of waste disposal.

A substantial number of households in all six regions have no access to any type of toilet facility, specifically Ray Nkonyeni and Msunduzi have 8,827 and 8,551 households respectively that have no access. In terms of access to water, most households in the six regions have piped water inside their dwelling, however, KwaDukuza has the lowest percentage of households that have access to piped water.

Regarding the dwelling types, there is a need to note that Newcastle has the highest percentage (84%) of household dwellings that take the form of house or brick structure on a separate stand or yard while Msunduzi has the smallest percentage (60%). This may imply a need for housing in Msunduzi.

Regarding the housing tenure status, it should be noted that KwaDukuza has the smallest percentage of households that are owned and fully paid off. In addition, a significant portion

of households are renting with the highest rental market being Umhlathuze followed by KwaDukuza.

A number of challenges hindering the housing provision in the six regions were presented and key of them included the following:

- Housing Backlog: faced by all municipalities
- Difficult Land Release for Housing Development:
- Lack or limited Basic Infrastructure supporting the housing delivery
- Land Invasion: land Illegal occupation of land already identified for housing projects.
- Influx of people coming from neighbouring municipalities
- Financial constraint or limited budget for housing projects
- Illegal occupation of completed housing structure