

## *Gaps in the design and implementation of the Gauteng housing allocation process*

### **Summary**

Housing allocation continues to be a concern, not only in South Africa, but also globally, in contexts where public housing programmes have been a key element in addressing housing needs. The clarity or lucidness of a housing allocation policy directive regarding its objectives and intended outcomes often influences the success of its implementation (DeLeon & DeLeon, 2002). This policy brief draws from Buitendijk's (2011) definition of housing allocation as 'a social housing allocation policy that consists of a set of criteria indicating which households are allowed to live in which accommodation, and includes rules about how households can apply for a vacant property' (Buitendijk, 2011:1–2). This speaks to the South African housing allocation system that targets the poor who, without housing subsidies, would otherwise be homeless. Therefore, implementation of the housing allocation process facilitates access to housing for the indigent.

### **Background**

Arguably, the housing allocation process has yielded both positive and negative outcomes, thus necessitating a re-evaluation to inform its revision.

With this in mind, the Gauteng Department of Human Settlements (GDHS) commissioned the Human Sciences Research Council (HSRC) to carry out a study to evaluate the design and implementation of the Gauteng housing allocation process. The study was conducted in the five regions of Gauteng (Ekurhuleni, Johannesburg, Sedibeng, Tshwane and the West Rand) using focused group discussions (FGDs) and key informant interviews among community leaders (15) and government officials (7) (Ndinda & Sobane, 2019). A total of 15 FGDs were formed, comprising 152 participants (residents), of which 19.7% were from Ekurhuleni, 19.1% from Sedibeng and Johannesburg, 17.8% from Tshwane and 24.3% from the West Rand. The gender distribution of the FGD participants was 51.3% males and 48.7% females (Ndinda & Sobane, 2019).

### **Key findings**

The housing allocation process is embedded in the Constitution of South Africa, 1996, which establishes the right to housing as well as the policies and programmes that are developed to progressively realise this right. The national eligibility criteria for housing

allocation (DHS, 2009) (also applied in Gauteng) stipulate the following:

- The applicant must be married or have financial dependants. Marriage is broadly defined to include both customary and civil marriages, long-term cohabitation and proven dependants.
- The applicant must be a South African citizen or permanent resident.
- Applicants must be competent to conclude contracts (over 18 years).
- The monthly household income must not exceed R3 500 for applicants of Integrated Residential Development Programme dwellings and R7 000 for Finance Linked Individual Subsidy Programme (FLISP) applicants.
- Eligibility is limited to applicants who have not previously benefitted from state-subsidised housing.
- Applicants must be first-time homeowners.
- Eligibility includes vulnerable groups (child-headed households, the elderly, the disabled, military veterans and women).

### **Gaps in the housing allocation process**

A comparison between the national and provincial criteria indicates that while the age for eligibility for subsidised housing allocation at national level is 21 years, it is 18 years in Gauteng. Whereas the Gauteng housing allocation policy indicates that only citizens are eligible for subsidised housing, the national guidelines stipulate that permanent residents are also eligible. Clearly, the provincial policy has to align with the national policy regarding eligibility for housing allocation. While the definition of vulnerable groups in previous policies was limited to the physically disabled, the current GDHS (2015) allocation policy includes the mentally challenged and the homeless. These features in the provincial policy need to be included in the national allocation guidelines. The inclusion of special or vulnerable categories such

as orphans, the physically disabled and the elderly (GDLGH, 2011:6) is in line with the state's efforts of achieving socioeconomic rights for the poor in society.

In Gauteng, the criteria for housing allocation also prioritised vulnerable groups (identified as women and military veterans) among those targeted for subsidised housing delivery. Given the diminishing resources for housing development, it becomes imperative that the vulnerable in Gauteng and nationally be accorded priority over any other social groups.

For its part, the Gauteng housing allocation policy also includes households that might have owned residential property in the past, but no longer do. This is particularly relevant for households in informal settlements targeted for upgrading (Ndinda et al., 2017). The Gauteng (2015) allocation policy includes households that earn up to R15 000 per month. These households are eligible for a vacant serviced stand and the FLISP, and rental housing through the institutional subsidy. The expanded scope of the allocation policy covers a wide range of low-income households and ensures that the housing needs of the poorest (those earning below R3 500 per month) (Housing Act 107 of 1997) are met. The 2015 Gauteng housing allocation policy is intended to ensure that units are 'allocated in a fair, equitable, and transparent manner' (GDHS, 2015:14). The policy intent aligns with the national housing allocation guidelines and policies of other provinces (Western Cape Government, 2015).

While the objectives of the Gauteng housing allocation policy are specific, the extent to which they are measurable remains debatable. The policy does not clarify how to determine that the process of each project is fair, transparent and equitable; the policy

also does not specify any targets to achieve its broad purpose.

### **Comparing the national and Gauteng housing allocation systems**

The housing allocation system adopted by Gauteng in 1994 was based on the construction of a waiting list, which captured the particulars of subsidy applicants. However, the waiting list system was undermined by political meddling and thus unable to deal with all the programmes of the GDHS. It is in this light that it was redesigned to address its weaknesses and renamed the Housing Demand Database System (HDD). Expressly, the HDD was a computerised system to register housing subsidy applicants in Gauteng and was used to determine the housing needs in specific areas within the province (GDHS, 2015). Whereas the HDD was used at provincial level (Gauteng), the National Housing Needs Register (NHNR) was a national system whereby residents in any area or region of the country could register their housing needs. By 2018, the GDHS had shifted to the NHNR system of housing allocation.

The NHNR is not only valuable as a tool for housing allocation, but is also useful for development planning. To the extent that applicants are required to provide detailed information when registering on the NHNR, the system enables the aggregation of information on municipalities where the poor are concentrated as well as on the services that are accessible to them. As a valuable planning tool, the NHNR can assist municipalities in making decisions about the appropriate location of housing, social services and infrastructure.

### **Outcomes of the housing allocation policy**

Where study participants contended that the housing allocation system did not produce the desired outcomes, the following were cited as of major concern: lengthy delays, allocation of

units to households whose economic conditions had improved, allocation of units in places different from where households were located, failure to allocate specialised units to people with physical disabilities and political interference with the housing allocation lists once these had been approved by the Joint Allocations Committee (JAC).

### **Changes in allocation systems and associated challenges**

People who had applied through the previous allocation systems were required to start afresh and apply for housing using the current system (NHNR). However, these changes were not communicated promptly, resulting in dissatisfaction among potential housing subsidy beneficiaries who had already registered on previous allocation systems.

### **Allocation of units to households whose economic conditions had improved**

As the testimony provided in FDGs and other interviews indicates, recent applicants for subsidised housing were allowed to jump queues. Applicants who applied before the introduction of the NHNR (2015) in Gauteng found themselves still on waiting lists for different housing allocation systems. No wonder those who had been waiting for more than 10 years and discovered that recent applicants had been allocated subsidies felt that policy was ineffective and considered the system to be inefficient.

**Participant:** *I'm not satisfied with the way it's working because you will find that someone registered in 2008 and then they receive a house but there is someone who registered in 2002 who hasn't received a house. In addition, an issue that there are people who have no subsidy forms from 1997–98 have not received houses because they did not fill in the subsidy forms. Therefore, the government must help people register the subsidy forms. (Community leader, Sedibeng)*

### **People with physical disabilities**

The allocation policy identifies the groups considered vulnerable, and stipulates that vulnerable groups will be accorded priority in housing allocations. While identifying the groups is important, no attempt is made to clarify the proportion of subsidies that should be allocated to each category – the exception being the physically disabled, for whom a target of 5% of subsidies is set aside. Yet, to ensure the efficiency of the JAC, there is a need to specify the proportion of subsidies that should be set aside for each category classified as vulnerable. Such a clause in the policy would ensure efficiency in the allocation process and promote the effectiveness of the policy in targeting the most vulnerable groups in Gauteng.

The policy is also ineffective when the physically challenged are allocated dwellings that do not accommodate their needs. Furthermore, the allocation of dwellings in projects located in areas outside their preferred ones, and without their consent, highlights communication problems with subsidy beneficiaries.

While the GDHS effectively communicated with eligible subsidy applicants, the same could not be said of ineligible applicants. It was only when they went to the GDHS offices that they found out that their applications had been unsuccessful. Subjects interviewed for this evaluation indicated that all along they had been under the impression that they were still on the waiting list.

### **Allocation of units to households whose economic conditions had improved**

Another challenge related to the final vetting before the allocation of units. Some officials felt that there was a need to review the financial status of applicants on the NHNR to ensure that they were still eligible. Such measures

would ensure that the JAC approved subsidy applicants based on current rather than outdated economic status.

**Participant:** *Let us find a way of rechecking this [sic] people or reassessing these people; if your situation has improved definitely you don't qualify for an RDP house then we can be able to write to you and say hang on, your situation has improved in terms of getting a house. You may have started a big company and you are earning a lot of money, you do not qualify for an RDP house so that for me is critical. (Key informant interview)*

### **Ambiguities in theory and practice Sustainability**

The achievement of sustainable human settlements, such as housing allocation, is one of the most important long-term objectives of the government. However, the Gauteng housing allocation policy has to deconstruct what sustainability entails in terms of the housing allocation process. Achieving spatial equity is important in a province characterised by spatial inequality. The financial sustainability of the housing allocation process depends on budgetary allocations from the provincial housing department, which in turn receives its allocation for housing development from the national DHS. Without budgetary allocations for the development of human settlements, there can be no housing allocation process.

### **Efficiency**

The allocation policy identifies the groups which it considers vulnerable and stipulates that these groups be accorded priority in the housing allocations process. With the exception of the physically disabled, for which 5% of subsidies are set aside, there is no clear criteria for apportioning subsidies for different categories of the identified vulnerable groups. Without clarity on this matter, it is not possible to ensure the efficiency of the JAC. Indeed, lucidity

in policy is required if efficiency in the allocation process and effectiveness of policy are to produce positive results for the most vulnerable groups in Gauteng.

## Participation

Although the Gauteng allocation policy commits to a participatory process, it was not clear at what point such participation was implemented, what forms participation took, and which stakeholders were involved in initiating and driving the process.

The challenges in the design and implementation of the housing allocation policy in Gauteng notwithstanding, knowledge and satisfaction levels with the process were also of concern to participants in the FGDs and interviews. Few study participants in Johannesburg (24.7%) and Sedibeng (24.7%) understood how the housing allocation worked. The situation was worse on the West Rand, where a third (30.3%) of the participants confirmed that they had no knowledge of how the process worked. This was reflected in the low levels of satisfaction with the process across all the regions, with slightly better satisfaction levels expressed among only a third of participants in Johannesburg (30.8%) and Sedibeng (30.8%).

## Discussion

While the intent and purpose of the GDHS housing allocation policy are laudable, the lack of a clear vision,

mission and strategy of implementation with specific timelines presents a challenge to housing allocation. Although public participation is anticipated in the design of policy, there is no indication at what stage it should take place or the form it should take. The GDHS should also clearly specify the intended outcomes of public participation in relation to housing allocation.

Communication remained one of the major challenges in the housing allocation process in Gauteng. Departmental failures to communicate changes were a hindrance to the smooth working of the allocation systems, while carrying over applicants from one system to the next and the inability to communicate with ineligible applicants led to dissatisfaction with procedures.

## Recommendations

### Provincial policy vs national guidelines

- **Review national housing guidelines.** National housing allocation guidelines should be reviewed to ensure that they are enforceable at the provincial level. Given such alignment, municipalities that fail to comply with the guidelines should be called to account.
- **Redesign the Gauteng housing allocation policy.** The Gauteng housing allocation policy should be redesigned to include a clear vision, mission and strategy. Without such clarity, the department is

bound to be engaged in activities that do not necessarily lead to the desired outcomes. In addition, the GDHS should clearly articulate its communication strategy at each stage of the process to ensure that the applicants know where they stand with regard to their allocation of subsidised housing.

- **Have a monitoring and evaluation framework.** The GDHS should have a clear monitoring and evaluation framework for the policy in order to redesign and repurpose the policy to effectively respond to the needs of the poor. Such a framework should clearly indicate the evaluation intervals and measurable indicators of the success of the implementation.
- **Efficiently transition from one allocation system to the next.** Although the importance of migrating from the HDD to the NHNR was emphasised in the GDHS allocation policy, the strategy and timelines for the migration were not specified. That left the housing subsidy applicants from the HDD and previous waiting list system in a precarious position. As indicated by study participants, those who applied when the waiting list system was in place had not been allocated dwellings. The perception that recent applicants are granted houses before those who were on previous lists is a problem. Clearly, the migration process from one system to the next should be ably communicated. The GDHS should also ensure that subsidy applicants in previous allocation systems are carried over to and prioritised within the current allocation system.
- **Track subsidy applicants.** The GDHS should ensure that it can track the changes in the economic status of subsidy applicants to make sure that only the most deserving cases are allocated housing. This requires rechecking the financial status of

**Table 1:** Knowledge of and satisfaction with the housing allocation process by region

Characteristics	Ekurhuleni N (%)	Johannesburg N (%)	Sedibeng N (%)	Tshwane N (%)	West Rand N (%)
<b>Do you know how the housing allocation process works?</b>					
Yes	12 (16.4)	18 (24.7)	18 (24.7)	14 (19.2)	11 (15.1)
No	18 (23.7)	11 (14.5)	11 (14.5)	13 (17.1)	23 (30.3)
<b>Are you satisfied with the housing allocation process?</b>					
Yes	1 (1.9)	16 (30.8)	16 (30.8)	10 (19.2)	9 (17.3)
No	28 (28.6)	13 (13.3)	13 (13.3)	17 (17.3)	27 (27.6)

Source: Authors

applicants to certify their eligibility before housing allocation.

- **Participate in housing allocation.** Housing allocation is currently based in the NHNR, but it is not clear where community participation fits in within this system. The GDHS should examine the role of participation and the form it takes within the housing allocation process.
- **Cater for people with physical disabilities.** People with physical disabilities are among the vulnerable that the GDHS prioritises in housing allocation. However, allocating housing units built for able-bodied people to those who are physically disabled defeats the purpose of the policy. The GDHS should also safeguard subsidised units by incorporating designs that support independent living for those who are physically disabled.

Although sustainability is generally well understood within the broader context of human settlements in South Africa, it is unclear what it involves in housing allocation. Thus, clarification of both its connotative and denotative meaning is imperative in the context of housing allocation.

Suffice it to say, similarly to the national guidelines, the GDHS housing allocation policy seeks to ensure implementation in an equitable, fair and transparent manner. However, these ideals are not concretised into a coherent strategy. In order to operationalise the terms 'equity', 'fairness' and 'transparency', they should not only be well understood but should also be measurable. Furthermore, the objectives of the policy should be SMART (specific, measurable, attainable, realistic and time bound).

While the objectives might be specific, the extent to which they are measurable, attainable, realistic and time bound remains debatable. In other words, there is a need to formulate SMART objectives that give a clear indication of the proportions of vulnerable groups that are targeted for each planned project.

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