

**MINISTRY**

**HUMAN SETTLEMENTS**

 **REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:560/\*115 [NW617E]**

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**PQ 560. Ms N N Sihlwayi (ANC) to ask the Minister of Human Settlements:**

1. Considering that her department has previously declared 136 Priority Development Areas (PDAs) to address apartheid spatial planning and noting that the implementation of the PDAs is done through public-private partnerships, what has been the level of investment by the private sector;
2. Whether the investment by the private sector met the targets envisaged by her department; if not; how has she managed to supplement the shortfall of the private sector?

**Reply:**

1. Following the gazette of PDAs in the 2021/22 year, there are twelve (12) Social Housing projects that have been approved and contracted representing a total investment of approximately R1.9 billion of which government has committed a total of R1.2 billion (64%) with a yield of 4 393 units.

Of the twelve (12) projects, eight (8) are from private sector delivery partners, attracting equity contributions of R284 million. We anticipate the level of private sector involvement to increase as the SHRA refines its engagement model to be more responsive to the sector expectations.

In the case of First Home Finance (FHF) provinces and NHFC projected to assist 7 259 households. A total of 5 121 households received financial assistance and purchased units through FHF by the end of the third quarter for the financial year 2022/23 financial year. The performance represents 71% of the annual target respectively. In terms of the amount leveraged from financial institutions, NHFC projected to leverage R1,9 million from financial institutions during the 2022/23 financial year. As at the end of quarter 3, the entity managed to leverage R1 732 million and the performance represents 91% of the annual target.

1. The investment by the private sector to meet the targets in the approved national priority projects has not been achieved. The Department is working with Infrastructure South Africa (ISA) to source funding that will supplement and support public-private partnerships. Through this initiative with ISA, the Lufhereng project received funding from National Treasury. The required project amount is R7.8 billion for infrastructure in Lufhereng. The National Treasury has approved R3.9 billion through the Budget Facility for Infrastructure (BFI) process. The remainder of the funding will be the responsibility of the Private Sector (the developer) and City of Johannesburg. The first tranche of R389 million in the new financial year will be released by National Treasury and should be equally matched by the developer and the City.

In addition, the Department has taken a comprehensive approach to address the housing needs in mining communities by leveraging partnerships with mining companies and other stakeholders and the allocation of additional human settlements grant funding for bulk infrastructure.