
GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF HUMAN SETTLEMENTS

NOTICE 266 OF 2021

**PUBLICATION OF EXPLANATORY SUMMARY OF THE HOUSING
CONSUMER PROTECTION BILL, 2021**

1. Notice is hereby given in terms of Rule 159(1)(b) of the Joint Rules of Parliament, the National Assembly that the Minister of Human Settlements, Water and Sanitation intends to introduce the Housing Consumer Protection Bill, 2021, in the National Assembly.

2. The explanatory summary of the Bill is hereby published in accordance with Rule 276(1)(c) of the Rules of the National Assembly.

The Bill repeals the current Housing Consumers Protection Measures Act (Act No. 95 of 1998) ("the Act"). Since the promulgation of the Act on 4 June 1999, the National Home Builders Registration Council ("the Council") has identified a number of challenges with certain key provisions of the Act, which impacted negatively on the efficient execution of the Council's mandate. The said challenges, *inter alia*, relate to inadequate protection of housing consumers, the transformation of the industry, the high risk of litigation, the inadequate enforcement powers, the ineffective alternative dispute resolution mechanism and the excessive turnaround time of the current enforcement procedures.

To this end, the Bill seeks to ensure adequate protection of housing consumers and effective regulation of the home building industry by, *inter alia*, strengthening the regulatory mechanisms; expanding the protection to housing consumers; introducing effective enforcement tools and prescribing appropriate penalties/sanctions to deter non-compliance by home builders. In addition, the Bill creates an enabling environment for new entrants into the home building industry through the introduction of contractual provisions to ensure their sustainability in the market.

The economic transformation of the industry is also addressed by the introduction of provisions such as the warranty fund surplus which can be utilised towards human settlements' developmental programmes, and to provide for matters connected therewith.

3. A copy of the Bill can be found on the websites of the National Department at <http://www.humansettlements.gov.za> and that of the Parliamentary Monitoring Group at <http://www.pmg.org.za> and, after introduction, may also be obtained from: Government

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