



Province of the
EASTERN CAPE
HUMAN SETTLEMENTS

POLICY AND BUDGET

SPEECH

2026/27



2026/27 BUDGET AND POLICY SPEECH TABLED BY THE MEC FOR EASTERN CAPE MEC FOR HUMAN SETTLEMENTS HONOURABLE SIPHOKAZI LUSITHI AT THE EASTERN CAPE PROVINCIAL LEGISLATURE.

24 March 2026, Raymond Mhlaba Chamber, Eastern Cape Provincial Legislature

Honourable Speaker

Honourable Premier

Honourable Members of the Provincial Legislature

Leadership of the Eastern Cape House of Traditional Leadership

Religious Leaders

Director General and Heads of Departments

Heads of Agencies

Business fraternity

Honourable Guests in the Public Gallery

INTRODUCTION

Honourable Speaker, allow me to extend my greetings to everyone present in this esteemed House. It is my privilege to table the 2026/27 Budget and Policy Speech for the Department of Human Settlements. This is particularly significant as it marks the first financial year of the Seventh Administration and outlines the strategic direction that will guide the human settlements sector in the province during this term.

This year also marks 30 years since the signing of the Constitution of the Republic of South Africa by President Nelson Mandela, a historic milestone that affirmed the democratic state's obligation to progressively realise the basic rights of all its people. That defining moment laid the foundation for an egalitarian republic of the people, by the people and for the people. It is therefore our responsibility to account for the progress made thus far, while ensuring that our policies, planning and implementation remain firmly anchored in the principles of the Constitution and the Bill of Rights.

Honourable Members, 2026 also marks the 50th anniversary of the 1976 Youth Uprising, a turning point in the struggle against apartheid oppression. In honour of the

courage and sacrifices of those young activists, the Department is strengthening its focus on youth empowerment through skills development, economic participation and meaningful opportunities within the human settlements sector.

Within this broader historical context, we do not view this Policy Speech as a routine compliance exercise, but rather as a strategic instrument of accountability to the people of this province. It provides an opportunity to outline practical and implementable plans for delivering sustainable, integrated human settlements that go beyond shelter to advance spatial transformation, economic inclusion and social cohesion.

We are therefore advancing, with deliberate clarity, the development of sustainable and integrated human settlements that respond to the lived realities and aspirations of our people. Through this approach, we seek to reverse apartheid spatial patterns that continue to marginalise workers and the poor from centres of economic opportunity. Restoring the dignity of those who endured decades of dispossession and oppression remains central to our transformation agenda, with the provision of decent shelter for the most vulnerable at its core.

Accordingly, the development of integrated human settlements remains a key priority of government, as reflected in both the National Development Plan (NDP) and the Provincial Development Plan (PDP). However, despite significant housing delivery since the advent of democracy, the demand for adequate shelter continues to grow due to rapid urbanisation, population growth and migration in search of economic opportunities. This reality requires stronger coordination, clearer planning and more innovative approaches to housing delivery.

For this reason, we are leveraging the merger of the Department of Human Settlements and the Department of Public Works and Infrastructure under a single Ministry to improve coordination in planning, land release, infrastructure provision and project implementation.

Through this integrated approach, we are identifying and releasing strategically located land parcels for inner-city development and mixed-mode housing

developments. These developments will include rental housing, social housing, serviced sites, gap-market housing units and fully subsidised houses, enabling us to respond more effectively to the diverse housing needs of our communities.

Honourable Members, this work takes on even greater significance as South Africa is currently observing Human Rights Month. We are reminded that the right of access to adequate housing is a fundamental right enshrined in Section 26 of the Constitution of the Republic of South Africa. This year also marks the 70th commemoration of the historic march of women to the Union Buildings, when thousands of women stood courageously against injustice and affirmed the principles of dignity, equality and freedom.

These historic milestones serve as a powerful reminder that our work of human settlements is not merely about infrastructure and housing delivery, but rather advancing human dignity and fulfilling the constitutional promise of a better life for all. They compel us to remain resolute in prioritising the needs of those who remain most vulnerable in our society.

DEPARTMENTAL REVIEW AND HIGHLIGHTS FOR 2025/26

Honourable Members, the Department is progressively diversifying its delivery approach by shifting greater focus towards mixed-mode and middle-income housing options. This ongoing shift is expanding the range of affordable housing opportunities available to citizens while simultaneously generating revenue for municipalities and stimulating local economic growth by creating an enabling environment for development and investment.

Through this approach, we are empowering citizens to increasingly access and secure their own accommodation, thereby gradually reducing the burden on the state while fostering a stronger sense of ownership and responsibility within our communities.

In advancing this process, the Department continues to drive the development of new and smart cities and integrated neighbourhoods, while strengthening its commitment to mixed-mode developments that contribute to the revitalisation of secondary cities and small towns across the province.

Guided by the Provincial Developmental Plan Vision 2030, the Department remained steadfast in advancing more equal, prosperous and integrated communities. The 2025/26 financial year was characterised by deliberate efforts to accelerate spatial transformation, dismantle apartheid spatial patterns and position human settlements as a catalyst for inclusive economic growth.

Honourable Members, recognising the interconnectedness of people, place, environment and economy, the Department moved beyond a narrow housing delivery approach towards integrated, market-responsive human settlements development.

Provision of Housing Opportunities to Qualifying Beneficiaries

Honourable Members, prioritising the destitute and vulnerable remained central to the Department's mandate. During the 2025/26 financial year, the Department focused on delivering housing opportunities to the destitute, elderly, child-headed households, persons with disabilities, military veterans, GBVF victims and disaster-affected beneficiaries, mindful of the province's diverse socio-economic realities.

Delivery Achievements

Honourable Members, by the 15th of March 2026, the Department had accelerated housing delivery with exceptional results, demonstrating its unwavering commitment to transforming lives.

A total of **4 737 Breaking New Ground (BNG) housing units** were delivered, providing dignified homes to thousands of beneficiaries, translating to **95%** of our overall 2025/26 housing delivery targets. Access to homeownership was further expanded through **230 First Home Finance subsidies** and **58 Individual Subsidies**, empowering qualifying beneficiaries to secure sustainable housing opportunities. Meanwhile, the Department rectified **1 117** units under the Remedial Works Programme, translating to **96%** of the annual target.

In addition, the Department unlocked future development potential by delivering **6 237 serviced sites**, laying a strong foundation for continued growth, translating to **144%**,

exceeding the annual target. These achievements reflect decisive leadership, efficient implementation, and a relentless drive to exceed delivery expectations.

In securing tenure, the Department registered **1 666** title deeds, translating to **100%** of the annual target and thus restoring dignity and unlocking economic value for households. As per our commitment to the House, the Department has made steady progress in ensuring that in new projects, title deeds are issued to beneficiaries after beneficiary approval. This has been realised in the Boxwood 3500 project, where more than 300 title deeds have been registered. The Department's commitment to the principle of "one title deed, one beneficiary" is steadily being realized.

Six properties have been made available to accommodate survivors of GBVF. The Ministry will continue to strengthen its collaboration with the Department of Social Development to ensure the sustainability of this intervention through integrated service delivery. In addition, the Ministry will provide the necessary resources to ensure that the Safe Houses are fully prepared to support victims of gender-based violence.

The use of the Framework Agreement facilitated the swift appointment and replacement of contractors and Professional Service Providers (PSPs), with underperforming contractors substituted within a period of **four weeks**. This approach ensured continuous service delivery to beneficiaries and prevented the deterioration of work that had been left incomplete at various stages.

Empowerment, Skills Development and Job Creation

Honourable Members, empowerment, skills development, and job creation are vital, interconnected pillars that drive economic growth, alleviate poverty and strengthen social cohesion. The Department allocated **56%** against the annual target of **40%** of the HSDG budget to designated groups, directly benefiting **65** women and **19** youth contractors.

Through the Expanded Public Works Programme (**EPWP**), the Department created **5 657** job opportunities prioritising youth and women. In addition, the Department enhanced youth skills and employability by training **195** youth through the Learnership and Experiential Learning Programme, translating to **137%** exceeding the annual target. Part of this cohort are currently on site in one of our projects in Reeston, where they are receiving training in bricklaying and carpentry trades. *Somlomo abanye babo sinabo phakathi kwethu namhlanje kulendlu yowisomthetho – sicela baphakame.*

Honourable Members, we are also supporting **51** Technical and Vocational Education and Training (TVET) learners and providing opportunities for **86** graduate interns. These initiatives contribute to cultivating a skilled, resilient, and productive young workforce.

In 2026, the Department launched a groundbreaking bursary scheme to empower disadvantaged, high-achieving learners pursuing careers in human settlements and the built environment. This historic initiative opens doors for students to rise above socio-economic challenges and build a future in fields critical to our Province's development. From the top provincial performers, **eight** exceptional students who come from disadvantaged families were selected, marking the first cohort to benefit from this transformative opportunity.

Partnerships and Investment Mobilisation

The Department continues to strengthen its strategic partnerships through Memoranda of Understanding (MoUs) with key institutions, including institutions of higher learning such as Nelson Mandela University, the University of Fort Hare, Walter Sisulu University, and Rhodes University, as well as regulatory bodies including Agrément South Africa (ASA).

These agreements formalise collaboration and create structured platforms for the generation of credible, evidence-based research to inform responsive policy development and enhance the delivery of human settlements programmes across the province. Through its partnership with Nelson Mandela University, the Department has

implemented **four** short learning programmes for councillors, municipal officials, and traditional leaders. These initiatives were designed to build capacity in human settlements planning, governance, and implementation, thereby strengthening institutional effectiveness at local government level.

During the 2025/26 financial year, the Department formalised a collaborative partnership with the Department of Agriculture through the signing of a Memorandum of Understanding, establishing a structured framework for the coordinated implementation of the Destitute and Vulnerable Groups Programme in the Eastern Cape. This partnership strengthens integrated service delivery by aligning human settlements interventions with broader socio-economic support measures.

Complementing this social development focus, the Department also advanced environmental sustainability objectives through its partnership with the Department of Forestry, Fisheries and Environment. Over **1,000** trees were planted across the province under the Tree Planting Green Initiative. These initiatives reflect a holistic and integrated approach to human settlements development, addressing social vulnerability while promoting environmentally sustainable communities.

Local Building Materials and Black Industrialists

Honourable Members, the Department is intentionally advancing economic transformation by requiring contractors appointed to our projects to source building materials from Black Industrialists. Notably, over **90%** of the building materials used in our projects are procured within the province. To determine both the scale and geographic spread of economic activity among Black Industrialists, the Department conducted a contractor survey during the 2025/26 financial year. The survey revealed that **69%** of responding contractors are already procuring materials from Black Industrialists operating within the province. This represents meaningful and measurable progress.

These findings go beyond mere statistics; they provide a solid evidence base to strengthen and systematically implement the Black Industrialists Programme. They

ensure that our interventions remain focused, measurable, and strategically targeted to maximise impact.

To deepen localisation and expand inclusive participation across the Human Settlements value chain, the Department has also concluded a Memorandum of Understanding with key stakeholders to actively promote the inclusion of local building material manufacturers and suppliers. This commitment is already being translated into action. A pilot initiative has been launched in the Alfred Nzo Region in partnership with the District Municipality, the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), and the Small Enterprise Development and Finance Agency (SE DFA). This pilot sets the foundation for a structured provincial rollout that will broaden opportunity, strengthen local industry, and accelerate inclusive growth.

Informal Settlements Upgrading and Socio- Economic Amenities

Honourable Members, during the 2025/26 period, the upgrading programme for informal settlements has demonstrated a steady progress across three phases in the province. In **Phase 1**, **10** informal settlements were successfully completed in Dr Beyers Naudé (2), Ndlambe (5), and Koukamma (3). Key milestones included re-blocking, social facilitation, and community empowerment, establishing a strong foundation through structured community participation and the conclusion of social compacts.

Phase 2 saw the implementation of eleven (11) informal settlements in the Sarah Baartman District, where interim relief measures and essential basic services were provided to households affected by disasters. **Phase 3** is currently underway in twenty-nine (29) informal settlements across Amatole (12), Sarah Baartman (12), Chris Hani (2), and Joe Gqabi (3). This phase focuses on the delivery of permanent infrastructure, including water, sanitation, roads, stormwater management systems, electricity, and serviced sites, significantly improving living conditions for more than **10,000** households.

This programme has been instrumental in unlocking bulk infrastructure through the construction of a **R16,8 million** water treatment plant in Ndlambe Local Municipality which will impact human settlements delivery and broader socio-economic development in the area.

During the rollout of the Nkantolo, Mnandi and Tsomo MPCC projects, numerous obstacles and setbacks were encountered. In response, a series of comprehensive measures have been put in place to settle outstanding disputes, improve oversight of contractors, and avoid additional delays. As a result, completion of the MPCCs is now projected for the 2026/27 and 2027/28 financial years. By boosting stakeholder involvement, increasing project monitoring, and ensuring proper resource allocation, the Department reiterates its dedication to meeting its obligations to both the community and stakeholders.

Municipal Support Programme

Municipal support and capacity building are enshrined in Section 154 of the Constitution of the Republic of South Africa, which places an obligation on national and provincial governments to support and strengthen the capacity of municipalities to perform delegated functions, including Human Settlements Programmes.

In line with this constitutional and policy mandate, and in preparation for participation in the Accreditation Programme during the Medium-Term Development Plan (MTDP) period, the Department has prioritised support to Matatiele Local Municipality towards Level One Accreditation. The Department is working closely with the Municipality to strengthen compliance with prerequisite requirements, including the review and updating of key documentation. Targeted financial and technical support has been provided to accelerate this process and enhance institutional readiness.

Support has also been extended to King Sabata Dalindyebo, Kouga, Ndlambe, Nyandeni, Senqu, Umzimvubu Local Municipality, OR Tambo District Municipality, and Sarah Baartman District Municipality. The Department will continue to implement focused support guided by the outcomes of the respective capacity assessments and readiness evaluations of municipalities.

Advancing Consumer Education and Community-Based Interventions

The Social Facilitation Programme has been instrumental in promoting effective service delivery through its focus on customer care, consumer education, and the prevention of disputes. The programme plays a vital role in reducing project delays arising from social unrest or beneficiary dissatisfaction, as experienced during the Oceanview 1500 project in Kouga Local Municipality, where concerns were raised regarding beneficiary allocation and the criteria applied. Through targeted social facilitation interventions, stability was swiftly restored. We are pleased to report that occupation is progressing well, with **34** families now settled in their rightful homes.

The Department successfully implemented the Social Facilitation Strategy, rolling out **five** targeted programmes that included comprehensive consumer education initiatives and structured community engagements across the province. These interventions enhanced awareness and understanding of land tenure and property ownership rights among **4 347** households, empowering beneficiaries to safeguard and maximise the value of their housing assets.

Spatial Transformation and Priority Development Areas

Honourable Members, as part of our broader strategy to optimise and develop state-acquired land parcels, the Department has commenced with market feasibility studies to determine the demand for human settlements within **five** strategic areas where the Department of Public Works and Infrastructure is implementing office precincts: EmaXesibeni precinct and Ntabankulu TVET in the Alfred Nzo Region, Bhisho precinct in the Buffalo City Region, Mqanduli precinct in the OR Tambo Region and EC Seaboard in the Alfred Nzo and OR Tambo regions.

Significantly, these Office Precincts are located within areas formally declared as Restructuring Zones in terms of the Social Housing Act of 2008. This designation enables us to unlock social housing opportunities in well-located urban areas, promote spatial transformation, and advance inclusive, integrated communities closer to economic opportunities.

The ongoing market studies will do more than quantify demand for social housing. They will provide a comprehensive assessment of the full range of human settlements instruments required in each precinct, including First Home Finance, appropriate housing typologies, infrastructure requirements, and the estimated budget needed to unlock development potential. The outcomes of these studies will guide both the scale and typology of development, as well as inform our medium- to long-term budgeting framework.

Honourable Members, in my 2025/2026 Policy Speech, I committed to the establishment of a Joint Human Settlements, Property and Real Estate Forum. I am pleased to report that the Forum has now been established, with clear Terms of Reference to guide its work.

This Forum will serve as a strategic platform to align stakeholders across the human settlements and property development value chain, including government, developers, financiers, and built-environment professionals. One of its first key activities will be the convening of a sector-wide conference aimed at aligning policy positions, integrating strategies, and coordinating resources. Through this Forum, we seek to create a structured space for engagement, negotiation, and partnership. Ultimately the platform will facilitate investment, accelerate development and ensuring that our precinct-based initiatives translate into bankable, implementable projects that respond to both market demand and social need.

The Improvement of the Functionality of the Department for Improved Delivery Service Outcomes

Honourable Members, the Department of Human Settlements remains firmly committed to delivering dignified, sustainable, and inclusive human settlements, underpinned by secure and resilient digital systems. Following the recent cybersecurity incident, we conducted a comprehensive review of our ICT environment and implemented decisive corrective measures to strengthen our defences.

We have upgraded our network security to next-generation capabilities and secured 24/7 Security Operations Centre monitoring to enhance threat detection, rapid

response, and the protection of critical systems and citizen data. The Department has throughout the process complied with Section 19 of the Protection of Personal Information Act (POPIA), supported by Sections 20–22, which set out obligations relating to information security, third-party governance, and breach notification. Following the incident, the Department will share lessons learned with staff, key stakeholders, and other Provincial Departments.

At the same time, we strengthened our vulnerability management through regular assessments, advanced endpoint protection, proactive patch management, and ongoing disaster recovery testing.

Importantly, we are continuing to invest in governance and human capital by building cybersecurity skills and fostering a strong security culture across the Department. These combined interventions reinforce public trust, ensure operational continuity, and position cybersecurity as a strategic pillar of our digital transformation agenda, enabling secure and citizen-centred service delivery.

Beyond technological safeguards, the Department recognises that institutional integrity is equally critical to sustainable governance. In this regard, a firm stance against unethical conduct has been reinforced through the formal adoption of a Whistleblowing Policy, designed to encourage transparency, protect reporting mechanisms, and eliminate opportunities for fraud and corruption.

As a result of strengthened internal controls, ethical oversight, and a culture of accountability, the Department has maintained a clean record, with no reported cases of fraud or corruption over the past five consecutive years.

Together, these measures reflect a dual commitment to digital resilience and ethical governance, ensuring that both systems and people operate within a secure, transparent, and accountable framework that supports effective service delivery.

REVIEW OF DEPARTMENTAL EXPENDITURE

Analysis of Departmental Expenditure as at the 1 April 2025 to 15 March 2026

Honourable Members, in the 2025/26 financial year the Department achieved **100%** expenditure of its HSDG and ISUPG allocations, underscoring disciplined financial management and a firm commitment to delivery. This performance was further strengthened by an additional **R60 million** allocation from the national fiscus, which was fully integrated into our spending programme to accelerate the completion of critical projects, to address disaster-related impacts within the province and drive economic growth and social stability across our communities. This proactive reprioritisation and supplementary support enabled timely responses to affected communities while safeguarding the continuity of planned projects.

It must also be noted that in the 2024/25 financial year, the department received additional funding of **R50 million** from the national fiscus. This is recognition of the progressive commitment of the department to fiscal discipline and improved grant performance.

The Department demonstrated resilience and sound financial management in navigating a constrained fiscal environment. While adjustments to conditional grant allocations required careful planning, the Department strengthened its focus on efficiency, strategic prioritisation, and improved resource utilisation to sustain housing delivery and essential services to qualifying beneficiaries. Despite funding adjustments, the Department maintained momentum on key projects by streamlining implementation processes, reinforcing partnerships, and leveraging available resources to support the completion of housing units, site servicing, and support programmes.

These measures ensured continued progress toward housing targets and improved service delivery outcomes. Through adaptive planning and strengthened financial oversight, the Department remains committed to delivering sustainable human settlements and improving the quality of life for beneficiaries.

The Department has once more achieved an unqualified audit opinion with notable improvements during the 2024/25 Financial Year. The continued support of independent Audit and Risk Management structures within the Department, which oversee governance, risk, and control processes have also been critical to this achievement. These oversight mechanisms foster a strong internal control environment, enhancing the effectiveness of both internal and external assurance, ultimately leading to positive audit outcomes as we strive towards a clean audit.

DEPARTMENTAL OUTLOOK FOR 2026/27

Honourable Members, our commitment to building inclusive, resilient, and prosperous human settlements remains central to the realisation of the Provincial Development Plan Vision 2030. As we enter 2026, the pressure for well-located, affordable, and integrated human settlements continues to intensify. This moment demands that we accelerate spatial transformation in a manner that responds to both current needs and future growth, while decisively undoing the historical spatial distortions that continue to shape our towns and cities.

The transformation of our spatial landscape cannot be achieved through a single housing typology or programme. While Breaking New Ground housing remains important, the complexity of today's human settlements challenge requires a diversified and market-responsive approach.

In this regard, the Department is advancing mega mixed-use and gap market housing solutions to reshape the province's development trajectory. This ambitious programme is supported by efforts to unlock alternative funding sources and attract both local and international investors to partner in developing integrated human settlements. The feasibility of this approach was affirmed in the 2026/27 State of the Province Address, where the Premier announced the planned **R60 billion** Coega Ridge Development in the Nelson Mandela Metro, a catalytic project expected to deliver approximately **38 000** housing units alongside social, commercial, institutional and industrial facilities.

This includes targeted interventions across ownership, rental, social housing, and affordable housing markets, supported by sound planning that recognises the interdependence between people, place, the environment, and the economy.

Central to this approach is the scaling up of social and rental housing, as well as the expanded use of the First Home Finance instrument, to promote spatial, social, and economic integration in well-located areas.

As part of strengthening our policy and implementation capacity, the Department continues to engage with national and international platforms that shape the global urban agenda. In 2026, we will participate in the World Urban Forum to be held in Azerbaijan, which will provide an important opportunity to engage on emerging urban challenges, sustainable settlement models, and innovative financing mechanisms for affordable housing. The insights gained from this forum will further inform our provincial strategy and support the refinement of our approach to integrated human settlements development.

Honourable Members, as we look ahead to 2026 and beyond, our task is clear: to move with urgency, coordination, and purpose in reshaping the spatial future of the Eastern Cape. Through deliberate planning, strategic investment, and strengthened partnerships across all spheres of government, we are laying the foundation for communities that are inclusive, connected, and economically vibrant. The path to spatial justice is long, but we are resolute in ensuring that this decade becomes one of decisive transformation for our province.

Provision of Housing Opportunities and Assistance, Prioritising the Destitute, Vulnerable Groups and Military Veterans and GBVF Victims

Honourable Members, housing remains one of the most powerful instruments through which the democratic state restores dignity, advances social justice, and renews hope. The National Housing Code (2009) provides policy principles, guidelines, norms and standards governing all government housing assistance programmes.

In the 2026/27 financial year, the Department will continue implementing projects that prioritise destitute and vulnerable groups, including military veterans, and will respond to individual cases of Gender-Based Violence and Femicide (GBVF) through the provision of safe shelter.

While many qualify for state-assisted housing, available provincial allocations cannot meet all needs simultaneously. We have therefore taken a deliberate and people-centred decision to prioritise those most in need of state intervention.

Priority will be given to:

- Destitute and vulnerable households, including child-headed households, the elderly, and persons living with disabilities;
- Military Veterans, in recognition of their contribution to the country; and
- Survivors of GBVF, as part of government's commitment to protection, dignity, and safe shelter.

This prioritisation is not exclusionary, but a responsible response to fiscal constraints as to ensure, limited resources achieve the greatest social impact while upholding fairness and constitutional obligations. All allocations will be processed strictly in accordance with the Housing Act, the National Housing Code, the Military Veterans Act 18 of 2011 and approved beneficiary management systems, ensuring transparency and equity. We remain committed to honest community engagement and responsible expectation management, recognising that transparency builds trust.

Honourable Members, in the 2026/27 Financial Year, the Department of Human Settlements will deliver **4 770** BNG Housing units, **170** "First Home Finance" subsidies, **38** Social housing units, **90** Individual Subsidies and **2 774** serviced sites through the Human Settlements Development Grant and **2 874** serviced sites through the Informal Settlement Upgrading Partnership Grant in all our regions. Furthermore, we are committed to complete all houses for **274** approved military veterans during the 2026/27 financial year. The Department will, within its budget constraints, utilise its budget allocation of **10%** of HSDG for rectifying **678** units under the Remedial Works Programme across the province.

Empowerment Opportunities, Skills Development and Job Creation for Micro Small and Medium Enterprise (MSME) including designated groups

Honourable Members, in alignment with the Public Procurement Act of 2023, the Department in collaboration with the Department of Public Works and Infrastructure is developing a policy on Micro, Small, and Medium Enterprise (MSME) Development. This policy will provide clear guidelines for integrating MSME participation into human settlements development projects, ensuring that procurement processes actively support local enterprise growth and socio-economic development within the Province.

Strategically, the Department is committed to ensuring that **40%** of the Human Settlements Development Grant (HSDG) and Informal Settlements Upgrading Partnership Grant (ISUPG) benefits MSME contractors and designated groups. By prioritising MSME contractors and designated groups, the Department not only promotes inclusive economic participation but also strengthens the sustainability and resilience of the local construction sector, driving job creation, skills development, and broader provincial economic growth.

Honourable Members, the Department will create **5 673** job opportunities through EPWP programme prioritising youth and women. Furthermore, we will continue supporting the development of the unemployed youth through providing workplace opportunities for graduate Interns and Work Integrated Learners from Technical, Vocational and Educational Training (TVET) Colleges.

The Department plans to host **43** TVET learners and **81** graduate interns during the 2026/27 financial year. Under the Artisan Development Programme, **92** youths will be supported through experiential learning initiatives. In addition, the Department will provide structured monitoring and support to the **eight newly awarded student bursary recipients**, ensuring academic progression, retention, and successful programme completion. This integrated approach reflects the Department's commitment to building a talent pipeline and improving long-term employment outcomes for unemployed youth.

Enhance partnerships and collaborations with Strategic partners in Mobilising Human Settlements Investments

Honourable Members, the Department will continue to cultivate robust, outcome-driven partnerships with private sector entities, departmental contractors, and other government departments to accelerate the delivery of sustainable human settlements. Through active participation in Intergovernmental Relations (IGR) Fora across all municipalities, the Department will consistently present its plans, coordinate implementation, and resolve systemic challenges affecting Human Settlements delivery.

In addition, the Department intends to institutionalise its strategic partnerships through the conclusion of Memoranda of Understanding with the Local Government SETA, Construction SETA, the Green Building Council of South Africa (GBCSA), and the Council for Scientific and Industrial Research (CSIR). These partnerships will strengthen technical capacity, advance green and innovative building practices, enhance skills development within the built environment sector, and embed evidence-based planning and design solutions into human settlements projects.

Honourable Members, human settlements development continues to face significant fiscal constraints, necessitating a strategic shift from a predominantly grant-funded delivery model toward a blended financing approach that mobilises private capital. This direction is aligned with national infrastructure mobilisation efforts led by Infrastructure South Africa and reinforced through provincial investment platforms such as the Eastern Cape Investment Conference, both aimed at crowding in private sector participation.

In this context, the Human Settlements Master Plan under development is not merely a spatial planning instrument, but a catalytic investment framework. The relationship between the Master Plan and investment mobilisation is symbiotic: the Plan will provide spatial certainty, reduces investor risk, aligns land release with economic growth corridors and bulk infrastructure planning, and packages bankable projects suitable for Public-Private Partnerships and blended finance structures. By integrating

sustainability standards and aligning development with infrastructure sequencing, the Plan will transform spatial planning into structured investment opportunities.

Through strengthened partnerships, innovative financing models, and a credible long-term Master Plan, the Department will reposition human settlements as an economic enabler, unlocking land value, stimulating construction-led growth and delivering integrated, sustainable and well-located communities.

Unlocking of Local Building Material Manufacturers and Suppliers

Honourable Members, the Department remains resolute in its commitment to the development and empowerment of building material manufacturers and suppliers. The Department will facilitate the procurement of at least **40%** building materials from black industrialists and suppliers by contractors who are appointed by the Department. Lessons from the 2025/26 financial year have underscored that unlocking the full potential of local manufacturers and suppliers requires a deliberate, coordinated effort involving multiple stakeholders, including financial institutions and other organs of state.

In this regard, a Provincial Contractors and Local Material Suppliers Summit will be held by the second quarter. The main objectives of the summit are to improve implementation efficiency, foster local economic participation and strengthen the supply chain.

In addition, the Department will rigorously enforce existing legislative and policy frameworks to ensure that procurement processes actively advance and protect the interests of local manufacturers and Black Industrialists.

Upgrading of Informal Settlements

Honourable Members, the upgrading of informal settlements remains a critical pillar of our commitment to restoring dignity, improving living conditions, and advancing spatial

transformation in the Eastern Cape. Through the Informal Settlements Upgrading Partnership Grant (ISUPG), government has sought to respond decisively to the realities faced by communities living without adequate services and security of tenure. During the 2026/27 financial year, the Department will be upgrading **38** informal settlements in various municipalities.

The ISUPG programme will be phased out over the next three years, the reduced provincial allocations require a strategic and responsible exit approach. The Department will therefore prioritise the structured closure and formal handover of completed and stabilised projects to municipalities, enabling them to continue upgrading through Integrated Human Settlements Programmes and other funding instruments while safeguarding existing investments. Strengthened municipal capacity will be essential to sustaining progress in informal settlements upgrading.

Municipal Support Programme

Honourable Members, while the constitutional obligation to support municipalities is uniform, municipal capacity and institutional readiness differ significantly. Accordingly, the Department will tailor interventions based on accreditation readiness, performance profiles and identified capacity gaps to ensure targeted and measurable impact.

During the 2026/27 financial year, the Department will capacitate 39 municipalities to perform human settlements functions as per the Housing Code. Building on progress made in the previous financial year, the Department will intensify its differentiated and municipality-specific approach to municipal support and accreditation, prioritising nine municipalities towards Level 1 accreditation across the province.

This approach will be implemented in collaboration with the Department of Cooperative Governance and Traditional Affairs and other sector partners to strengthen intergovernmental alignment, avoid duplication and optimise limited resources. Support will span the full accreditation progression, from foundational institutional strengthening to consolidating gains in accredited municipalities.

Accelerated Registration and Issuance of Title Deeds to Homeowners

Honourable Members, during the 2026/27 financial year, the Department will intensify the issuing of title deeds to rightful beneficiaries, targeting **2 237** registrations. This will also include the issuance of title deeds at approval of beneficiaries in the identified pilot projects of Boxwood 3500, Engcobo Ext 11 and Cacadu Mixed Mode Development 800, once planning processes have been completed. This intervention goes beyond administrative compliance; it restores dignity, strengthens tenure security and unlocks economic value for households across the province.

Strengthening Consumer Education and Community Interventions

In 2026/27 financial year the Department will, through implementation of the Social Facilitation Strategy, continue to strengthen and maximize public participation and community awareness in human settlements programmes to respond to possible social upheavals and service delivery protests. The Department will implement **5** social facilitation elements province wide. These efforts reflect a Departmental commitment to fostering an informed and empowered consumer base, capable of making decisions that enhance personal well-being and contribute positively to the broader economy.

The Improvement of the Functionality of the Department for Improved Delivery Service Outcomes

Honourable Speaker, as the Department of Human Settlements, we recognise that our organisational structure and service delivery model are the cornerstones of effective governance and impactful service delivery. A well-aligned structure enables us to execute our strategic priorities with clarity and accountability, while a responsive Service Delivery Model ensures that our resources are directed where they are needed most, closer to our communities.

The Department is proactively aligning its organisational structure with the approved Service Delivery Model, guided by a deliberate decentralisation approach. This reform strengthens district capacity, clarifies roles and reporting lines, and enhances operational efficiency across the Province. Through this alignment, we are positioning

the Department to be more agile, responsive, and citizen centred. Decision-making is being brought closer to the point of implementation, improving turnaround times and reinforcing accountability. Ultimately, this strategic realignment ensures that we deliver sustainable human settlements more effectively, efficiently, and in a manner that truly serves the people of our Province.

REGIONAL OUTLOOK FOR 2026/27 UNITS AND SERVICES

REGION	SITES	UNITS	NUMBER OF PROJECTS	BUDGET ALLOCATION
ALFRED NZO	632	632	69	R174 425 979
AMATHOLE	269	536	29	R173 939 232
BUFFALO CITY METRO	169	698	34	R191 372 296
CHRIS HANI	880	853	77	R206 752 424
JOE GQABI	294	326	29	R116 087 685
NELSON MANDELA METRO	0	651	25	R157 525 188
O.R. TAMBO	250	651	78	R191 312 619
SARAH BAARTMAN	280	423	51	R130 942 180
TOTAL	2774	4770	392	R1 342 357 603

UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME BUDGET ALLOCATION 2026/27

The program will commence with **38** Informal Settlements in 2026/27

REGION	NO. OF UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME PER REGION	BUDGET ALLOCATION 2026/27
ALFRED NZO	3	R30 400 000
AMATHOLE	14	R36 395 535
CHRIS HANI	2	R26 400 000
JOE GQABI	3	R35 377 444
OR TAMBO	4	R26 000 000
SARAH BAARTMAN	12	R53 018 660
OPSCAP	Operations and Consultation fees	R6 420 360
TOTAL	38	R214 012 000

APPROPRIATED BUDGET 2026/27

The appropriated budget for the Department of Human Settlements for 2026/27 as outlined below:

BUDGET CATEGORY	TOTAL ALLOCATION (R'000)	PERCENTAGE OF OVERALL BUDGET
HSDG	1 473 922	67.28%
ISUPG	214 012	9.77%
Equitable share (provincial)	499 764	22.81%
EPWP	2 887	0.13%
TOTAL	2 190 585	100%

PROGRAMME-BY-PROGRAMME BUDGET ALLOCATION FOR 2026/27:

Honourable Members, the budget allocation Programme-by-Programme is hereby presented:

Programme 1: Administration is allocated **R208,273 million**
(Overall percentage 9.51%)

Programme 2: Human Settlements Delivery Planning and Performance is allocated **R22,078 million** (Overall percentage 1.01%)

Programme 3: Housing Development is allocated **R 1,935,802 billion**
(Overall percentage 88.37%)

Programme 4: Human Settlements Property and Asset Management is allocated a total budget of **R24,432 million** (Overall percentage 1.12%)

The departmental outlook for 2026/27 is summarised below:

KEY DELIVERY OUTPUTS	ANNUAL TARGETS	MTDP
	2026/27	2025-2030
Breaking New Ground Housing Units	4 770	26 384
Individual Housing Subsidies	90	311
First Home Finance (FHF)	170	2 500
Social Housing Units	38	1 025
Remedial Works Programme (Rectification)	678	5 790
Serviced Sites	2 774	9 227
Social and Economic Amenities	1	8
Title Deeds	2 237	8 893
Informal Settlements Upgrading	38	160
<i>Informal Settlements Upgraded in Phase 1</i>	<i>00</i>	<i>30</i>

KEY DELIVERY OUTPUTS	ANNUAL TARGETS	MTDP
	2026/27	2025-2030
<i>Informal Settlements Upgraded in Phase 2</i>	03	47
<i>Informal Settlements Upgraded in Phase 3</i>	35	83
Capacitate 39 municipalities to perform human settlements functions as per the Housing Code	39	39
Intervention to Support Youths through the Artisan Development Programme (apprenticeship and learnership)	92	310
Jobs Opportunities Created (EPWP)	5 673	29 000
Allocate 40% of Human Settlements conditional grants to MSME contractors	40%	40%
Procure 40% of black industrialists building materials	40%	40%

CONCLUSION

Honourable Speaker, as we table this Policy and Budget Speech, we do so with a clear understanding that history will not judge us by the eloquence of our commitments, but by the tangible change we effect in the lives of our people. It is our considered view that every step and action we take should be towards ensuring that the people of our province reap dividends of the democratic project.

We therefore commit ourselves to meticulous planning, accelerated implementation, ethical governance and measurable outcomes towards achieving the clear path articulated in the National and Provincial Development Plans. In the true spirit of the Constitution of the Republic of South Africa, inspired by the noble declaration of the People's Charter, the Freedom Charter we shall continue to build sustainable integrated human settlements that restore dignity, unlock economic opportunity and foster social cohesion.

In this regard, we call on all our stakeholders and our social partners to join us in translating this policy perspective into the lived reality of the people of the Home of Legends until the downtrodden in our province can truly and proudly say that our hard earned democracy has brought them not only freedom, but a place they can proudly call home.

I would like to conclude by expressing my profound gratitude to the Premier of the Province, Honourable Lubabalo Oscar Mabuyane and the Executive Council for consistent and reliable support to the department throughout this journey.

I would also like to thank the Portfolio Committee, Audit Committee, Risk Committee and our partners for their constructive oversight role to keep the Department of Human Settlements accountable and on track in realising its mandate.

Allow me to extend my sincere appreciation to the Head of Department, Senior Management and the entire staff complement of the Department of Human Settlements for the remarkable support and dedication to the cause of providing care and support to the poor and vulnerable communities.

Honourable Members, I hereby table the 2026/27 Policy and Budget Speech, along with 2026/27 Annual Performance Plan and the Annual Operational Plan for the Department of Human Settlements.

I thank You!





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