



**DRAKENSTEIN**

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# Rural Housing Policy

Reviewed / Approved By	Date	Signature of Executive Director/ City Manager
Executive Director: Planning and Development		
Council		

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## **1. INTRODUCTION**

- 1.1 Until recently Drakenstein Municipality was not formally involved in the provision of housing for people living in rural areas. The majority of rural people are housed on farms, or agricultural land, in housing belonging to the land owner. However, with recent changes in legislation; the increased amount of legal and illegal evictions; a drive towards security of tenure; and a shift in production methods, the need to address this housing provision has emerged. Drakenstein Council approved the Housing Selection Policy in October 2014. The Selection Policy makes provision for 20% of the opportunities available within a new housing project be set aside for qualifying persons from farms or agricultural properties.
- 1.2 In the Drakenstein municipal area the problem is related to people who live on farms or other agricultural sites and are either employed or not employed on those farms/ sites. It is understood that this problem includes the phenomenon of a number of generations staying on in the house originally provided by the property owner and where the older generation has passed away and younger members (adult children) of the family continue to reside on these properties leading to overcrowding and associated problems. In addition invasions of privately owned agricultural properties have taken place.
- 1.3 A further matter that complicates the issue is that due to historic reasons, and a lack of information, such people have not been placed on the Municipal Housing Waiting List. This would mean that many people in dire need of accommodation are now much lower on the Waiting List for permanent housing.

## **2. OBJECTIVES OF THE POLICY**

The main aim of this Rural Housing Policy is to set out the Municipality's view on where and how such rural dwellers could be housed and the means to include them in the overall Municipal structure. Annual registration drives on farms in Drakenstein will take place during the year at an appropriate or suitable time.

## **3. LEGAL AND POLICY PROVISION**

- 3.1 The following legislation has bearing on this policy:
- 3.1.1 Extension of Security of Tenure Act, 62 of 1997 (ESTA);
  - 3.1.2 National Heritage Resources Act, 25 of 1999;
  - 3.1.3 Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA);
  - 3.1.4 Western Cape Land Use Planning Act, 2014;
  - 3.1.5 Subdivision of Agricultural Land Act, 70 of 1970;
  - 3.1.6 National Environmental Management Act, 107 of 1998;
  - 3.1.7 Drakenstein Municipal Land Use Planning By-law, 2018;
  - 3.1.8 Housing Act, 107 of 1997, read with the Housing Code; and

- 3.1.9 Municipal Finance Management Act, 56 of 2003.
- 3.2 The following policies have bearing on this policy:
  - 3.2.1 Policy for the Settlement of Farm Workers, 2000;
  - 3.2.2 Municipal guidelines for responding to farm residents housing needs in the Western Cape, 2013;
  - 3.2.3 Drakenstein Municipality Housing Sector Plan; and
  - 3.2.4 Drakenstein Municipality Selection Policy.

#### **4. POINTS OF CONSIDERATION**

- 4.1 The focus of housing for rural dwellers is on providing:
  - 4.1.1 Security of tenure;
  - 4.1.2 Accommodation in close proximity to, or with good access to, employment opportunities; social service; community facilities; and transport.
- 4.2 Of paramount importance is to consider:
  - 4.2.1 Master-planning of Drakenstein Municipality, read with the Spatial Development Framework and the Integrated Development Plan;
  - 4.2.2 The cost of bulk services to an isolated farming residential community;
  - 4.2.3 Development Contributions will be payable;
  - 4.2.4 The cost to the Municipality of servicing isolated pockets of inhabitants as in most cases the establishment of isolated settlements become unaffordable for government and the residents themselves; and
  - 4.2.5 The Subdivision of Agricultural Land Act 70 of 1970 may prove to be a restrictive factor in subdividing farming units.
- 4.3 The various tenure options include:
  - 4.3.1 Individual ownership (especially in existing towns); and
  - 4.3.2 Sectional Title;
  - 4.3.3 Communal property holding; and
  - 4.3.4 Leasehold (agri-village/ on farm).
- 4.4 Some beneficiaries may wish to acquire access to small-scale farming units in addition to housing. There are two potential options for the provision of housing and small-scale farming opportunities:
  - 4.4.1 Small-scale farming lot attached to housing unit; and
  - 4.4.2 Access to a small-scale farming unit in close proximity, (but not attached), to housing opportunities.

- 4.5 Allocation of urban housing to rural dwellers shall be undertaken in terms of the Housing Selection Policy. Special dispensations may be made for an increased proportion of rural dwellers to participate in a specific housing project, or for a specific project to be identified as for the exclusive servicing of rural dwellers.

## **5. ON-FARM OPTIONS FOR RURAL DWELLERS**

### **5.1 Non-Freehold Options**

In this scenario the farm owner is willing to provide housing opportunities on his/her land for occupiers, whether employed on the farm or not. The houses and land remain the property of the farm owner and no sub-division of land or free-hold title is entailed. In this case the following options are available under the National Housing Programme for Farm Residents:

- 5.1.1 A project based development for the provision of basic services (only as a last resort option) and the construction of new houses or upgrading of existing houses with a rental tenure or as an employment benefit; and
- 5.1.2 The awarding of long-term secure tenure rights to a housing institution which rights must be registered against the title deed of the farm, for the provision of rental housing only.

- 5.2 The WCPG: Policy for the Settlement of Farm workers proposes two additional mechanisms to facilitate on-farm settlement:

- 5.2.1 A formal housing contract between farmer and farm worker; and
- 5.2.2 Defining the monetary value of the housing benefit component of a farm worker's remuneration or wage/salary package. This could enable the farm worker to utilise this portion of his/her salary to access housing in an alternative (off farm) location.

### **5.3. Free-hold Option**

In this scenario sub-division of land is entailed to provide free-hold individual property rights to the occupier of the site.

- 5.3.1 On-farm residential opportunities with tenure would require the subdivision of the farming units. The subdivision should:
- a) Be in the interests of the farmer and farm worker;
  - b) Be cost effective and feasible (in terms of access, housing and services;
  - c) Maintain the integrity of the agricultural unit (i.e. avoid urbanisation of rural areas); and
  - d) Encourage the conversion and upgrading of hostels.
- 5.4 Once the sub-division of property has been undertaken it is deemed an off-farm housing option as per 6.3 of this policy.

## **6. OFF FARM OPTIONS FOR RURAL DWELLERS**

6.1 Off-farm development can be undertaken unilaterally or in partnership by the farm owner, developers, the Municipality or by the beneficiaries themselves. There are four scenarios:

- 6.1.1 An opportunity within an existing urban township development;
- 6.1.2 Sub-division of the original agricultural parcel;
- 6.1.3 Agri-villages; and
- 6.1.4 A new housing project specifically for rural-dwellers.

### **6.2 Within an existing urban township development**

This entails the inclusion of rural dwellers within an existing township development. The Drakenstein Municipality Housing Selection policy makes provision for specific allocation of opportunities to rural dwellers. This allocation may be extended by a resolution of Council. The other three options (sub-division of the original farm; an agri-village and or a new housing project) will only be considered in exceptional circumstances, and when the long-term sustainability and viability of the development can be proven.

6.2.1 The benefits of locating housing for rural people in existing towns include:

- a) Existing engineering services limit the construction costs of engineering services;
- b) Access to a wider variety of social and community facilities;
- c) Existing social and community services limits duplication, construction and maintenance costs of facilities;
- d) Better market value for urban as opposed to farm dwellings; and
- e) Access to a wider variety of employment opportunities, should the beneficiary or beneficiary's dependants chose not to work on a farm.

6.2.2 Challenges of locating housing for rural people in existing towns include posed may include:

- a) Prioritising rural people on the housing waiting list;
- b) Providing opportunities for small-scale farming;
- c) Reliable transport to employment in rural areas;
- d) Lack of land and use of agricultural land; and
- e) Social challenges of adjusting to the urban setting.

These factors will all require mitigation measures to be undertaken by the developer when considering this option for housing rural dwellers.

### **6.3 Sub-division of the original agricultural parcel**

The farm owner is prepared to sub-divide his/her land in smaller holdings, where prevailing legislation allows for such subdivision, and transfer these portions to individual farm residents. Such development is usually in order to accommodate farm workers in the employ of the farmer. In this case the following options will be available:

- 6.3.1 A project-based development to enable the farmer to act as developer for the provision of basic services and the construction of new houses or the upgrading of existing structures;
- 6.3.2 The qualifying individual beneficiaries may request the municipality to act as developer or they may appoint a private-sector developer on their behalf; and
- 6.3.3 The beneficiaries can establish a legal entity and undertake their housing development themselves through a Community Driven Housing Initiative as provided for in the relevant National Housing Programme.

#### **6.4 Agri-village**

An agri-village is a private settlement of restricted size established and managed by a legal institution that is situated within an agricultural area and where residence is restricted to bona fide farm workers and their dependants of the farms involved in the development. Security of tenure does not include individual right of ownership, but can include a Trust, Communal Property Association or Sectional Title. The development of agri-villages represents a partnership between farmer, farm worker and state. The WCPG: Policy for the Settlement of Farmworkers specifies four instances where the development of an agri-village may be considered:

- a) in a farming area that has a substantial demand for 'off the farm settlement, no established settlements within practical commuting distance, and a municipality that has no feasible means of establishing and managing a new public town / settlement;
- b) where the owners and workforce of a company farm, or a group of neighbouring farms, identify sufficient demand and the capacity for the establishment of a centrally located settlement where housing and communal facilities and services can be cost-effectively provided to the local farm worker community;
- c) where there are substantial numbers of farm workers in an area who choose to retire off the farm, but do not aspire to an urban retirement and prefer living in their familiar rural environment;
- d) where the type of product cultivated or nature of farming activities (e.g. pest control) precludes on the farm housing and
- e) In addition, the tenure options available to beneficiaries of an agri-village are limited to lease or notarial deed of servitude.

- 6.4.1 Problems associated with the development of new agri-villages include:

- a) There is no freehold ownership tenure option;
- b) Incorrect location of the village will limit access to social and economic opportunities and services;
- c) By allowing only farm workers to reside in agri-villages, no provision is made for social integration and a diversity of income groups, potentially creating pockets of poverty;
- d) Increased bulk services construction and maintenance costs due to remote locations, as well as a possible duplication of services. Such services will be for the cost of the property owner/ developer as the development is deemed a private development;
- e) The perpetuation of sprawl; and
- f) The development of a mono functional development.

These factors will all require mitigation measures to be undertaken by the developer when considering this option for housing rural dwellers.

#### **6.5 New housing project specifically for rural-dwellers**

This options entails the municipality or a private developer undertaking a housing development specifically for rural dwellers. These developments should be in adherence to the SDF and near to social and community facilities; economic opportunities; and transport. The challenges raised in 6.4.1 will need to be mitigated against.

- 6.6 Therefore, the preferred model of providing housing for rural people in the Drakenstein Municipality is to locate them housing projects within existing urban nodes. In exceptional circumstances and where the short- and long-term financial, environmental and social sustainability of a project can be ensured, farm worker housing can be accommodated in agri-villages or a new housing project around existing rural nodes. The sub-division of agricultural land to transfer plots under freehold to rural dwellers (usually farm-workers) is not preferred unless well-motivated.

### **7. ROLE OF THE MUNICIPALITY**

The Municipality can assist with the following aspects of providing housing for rural dwellers:

- 7.1 Assist the Department of Rural Development and Land Reform (DRDLR) and other departments in ascertaining the need for housing for rural people in terms of the various models available (in existing towns, on-farm, off-farm settlements);
- 7.2 Ensure that rural people are included in the Municipal Housing Waiting List. In this regard the Municipality has targeted rural people as part of the Housing Selection

policy. On all new greenfields developments prioritised beneficiaries are drawn from the rural community in terms of the Selection Policy;

- 7.3 Identify suitable land and ensure that such land is indicated clearly in the SDF to avoid conflict when competing needs for land arises;
- 7.4 Facilitate transfer of ownership and leasehold, where applicable;
- 7.5 Enter into negotiations with the authority on acquiring land, where needed;
- 7.6 Provide basic services and/or enter into negotiated service delivery agreements where housing is situated on private property;
- 7.7 Provide support services that form part of Municipal powers and functions with which to access to social and economic opportunities and public transport;
- 7.8 Ensure that the provision of building management support services (assessment of building plans, building inspections) is extended to rural areas (on-farm and off-farm settlement scenarios);
- 7.9 Ensure that the above is captured and budgeted for in the IDP (include the development of rural settlement plans as a component of the IDP Housing Sector Plans);
- 7.10 The verification of certain housing subsidy applications, specifically for the institutional subsidy where it is applied to on-farm development;
- 7.11 Fulfil the role of developer for new housing developments where appropriate and depending on the programme, subsidy and nature of the project; and
- 7.12 Facilitate access to emergency housing for farm evictees in terms of the Allocation of the Drakenstein Municipality Temporary Housing Policy.