

English



## human settlements

Department:  
Human Settlements  
**REPUBLIC OF SOUTH AFRICA**

### NORMS & STANDARDS FOR SUSTAINABLE HOUSING DEVELOPMENT

In terms of the Housing Act, the Government has introduced national norms and standards for housing. In respect of the 2007/8 financial year, the housing subsidy amount for the construction of a 40sqm house is R38 984.00. Beneficiaries wishing to receive contractor built houses must pay a financial contribution of R2 479,00 up-front. Beneficiaries wishing to participate in the building of their own houses through the People's Housing Process are not required to pay the financial contribution. All houses built by contractors must be enrolled with the National Home Builders Registration Council (NHBRC) so that the five year warranty against structural failure of the house will apply. Sanitation, storm water-drainage and water is a must.

### PUBLIC SECTOR HOSTELS REDEVELOPMENT PROGRAMME (COMMUNITY RESIDENTIAL UNITS)

Government provides grant funding for the redevelopment of these hostels to establish low cost rental opportunities for families and single persons. The grants are for municipalities and or Provincial Governments who own the units.

### HOUSING INSTITUTIONS

#### NATIONAL HOUSING FINANCE CORPORATION (NHFC)

The National Housing Finance Corporation (NHFC) was established by the government to search for new and better ways to mobilise finance for housing, from sources outside the State in partnership with the broadest range of organisations.

#### NATIONAL URBAN RECONSTRUCTION & HOUSING AGENCY (NURCHA)

Nurcha's mandate is to facilitate the flow of finance from financial institutions into low-income housing development. To this end Nurcha issues guarantees for both bridging finance and end user finance loans. It also administers the Saving programme for Housing.

#### SOCIAL HOUSING FOUNDATION (SHF)

The SHF's mandate is to broadly develop and build capacity for social housing institutions. It should do networking both locally and internationally, by bringing various players together in a range of different forums, to promote information and skills exchanges and co-operation. The SHF must develop a policy frame work for social housing.

#### NATIONAL HOME BUILDERS REGISTRATION COUNCIL (NHBRC)

The NHBRC's mandate is to represent the interests of housing consumers by providing warranty protection against defects in new homes and, to provide protection to housing consumers in respect of the failure of home builders to comply with their obligations in terms of this Act.

#### RURAL HOUSING LOAN FUND (RHLF)

The RHLF focuses on its core business of providing loans, through intermediaries, to low income households for incremental housing purposes.

Incremental housing is a people driven process, and RHLF's core business is to empower low-income families in rural areas to access credit that enables them to unleash the force of their self help, savings and local ingenuity to build and improve their shelter over time.



### QUALIFICATION CRITERIA

#### WHO QUALIFIES?

To qualify you must:

- ✘ Be a South African citizen.
- ✘ Be 21 years or older.
- ✘ Be married or habitually cohabit with a partner.
- ✘ Be single and have financial dependants.
- ✘ Not earn more than R7 000.00 per month per household.
- ✘ Not recieved a government subsidy before.
- ✘ Not owned a house in the past.

#### ESSENTIAL DOCUMENTS

When you apply, you are required to produce the following:

- ✘ Applicant and spouse's Identity Documents
- ✘ Birth certificates of children
- ✘ Proof of income if working. (Salary Slip)

You can go to your Provincial Human Settlements Department or Local Municipality Office to apply.



**BREAKING NEW GROUND  
IN HOUSING DELIVERY**  
houses, security & comfort

## WHO MUST CONTRIBUTE R2 479,00?

Government introduced the principle that subsidy beneficiaries must contribute towards achieving access to the benefits of the housing subsidy. The objectives of this contribution are to ensure:

- z Subsidy beneficiary participation in solving their housing needs;
- z Establishment of an environment which instills a culture of savings; and
- z That beneficiaries realise the real value of the assets provided through the housing subsidy.

All subsidy beneficiaries are therefore currently required to make a contribution.

The following are not required to contribute:

- z The aged, disabled and health stricken who earn less than R800,00 per month.
- z Beneficiaries of Rural Subsidies.
- z Beneficiaries of an approved People's Housing Process.
- z Beneficiaries who are assisted through the emergency programme.



### SUBSIDY FOR THE DISABLED

We care for the disabled. What do we offer the disabled people who qualify? Disabled people who qualify for a housing subsidy will receive additional amounts to improve their houses with special additions such as paving and ramps to their doors, grab rails in bath rooms, kick plates to doors and visible door bells for the deaf.

## PROGRAMMES

### INDIVIDUAL SUBSIDY

These subsidies are available to individual beneficiaries who wish to buy an existing house or a stand, linked to a house building contract in the market. These subsidies are available on a first come first served basis and may be credit linked or non credit linked.



### CONSOLIDATION SUBSIDY

If you are living on a serviced stand that government sold to you, then you qualify for a consolidation subsidy and you will receive R38 984,00 for building a top structure or the enhancement of your existing house on the property. If you opt for a contractor built house you will be required to pay the R2 479,00 contribution.

### INSTITUTIONAL SUBSIDY

These subsidies are given to an approved housing institution that could comprise of a group of individuals who form a legal entity that will acquire residential property and manage it. The institution receives R36 505,00 per housing unit for each family earning below R3 500,00 per month. All institutions must add additional capital to project costs.

### RURAL SUBSIDY

This subsidy is available to beneficiaries who only enjoy functional tenure rights to the land they occupy. This land is normally in rural areas and belongs to the state and is governed by traditional authorities.



The subsidies are only available on a project basis and beneficiaries are supported by implementing agents. Beneficiaries also have the right to decide how to use their subsidies either for service provision, on building of houses or a combination thereof.

### PROJECT LINKED SUBSIDY

These are houses that are built by contractors, employed by the province or municipality for groups of people that qualify for subsidies. The subsidy amount is linked to your income and any shortfall must be financed by the beneficiary.

### FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME (FLISP)

FLISP was introduced by Government on 1 October 2005. It aims to assist first time home buyers who earn between R3 501 and R7 000 per month to obtain a home loan. The subsidy attaches to the beneficiary and not to the property. This subsidy will be used to decrease the mortgage bond and is only applicable to people who have never been assisted by the state. It will be disbursed as a once off subsidy.

## PEOPLE'S HOUSING PROCESS

This subsidy is given to people who want to build or manage the building of their own homes. Unlike the Project Linked Subsidy where a contractor builds houses for a number of people, the Peoples Housing Process allows people or beneficiaries to build or organise the building of their homes. People are in charge of their own house construction process in this programme and are supported by a support organisation. Additional funds are available to pay for the support functions.

## DISCOUNT BENEFIT SCHEME

In the past, especially in 'Black Townships' the previous government built houses for rental for the people living there. Beneficiaries who took occupation of these rented houses before 15 March 1991, can now apply for a discount on the sale price of their houses of up to R38 984,00. In most cases these houses are given to the people free of charge due to the fact the discount is more than the sale price.

