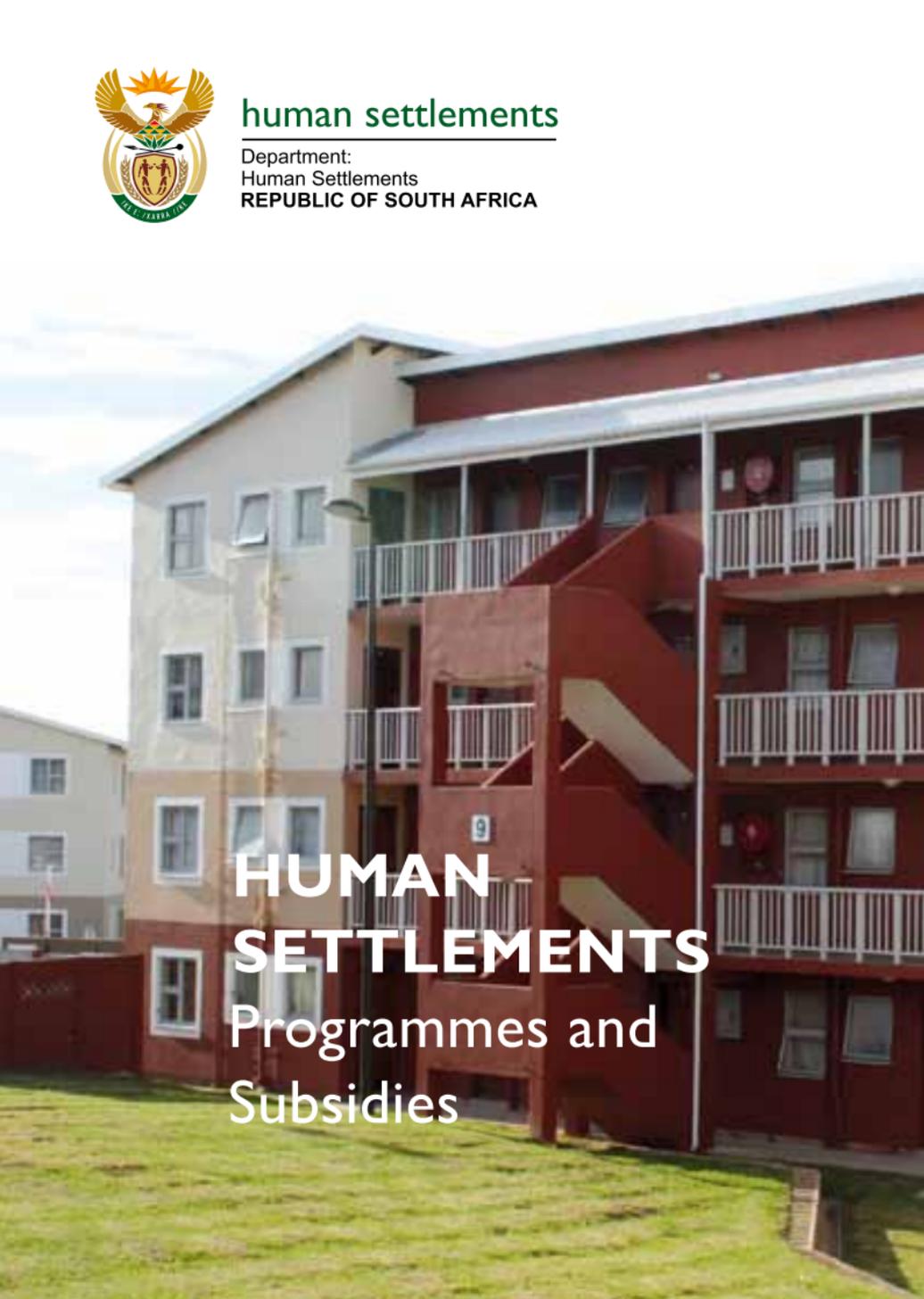




human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA



HUMAN SETTLEMENTS

Programmes and
Subsidies



NORMS & STANDARDS FOR SUSTAINABLE HOUSING DEVELOPMENT

The Minister of Housing with effect from 01 April 1999 introduced the National Norms and Standards for the construction of stand alone houses. All houses constructed through application of the National Housing Programmes must at least comply with these norms and standards. These National Norms and Standards should be in line with the National Builders Regulation and the house building prescripts of the National Home Builders Registration Council (NHBRC). 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 are a must.



PUBLIC SECTOR HOSTELS REDEVELOPMENT PROGRAMME (COMMUNITY RESIDENTIAL UNITS)

The Community Residential Units Programme (CRU) aims to facilitate the provision of secure, stable rental tenure for lower income persons/ households. The Programme provides a coherent framework for dealing with the many different forms of existing public sector residential accommodation.

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.

Contact Details

Tel: +27 (0) 11 644 9800/9802

Fax: +27 (0) 11 484 0204

Website: www.nhfc.co.za

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.

Contact Details

Tel: +27 (0) 11 214 8716

Fax: +27 (0) 11 402 6602

Website: www.nurcha.co.za



SOCIAL HOUSING REGULATORY AUTHORITY (SHRA)

The SHRA'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.

Contact Details:

Tel: +27 (0) 11 274 6200

Fax: +27 (0) 11 642 2808

Website: www.shra.co.za

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.

Contact Details:

Tel: +27 (0) 11 317 0021

Fax: +27 (0) 11 317 0172

Toll Free Number: 0800 200 824

Website: www.nhbrc.org.za



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.

Contact Details

Tel: +27 (0) 11 621 2513

Fax: +27 (0) 11 621 2520

Website: www.rhlf.co.za



HOUSING DEVELOPMENT AGENCY (HDA)

The HDA is responsible for acquisition of suitable land for sustainable human settlements. It also focuses on project management and monitor centralised coordinated planning for creation of sustainable settlements.

Contact Details

Tel: +27 (0) 11 544 1000

Fax: +27 (0) 11 544 1007

Website: www.thehda.co.za

QUALIFICATION CRITERIA WHO QUALIFIES?

To qualify you must:

- Be a South African citizen.
- Be contractually capable.
- Be married or habitually cohabit with a partner.
- Be single and have financial dependants.
- Earn less than R7 000.00 per month per household.
- Be a first time government subsidy recipient.
- Be a first time home owner.
- Single Military Veterans without financial dependant.
- Single aged persons without financial dependant.



ESSENTIAL DOCUMENTS

Applicants are required to produce the following:

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

Where to apply for Housing Subsidy

- Provincial Department of Human Settlements
- Local Municipality

PROGRAMMES: INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME

The integrated residential Development Programme replaced the project linked Subsidy Programme. The programme provides for planning and development of integrated housing projects. Projects can be planned and developed in phases and provides for holistic development orientation.



Phase 1: Land, Services and Township Proclamation

The first phase entails planning, land acquisition, township establishment and the provision of serviced residential and other land use stands to ensure a sustainable integrated community.

Phase 2: Housing Construction: Individual Ownership options

The second phase comprises the house construction phase for qualifying housing subsidy beneficiaries and the sale of stands to non qualifying beneficiaries and to commercial interests etc.

INDIVIDUAL SUBSIDY

This programme provides access to state assistance where qualifying households wish to acquire an existing house or a vacant serviced residential stand, linked to a house construction contract through an approved mortgage loan. These properties are available in the normal secondary housing market or have been developed, as part of projects not financed through one of the National Housing Programmes.

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 serve basis and may be credit linked or non credit linked.



ENHANCED PEOPLE'S HOUSING PROCESS

The Enhanced People's Housing Process aims to support household who wish to enhance their housing subsidies by building their own homes. The enhanced people's Housing process can be accessed through the Integrated Residential Development Programme, Project Linked Consolidation, Institutional or Rural Subsidies as well as technical and other forms of assistance in the house building process.

INFORMAL SETTLEMENT UPGRADING PROGRAMME

The programme facilitates the structured upgrading of informal settlements. It applies to in situ upgrading of informal settlements as well as where communities are to be relocated for a variety of reasons. The programme entails extensive community consultation and participation, emergency basic services provision, permanent services provision and security of tenure.



CONSOLIDATION SUBSIDY

The consolidation subsidy is available to a beneficiary who has already received assistance through government to acquire a serviced residential site under the pre-1994 housing scheme. This subsidy is applicable to serviced sites that were obtained on the basis of ownership, leasehold or deed of grant and must be utilised to construct or upgrade a top structure on the relevant property.

INSTITUTIONAL SUBSIDY

Institutional Housing Subsidies are available to Housing Institutions that provide tenure arrangements alternative to immediate ownership (such as rental, installment sale, share block or co-operative tenure) to subsidy beneficiaries. The subsidy will enable Housing Institutions to undertake approved projects and to enable them to create affordable housing stock for beneficiaries to live in subsidised residential properties. The rental unit may not be transferred to the beneficiary within the first four years of occupation. A further condition is that the legal entity must in addition to the subsidy, make its own capital investment in the property.



RURAL SUBSIDY: COMMUNAL LAND RIGHTS

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.

FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME (FLISP)

On 01 April 2012 FLISP was amended to include beneficiaries earning up to R15000-00 per month. Under the revised programme, qualifying households earning between R3501-00 and R7000-00 per month who are unable to secure a mortgage loan may apply for the allocation of a vacant serviced stand, created through the Integrated Residential Development Programme (IRDP)

Qualifying households earning between R7001-00 and R15000-00 per month qualify for financial assistance towards the repayment of the bond. The subsidy attaches to the beneficiary and not to the property.

The subsidy will be used to decrease the mortgage bond and is only applicable to persons 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.

SUBSIDY VARIATION FOR EXTRAORDINARY DEVELOPMENT CONDITIONS AND DISABLED PEOPLE

In order to ensure that housing units delivered through the National Housing Scheme are adjusted to accommodate the special housing needs of a disabled beneficiary (or a member of the beneficiary household) to enable them to live independently, certain additions/alterations are necessary.

The developer will therefore submit an application for the adjustment of the subsidy amount for extraordinary development conditions on the applicable form with all relevant information (e.g. proof of disabilities) to enable the decision-making authority to evaluate the application. The MEC may require additional information before the final decision can be conveyed to the Developer.



Government cares for people with disabilities. Thus, those who qualify for a housing subsidy will receive additional amounts to improve their houses with special additions such as paving and ramps to the outside doors, grab rails in bathrooms, kick plates on doors and visible door bells for the deaf.

LIMITATION ON THE SALE OF RDP/BNG HOUSES (PRE-EMPTIVE CLAUSE)

It is illegal for the recipient of a subsidy house, now referred to as BNG house, to sell the house before they have lived in it for a minimum period of eight (8) years. Yet, experience shows that in many instances the houses are used to make quick money by unscrupulous individuals who sell them within the 8 year period. Alternatively recipients rent out the houses to be used as business premises, while the beneficiaries return to live in informal settlements.

While the minimum occupancy period may be adjusted from time to time, the current limitation is 8 years and, within this period a beneficiary may only re-sell the property back to the relevant Provincial Human Settlements Department. This type of Voluntary sale occurs when a beneficiary, for whatever reasons, chooses not keep the subsidy house.



In instances of Involuntary sales the findings are that creditors sell the properties at a price which covers the debt owed and, not at a price that reflects the full value of the property – which is usually greater. Subsequent buyers of the properties are mostly persons who would not qualify for state housing subsidies.

Thus, government is aware of this on-going illegal sale of government subsidised houses and, is taking steps to enforce the 8 year pre-emptive clause.

The pre-emptive clause is contained in sections 10A and 10B of the Housing Act, 107 of 1997, and, limits both the voluntary and involuntary sales of houses obtained by persons via any of the national housing programmes. The pre-emptive clause was introduced into law by means of the Housing Amendment Act 4 of 2001, which came into operation on February 1, 2002. The intended outcome of this legislation was to put an end to the illegal sale of RDP/BNG houses by beneficiaries who exacerbate the housing backlog by selling houses at a price below the market value, then returning to live in informal settlements.



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Report Fraud and Corruption: 0800 146 873

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