



# human settlements

Department:  
Human Settlements  
**PROVINCE OF KWAZULU-NATAL**

## EMPOWERING WOMEN IN THE BUILT ENVIRONMENT SUMMIT

16 & 17 AUGUST 2019





# human settlements

Department:  
Human Settlements  
**PROVINCE OF KWAZULU-NATAL**

**FLISP = FINANCE LINKED  
INDIVIDUAL SUBSIDY  
PROGRAMME  
(ie “Linked” to Mortgage  
Bonds)**





# human settlements

Department:

Human Settlements

**PROVINCE OF KWAZULU-NATAL**

**FLISP = SUBSIDISATION OF  
AFFORDABLE INCOME  
MARKET FOR HOUSING  
OWNERSHIP  
(R3501 –R22k per month)**





# human settlements

Department:  
Human Settlements  
**PROVINCE OF KWAZULU-NATAL**

## Radical Socio-Economic Empowerment of Women through Infrastructure Delivery of FLISP



# FLISP INTERVENTIONS

- End User Finance – Primary Market & Secondary market
- Affordable Housing Developments on State Land (Dept/Municipality owned)
- FLISP on IRDP Projects (Integrated Residential Development Projects which allows for cross subsidisation of diff subsidy instruments)
- Purchase of stock to upgrade/renovate for onward sale via FLISP (iTrump/Inner City Buildings)
- Social Housing & FLISP combo/mixed use developments potential



# FLISP END USER FINANCE

This is typically categorised as:

- Primary Market where an individual is purchasing a new build off- plan on a development.
- Secondary Market where an individual is purchasing an already built flat/house, privately, or with the assistance of an estate agent or bond originator.

Beneficiaries in both categories will apply for a mortgage bond and the FLISP subsidy. The FLISP subsidy is paid to the financial institution's suspense account and serves as a deposit OR to reduce the mortgage bond account. (period/instalment amount)

To date KZN has assisted .....women beneficiaries with the FLISP subsidy

**As per ABSA statistics, 60% of all affordable income mortgage bonds granted were to single women which they view as a flagship by default**



# FLISP END USER FINANCE

The FLISP Promotions Team targets Women Beneficiaries by:

- Attending all Women's parliaments & Women's Day events to encourage women to take up FLISP, thereby empowering women economically as this is tangible equity which can be availed in future for business collateral purposes as well as purchasing further properties, for portfolio and passive income
- WOW in Austerville, Ward 68 invited DHS to workshop the community on all gap market interventions..and similar FLISP workshops are being held at various fora in Municipalities on direct interaction, as with Ilembe Distict Munciality, also
- Royal Reed Dance as per invitation by Arts and Culture
- 16 Days of Activism against women and children abuse as per invite by Kingsburg Child & Family Welfare Society ...



# FLISP ECONOMIC OPPORTUNITIES TO DATE

In as much as the FLISP is an end user individual beneficiary subsidy, the programme has nevertheless been able to encourage the availing of women service providers by applicants, to the extent of:

- 35 Women Conveyancers
- 4 Women led Bond Originators and Affordable Unit Banking Partners
- 9 Women estate and other agents
- 3 Women led Developers

Above categories of service providers are already in the market but the FLISP Programme is ready and alert to engage all women service providers in this niche market and effectively introduce and facilitate exposure to our applicants and key stakeholders





# THE WOMEN IN AFFORDABLE HOUSING SERVICE PROVIDERS DATABASE

- As per previous slide data, it is evident that, by default, FLISP has benefitted women service providers and beneficiaries
- The FLISP Unit is therefore heeding the call by the Preferential Procurement Regulations for designated groups, as gazetted in 2017, in addition to norm empowerment and capacitation of emerging service providers who were previously disadvantaged



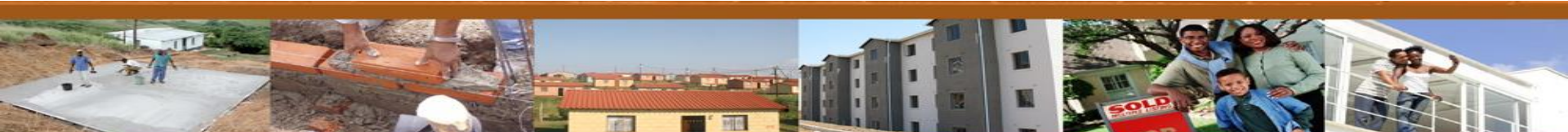
# THE WOMEN IN AFFORDABLE HOUSING SERVICE PROVIDERS DATABASE

- We are therefore currently working with our key stakeholders, the banks, to identify all service providers in the value chain in this niche market, in order to initiate SCM processes to advertise for all women in such categories of service to be included in the database. In the private sector, there are similar networks such as the WIP Network, and the SAIBPP....
- *"Transformation cannot simply be reduced to a compliance matter and a 'tick-box' exercise... the journey towards transforming the South African property sector starts with enabling and fast-tracking black and female property ownership." - Vuyiswa Mutshekwane (SAIBPP, CEO)*



# FLISP STRATEGY ON IRDPS/ALL URBAN PROJECTS

- A min of 5-10 % of all current Urban Projects at Servicing Stage to devolve to FLISP
- FLISP Policy: Serviced Site as a once off FLISP subsidy for R3 501- R7 000: GAP MARKET INDIVIDUALS WHO DO NOT QUALIFY FOR A LOW INCOME HOUSE NOR A MORTGAGE BOND
- IA already appointed on project, (if still working on project), to build for qualifying beneficiaries. Contract bt beneficiary & IA for top-structure.
- If there is no IA still on the project, the FLISP Programme will recommend the availing of Affordable Market Women Developers, and Project Team, from the database mentioned earlier, to conduct ben admin to submit beneficiaries from (possibly?) those who have already been rejected on the project due to income



# STRATEGY ON IRDPS/ALL URBAN PROJECTS

- Application to show proof of affordability for top-structure costs
- Large employers may assist with financing (?) & financial institutions may structure a home loan/finance excl hidden/dead costs (?)..(this was a suggested financial model submitted by Dr Thandi Ndlovu of Motheo)
- Propose to use the Military Veteran house design of 50sqm, costed at approx R200k...
- In addition – going forward, all such IRDPs/Urban projects still at Planning are to ensure that MV/FLISP house design/spec is submitted in application pack for approval, and also that the reserved sites for FLISP be clearly demarcated in colour on the project layout plan



# STRATEGY ON IRDPS/ALL URBAN PROJECTS

## Strategic interventions are required:

- Municipalities to prioritise bulk infrastructure for Integrated Residential Development Projects[IRDP] that caters for mixed income groups (?)
- Municipalities to include some units for the affordable/middle income/gap market in the layout of IRDPs in all wards (?)
- Work-shopping Municipalities on FLISP and Affordable Housing Programme
- **FLISP Promotions Team already scheduling engagements in all Municipalities**



# STRATEGY TO AVAIL LAND PARCELS TO WOMEN DEVELOPERS

- In addition to the database mentioned earlier, FLISP Programme is working with the Department's Integrated Planning Unit & GIS sub-component to identify ideally and suitably located sizeable tracts of Dept owned land for solely Affordable (FLISP) Housing Developments, from the Serviced Sites Programme, to then seek approval of same to devolve to the FLISP Unit to develop separately from the SSP, due to Policy parameters, to ensure we are not double subsidising etc.



# STRATEGY TO AVAIL LAND PARCELS TO WOMEN DEVELOPERS

- This strategy is still in very early stages of development as it necessarily also requires a specific funding enabling model to be developed, per KZN specific policy, which is a departure from the norm end user only subsidy and National policy...
- However, we are confident of the support and approval of same by the MEC...
- Teasers of funding methodologies being considered are standard milestone development financing as with BNG projs / bridge financing / end user financing application throughout proj cycle, where sufficient, which implies lower income category (gap) as mentioned previously...



# FLISP STRATEGY WITH LARGE EMPLOYERS

- KZN is creating an Employer's Forum of large Companies / Employers who are prepared to assist to subsidise their employees, in partnership with Govt FLISP.
- This initiative is receiving positive response from the private sector and the Dept is developing the Employer Plan, which will not be prescriptive, but a way to draw in the Private Sector contribution in partnership with Govt.
- Currently, Dept has received positive feedback from the Toyota Group, and its Pension Fund Administrators to assist the Group's approx. 940 employees in the FLISP bracket. A further 4000 employees may be eligible for assistance retrospectively, and/or on ITB land...
- This initiative will be treated as a pilot in order to inform the methodology/process with other large employers.

Here too, as with all initiatives, Women Beneficiaries and service providers stand to benefit

