

Community Residential Units	The programme facilitates the provision of secure, stable rental tenure for the lowest income persons who are not able to be accommodated in the formal private rental and social housing market. It also provide a framework for dealing with the many different forms of existing public sector residential accommodation, including hostels redevelopment projects.
Intervention Category: Rural Housing Programme: Definition: Programmes facilitating access to housing opportunities in Rural areas	
Rural Subsidy: Informal Land Rights	The Rural programme is used to extend the benefits of the Housing Subsidy Scheme to those individuals living in areas referred to as "rural" areas where they enjoy functional security of tenure as opposed to legal security of tenure. Only individuals whose informal land rights are uncontested and who comply with the qualification criteria will be granted such Rural subsidies
Farm Residents Housing Assistance Programme	The Programme provides capital subsidies for the development of engineering services, should no alternative funding be available, and adequate houses for farm workers and farm occupiers. The farm owner plays a fundamental important role under this Programme.

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 Programme
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 home 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.

Enhanced People's Housing Process

The Enhanced People's Housing Process aims to support households 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.

Farm Resident Housing Assistance Programme

The Programme provides capital subsidies for the development of engineering services, should no alternative funding be available, and adequate houses for farm workers and farm occupiers. The farm owner plays an important role under this Programme.

Social Housing Programme

The Social Housing Programme seeks to provide a rental or co-operative housing options for low income persons at a level of scale and built form which requires institutional management and which is to be provided by accredited social housing institutions and in designated restructuring zones.

Enhanced Extended Discount Benefit Programme

The Enhanced Discount Benefit Scheme was introduced to assist persons to acquire state financed rental housing, existing sales debtors to settle the balance on purchase prices of properties acquired from the public sector or to settle publicly financed credit that had been used for housing purposes. This programme applies to state financed properties first occupied before 1 July 1993 and stands or units contracted for by 30 June 1993 and allocated to individuals by 15 March 1994.

The programme entails the discounting of an amount on the selling price/outstanding loan balance of the property. Where the discount amount equals or exceeds the purchase price or loan balance, the property is transferred free of any further capital charges.

Rural Subsidies: Informal Land Rights Programme

The Rural Subsidy Programme is used to extend the benefits of the Housing Subsidy Scheme to those individuals living in areas referred to as "rural" areas where they enjoy functional security of tenure as opposed to legal security of tenure. Only individuals forming part of a community, whose informal rights are uncontested and are therefore unlikely to lose those rights during a land reform process, will be assisted.

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

Institutional Subsidy Programme

Institutional subsidies are available to Housing Institutions that provide tenure arrangements alternative to immediate ownership (such as rental, instalment 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

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 Programme

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 schemes. 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.



human settlements

Department:
Human Settlements
PROVINCE OF KWAZULU-NATAL

Housing Subsidy

Internal municipal engineering services and raw land may be financed by Provincial Governments, subject to the prescripts below:

Housing Subsidy Amounts	
Housing Subsidy Amounts: 11 March 2010 till 31 March 2011	
Subsidy Programme	Subsidy quantum
Integrated Residential Development Programme (IRDP) Subsidies: #	
R0 to R3 500	R55,706.00
Enhanced People's Housing Process: #	
R0 to R3 500	R55,706.00
Rural subsidies: #	
R0 to R3 500	R54,906.00
Farm Resident Subsidies: #	
R0 to R3 500	R54,650.00
Consolidation Subsidies:	
R0 to R3 500	R54,906.00
Institutional subsidies:	
R0 to R3 500	R52,427.00
Individual Subsidies:	
R0 to R3 500	R84,000.00
As an option of last resort, internal municipal engineering services may be financed from the housing subsidy. The amount available per stand is:	R22 162,00
The cost of the raw land may be financed from the annual housing funding allocation to Provincial Governments.	Market value (Currently estimated at R6 000,00 per stand)

SUBSIDY 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 a 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.

Subsidy Basics

What is a Housing Subsidy?

A Government Housing Subsidy is a once off grant by Government to qualifying beneficiaries for housing purposes. The grant is not paid in cash to beneficiaries. The grant is either paid to a seller of a house, or in new developments, the grant is used to construct a house that complies with the minimum technical norms and standards, which is then registered in the name of the beneficiary in the Deeds Office.

Housing grants are also used to finance the provision of rental accommodation. Rental housing units are provided by approved housing institutions who also manage and maintain the units.

Do I Qualify for a Housing Subsidy?

Applicants for the Housing Subsidy must satisfy the following qualifying criteria:

- **Citizenship:** An applicant must be a citizen of the Republic of South Africa, or be in the possession of a Permanent Resident Permit.
- **Competent to Contract:** An applicant must be legally competent to contract (i.e. over 18 years of age, or married or divorced and of sound mind).
- **Not yet benefited from Government Funding:** An applicant or his or her spouse may not have received previous housing benefits from the Government. In the event of a divorce involving a person who previously derived benefits, the terms of the divorce order will determine such person's eligibility for further benefits.
- **First time property owner:** An applicant or his/her spouse may not have owned and/or currently own a house. Except for the following cases:
 - Disabled persons
 - Persons who:
 - own a vacant stand that was obtained through the Land Restitution Programme;
 - have acquired a residential property for the first time without Government assistance and the house/dwelling on the property,

Intervention Category: Financial	
Definition: Programmes facilitating immediate access to Housing Goods and Services creating enabling environments and providing implementation support	
Individual Housing Subsidies: Credit and Non-credit linked R0 – R3 500:	The individual subsidy mechanism is available to individual households who wish to apply for a housing subsidy to purchase an existing house or to purchase a vacant stand and enter into a building contract for the construction of a house. The latter subsidy option may only be awarded to those households who have entered into a loan agreement with a financial institution.
Enhanced Extended Discount Benefit Scheme:	The Discount Benefit Scheme was introduced to assist persons to acquire state financed rental housing, existing sales debtors to settle the balance on purchase prices of properties acquired from the public sector or to repay publicly financed credit that had been used for housing purposes. This programme applies to state financed properties first occupied before 1 July 1993 and stands or units contracted for by 30 June 1993 and allocated to individuals by 15 March 1994. The programme entails discounting of an amount up to the amount of R31 929,00 on the purchase price/ purchase price balance/loan of the properties in question.
Social and Economic Facilities:	The Programme facilitates the development of primary public social and economic facilities, which are normally funded and maintained by municipalities, in cases where municipalities are unable to provide such facilities within existing and new housing areas as well as within informal settlement upgrading project areas.
Accreditation of Municipalities:	Municipalities that have been accredited will be able to administer National Housing Programmes.

Phase 1: Land, Services and Township Proclamation	
The first phase entails planning, land acquisition, township establishment and the provision of engineering services for residential and other land uses to ensure a sustainable and 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.	
Enhanced Peoples Housing Process (PHP)	The EPHP assists households to access housing subsidies (consolidation, project-linked, institutional or rural subsidies) with technical, financial, logistical and administrative support to build their own homes.
Informal Settlement Upgrading	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 Subsidies	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 schemes. 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.
Emergency Housing Assistance	This programme provides temporary assistance in the form of secure access to land and/or basic municipal services and/or shelter. The assistance is provided to beneficiaries who have for reasons beyond their control, found themselves in an emergency housing situation where their existing shelter has been destroyed or damaged, their prevailing situation posed an immediate threat to their health, life and safety or where they have been evicted or faced imminent eviction. It is only applicable in emergency situations of exceptional housing need.

The purpose of this programme is to provide:	
<ul style="list-style-type: none"> • Systems Support to accredited municipalities that could include hardware as well as software facilities. • Capacity Support to accredited municipalities. 	
Operational Capital Budget (OPS/ CAP)	The Operational Capital Budget Programme is to regulate the application of a certain percentage of the voted provincial housing funding allocation to support the implementation and manage approved national and provincial housing programmes projects and priorities. It could be utilised: <ul style="list-style-type: none"> • for the appointment of external expertise by the Provincial Housing Departments to augment capacity, required for delivery at scale and • assist in enhancing the implementation of the National and Provincial Housing Programmes and projects. It may not be utilised to enhance the personnel establishment of any Public Sector institution
Housing Chapters of IDP's	The programme provides guidelines for the development of housing plans in the integrated development planning process and suggests an approach to the formulation of Housing Chapters of Municipal IDP's.
Rectification of Pre-1994 housing stock.	This programme aims to facilitate the improvement of certain state financed residential properties created through a State housing programme during the pre-1994 housing dispensation to render such units saleable
2. Intervention Category: Incremental Housing Programmes:	
Definition: Programmes facilitating access to housing opportunities through a phased process	
Integrated Residential Development Programme	The programme provides for planning and development of integrated housing projects. Projects can be planned and developed in phases and provides for a holistic development orientation.

The following documents, where applicable, must accompany the application form:

A Certified Copies of:

- the page/s of the bar-coded R.S.A. identity document containing photograph of applicant and that of his/her spouse and all financial dependants forming part of the household;
- Birth certificates, bearing the thirteen digit identity number for children who do not have bar coded identity documents;
- a divorce settlement (if applicable, to prove custody of children);
- a marriage certificate (if applicable);
- Affidavits for unions solemnised in terms of SA Civil Law and accompanied by sworn statements to prove the authenticity of the relationship to the applicants, where applicable;
- court orders or, orders issued by the Commissioner of Child Welfare to prove guardianship for foster children (if applicable);
- a spouse's death certificate (if applicable); and o most recent pay slip (applicant and spouse). x
- Agreement of Sale (if applicable).
- Building Contract and Approved Building Plan (if applicable). x
- Sale of Land and House Building Support agreement in respect of Enhanced People's Housing Process (EPHP) (if applicable). x
- Proof of Disability (if applicable). x
- Proof of loan granted by lender (if applicable).

Where to submit an application

Application forms must be submitted to the housing section of your local municipality or to the Provincial Department responsible for Human Settlements in your province.

Description of the current National Housing Programmes per Intervention Category

1. Intervention Category: Financial Programmes
 - Individual Housing Subsidies o
 - Enhanced Extended Discount Benefit Scheme o
 - Social and Economic Facilities o
 - Accreditation of Municipalities o
 - Operational Capital Budget o
 - Housing Chapters of IDP's o
 - Rectification of Pre-1994 Housing stock
2. Intervention Category: Incremental Housing Programmes
 - Integrated Residential Development Programme o
 - Enhanced People's Housing Process (EPHP) o
 - Informal Settlement Upgrading o
 - Consolidation Subsidies o

- Emergency Housing Assistance
- 3. Intervention Category: Social and Rental Housing Programmes

- Institutional Subsidies
- Social Housing
- Community Residential Units

Intervention Category: Rural Housing Programmes

- Rural Subsidy: Informal Land Rights
- Farm Residents Housing Assistance Programme any, does not comply with the Norms and Standards in respect of Permanent Residential Structures.

In addition to the above requirements, any applicant must also satisfy the following general criteria:

Married or Financial Dependants: An applicant must be married or constantly be living together with a spouse. A single person with proven financial dependants (such as parents or parents-in-law, grandparents or grandparents-in-law, children, grand children, adopted children, foster children) may also apply.

Monthly Household Income: An applicant's gross monthly household income must not exceed R3 500. Adequate proof of income must be submitted.

Beneficiaries of the Land Restitution Programme: Beneficiaries of the Land Restitution Programme, should they satisfy the other qualification criteria, may apply for housing subsidies

Persons classified as military veterans as confirmed by the SANDF: Military veterans who are single without financial dependants may also apply for housing subsidies.
Persons classified as aged: Aged persons who are single without financial dependants may also apply for housing subsidies. Aged persons are classified as male and female persons who have attained the minimum age applicable to Government's old age social grant scheme.

Persons classified as disabled: Persons who are classified as disabled, whether single, married or co-habiting or single with financial dependants, may apply for housing subsidies. If a person who has already received state funding for housing and/or who already owns or owned a house, is or becomes disabled, or if his or her dependent(s) is/are or become disabled, such a person may receive an additional variation on the subsidy amount to finance special additions to provide independent living conditions.

I am disabled, what now?

Disabled beneficiaries may receive special additions to their houses to enable them independent living in normal residential areas. These additions have been tailored to accommodate the variety of special housing needs. Such special additions to houses entail concrete aprons and ramps to facilitate access to houses, special grab rails in bathrooms, kick plates to doors, visible doorbells and special access arrangements to toilets.

Beneficiaries with disabilities whom apply for approval to receive an additional subsidy must provide proof of the relevant disability that warrants the special assistance measure, must be confirmed in the form of a certificate by a registered medical practitioner as well as proof of income. Beneficiaries that currently receive a State welfare grant, in respect of the disabled category as administered by the Department of Social Development, will be required to provide proof of their income from a welfare grant together with the medical certificate, as indicated.

How much subsidy do I qualify for?

How do I apply for a Housing Subsidy?

No housing subsidy will be approved unless the applicant correctly completes the application form and submits the required documents of proof.

Intervention Category: Social and Rental Housing Programmes:	
Definition: Programmes facilitating access to Rental Housing opportunities, supporting Urban Restructuring and Integration	
Institutional Subsidies	This mechanism is targeted at housing Institutions that provide tenure arrangements alternative to immediate ownership (such as rental, instalment sale, share block or co-operative tenure) to subsidy beneficiaries.
Social Housing	The Social Housing programme seeks to provide a rental or co-operative housing options for low income persons at a level of scale and built form which requires institutional management and which is to be provided by accredited social housing institutions and in designated restructuring zones.