



human settlements

Department:
Human Settlements
PROVINCE OF KWAZULU-NATAL

Policy Communiqué

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AMENDMENTS: REVISED FINANCED LINKED SUBSIDY PROGRAMME (FLISP)

Beneficiaries in the gap market, particularly those beneficiaries at the lower end of the income range continue to experience difficulty with raising mortgage loans as there appears to be a general reluctance from the banking sector to finance this market for a number of reasons and also taking into consideration that the house prices and building costs have increased. The FLISP addresses the gap market by providing a subsidy to qualifying beneficiaries who have secured mortgage finance to acquire an existing house or a vacant residential serviced stand linked to a house construction contract.

Since 2012 the income levels for FLISP ranged from R3 501 to R15 000 per month. The subsidy quantum was from R87 000 for the lower income group to R10 000 for the upper income group.

Taking into consideration that the house prices and building costs have increased and households in the “affordable housing market” can no longer afford houses previously available in the market, the Human Settlements MINMEC has approved the adjustment of the subsidy quantum and changes on the upper income range for FLISP with effect from 28 July 2018.

The upper income threshold for qualifying beneficiaries has been changed from R15 000 up to R22 000. In view thereof the income levels for FLISP will range from R3501 to R22 000. The subsidy quantum will range from R27 960 for the upper income group to R121 626 for the lower income.

The applicable subsidy quantum is listed in the following table.

Finance-linked Individual Subsidy Programme Subsidy Quantum Table
Implementation date: 28 July 2018

Upper Limit R 121 626.00

Lower Limit R 27 960.00

Step Number	Increment Band		Quantum
	Lower	Higher	
1	R 3501.00	R 3 700.00	R 121 626.00
2	R 3 701.00	R 3 900.00	R 120 585.00
3	R 3 901.00	R 4 100.00	R 119 545.00
4	R 4 101.00	R 4 300.00	R 118 504.00
5	R 4 301.00	R 4 500.00	R 117 463.00
6	R 4 501.00	R 4 700.00	R 116 422.00
7	R 4 701.00	R 4 900.00	R 115 382.00
8	R 4 901.00	R 5 100.00	R 114 341.00
9	R 5 101.00	R 5 300.00	R 113 300.00
10	R 5 301.00	R 5 500.00	R 112 259.00
11	R 5 501.00	R 5 700.00	R 111 219.00
12	R 5 701.00	R 5 900.00	R 110 178.00
13	R 5 901.00	R 6 100.00	R 109 137.00
14	R 6 101.00	R 6 300.00	R 108 097.00
15	R 6 301.00	R 6 500.00	R 107 056.00
16	R 6 501.00	R 6 700.00	R 106 015.00
17	R 6 701.00	R 6 900.00	R 104 974.00
18	R 6 901.00	R 7 100.00	R 103 934.00
19	R 7 101.00	R 7 300.00	R 102 893.00
20	R 7 301.00	R 7 500.00	R 101 852.00
21	R 7 501.00	R 7 700.00	R 100 811.00
22	R 7 701.00	R 7 900.00	R 99 771.00
23	R 7 901.00	R 8 100.00	R 98 730.00
24	R 8 101.00	R 8 300.00	R 97 689.00
25	R 8 301.00	R 8 500.00	R 96 648.00
26	R 8 501.00	R 8 700.00	R 95 608.00
27	R 8 701.00	R 8 900.00	R 94 567.00
28	R 8 901.00	R 9 100.00	R 93 526.00
29	R 9 101.00	R 9 300.00	R 92 486.00
30	R 9 301.00	R 9 500.00	R 91 445.00
31	R 9 501.00	R 9 700.00	R 90 404.00
32	R 9 701.00	R 9 900.00	R 89 363.00
33	R 9 901.00	R 10 100.00	R 88 323.00
34	R 10 101.00	R 10 300.00	R 87 282.00
35	R 10 301.00	R 10 500.00	R 86 241.00
36	R 10 501.00	R 10 700.00	R 85 241.00
37	R 10 701.00	R 10 900.00	R 84 160.00
38	R 10 901.00	R 11 100.00	R 83 119.00
39	R 11 101.00	R 11 300.00	R 82 078.00
40	R 11 301.00	R 11 500.00	R 81 038.00
41	R 11 501.00	R 11 700.00	R 79 997.00
42	R 11 701.00	R 11 900.00	R 78 956.00
43	R 11 901.00	R 12 100.00	R 77 915.00
44	R 12 101.00	R 12 300.00	R 76 875.00
45	R 12 301.00	R 12 500.00	R 75 834.00

46	R 12 501.00	R 12 700.00	R 74 793.00
47	R 12 701.00	R 12 900.00	R 73 752.00
48	R 12 901.00	R 13 100.00	R 72 712.00
49	R 13 101.00	R 13 300.00	R 71 671.00
50	R 13 301.00	R 13 500.00	R 70 630.00
51	R 13 501.00	R 13 700.00	R 69 590.00
52	R 13 701.00	R 13 900.00	R 68 549.00
53	R 13 901.00	R 14 100.00	R 67 508.00
54	R 14 101.00	R 14 300.00	R 66 467.00
55	R 14 301.00	R 14 500.00	R 65 427.00
56	R 14 501.00	R 14 700.00	R 64 386.00
57	R 14 701.00	R 14 900.00	R 63 345.00
58	R 14 901.00	R 15 000.00	R 62 304.00
59	R 15 001.00	R 15 200.00	R 61 264.00
60	R 15 201.00	R 15 400.00	R 60 223.00
61	R 15 401.00	R 15 600.00	R 59 182.00
62	R 15 601.00	R 15 800.00	R 58 141.00
63	R 15 801.00	R 16 000.00	R 57 101.00
64	R 16 001.00	R 16 200.00	R 56 060.00
65	R 16 201.00	R 16 400.00	R 55 019.00
66	R 16 401.00	R 16 600.00	R 53 979.00
67	R 16 601.00	R 16 800.00	R 52 938.00
68	R 16 801.00	R 17 000.00	R 51 897.00
69	R 17 001.00	R 17 200.00	R 50 856.00
70	R 17 201.00	R 17 400.00	R 49 816.00
71	R 17 401.00	R 17 600.00	R 48 774.90
72	R 17 601.00	R 18 000.00	R 47 734.00
73	R 18 001.00	R 18 200.00	R 46 693.00
74	R 18 201.00	R 18 400.00	R 45 653.00
75	R 18 401.00	R 18 600.00	R 44 612.00
76	R 18 601.00	R 19 000.00	R 43 571.00
77	R 19 001.00	R 19 200.00	R 42 531.00
78	R 19 201.00	R 19 400.00	R 41 490.00
79	R 19 401.00	R 19 600.00	R 40 449.00
80	R 19 601.00	R 19 800.00	R 39 408.00
81	R 19 801.00	R 20 000.00	R 38 367.00
82	R 20 001.00	R 20 200.00	R 37 327.00
83	R 20 201.00	R 20 400.00	R 36 286.00
84	R 20 401.00	R 20 600.00	R 35 245.00
85	R 20 601.00	R 20 800.00	R 34 205.00
86	R 20 801.00	R 21 000.00	R 33 164.00
87	R 21 001.00	R 21 200.00	R 32 123.00
88	R 21 201.00	R 21 400.00	R 31 082.00
89	R 20 401.00	R 21 600.00	R 30 042.00
90	R 21 601.00	R 22 800.00	R 29 001.00
91	R 21 801.00	R 22 000.00	R 27 960.00

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INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME (IRDP)

The Province is seeking to encourage municipalities to undertake more projects using the IRDP in an effort to ensure holistic and integrated developments with a range of housing typologies and price categories to cater for the varying needs of beneficiaries. The key aspects of the programme are provided below. The comprehensive policy for the Integrated Residential Development Programme may be accessed on the National Department of Human Settlements website at www.dhs.gov.za or by using the following link,

<http://www.dhs.gov.za/content/national-housing-code-2009>

1. OVERVIEW

The Integrated Residential Development Programme (IRDP) provides a tool to plan and develop integrated settlements that include all the necessary land uses and housing types and price categories to become a truly integrated community. It does away with the requirement found in other policy programmes to identify subsidised housing recipients up front and provides for both subsidised, as well as finance linked housing, social and rental commercial, institutional and other land uses to be developed.

The IRDP can be undertaken in two phases. The first phase encompassing planning, land acquisition, township establishment and providing serviced residential stands in a variety of price categories as well as stands for other land uses to ensure a holistic and sustainable community. In the second phase houses are constructed for qualifying housing beneficiaries and the sale of stands is undertaken to non-qualifying beneficiaries as well as to commercial interests, etc.

2. APPLICATION OF THE PROGRAMME

The IRDP may be utilised where:

- a) A project that is undertaken in an area where unoccupied vacant land is developed for an integrated Human Settlement; or
- b) An integrated Human Settlement project is undertaken in an existing township where an undeveloped parcel of land is utilised for development purposes.

In order to deliver housing in terms of a procurement compliant process, it is necessary for:

- a) A developer to manage the total development process and to administer projects in terms of the provision of the Programme. A developer can either be a municipality or a Provincial Department where the municipality lacks capacity;
- b) Contractors to construct the services and housing units

The services of professionals and contractors can be procured in a number of ways, depending on how a developer wants to allocate risk and manage the project. A developer can choose any one of the following three contracting strategies or a combination thereof:

- a) Turnkey contract;
- b) Traditional pre-planned contracts; or
- c) Development contracts

This Programme also provides for the creation of non-residential stands such as:

- a) Institutional stands e.g. police stations, schools and clinics;
- b) Business and commercial stands;
- c) Stands for not-for-profit community services e.g. churches and crèches/nursery schools;
- d) Stands for public use e.g. parks and community facilities etc.; and
- e) Special conditions apply to the sale and transfer of these stands.

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