

Type of Subsidy	Beneficiary Income	Tenure Option	Recipient of Subsidy	Features of Subsidy
Individual Subsidy	R0 - R3 500	Ownership	Individual	Assistance to buy a stand or a house in an approved project or from a seller. HHS earning between R1501 and R3500 required to pay a deposit of R2479
Consolidation Subsidy	R0 - R3 500	Ownership	Individual	To construct a top structure on a serviced stand from a previous govt programme
Rural Subsidies	R0 - R3 500	Tribal land rights as security for occupation	Individual	Subsidy for services and houses in rural areas where the land is state owned and governed by tribal authorities
Project Linked Subsidies	R0 - R3 500	Ownership	Individual	Houses built by contractors for ownership by the beneficiary of the subsidy
Financed Linked Individual Subsidies	R3 501 – R15 000	Ownership	Individual	Once off subsidy as down payment on bond
Discount Benefit Scheme	R0 - R3 500	Ownership	Individual	State financed rental property sold with a fixed discount
Community Residential Units	R0 - R3 500	Rental	Municipality/Province that owns the stock	Redevelopment of former hostels into rental units
Institutional Subsidies	R1 500 - R3 500	Rental/Rent to buy	Social Housing Institution	Subsidy to institution for every household earning below R3500 pm in the development
Social Housing Subsidies	R1 500 – R15 000	Rental	Social Housing Institution	Variable subsidy amount (R125 657 – R155 517)depending on income mix for restructuring urban areas

Housing programmes as per housing code

Integrated Residential Development Programme

- Provides for planning and development of integrated housing developments. Projects can be planned and developed in phases and provides for a holistic development orientation. The Programme finance land acquisition, town planning, infrastructure installation and the construction of subsidy houses.
- Will accommodate both housing subsidy beneficiaries as well as persons who do not qualify for housing subsidies. These persons will buy the serviced stands from the municipality at either input cost or market value depending on income.
- 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 Programme

- Provides access to subsidy funding where qualifying households wish to acquire an existing house, a house that is part of a housing project not undertaken as part of an approved Project Linked Housing Subsidy Programme or IRDP, or a vacant serviced residential stand linked to a house construction contract through an approved mortgage home loan.

Enhanced People's Housing Process

- The Enhanced People's Housing Process represents a cross cutting development option where beneficiaries who wish to enhance their housing subsidies by building their own homes are assisted through technical support training and guidance.
- Can be applied in the Integrated Residential Development Programme, Project Linked Consolidation Subsidies, Institutional Subsidies and/or the Rural Subsidy Programme.
- The programme also provides funding for the required support services to be provided to the beneficiaries. The latter funding is not subject to the zero rated subsidy concession and VAT is thus payable on that portion of the project cost.
- A support organisation is appointed by the beneficiaries and this support organisation will be responsible for the implementation of the project. The support organisation will order and buy all the materials.

Informal Settlement Upgrading Programme (UISP)

- Structured phased upgrading of informal settlements. It applies to in situ upgrading of informal settlements as well as where community members or entire 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.
- Provides grant funding to a municipality for the upgrading of the targeted areas. The awarding of an individual housing subsidy only realises in phase 4 of the development which comprises the house construction phase. This phase of the development is undertaken in terms of the provisions of the IRDP.
- As in the Case of the IRDP the upgrading project will accommodate both subsidy beneficiaries and non-qualifying subsidy beneficiaries.

Consolidation Subsidy Programme

- Provides house building subsidies to beneficiaries who have already received assistance from Government through the transfer of a serviced stand 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 that will comply to the national norms and standards.

Institutional Subsidy Programme

- Institutional subsidies are available to accredited Housing Institutions that provide tenure arrangements alternative to immediate ownership (such as rental, instalment sale, share block or co-operative tenure) to subsidy beneficiaries.
- 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 housing institution must in addition to the subsidy, make its own capital investment in the property.

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.

Farm Resident Housing Assistance Programme

- Capital subsidies for the provision of basic services such as water, storm water management and sanitation, should no alternative funding be available, and adequate houses for farm workers and/or farm occupiers.

Social Housing Programme

- Provide a rental or co-operative housing option 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

- To assist persons to acquire state financed rental housing in ownership as well as to assist existing sales debtors to settle the balance on purchase prices of properties acquired from the public sector or to settle loan balances financed from the State's credit schemes 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.

The Housing Assistance programme for Emergency Circumstances

- Provides grants to municipalities to provide emergency housing assistance in cases of declared disasters, in cases where the MEC is of the opinion that an emergency situation exist and to assist persons faced with evictions.
- It may also be applied to provide temporary accommodation to persons who need to be relocated to facilitate access to informal settlement upgrading project progress. The programme by and large does not provide individual ownership subsidies as the main focus is temporary housing and services provision.

Programme for the rectification of pre-1994 housing stock

- Introduced to correct situations where houses were build prior to 1994 that does not comply with the current minimum standards in regard to basic services and health and safety provision. The programme provides grant funding to the municipality for the rectification of the houses and the transfer thereof to the beneficiaries in ownership.

The Community Residential Units programme

- Provides grant funding to municipalities for the upgrading of existing state owned rental stock including hostels and to provide new state owned rental stock or purchase inner city building and convert it for rental purposes.

Payment instruments as per programme budget structure

1. Financial Intervention

- 1.1a Individual housing subsidies (R0 - R3 500) Credit linked
- 1.1b Individual housing subsidies (R0 - R3 500) Non-credit linked
- 1.2a Housing finance linked individual subsidies (R3 501 - R7 000)
- 1.2b Housing finance linked individual subsidies: Inclusionary housing
- 1.3 Relocation assistance
- 1.4 Enhanced Extended Discount Benefit Scheme
- 1.5 State asset maintenance programme
- 1.6a Rectification of RDP stock 1994 - 2002
- 1.6b Rectification of housing stock (pre - 1994)
- 1.7 Social and economic facilities
- 1.8 Accreditation of municipalities
- 1.9 Accredited municipalities (level 1 & 2) programmes to be approved & funded
- 1.10 Operational capital budget
- 1.11 Unblocking of blocked projects
- 1.12 NHBRC enrolment fees (related to grant)
- 1.13a Land parcels procured (IHAHSD grant)
- 1.13b Land parcels procured (Other funding)
- 1.14 Housing chapters of IDP's

2. Incremental Housing Programmes

- 2.1a Project Linked Subsidies (current commitments approved up to 31/03/07): Excluding blocked projects
- 2.2a Integrated residential development programme: Phase 1 Planning & services (excluding informal settlements)
- 2.2b Integrated residential development programme: Phase 2 Top structure construction (excluding informal settlements)
- 2.2c Integrated residential development programme: Phase 4 Top structure construction: informal settlements
- 2.3a People's Housing Process: current commitments (excluding blocked projects)
- 2.3b People's Housing Process: current commitments (blocked projects)
- 2.4a People's Housing Process (excluding informal settlement upgrading)
- 2.4b People's Housing Process (informal settlement upgrading)
- 2.5 Informal Settlement Upgrading
- 2.6a Consolidation Subsidies (Excluding blocked projects)
- 2.7a Emergency Housing assistance (current commitments)
- 2.7b Emergency Housing assistance (planned projects - possible disaster area)

3. Social and Rental Housing

- 3.1 Institutional Subsidies
- 3.2a Social housing: operational support
- 3.2b Social housing: Capital grants for rental housing
- 3.3 Community residential units
- 3.5 Back Yard Rental programme
- 3.6 Housing assistance to hh affected by death of guardians

4. Rural Housing Programmes

- 4.1 Farm Worker Housing Assistance
- 4.2 Rural Housing communal rights

