



human settlements

Department of Human Settlements
FREE STATE PROVINCE



HUMAN SETTLEMENTS SUBSIDIES

QUALIFICATION CRITERIA

1. 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 R 3 500.00 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

2. ESSENTIAL DOCUMENTS

Applicants are required to produce the following documents

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

3. WHERE TO APPLY FOR HOUSING SUBSIDY

- Provincial Department of Human Settlements
- Local Municipality



4. HOUSING SUBSIDIES

I. INDIVIDUAL SUBSIDY

- a) 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.
- b) These properties are available in the normal secondary housing market or have been developed, as part of projects not financed through one of the Human Settlements Programmes.
- c) The 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.
- d) Subsidies are available on a first come first serve basis and may be credit linked or non-credit linked.

II. CONSOLIDATION SUBSIDY

- a) The consolidation subsidy is available to a beneficiary who has already received assistance through government to acquire a serviced residential site through the pre-1994 housing scheme
- b) 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

III. INSTITUTIONAL SUBSIDY

- a) Institutional Housing Subsidies are available to Human Settlements Institutions that provide tenure arrangements alternative to immediate ownership (such as rental, instalment sale, share block or co-operative tenure) to subsidy beneficiaries
- b) The subsidy will enable Human Settlements Institutions to undertake approved projects and to enable them to create affordable housing stock for beneficiaries to live in subsidised residential properties
- c) A further condition is that the legal entity must in addition to the subsidy, make its own capital investment in the property

IV. RURAL SUBSIDY: COMMUNAL LAND RIGHTS

- a) This subsidy is available to beneficiaries who only enjoy functional tenure rights to the land they occupy
- b) This land is normally in rural areas and belongs to the state and is governed by traditional authorities
- c) 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

V. FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME (FLISP)

- a) On 01 April 2012 Finance Linked Individual Subsidy Programme (FLISP) was amended to include beneficiaries earning up to R 15 000.00 per month
- b) Under the revised programme, qualifying households earning between R 3 501.00 and R 7 000.00 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)
- c) Qualifying households earning between R 7 001.00 and R 15 000.00 per month qualify for financial assistance towards the repayment of the bond. The subsidy attaches to the beneficiary and not to the property
- d) 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.
- e) e. A qualifying FLISP applicant may source new or old property with the help of a registered Estate Agent or find a property from the FLISP accredited projects with the help of the developers.
- f) f. These Property Practitioners may also help the applicant apply for the FLISP subsidy, once housing finance has been secured with a bank.
- g) g. FLISP increase shortfall between qualifying loan amount and the total product price; (payment made to transferring attorneys).

VI. SUBSIDY VARIATION FOR EXTRAORDINARY DEVELOPMENT CONDITIONS AND DISABLED PEOPLE

- a) In order to ensure that housing units delivered through the Human Settlements 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
- b) 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
- c) The Member of the Executive Council (MEC) may require additional information before the final decision can be conveyed to the developer
- d) 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

Contact Details

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