

Department of Human Settlements  
programmes



human settlements  
MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA



## WHAT IS A HOUSING SUBSIDY?

- A Government Housing Subsidy is a grant by Government to qualifying beneficiaries for housing purposes. The grant is not paid in cash to beneficiaries. The grant is either paid to the seller of a house or to a duly appointed contractor once it is certified that the house complies with minimum building and SABS standards.

## WHO CAN APPLY FOR A HOUSING SUBSIDY?

- An applicant must be married or co-habiting with a partner OR single with proven financial dependants.
- An applicant must be a South Africa citizen or have permanent South African Permanent Resident's Permit.
- An applicant must be 18 years or older.
- Monthly household income must be less than R3 500 and proof of income must be submitted.
- The applicant or his or her spouse should not have received a housing subsidy from any provincial government within this country.

## HOW DO I APPLY FOR A HOUSING SUBSIDY?

The process is as follows:

- The applicant should ensure that his or her name is on the relevant municipal waiting list,
- A project is approved on the departmental plan after consultation with the municipalities,
- The municipality selects applicants from the waiting list and assists them to fill forms,
- The municipality submits the application forms to the department and
- For individual subsidy, FLISP and credit-linked applicants, the municipality or the applicant can submit the forms and depending on availability of funds the applications will be processed.

## WHICH DOCUMENTS TO SUPPLY WHEN APPLYING FOR A HOUSING SUBSIDY?

- A copy of your green bar-coded South African identity document, birth and death certificates should all be certified copies.
- If applicant is not a South African resident a permanent residency permit must be supplied
- Marriage certificate if married or divorce decree if divorced with financial dependents
- Death certificate of spouse if applicable
- Recent pay slips as proof of income. Pay slips must not be more than six months old
- Agreement of Sale.
- Building Contract and Approved Building Plan.
- Sale of Land and House Building Support agreement i.e. People's Housing Process (PHP) (if applicable).
- Proof of Disability (where applicable).
- Proof of loan granted by lender (if applicable).
- Application for exemption for capital contribution (if applicable).

## SUBSIDY DISPENSATION FOR THE DISABLED OR HEALTH-STRICKEN

### WHO CAN APPLY FOR A SUBSIDY DISPENSATION FOR THE DISABLED OR HEALTH-STRICKEN?

Disabled People who are not able to build their own homes due to their disabilities are excluded from making a contribution. You will need to produce a medical certificate from a registered medical doctor to prove that you are permanently disabled.

- The above mentioned medical certificate is provided in the application form and it must be taken to a registered medical practitioner to confirm the disability and the category/type of disability. This will assist in determining the disability allowance that should be added onto the subsidy in order to make the house accessible to the applicant.

The allowance varies per disability category and is used to add the relevant enhancement depending on the nature of the disability.

- Health-stricken refers to people who are unable to build their own houses either permanently or for the duration of the building project. You will need to produce a medical certificate from a registered medical doctor to prove that you are health-stricken.

### HOW MUCH IS THE SUBSIDY DISPENSATION WORTH?

- The subsidy increases at the beginning of every financial year and for the 2012/13 financial year is R 64 666 for applicants earning between 0 and R 3 500.

### TYPES OF HOUSING SUBSIDY

#### CONSOLIDATION SUBSIDY

- The Consolidation Subsidy is designed for beneficiaries who already have a previously subsidised and serviced plot and now qualify for a subsidy to build a top structure. The applicant must have the title deed for serviced land that was given to under a previous subsidy, but the land has no top structure. Neither the applicant, nor the spouse, should own another property. Average household income must be less than R3 500.

#### INDIVIDUAL SUBSIDY

- An individual subsidy provides qualifying beneficiaries with access to housing subsidies to acquire ownership of improved residential properties (stand and house) or to acquire a house building contract which is not part of approved housing subsidy projects. The latter option is only available to beneficiaries who will access housing credit.

### PROJECT LINKED SUBSIDY

- A Project-Linked Housing Subsidy is a grant from the government that a beneficiary can use to buy a residential unit together with land on which it stand in a municipal project. It is not a cash payout but is paid directly to the municipality that is building the housing.

### INSTITUTIONAL SUBSIDY

The Institutional Subsidy is available to qualifying institutions to enable them to create affordable housing stock for persons who qualify for housing subsidies.

- This housing subsidy mechanism provides capital for the construction of housing units in respect of qualifying beneficiaries who do not earn more than R3 500. The subsidy is paid to approved institutions to provide subsidised housing on deed of sale, rental or rent to buy options, on condition that the beneficiaries may not be compelled to pay the full purchase price and take transfer within the first four years of receipt of the subsidy. Institutions must also invest capital from its own resources in the projects.

### DISCOUNT BENEFIT SCHEME

- The Discount Benefit Scheme promotes home ownership among tenants of State-financed rental stock, including formal housing and serviced sites. In terms of this Scheme, tenants receive a maximum discount of up to R7 500 on the selling price 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

- This housing subsidy is available to beneficiaries who only enjoy functional tenure rights to the land

they occupy. This land belongs to the State and is governed by traditional authorities.

- 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, on building of houses or a combination thereof.

#### PEOPLE'S HOUSING PROCESS (PHP)

- The People's Housing Process aims to support households who wish to enhance their housing

subsidies by building or organising the building of their own homes themselves. This process is a method of accessing the Projects Linked, Project Linked Consolidation, Institutional, or Rural Subsidies, eradication of Informal Settlement Upgrading and job creation through supporting co-operatives (brick, door and window frame making) as well as technical and other forms of assistance in the house building process.



## INTERVENTION CATEGORIES

### FINANCIAL INTERVENTION

- Individual Housing Subsidies
- Enhanced Extended Discount Benefit Scheme
- Social and Economic Facilities
- Accreditation of Municipalities
- Operational Capital Budget
- Housing Chapters of IDP's
- Rectification of Pre 1994 Housing stock

### INCREMENTAL HOUSING PROGRAMMES

- Integrated Residential Development Programme (IRDP)
- People's Housing Process (PHP)
- Informal Settlement Upgrading
- Consolidation Subsidies
- Emergency Housing Assistance

### SOCIAL AND RENTAL HOUSING PROGRAMMES

- Institutional Subsidies
- Social Housing
- Community Residential Units

## 1. RURAL HOUSING PROGRAMME

- **Rural Subsidy: Informal Land Rights**
- **FINANCIAL:** 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 prevailing housing subsidies on the loan/purchase price/ purchase price balance 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 projects
- **ACCREDITATION OF MUNICIPALITIES:** Municipalities that have been accredited will be able to plan, manage and administer the National Housing Programmes. The purpose of this programme is to provide: (1) Systems Support to accredited municipalities that could include hardware as well as software facilities. (2) 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: 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.
- **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.
- **PHASE 1: LAND, SERVICES AND TOWNSHIP PROCLAMATION:** The first phase could entail planning, land acquisition, township establishment and the provision of serviced residential and other land uses to ensure a sustainable community.
- **PHASE 2: HOUSING CONSTRUCTION: INDIVIDUAL OWNERSHIP OPTIONS:** The second phase could comprise the house construction phase for qualifying housing subsidy beneficiaries and the sale of stands to non qualifying beneficiaries and to commercial interests etc.
- **PEOPLES HOUSING PROCESS (PHP):** The PHP 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.

## 2. INCREMENTAL HOUSING PROGRAMMES

Programmes facilitating access to housing opportunities through a phased process.

- **FARM WORKER ASSISTANCE:** The programme which is meant for the provision of houses to qualifying households working and residing on farms. This housing development is done on land donated by farm owners for this purpose or on land owned by CPA,s.

- 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.

### 3. SOCIAL AND RENTAL HOUSING PROGRAMMES:

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.

- **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 provides a coherent framework for dealing with the many different forms of existing public sector residential accommodation. The CRU programme also provides options in Phase 4 of the “Informal Settlement Upgrading Programme”.

### 4. RURAL HOUSING PROGRAMME:

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.



## RENTAL HOUSING TRIBUNAL

### WHY THE TRIBUNAL?

- The tribunal is vested with certain rights and obligations in terms of the Rental Housing Act 1999 No. 50 and the Regulations therefore to:
- Receive complaints lodged by either landlords or tenants
- Resolve disputes between tenants and landlords
- Appoint mediators
- Conduct hearings

### VISION

The Mpumalanga Rental Housing Tribunal Programme strives to promote stability in the rental sector by resolving disputes between landlords and tenants that arise due to unfair practice.

### MISSION

- Promote stability in the residential rental housing sector in Mpumalanga.
- To lay down general principles governing conflict resolution in the Rental Housing Sector.
- To protect landlords and tenants against unfair and unlawful practices.
- To provide education for landlords and tenants with regards to their rights and obligations.
- To provide accessible mechanisms to landlords and tenants for dispute resolution.

### COMPOSITION OF THE TRIBUNAL

In terms of Section 9 of the Rental Housing Act, 50 -1999; Tribunal members are appointed by the MEC and consist of no less than five (5) members plus two (2) alternative members.

The chairperson and members of the Tribunal must be appointed only after:

- The MEC has through the media and notice in the Gazette invited nominations of persons as candidates for the respective positions on the Tribunal.
- The MEC has consulted with the relevant standing or Portfolio Committee of the Provincial Legislature which is responsible for housing matters in the Province. Tribunal Members must be appointed for a period of not exceeding three (3) years.

Any person whose term of office as a member has expired may be re-appointed by the MEC for an additional period not exceeding three (3) years.

### SERVICES OFFERED

- The Rental Tribunal provides its services freely and caters for Mpumalanga tenants and landlords.
- Receipt and investigation of complaints.
- Resolution of disputes through mediation and hearing.
- Provision of advice and information with regards to lease agreement.

### ISSUES THAT ARE DEALT WITH BY THE TRIBUNAL, INCLUDE THE FOLLOWING:

- Deposit
- Lease
- Right and duties of the land-lords and tenants
- Non-payment of rental
- Exploitative rentals
- Condition, use and maintenance
- Utility services
- Damage to property
- Eviction and lockout
- House rules
- Intimidation
- Issuing of receipts maintenance
- Overcrowding and health matter

## WHO IS ELIGIBLE?

Residents, institutions and property management agencies within the Mpumalanga Province who either own or manage a rented property or rent such a property or rent such a property.

## LODGING A COMPLAINT

Complaints lodged with the Tribunal must be in writing and must be in the prescribed form appearing in Schedule 1 of the regulations.

## COMPLAINS MUST BE LODGED AS FOLLOWS:

By mail to the offices of the Tribunal.

- At the relevant Rental Housing Information Office within the jurisdiction of the local authority in which the dwelling is situated.
- At the office of the Tribunal or by facsimile and confirmation of successful transmission be used as proof of receipt of the complaint.

## RELATIONSHIP BETWEEN TENANTS AND LANDLORDS GENERAL PROVISIONS

- A landlord may not discriminate against a tenant during a lease or when negotiating for a lease on grounds of:
  - Colour
  - Race
  - Gender
  - Sexual orientation
  - Marital Status
  - Religion
  - Age
  - Disability
  - Culture etc.



## CONTACTS

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### DISTRICT OFFICES

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**Nkangala:** (013) 656 1066

**Gert Sibande:** (017) 811 1177

**Elukwatini:** (017) 883 0827

**KwaMhlanga:** (013) 947 3932

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