

INDIVIDUAL RURAL HOUSING SUBSIDY VOUCHER PROGRAMME: COMMUNAL AND INFORMAL LAND RIGHTS



1. Rationale of the Individual Rural Subsidy Voucher

- Conventional project-driven housing delivery in rural areas poses a fundamental challenge — specifically on communal land.
- Projects are constrained by lengthy lead times and bottlenecks in municipal planning and implementation capacity.
- Resistance of traditional leadership against creating townships in areas under their jurisdiction.
- Beneficiaries required to relocate to new housing projects away from ancestral homes in order to claim housing benefit.
- Proposed Voucher empowers beneficiaries to claim housing subsidy where it benefits them most: within their established community and social safety net.

2. Essence of the Subsidy Voucher Scheme

- Give option to residents on communal land to claim housing subsidy individually and build their own houses.
- Money to be used for purchasing building materials to build new or improve existing house — maximising housing choice.
- Rural Housing Voucher can be used on quality controlled building materials, utility systems and related equipment (see catalogue of materials in the Report).

3. Policy Prescripts and Provisions

Application of the Programme

- Qualifying individual beneficiaries
- Must have secure tenure:
- Persons who have uncontested old order rights, or
- Persons who have new order rights - i.t.o. Communal Land Rights Act.

Who will be assisted?

- Resident
- Competent to contract
- Not yet benefited from government assistance
- Not previously owned a fixed residential property
- Married or cohabiting etc.

4.Funding Arrangements

Programme Budgeting

- Funding for the voucher program will be reserved by the PHDs from their annual housing allocation.
- Will be paid to RHLF for the implementation of the program

Subsidy Quantum

- Vouchers will be available for the full standard subsidy amount of currently R54,650.

Application for other Funding

- Funding previously obtained from other government programs must be declared and deducted from the subsidy.

5. Use of the Individual Rural Housing Subsidy Voucher

- The use must accomplish the objectives of the Housing Act, No 107 of 1997

The voucher may be used for:

- permanent residential structures with secure tenure, ensuring internal and external privacy and providing adequate protection against the elements,
- potable water, adequate sanitary facilities and domestic energy supply.

Owner-builders

- The Rural Housing Voucher requires the direct and personal involvement of the beneficiary.
- Recipients of a Rural Housing Voucher must be owner-builders.
- Genuine owner-builders are not obliged to register with the NHBRC.
- Individual households must empower themselves in the actual building of their home.

6. Cataloguing of building material supplies

Quality Control and Quantities

- Building materials account for a high percentage of self-help housing projects
- Voucher may only be used for quality controlled basic materials purchased from accredited vendors.
- One of the biggest problems experienced by owner-builders is the professional control of project costs
- Owner-builders risk cash flow problems and the shortage of funds with which to complete the project, if the building materials required are not quantified upfront.
- Hence, a bill of quantities is required prior to the commencement of the construction project.

7. Control Measures

Land Tenure

- It is proposed that the form of functional tenure currently in existence in a specific traditional community be used.

Limitations of Rural Housing Voucher use

- Rural Housing Voucher cannot be ceded, exchanged, sold, pawned, or disposed of in any manner other than its intended purpose.

Subsidy and financial administration

- RHLF will appoint Subsidy Voucher Intermediaries serving as beneficiary contact point and responsible for application processing and voucher disbursement. RHLF disburse to Voucher Intermediaries monthly based on the number of Voucher Subsidies approved.
- Intermediaries will disburse funds to accredited material vendors and the approved beneficiaries weekly.
- Intermediaries should use secure technologies such as pin-enabled debit cards for disbursements under the Programme.

8. Progress payment system

- The progress payment system will comprise up to 5 milestone payments as detailed in par. 3.6.7 in the Report
- No funds will be advanced to owner-builders for work not completed in the previous phase of the construction of the house.
- Service providers will be paid on behalf of the beneficiaries within the progress payment system.