

**AGENDA of the
Portfolio Committee : Community Services
17 March 2026
(Also the agenda for the Mayoral Committee Meeting: 25 March 2026)**

Programme (IRDP) even developed in Stanford for housing project, at least 50 erven should be made available to FHFP applicants who are registered on the Housing Demand Database.

However, the National Government introduced the First Home Finance Programme (FHFP) in November 2011. The programme was thereafter amended in April 2012 as set out in the policy for FLISP. An overview of FLISP as set out in the policy is as follows:

One of the objectives of the Government's housing programme is to provide assistance to households who are unable to independently access mortgage finance to acquire a residential property. Typically, these households earn too little to qualify for mortgage finance on the one hand and on the other their monthly income exceeds the maximum income limit applicable to Government's "free basic house" Housing Subsidy Scheme. The particular market segment is generally referred to as the "affordable" or the "gap market".

Hence, the First Home Finance Programme (FHFP) provides 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. The objective of the Programme is to reduce the initial mortgage loan amount to render the monthly loan repayment instalments affordable over the loan repayment term and/or to make good any shortfall between the qualifying loan amount and the total product price subject to the conditions of the Programme.

Income Categories:

The FHFP provides for subsidy opportunity to applicants with household income between R3,501 - R22,000 per month, as amended by Human Settlements: MINMEC on 1 April 2022 and communicated by the National Department of Human Settlements on 8 April 2022.

The 2022 amendment of FHFP also provides for a "Deed of Sale transaction" option, whereby a written agreement can be entered into, in order to purchase a residential property in monthly instalments over an agreed period. The particular option is however in contradiction with Section 164(i)(c)(iii) of the Municipal Finance Management Act no. 53 of 2005 (MFMA), whereby a municipality is not allowed to grant a loan to members of the public.

It was determined from the Western Cape Department of Infrastructure, Human Settlements branch that consideration can be given for participation in serviced sites project by applicants on the Western Cape Housing Demand Database (WCHDDDB) exceeding the threshold for FHFP to the amount of R22,000 (monthly gross household income).

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The particular applicants must be assisted by purchasing an erf at a input cost determined by a Project Management Unit within Overstrand Municipality. The affected applications must however comply with the qualifying criteria set out in this report.

Subsidy Quantum:

In April 2023 the FHFP subsidy quantum has been revised with a minimum subsidy of R38,911.40 and a maximum subsidy of R169,264.60 (**Refer to Annexure A**).

Exemption of FHFP for Provisions of Section 10A and 10B of Housing Act:

It was also agreed that the sales restriction provisions under Section 10 of the Housing Act, 1997 (Act No. 107 of 1997) hampers the successful implementation of FHFP and should not be applied on all properties acquired through a FHFP. However, it was confirmed that the provisions under section 10(B)5 provides an alternative relief and must be applied retrospectively whilst the matter is addressed by means of an amendment to the Housing Act, 1997.

The mentioned sections as per the Housing Amendment Act, 2001 provides for a pre-emptive right for a period of eight years to be registered against the particular property developed with government subsidy in favour of the relevant Provincial Department of Human Settlements. Section 10B(5) of the Housing Amendment Act, 2001 states that, "*An MEC may grant exemption from the provisions of subsection (1), either conditionally or unconditionally, in respect of any dwelling or site to which the provisions of that subsection apply*".

Purpose of FHFP:

The policy furthermore states that FHFP is available to qualifying beneficiaries who:

- acquire ownership of existing improved residential properties;
- obtain vacant serviced residential stands which are linked to house building contracts with home builders registered with the National Home Builders Registration Council (NHBRC); or
- construct a new residential dwelling through a house building contract entered into with a homebuilder that is registered with the NHBRC, on a serviced residential stand, that is already owned by the beneficiary.

In order to ensure that a proper and effective subsidy application process is implemented and executed, the Municipal Administration posed questions of clarity to the Director: Project and Subsidy Administration, Western Cape: Department of Human Settlements

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Discussion

Qualifying Criteria:

In order to qualify for a FHFP subsidy, all the applicants must comply with the following:

- a. is a lawful resident in South Africa (i.e. citizen of the Republic of South Africa or in possession of a permanent residence permit. Certified copies of the relevant documents must be submitted with the application.
- b. legally competent to contract (i.e. over 18 years of age or older or legally married/divorced and of sound mind);
- c. has not yet benefited from government assistance. Neither the person nor his/her spouse has previously derived benefits from the housing subsidy scheme which conferred benefits of ownership, leasehold or deed of grant or the right to convert the title obtained to either ownership, leasehold or deed of grant;
- d. must not have owned fixed property. Current residential property owners will not qualify for a FHFP subsidy. This requirement does not apply to a qualifying beneficiary who only owns a vacant stand acquired through his/her own resources and wishes to make use of a FHFP subsidy to construct a top structure on the same site;
- e. must be married or cohabiting. He/she is married in terms of Civil Law or Customary Marriage or habitually cohabits with any other person. It is required that the property be registered in the names of both spouses in the Deeds Office;
- f. must be single with financial dependants. If not married he/she must have proven financial dependants. A financial dependant refers to any person who is financially dependent on the subsidy applicant and who permanently resides with the housing subsidy applicant; and
- g. monthly household income. The gross monthly household income must be within the range as depicted in the adjustments to the finance linked individual subsidy programme.

Provincial Circular 10/2015:

The household's income category R3,501 – R22,000 must also comply with the criteria per Provincial Circular 10/2015, as amended, namely:

An applicant must be registered on the Western Cape Housing Demand Database for a minimum period of three (3) years.

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Relevant definitions:

Farm residents: Person, whose ordinary residence is a farm, including a farm worker with ordinary residence on the Farm.

Permanent disability:

The following characteristics apply to households affected by permanent disability:

A household with at least:

- one adult member (in the core household) having a permanent disability
- a financial dependant with a permanent disability.

The selection of potential beneficiaries will be done in the following order:

- selection according to the registration date of the households;
- selection of households containing an adult member of 60 years and older (quota 15%);
- selection of households who are affected by disabilities (quota 5%);
- selection of households according to registration as a farmworker (quota 5%).

Priority Rating Criteria:

In all household categories the following rating criteria will apply namely:

- i. That potential beneficiaries be considered for an affordable erf in order from the earliest date to the latest date of application for housing (as per the application form). All potential beneficiaries in the household income category R3,501 – R22,000 must furthermore be prioritised in terms of the following with reference to Circular C10/2015, namely:
- ii. That an applicant is registered on the Western Cape Housing Demand Database for a minimum period of three (3) years.
- iii. Preference is given to the aged (60 years and older), permanently disabled and farmworkers.
- iv. Application of age-based criteria in accordance with the following categories, namely:
 - (a) potential beneficiaries \pm 40 years of age and older;
 - (b) potential beneficiaries 35-39 years of age; and
 - (c) potential beneficiaries 30-34 years of age.
 - (d) potential beneficiaries younger than 30 years of age

An application will be lodged to the Western Cape Department of Infrastructure; Human Settlements branch by the Housing Administration to accommodate potential beneficiaries younger and older than 30 years of age.

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TABLE 1: FHFP SERVICED SITES DEVELOPED

No.	Vacant Land	Type of project	New number of sites
1	Stanford	Serviced Sites	48
TOTAL SERVICED SITES			48

In response to the request from the Stanford Social Compact Committee regarding FHFP opportunities, a total number of 48 serviced sites were approved and made available, as they were part of IRDP: 621 erven.

Subsidy application procedure:

The potential beneficiaries with household income of R3,501 – R22,000 apply for subsidy as per normal BNG subsidy application process. The FHFP subsidy applicants firstly obtain a Deed of sale from the Municipality thereafter submit the subsidy application directly to the Western Cape Department of Infrastructure; Human Settlements branch

Sale of Properties:

The beneficiary may not sell or otherwise alienate his property for a period (currently eight years) prescribed by the Housing Act, 1997 from the date of transfer into his/her name, prior to offering the property to the Provincial Government.

Transfer of properties:

The costs, expenses and charges to be incurred in the transfer of the property. (the legal fees), including the registration of a mortgage bond and municipal service connection fees must be financed by the beneficiary, except for beneficiaries will get full subsidy amount that will cover both total cost of the property and transfer cost.

Serviced Sites, Stanford :Potential Beneficiaries:

The following potential beneficiaries residing in Stanford were identified from WCHDDB for Overstrand Municipality.

TABLE 2: POTENTIAL BENEFICIARIES: SERVICED SITES, STANFORD

DESCRIPTION	R3,501 – R22,000				ABOVE R22,000
	TOTAL (PROPOSED)	Disabled (5%)	Aged (15%)	Farm Workers (5%)	

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STANFORD OPPORTUNITIES	48	2	23	2	1
ADDITIONAL POTENTIAL BENEFICIARIES(REPLACEMENTS)					
STANFORD OPPORTUNITIES	24	0	0	0	0

Note:

- ❖ The applicants with the rating (earliest dates of application) that are not recommended as potential beneficiaries due to the following reasons are listed for information (**Refer to Annexure B**).
 - i. assisted in terms of housing subsidy scheme, or
 - ii. not first time-home owners.

Invitation to participate in the housing project in Stanford for potential beneficiaries' resident outside the catchment area.

The invitations, which represented 10% of the participants for Stanford IRDP:621, were given to Paradise Park applicants as per the recommendation of the former Overstrand Municipality Executive Mayor on 18 June 2024 due to the court order eviction as it was issued against residents of Paradise Park. The intention was to determine whether the affected applicants from Paradise Park would register for the housing opportunity in the Stanford project. The affected applicants declined the invitations, stating that they would be far from their medical centres, employment or relatives, and that they were concerned for their safety after reading on social media that they would not be accepted by the Stanford community.

Furthermore, Councillors concurred with Western Cape: Department of Infrastructure (DoI) that ninety-ten rule (90/10) for catchment areas should be dropped. DoI reported that 90/10 rule is not applicable anymore, due number of rural municipalities made submissions that it is impossible to implement because applicants are settled on their original towns, and they are not prepared to relocate to new towns. Councillors supported the argument by saying that the rule encourages the queue jumping and community protests. Subsequently, the reviewed Housing Selection Policy for Beneficiaries in Ownership-based Subsidy Projects (28 November 2025) dropped the implementation of the 90/10 rule. Therefore, this rule is not applicable to Beneficiaries: IRDP:621 Sites, Stanford, as it was stated in the Mayoral Committee Report dated 15 November 2023.

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Administrative Process:

The following administrative process to be implemented, namely:-

- a) pre-screening of potential beneficiaries registered on WCHDDB who applied for a housing opportunity in community where stands are developed.
- b) erf prices (including market related prices where/when necessary), to be provided by the Directorate: Infrastructure
- c) submission of list to the Executive Mayor (**Refer to Annexure C**).
- d) provisional allocation of the actual erf numbers in random order.
- e) submission of list of potential beneficiaries to the Provincial Department of Human Settlements for notification and service provider for completion of subsidy applications.
- f) completion and submission of subsidy applications for potential beneficiaries with household incomes between R3,501.00 and R22,000.00
- g) Assisting the potential beneficiaries to get conveyancing Pro-forma statement(s) as part of supporting documents for the subsidy application.
- h) sign deed of sale with approved subsidy holder
- i) provide occupation to approved beneficiaries.
- j) monitor and assist to effect transfer of affordable stands to beneficiaries, who do not have a subsidy approval(s) by way of giving 30 days' notice to the applicants to take the option of "Private Purchase" using their own financial resources. If applicants are not successful with Private Purchase within timeframe provided, the Municipality may cancel applicant's participation in the project.

7. Financial Implications

The disposal of erven will have to be accounted for at the selling prices as provided by the Directorate: Infrastructure , Project Management Unit.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: FHFP: Subsidy Quantum Table, 1 April 2023

Annexure B: List of applicants not recommended as potential beneficiaries
(Annexure not attached as it contains personal information)

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Annexure C: List of Potential Beneficiaries
(Annexure not attached as it contains personal information)

RECOMMENDATION:

1. that the list of 48 potential beneficiaries and additional lists of 24 potential beneficiary as replacements for Stanford FHFP be **noted**;
2. that those potential beneficiaries exceeding the threshold for FHFP to the amount of R22,000 monthly gross household income be approved to participate in the project under FHFP, subject to the qualifying criteria for FHFP (excluding income threshold) and Western Cape Provincial Circular 10/2015;
3. that approval be granted to potential beneficiaries exceeding the threshold for FHFP to the amount of R22,000 monthly gross household income, to purchase serviced sites from the Municipality subject to:
 - (a) the site being sold at input cost price in accordance with the municipal determination, and
 - (b) the candidate being informed that he/she will therefore not be receiving any FHFP subsidy assistance from the Provincial Department
4. that the following procedure for potential beneficiaries to finalise subsidy applications, be approved:
 - (a) that potential beneficiaries be given 30 days written notice to complete their subsidy application; and
 - (b) that potential beneficiaries that do not respond to the first notice (30 days) be given a final written notice of 7 days
5. that, in the event of any applicants not responding within the mentioned period of 7 days, the available housing opportunities be given to identified additional beneficiaries (replacements).

RESPONSIBLE OFFICIAL :

TA GCOTYELWA

TARGET DATE FOR IMPLEMENTATION :

1 APRIL 2026

46	R 12 501.00	R 12 700.99	R 104 071.47
47	R 12 701.00	R 12 900.99	R 102 622.74
48	R 12 901.00	R 13 100.99	R 101 174.00
49	R 13 101.00	R 13 300.99	R 99 725.27
50	R 13 301.00	R 13 500.99	R 98 276.53
51	R 13 501.00	R 13 700.99	R 96 827.79
52	R 13 701.00	R 13 900.99	R 95 379.06
53	R 13 901.00	R 14 100.99	R 93 930.32
54	R 14 101.00	R 14 300.99	R 92 481.59
55	R 14 301.00	R 14 500.99	R 91 032.85
56	R 14 501.00	R 14 700.99	R 89 584.11
57	R 14 701.00	R 14 900.99	R 88 135.38
58	R 14 901.00	R 15 000.99	R 86 686.64
59	R 15 001.00	R 15 200.99	R 85 237.91
60	R 15 201.00	R 15 400.99	R 83 789.17
61	R 15 401.00	R 15 600.99	R 82 340.43
62	R 15 601.00	R 15 800.99	R 80 891.70
63	R 15 801.00	R 16 000.99	R 79 442.96
64	R 16 001.00	R 16 200.99	R 77 994.23
65	R 16 201.00	R 16 400.99	R 76 545.49
66	R 16 401.00	R 16600.99	R 75 096.75
67	R 16 601.00	R 16800.99	R 73 648.02
68	R 16 801.00	R 17 000.99	R 72 199.28
69	R 17 001.00	R 17 200.99	R 70 750.55
70	R 17 201.00	R 17 400.99	R 69 301.81
71	R 17 401.00	R 17 600.99	R 67 853.07
72	R 17 601.00	R 18 000.99	R 66 404.34
73	R 18 001.00	R 18 200.99	R 64 955.60
74	R 18 201.00	R 18 400.99	R 63 506.87
75	R 18 401.00	R 18 600.99	R 62 058.13
76	R 18 601.00	R 19 000.99	R 60 609.39
77	R 19 001.00	R 19 200.99	R 59 160.66
78	R 19 201.00	R 19 400.99	R 57 711.92
79	R 19 401.00	R 19 600.99	R 56 263.19
80	R 19 601.00	R 19 800.99	R 54 814.45
81	R 19 801.00	R 20 000.99	R 53 365.71
82	R 20 001.00	R 20 200.99	R 51 916.98
83	R 20 201.00	R 20 400.99	R 50 468.24
84	R 20 401.00	R 20 600.99	R 49 019.51
85	R 20 601.00	R 20 800.99	R 47 570.77
86	R 20 801.00	R 21 000.99	R 46 122.03
87	R 21 001.00	R 21 200.99	R 44 673.30
88	R 21 201.00	R 21 400.99	R 43 224.56
89	R 21 401.00	R 21 600.99	R 41 775.83
90	R 21 601.00	R 21 800.99	R 40 327.09
91	R 21 801.00	R 22 000.99	R 38 911.40



FIRST HOME FINANCE





1. WHAT YOU GET

If your household income is between R3,501 and R22,000 per month, you may qualify to purchase your first home using the First Home Finance subsidy. See the sliding scale to determine your subsidy amount.

This subsidy can be used by first-time home buyers to:

- Buy an existing house / apartment
- Buy a serviced residential site (ie. plot of land with access to basic services - Applicants must be registered on the Western Cape Housing Demand Database) for 3 years.
- Build a house on a serviced residential site, if the site was not acquired through a government housing subsidy in the past. Note that your builder must be registered with the National Home Builder Registration Council (NHBCRC) to ensure building and safety standards.

Applicants can access this subsidy using one of these options:

FINANCE OPTIONS	REQUIREMENTS
Mortgage Loan	An approved home loan. You can also apply retrospectively, i.e. if you purchased a residential property and it has been transferred into your name not longer than 6 months ago.
Pension-backed loan	A loan provided by a financial institution secured by your pension savings. Your pension fund and the financial institution must have entered into an arrangement.
Rent to Buy	Agreement with your Landlord to purchase the property you have been renting. You should only apply for the subsidy at the point of purchase and you have secured the necessary finance to make the purchase.
No financial Contribution Required	If the subsidy amount that you qualify for is equal to, or greater than, the purchase price of the property. The subsidy can also be used to cover transfer, bond registration costs, or a shortfall on the bond.
Cash	From your own savings. No retrospective application for cash. Each contribution to be paid to attorneys prior to application.



2. WHAT YOU NEED TO QUALIFY

1. Your gross household income is between R3,501 and R22,000 per month, ie. Basic household income, plus housing allowance where applicable.
2. You are a South African citizen or have a permanent residency permit
3. You are over 18 years and competent to contract
4. You are married or cohabiting OR single with financial dependents
5. You haven't received a government housing subsidy before
6. You haven't owned fixed residential property before
7. Attorneys to be CSD registered and attach proof.



3. HOW TO APPLY

Once your finance is secured to purchase your first home, contact the Department of Infrastructure to complete the application form.

- Visit 27 Wale Street, Cape Town
- Call the Help Desk on 021 483 6488/0611/3112/0623/2060 (Monday to Friday from 07:30 15:00)
- Email: human.settlements@westerncape.gov.za; or
- Visit the departmental website: www.westerncape.gov.za/tpw/department-of-infrastructure

You can also contact your nearest municipality regarding this programme.

Step	Income band		Subsidy Amount
	Lower	Higher	
1	R 3 501.00	R 3 700.99	R 169 264.60
2	R 3 701.00	R 3 900.99	R 167 815.86
3	R 3 901.00	R 4 100.99	R 166 367.12
4	R 4 101.00	R 4 300.99	R 164 918.39
5	R 4 301.00	R 4 500.99	R 163 469.65
6	R 4 501.00	R 4 700.99	R 162 020.92
7	R 4 701.00	R 4 900.99	R 160 572.18
8	R 4 901.00	R 5 100.99	R 159 123.44
9	R 5 101.00	R 5 300.99	R 157 674.71
10	R 5 301.00	R 5 500.99	R 156 225.97
11	R 5 501.00	R 5 700.99	R 154 777.24
12	R 5 701.00	R 5 900.99	R 153 328.50
13	R 5 901.00	R 6 100.99	R 151 879.76
14	R 6 101.00	R 6 300.99	R 150 431.03
15	R 6 301.00	R 6 500.99	R 148 982.29
16	R 6 501.00	R 6 700.99	R 147 533.56
17	R 6 701.00	R 6 900.99	R 146 084.82
18	R 6 901.00	R 7 100.99	R 144 636.08
19	R 7 101.00	R 7 300.99	R 143 187.35
20	R 7 301.00	R 7 500.99	R 141 738.61
21	R 7 501.00	R 7 700.99	R 140 289.88
22	R 7 701.00	R 7 900.99	R 138 841.14
23	R 7 901.00	R 8 100.99	R 137 392.40
24	R 8 101.00	R 8 300.99	R 135 943.67
25	R 8 301.00	R 8 500.99	R 134 494.93
26	R 8 501.00	R 8 700.99	R 133 046.20
27	R 8 701.00	R 8 900.99	R 131 597.46
28	R 8 901.00	R 9 100.99	R 130 148.72
29	R 9 101.00	R 9 300.99	R 128 699.99
30	R 9 301.00	R 9 500.99	R 127 251.25
31	R 9 501.00	R 9 700.99	R 125 802.52
32	R 9 701.00	R 9 900.99	R 124 353.78
33	R 9 901.00	R 10 100.99	R 122 905.04
34	R 10 101.00	R 10 300.99	R 121 456.31
35	R 10 301.00	R 10 500.99	R 120 007.57
36	R 10 501.00	R 10 700.99	R 118 558.83
37	R 10 701.00	R 10 900.99	R 117 110.10
38	R 10 901.00	R 11 100.99	R 115 661.36
39	R 11 101.00	R 11 300.99	R 114 212.63
40	R 11 301.00	R 11 500.99	R 112 763.89
41	R 11 501.00	R 11 700.99	R 111 315.15
42	R 11 701.00	R 11 900.99	R 109 866.42
43	R 11 901.00	R 12 100.99	R 108 417.68
44	R 12 101.00	R 12 300.99	R 106 968.95
45	R 12 301.00	R 12 500.99	R 105 520.21