

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

QUESTION PAPER: WRITTEN REPLY

FRIDAY, 27 JUNE 2025

20. Mr D J Wessels to ask Mr T A Simmers, Minister of Infrastructure:

With respect to housing subsidies available to individuals and households in the province in the income bracket of R0 to R3 500 per month: (a) What types of (i) subsidies and (ii) housing support mechanisms are currently available to this income group, (b) how many individuals or households have applied for these subsidies in (i) 2020/21, (ii) 2021/22, (iii) 2022/23, (iv) 2023/24 and (v) 2024/25, (c) how many of those applications were approved, (d) what are the most common reasons for applications being declined in this period, (e) what challenges has his Department faced in administering these subsidies, particularly in relation to accessibility, processing or delivery, (f) what was the total cost to his Department for providing these subsidies in this period, (g)(i) how does his Department promote and market these subsidies to eligible individuals or households and (ii) what strategies are in place to ensure adequate public awareness and (h) what measures are being taken to improve up-take among the most vulnerable groups, especially in rural or underserved communities?

RESPONSE

- a) (i) Individual non-credit linked housing subsidies and Project-linked non-credit housing subsidies.
- (ii) Housing support mechanisms which are currently available to this income group are:
- *Breaking New Ground Housing*
Target Group: Households earning less than R3 500 per month. The programme provides fully subsidised housing units to qualifying beneficiaries. The units are a minimum of 40m² with two bedrooms, a living area, kitchen, and bathroom. Additional features are provided to physically disabled persons, depending on the nature of the disability, and a 45m² house is provided to wheelchair-bound beneficiaries.
 - *Upgrading of Informal Settlements Programme (UISP)*
Target Group: Residents of informal settlements. The programme provides incremental development, including access to basic services (such as water, electricity, sanitation), eventual secure tenure, housing and improve living conditions.

- *Community Residential Units (CRU) Programme*

Target Group: Households earning not more than R3,500 per month and who cannot afford other rental options. The programme provides rental accommodation in well-located areas (hostels upgraded into CRUs or new developments). The goal is to provide affordable rental housing for people who do not qualify for Breaking New Ground (BNG) housing opportunities nor afford open-market rentals.

- *Social Housing Programme*

Target Group: Households earning between R1,850 and R22,000 per month. The programme provides affordable rental housing in well-located urban areas, managed by Social Housing Institutions (SHIs). The focus is on densification, proximity to transport, jobs, and services.

- *Emergency Housing Programme*

Target Group: People in crisis situations because of natural disasters, evictions, unsafe buildings, etc. The programme provides temporary housing assistance and offers shelter while longer-term solutions are pursued.

- *Serviced Sites*

Target Group: Low-income households who are able to build incrementally. The programme provides access to a serviced site with water, sanitation, and electricity, enabling self-built housing over time.

b) Please see table below:

Subsidy Programme	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Individual Subsidy - Non-credit Linked (INC)	398	408	662	768	1163	548
Project Linked - Non-credit (PNC)	4866	6747	4610	2370	2615	1432

c) Please see table below.

Subsidy Programme	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Individual Subsidy - Non-credit Linked (INC)	280	181	276	515	699	210
Project Linked - Non-credit (PNC)	3211	3592	4997	4387	4349	1051

d) The main reasons can be summarised as follows:

- Verified - Failed UIF: Applicants applying as unemployed but are employed and, thus fail searches linked to the UIF databases.
- Declined – Combined income too high: The household income exceeds the maximum income in respect of the applicable subsidy programme.
- Verified - Failed Population: Applicants apply as single but are still married and not legally divorced and, thus fail searches linked to the Home Affairs databases.
- Verified – Failed Deeds Search: Applicants previously owned immovable property and this renders them ineligible for the applicable subsidy programme.
- Declined – Procedurally incorrect: The housing subsidy application is Incomplete.

e) The recent budget cuts significantly increased pressure on housing allocations and delivery. As a result, many housing projects were scaled down, and several subsidy applications were withdrawn to prevent oversubscription of beneficiaries. My Department also faced difficulties with the Housing Subsidy System (HSS), where unreliable search functions led to delays in application approvals. Additionally, fiscal constraints make it more difficult to advertise critical posts, resulting in staff shortages and a high-pressure work environment. These challenges collectively impacted the timeous processing of applications and the overall pace of housing delivery.

f) Please see table below:

Subsidy Programme	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 (to end May 2025)
INC	43,642,515.26	65,873,659.38	61,026,284.84	45,478,986.58	117,708,812.08	35,502,770.54
PNC	1,144,120,261.04	1,280,977,663.03	1,245,021,081.04	1,145,197,411.81	1,102,556,756.23	266,714,019.64

g) (i) My department has a multifaceted approach that combines awareness-raising, targeted communication strategies, and partnerships with local stakeholders. Regular meetings are conducted with Municipalities to explain available subsidies. Local radio partnerships have been established and regular adverts, interviews, and discussions on housing subsidies are

carried out. Flyers and promotional posters visible in public spaces are used. We ensure that communication materials are simple, clear, and in local languages and use visuals to explain the application process and eligibility criteria. Regular workshops and training sessions on how to apply for housing subsidies are being held in collaboration with local stakeholders familiar with the community. We use local networks and word-of-mouth to spread the word. People in rural communities often trust information passed on by family and friends, so promoting subsidies through these informal channels has proven to be successful. We highlight how these subsidies are specifically tailored to meet the needs of lower-income groups in poor communities and emphasise the importance of registering and updating personal information on the Western Cape Housing Demand Database.

(ii) As mentioned in point (i) above, my department ensures that citizens are well-informed about the criteria and processes involved in applying for subsidies, regular information sessions, community engagements, and training for relevant stakeholders are conducted. Follow up sessions are held to ensure the citizens and roll players are updated on any policy changes. My department ensures that regular engagements with target communities are held as this is key to promoting housing subsidies in poor communities and rural areas. The subsidy application process is simple, accessible, and aligned with the realities of the poor.

- h) Approved applications of vulnerable groups such as the aged (over 60), persons with disabilities, and military veterans are prioritised. Additionally, farm workers are exempt from registering on the housing demand database.

TERTUIS SIMMERS

MINISTER OF INFRASTRUCTURE

DATE: