



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

Private Bag X644 Pretoria 0001 RSA Tel (012) 421 1311 Fax (012) 341 8512
Private Bag X9057 Cape Town 8000 RSA Tel (021) 466 7600 Fax (021) 465 3610
<http://www.housing.gov.za> Fraud Line: 0800 701 701 Toll Free Line: 0800 1 46873 (0800 1 HOUSE)

Mr.T Mguli
Head of the Department
Department of Human Settlements
Private Bag X9083
CAPE TOWN
8000

Dear colleague

ENHANCEMENTS TO THE NATIONAL NORMS AND STANDARDS FOR THE CONSTRUCTION OF STAND ALONE RESIDENTIAL DWELLINGS AND ENGINEERING SERVICES AND ADJUSTMENT OF THE HOUSING SUBSIDY QUANTUM

The Minister of Human Settlements, after consultation with the nine Members of the Executive Councils responsible for Human Settlements/Housing of the nine Provincial Governments and SALGA, approved the enhancement of the National Norms and Standards for the Construction of Stand Alone Residential Dwellings and Engineering Services (Norms and Standards). These enhancements to the Norms and Standards will take effect on 1 April 2014.

The enhanced Norms and Standards in respect of the dwellings are based on the requirements of the 2011 revised National Building Regulations; South African National Standard (SANS) 10400 XA- Energy Usage in Buildings.

In addition to the enhancements to the Norms and Standards, The Minister also approved two new house typologies. A special dwelling comprising 45 square metre of gross floor area designed to cater for the needs of disabled persons who are wheelchair dependant has been approved. This new dwelling provides adequate internal space for wheelchair movement. In line with the agreement reached with the Department of Military Veterans, a special dwelling comprising 50 square metre of gross floor area with higher level of finishing has been approved for delivery to approved military veterans subsidy beneficiaries. This approval is subject to the condition that the difference in the cost of the revised new subsidy financed house, available to households earning R0 to R3 500 per month and the cost of the

enhanced house for military veterans, is financed by the Department of Military Veterans.

To ensure that the new enhanced Norms and Standards are achieved, the Minister also approved the adjustment of the Housing Subsidy quantum with effect from 1 April 2014. The new subsidy quantum is based on current market prices and includes escalation cost. The details of the revised Norms and Standards are as follows:

The minimum standard 40 square metre subsidy house

The Norms and Standards for the minimum size 40 square metre house, to be delivered to qualifying beneficiaries earning R0 to R3 500 per month, have been adjusted by the addition of the following measures to improve the thermal performance of the dwellings:

- The installation of a ceiling with the prescribed air gap for the entire dwelling;
- The installation of above-ceiling insulation comprising a 130mm mineral fibreglass blanket for the entire house;
- Plastering of all internal walls;
- Rendering on external walls;
- Smaller size windows; and
- Special low E clear and E opaque safety glass for all window types as prescribed;

In addition to the above enhancements, approval was also granted for the revision of the current Pre-paid Ready Board electrical installation. These improvements entail a standard basic electrical installation comprising a pre-paid meter with a distribution board and lights and plugs to all living areas of the house.

The total cost of the new dwelling amounts to R110 947,00. The detailed cost breakdown for the 40 square metre house is attached as **Annexure A**.

Certain other minor adjustments to the general specification of the dwelling were also effected and these are contained in the detailed Bill and Elementary Bill of Quantities for the dwelling, which will be forwarded to your office in electronic format via e-mail facility.

Internal municipal engineering services

In regard to internal municipal services, approval was granted that Provincial Human Settlement/Housing Departments and Municipalities may decide to install either A Grade or B Grade levels of services as required by the development context of each project area. Typically A Grade level of services will be required in new Greenfield developments where the Integrated Residential Development Programme is applied to finance the development of holistic, all inclusive and integrated township, providing access to the variety of housing, business and institutional land uses. B Grade level of services will on the other hand be feasible in Informal Settlement upgrading areas, infill schemes in areas where such services are the norm etc.

It should be noted that in all cases, except in projects where the Rural Housing Subsidy Programme: Informal Land Rights are applied, the minimum level of services as prescribed in Volume 2: Technical and General Guidelines of the National Housing Code, 2009, must be adhered to.

It is furthermore acknowledged that the cost of municipal infrastructure is by and large determined by the nature of the township design and layout. The street front length of the stands is a determining factor in this regard and this must be taken into account when townships are designed. It is therefore not feasible to prescribe a predetermined maximum amount to be used for infrastructure provision. Approval was thus granted that provinces and municipalities should design new townships on the principle to achieve the most economic outcome possible and that the final cost of the infrastructure will be determined on a per project basis at the discretion of the Members of the Executive Councils of the nine Provincial Governments based on the prescribed procurement process outcomes.

To facilitate planning and budgeting processes, the Department has determined the current cost of delivering a serviced stand at A and B Grade levels. These amounts will be adjusted annually in terms of the current approved application of the Bureau of Economic Research- Building Cost Index (BER-BCI) of the University of Stellenbosch. The approved guideline amounts are as follows:

The cost of A Grade engineering services:

| | |
|---------------|----------------|
| Indirect cost | R 6 556 |
| Direct cost | R37 070 |
| Total | R43 626 |

The cost of B Grade engineering services

| | |
|---------------|----------------|
| Indirect cost | R 6 556 |
| Direct cost | R27 845 |
| Total | R34 401 |

The detail composition of the direct and indirect cost is illustrated in **Annexure B and C**

The special dwelling for disabled persons dependent on wheelchairs use

The cost of the dwelling designed for disabled persons dependent on wheelchair use amounts to R164 136. The detailed cost breakdown of this dwelling is illustrated in **Annexure D**. The Elementary Bill of Quantities for the relevant dwelling will be forwarded electronically.

It is important to note that the new house designed for disabled persons, who are dependent on wheelchair use, replaces the current provisions of the Variation Manual for the Adjustment of the Housing Subsidy Scheme Quantum to Cater for Extraordinary Precautionary Measures. All the additions to the house for a disabled

person dependent on wheelchair use, as prescribed in the Variation Manual, have been catered for in the new house design, the specification and the cost of R164 136,00. No variations will, with effect from 1 April 2014, be available for disabled persons dependent of wheelchair use.

The house designed for provision to approved Military Veterans

The cost of the dwelling designed for provision to approved military veterans subsidy beneficiaries, which dwelling also comply with the revised National Building regulations SANS 10400 XA, amounts to R188 884,00. The detailed cost breakdown is illustrated in **Annexure E**. The Bill of Quantities for the relevant dwelling will be forwarded via e-mail facility.

The house for military veteran beneficiaries must comprise the following:

- The size of the house must be at least fifty (50) square metre of gross floor area;
- Interior walls must be plastered and painted;
- Two bedrooms;
- A combined kitchen/living area and a kitchen basin;
- Floor tiles throughout the house;
- Fitted kitchen cupboards, stove, solar water heating device, with hot and cold water taps;
- Basic electricity installation/comprising at least one light in each room, two lights in the combined kitchen/living area and an electrical plug in each of the bedrooms and two plugs in the combined kitchen/living area;
- Single carport with paving; and
- Fencing around the stand perimeter.

The following National Housing Programmes are affected by the revised National Norms and Standards that will take effect on 1 April 2014:

The Individual Housing Subsidy Programme

The Individual Housing Subsidy Quantum increases to:

- | | |
|------------------------|-----------------|
| • House cost: | R110 947 |
| • Services cost: | R 43 626 |
| • Raw land cost | <u>R 6 000</u> |
| • Total subsidy | R160 573 |

Consolidation subsidy Programme

The Consolidation Subsidy quantum will amount to R110 947.

The Institutional Housing Subsidy Programme

The subsidy quantum in respect of the Institutional Housing Subsidy Programme amounts to R110 947. The requirement that the approved housing institution must make a financial contribution towards the total cost of the units, is sustained. The minimum contributions will thus be equal to the cost of the raw land and/or the municipal engineering services cost.

The Integrated Residential Development Programme and the People's Housing Process Programme

The subsidy quantum in respect of these programmes amounts to:

- The house cost: R110 947
- The municipal engineering services cost will be equal to the actual services installation cost of the relevant approved service levels. The guideline amounts are:
 - A Grade engineering service level R43 626
 - B Grade engineering service level R34 401;
- Raw land cost will be equal to the actual land acquisition cost.

It is once again confirmed that provinces and municipalities must ensure that housing subsidy beneficiaries are informed of the value of the subsidy products transferred in their ownership. The relevant Deeds of Grant of the properties must contain the detail composition of the product cost to ensure that beneficiaries are fully aware of the value of their assets.

In regard to the following National housing Programmes, it is confirmed that the annual BER-BCI based grant quantum adjustment is currently being considered and that a further communication may be expected in this regard:

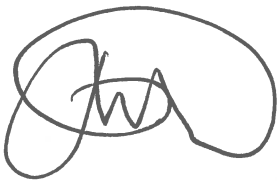
- The Emergency Housing Assistance Programme;
- The Blocked Project Programme;
- The Social and Economic Amenities Programme;
- The Upgrading of Informal Settlements Programme

In conclusion, it is acknowledged that the approval of the new Norms and Standards for the dwellings to be financed from the National Housing Programmes was delayed and that dwellings delivered under the Programme since 10 November 2011 may not have complied with the provisions of the revised National Building Regulations. The Department is in the process of engagements with the Department of Trade and Energy on the matter and you will be advised of the outcome of the deliberations. In addition, Human Settlements MINMEC requested the Department to engage with the Department of Energy on the possibility of a financial contribution by that Department

towards achieving the approved full electrification of the subsidy financed houses. You may expect a further communication as soon as the matter has been resolved.

The Department is in the process to revise Section 2.1.7 of Volume 2: Technical and General Guidelines: The National Norms and Standards for Standalone residential Dwellings Financed Through the National Housing Programmes of the National Housing Code, 2009. The revised document will be provided to you in due course.

The enhancements to the Variation Manual as supported by the Task Team: Development of National Housing Programmes will now be feed into the MINMEC decision-making process. As soon as approval of the revised Manual is obtain the revised document will be disseminated to all provinces and municipalities.



DIRECTOR-GENERAL

Date: 19/12/2013

| COST BREAKDOWN OF THE STANDARD 40 SQUARE METRE DWELLING TO BE FINANCED FROM THE NATIONAL HOUSING PROGRAMME FOR PERSONS EARNING R0 TO R3 500 | |
|--|---------------------|
| IMPLEMENTATION DATE: 1 APRIL 2014 | |
| Cost element | Cost |
| Earthworks | R 6,707.48 |
| Concrete, Formwork & Reinforcement | R 10,780.37 |
| Brickwork | R 15,528.48 |
| Roof Structure | R 8,832.44 |
| Ceiling and insulation | R 7,311.82 |
| Windows | R 8,083.53 |
| Doors and Frames | R 6,558.00 |
| Finishing and paintwork | R 10,637.98 |
| Electrical | R 9,958.40 |
| Plumbing and toilet | R 9,976.38 |
| Sub total A | R 94,374.88 |
| P & G | R 8,578.67 |
| Sub total B | R 102,953.55 |
| Project manager | R 3,604.00 |
| Clerk of works | R 3,089.00 |
| Transfer cost | R 1,000.00 |
| Beneficiary administration | R 300.00 |
| Total | R 110,946.55 |
| Total rounded off | R 110,947.00 |

**COST BREAKDOWN OF MUNICIPAL ENGINEERING SERVICES - DIRECT COST
IMPLEMENTATION DATE: 1 APRIL 2014**

| A GRADE SERVICES: DIRECT COST | | | | | | | |
|--------------------------------------|------------------------|--------------|------------------------|------------------------|------------------------|------------------------------|---------------------|
| Zoning | Size in m ² | Street front | Cost of Water per unit | Cost of Sewer per unit | Cost of Roads per unit | Cost of Storm water per unit | Total cost per unit |
| Res1 | 243 | 9 m | R3 928 | R6 841 | R22 363 | R3 941 | R37 070 |
| | 294 | 10m | R4 242 | R7 396 | R25 158 | R4 762 | R41 557 |
| | 122 | 5m | R2 660 | R4 620 | R11 181 | R1 970 | R20 432 |
| | 236 | 10m | R4 242 | R7 396 | R25 158 | R3 821 | R40 617 |

**Most cost effective street front is 9m at 243m² at a cost of R37 070
plus indirect cost at R6 556.27 totalling to**

R 43,626.27

| B GRADE SERVICES: DIRECT COST | | | | | | | | |
|--------------------------------------|------------------------|--------------|------------------------|------------------------|------------------------|------------------------------|--|---------------------|
| Zoning | Size (m ²) | Street Front | Cost of Water per unit | Cost of Sewer per unit | Cost of Roads per unit | Cost of Storm Water per unit | High mast lighting per unit (optional) | Total cost per unit |
| Res 1 | 294 | 10m | R 4,948.00 | R 8,803.00 | R 11,269.00 | R 2,608.00 | R 2,265.00 | R 29,893.00 |
| | 243 | 9m | R 4,601.00 | R 8,803.00 | R 10,017.00 | R 2,158.00 | R 2,265.00 | R 27,845.00 |
| | 122 | 4.5m | R 3,216.00 | R 8,803.00 | R 5,008.00 | R 1,079.00 | R 2,265.00 | R 20,372.00 |
| | 236 | 10m | R 4,948.00 | R 8,803.00 | R 11,269.00 | R 2,093.00 | R 2,265.00 | R 29,378.00 |

**Most cost effective street front is 9m at 243 m² at a cost of R27 845
plus indirect cost at R6 556.27 totalling to
Excluding street lighting**

R 34,401.00

| SERVICED STAND: COST BREAKDOWN OF MUNICIPAL ENGINEERING SERVICES: INDIRECT COST IMPLEMENTATION DATE: 1 APRIL 2014 | | |
|--|--|----------------------|
| Indirect cost | Detail description | Cost per unit |
| Safety Inspector | Six month project duration | R 96.00 |
| Environmental Control officer | Six month project duration | R 96.00 |
| Pre planning studies | EIA, excl. specialist studies and Wula | R 500.00 |
| | Traffic Impact study- Capacity analysis at 7 intersections | R 98.00 |
| | Urban design | R 300.00 |
| Project management | SACPMP Gazetted fee scale with 20% discount | R 1,505.50 |
| Geotechnical evaluation | GFSH2 Phase 1 | R 105.00 |
| Contour survey | Greenfields project | R 30.00 |
| Land survey and pegging | Greenfields project | R 300.00 |
| land survey examination fee | Greenfields project | R 65.00 |
| Town planning | SACPLAN | R 368.20 |
| Civil Engineer | ECSA Gasetted fee scale woith 20% discount | R 2,256.17 |
| Site supervision- civil | Constrcution period of 6 months | R 480.00 |
| Social facilitation | | R 316.41 |
| Legal fees | Conveyancing Certificate | R 40.00 |
| Total | | R 6,556.28 |

| DETAILED COST BREAKDOWN OF 45 SQUARE METRE HOUSES FOR DISABLED PERSONS DEPENDANT ON WHEELCHAIR USED BASED ON SANS 10400XA INCLUDING OTHER MEASURES IMPLEMENTATION DATE: 1 APRIL 2014 | |
|---|---------------------|
| Cost element | Cost |
| Foundations | R 11,108.64 |
| Ground floor construction | R 12,394.86 |
| External envelope | R 25,192.99 |
| Roof | R 8,173.37 |
| Ceilings and insulation above ceiling | R 8,239.65 |
| Internal divisions | R 13,959.66 |
| Floor finishes | R 8,810.30 |
| Internal wall finishes | R 20,863.67 |
| Plaster of internal walls | R 1,817.55 |
| Windows: Special Low E clear and opaque glass | R 4,533.77 |
| Electrical installation | R 10,579.55 |
| Internal plumbing | R 12,105.04 |
| Site clearance | R 2,999.30 |
| P&Gs | R 12,119.64 |
| Sub Total A | R 152,898.00 |
| Escalation | |
| Sub Total B | |
| Project management | R 5,351.00 |
| Clerk of works | R 4,587.00 |
| Sub Total C | R 162,836.00 |
| Transfer fees | R 1,000.00 |
| Beneficiary administration | R 300.00 |
| Total | R 164,136.00 |

Annexure E

| DETAILED COST BREAKDOWN FOR MILITARY VETERANS 50 SQUARE METRE HOUSE | |
|---|---------------------|
| IMPLEMENTATION DATE: 1 APRIL 2014 | |
| Cost elements | Cost |
| Earthworks | R 7,383.36 |
| Concrete, Formwork & Reinforcement | R 12,260.91 |
| Brickwork | R 21,780.04 |
| Roof Structure | R 18,056.51 |
| Ceiling | R 7,389.27 |
| Above ceiling insulation | R 1,572.66 |
| Windows standard | R 3,521.05 |
| Windows special low e clear and opaque glass | R 3,991.19 |
| Doors and Frames | R 6,335.73 |
| Finishing and paintwork | R 18,451.74 |
| Electrical | R 11,245.67 |
| Floor and wall tiling | R 12,115.12 |
| Plumbing and toilet plus rain water disposal | R 17,209.43 |
| 2 plate hob | R 393.17 |
| Joinery | R 3,538.49 |
| Carport | R 12,356.64 |
| Fencing (32,5m) | R 3,468.28 |
| Sub total A | R 161,069.28 |
| P & G | R 14,640.95 |
| Sub total B | R 175,710.23 |
| Clerk of works | R 5,510.00 |
| Project manager | R 6,364.00 |
| Transfer cost | R 1,000.00 |
| Beneficiary administration | R 300.00 |
| Total | R 188,884.23 |
| Total rounded off | R 188,884.00 |