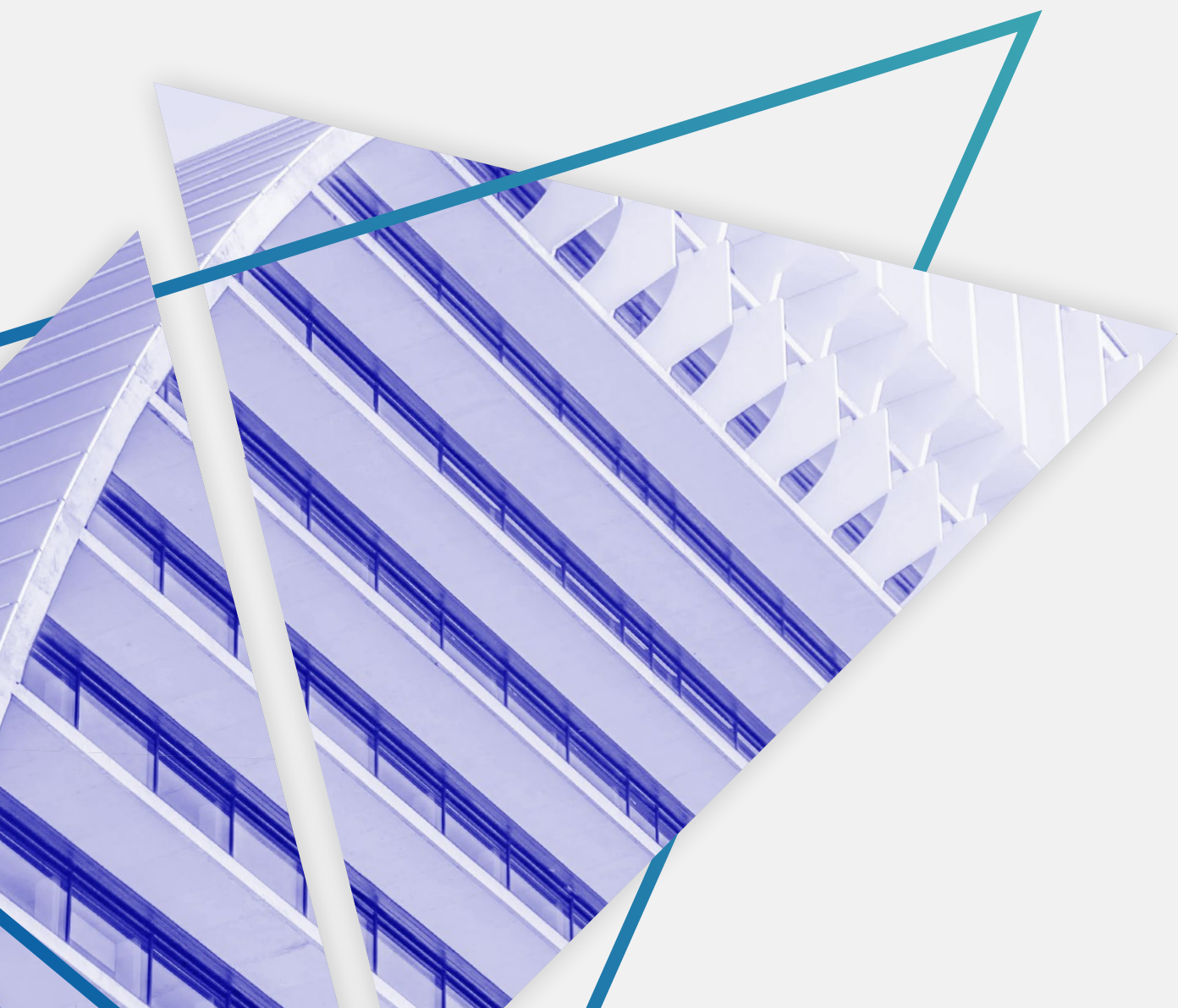


Corporate & Commercial

ALERT | 7 March 2024



In this issue

SOUTH AFRICA

Revised Social Housing Grant Quantum



For more insight into our
expertise and services

Revised Social Housing Grant Quantum

On 7 September 2023, the Social Housing Regulatory Authority (SHRA) issued a circular advising interested parties of the applicability, and implementation, of the adjustment to the quantum of the Consolidated Capital Grant (CCG), as announced by the Minister of Human Settlements on 31 March 2023.

Background

The social housing sector is a key focus area for the South African Government, underpinned by its constitutional mandate to achieve the progressive realisation of the right to access adequate housing.

The SHRA was established by the National Department of Human Settlements (NDoHS), in terms of the Social Housing Act 16 of 2008 (Social Housing Act), as a regulatory body tasked with supporting and facilitating the state's social housing initiatives to redress spatial inequalities and promote a sustainable housing environment.

The SHRA's mandate includes, amongst other things, the investment of public funds into the social housing sector through the provision of social housing subsidies such as the CCG.

Circular

The SHRA Council resolved to approve the implementation of the revised CCG quantum of R426,308, with effect from 1 April 2023.

The SHRA introduced the CCG, which is made available to accredited social housing institutions (SHIs) and private developers qualifying as other delivery agents (ODAs) in terms of the "Investment Criteria" set out in the regulations to the Social Housing Act (Investment Criteria), in order to facilitate the delivery of social housing units.

The most significant implications flowing from the adjustment of the CCG quantum include revisions to the SHRA's minimum specifications, clarification of ODA funding obligations, amendments to existing grant contribution thresholds and the discontinuation of geotechnical variation applications. A high-level summation of such implications include:

SHRA minimum specifications

The implementation of the grant quantum adjustment necessitated a revision to the SHRA's minimum specifications, which requires forthcoming CCG applications to cater for the inclusion of green solutions in the construction phase of its social housing projects.

CORPORATE & COMMERCIAL
ALERTRevised Social
Housing Grant
Quantum

CONTINUED

ODA equity contribution

For ODAs to qualify for CCG funding for its social housing projects, the SHRA maintained its position in terms of the Investment Criteria, which requires ODAs to secure 30% of the development costs via a 20% equity contribution and debt funding, with the inclusion of a caveated condition stipulating that the amount of the revised CCG quantum will be adjusted proportionately if such grant contribution exceeds 70% of the development costs.

Geotechnical variation applications

Geotechnical variation applications will no longer be considered by the SHRA and, as such, all social housing projects should now cater for adverse geotechnical conditions as part of the project concept and viability stage.

What does the social housing sector have in store for the near future?

- The impact of the mooted national budget cuts in respect of housing projects on the primary aims of the revised CCG quantum.
- The SHRA and the NDoHS are in the process of finalising an appropriate model to proportionately allocate the subsidy quantum to the various categories of social housing units, which will be communicated to the sector in the near future.

Charl Williams and Parusha Chetty

**Chambers Global
2024 Results****Corporate & Commercial**

Chambers Global 2021–2024 ranked our Corporate & Commercial practice in:

Band 1: Corporate/M&A and in

Chambers Global 2024 ranked our Corporate & Commercial practice (Kenya) in Band 4 Corporate/M&A.

Chambers Global 2024 positioned our Private Equity sector in the “spotlight”.

Ian Hayes ranked by Chambers Global 2022–2024 in **Band 1:** Corporate/M&A.

David Pinnock ranked by Chambers Global 2022–2024 in **Band 1:** Private Equity.

Peter Hesseling ranked by Chambers Global 2022–2023 in **Band 2:** Corporate/M&A and in **Band 3:** Capital Markets: Equity in 2023–2024.

Willem Jacobs ranked by Chambers Global 2022–2024 in Band 2: Corporate/M&A and in **Band 3:** Private Equity.

Sammy Ndolo ranked by Chambers Global 2021–2024 in **Band 4:** Corporate/M&A.

David Thompson ranked by Chambers Global 2024 in **Band 5:** Corporate/M&A.

Vivien Chaptin ranked by Chambers Global 2024 in **Band 5:** Corporate/M&A.



Cliffe Dekker Hofmeyr

OUR TEAM

For more information about our Corporate & Commercial practice and services in South Africa and Kenya, please contact:



Ian Hayes

Practice Head & Director:
Corporate & Commercial
T +27 (0)11 562 1593
M +27 (0)83 326 4826
E ian.hayes@cdhlegal.com



David Thompson

Deputy Practice Head & Director:
Corporate & Commercial
T +27 (0)21 481 6335
M +27 (0)82 882 5655
E david.thompson@cdhlegal.com



Sammy Ndolo

Managing Partner | Kenya
T +254 731 086 649
+254 204 409 918
+254 710 560 114
E sammy.ndolo@cdhlegal.com

Kate Anderson

Director:
Corporate & Commercial
T +27 (0)11 562 1105
M +27 (0)82 418 3784
E kate.anderson@cdhlegal.com

Tessa Brewis

Director:
Corporate & Commercial
T +27 (0)21 481 6324
M +27 (0)83 717 9360
E tessa.brewis@cdhlegal.com

Vivien Chaplin

Sector Head: Mining & Minerals
Director: Corporate & Commercial
T +27 (0)11 562 1556
M +27 (0)82 411 1305
E vivien.chaplin@cdhlegal.com

Clem Daniel

Director:
Corporate & Commercial
T +27 (0)11 562 1073
M +27 (0)82 418 5924
E clem.daniel@cdhlegal.com

Johan de Lange

Deputy Practice Head:
Finance & Banking
Director: Projects & Infrastructure
T +27 (0)21 481 646
M +27 (0)78 642 5573
E johan.delange@cdhlegal.com

Andrew Giliam

Director:
Corporate & Commercial
T +27 (0)21 481 6363
M +27 (0)83 359 7069
E andrew.giliam@cdhlegal.com

John Gillmer

Joint Sector Head: Private Equity
Director: Corporate & Commercial
T +27 (0)21 405 6004
M +27 (0)82 330 4902
E john.gillmer@cdhlegal.com

Allan Hannie

Director:
Corporate & Commercial
T +27 (0)21 405 6010
M +27 (0)82 373 2895
E allan.hannie@cdhlegal.com

Peter Hesseling

Director:
Corporate & Commercial
T +27 (0)21 405 6009
M +27 (0)82 883 3131
E peter.hesseling@cdhlegal.com

Quintin Honey

Director:
Corporate & Commercial
T +27 (0)11 562 1166
M +27 (0)83 652 0151
E quintin.honey@cdhlegal.com

Willem Jacobs

Director:
Corporate & Commercial
T +27 (0)11 562 1555
M +27 (0)83 326 8971
E willem.jacobs@cdhlegal.com

Rachel Kelly

Director:
Corporate & Commercial
T +27 (0)11 562 1165
M +27 (0)82 788 0367
E rachel.kelly@cdhlegal.com

Yaniv Kleitman

Director:
Corporate & Commercial
T +27 (0)11 562 1219
M +27 (0)72 279 1260
E yaniv.kleitman@cdhlegal.com

Dane Kruger

Director:
Corporate & Commercial
T +27 (0)21 481 6362
M +27 (0)74 914 1402
E dane.kruger@cdhlegal.com

André de Lange

Sector Head: Agriculture, Aquaculture
& Fishing Sector
Director: Corporate & Commercial
T +27 (0)21 405 6165
M +27 (0)82 781 5858
E andre.delange@cdhlegal.com

Martha Mbugua

Partner | Kenya
T +254 731 086 649
+254 204 409 918
+254 710 560 114
E martha.mbugua@cdhlegal.com

Jaco Meyer

Director:
Corporate & Commercial
T +27 (0)11 562 1749
M +27 (0)83 477 8352
E jaco.meyer@cdhlegal.com

Anita Moolman

Director:
Corporate & Commercial
T +27 (0)11 562 1376
M +27 (0)72 252 1079
E anita.moolman@cdhlegal.com

Wayne Murray

Director:
Corporate & Commercial
T +27 (0)21 405 6018
M +27 (0)79 691 0137
E wayne.murray@cdhlegal.com

OUR TEAM

For more information about our Corporate & Commercial practice and services in South Africa and Kenya, please contact:

Francis Newham

Executive Consultant:
Corporate & Commercial
T +27 (0)21 481 6326
M +27 (0)82 458 7728
E francis.newham@cdhlegal.com

David Pinnock

Joint Sector Head: Private Equity
Director: Corporate & Commercial
T +27 (0)11 562 1400
M +27 (0)83 675 2110
E david.pinnock@cdhlegal.com

Allan Reid

Director:
Corporate & Commercial
T +27 (0)11 562 1222
M +27 (0)82 854 9687
E allan.reid@cdhlegal.com

Jess Reid

Director:
Corporate & Commercial
T +27 (0)11 562 1128
M +27 (0)83 571 6987
E jess.reid@cdhlegal.com

Megan Rodgers

Sector Head: Oil & Gas
Director: Corporate & Commercial
T +27 (0)21 481 6429
M +27 (0)79 877 8870
E megan.rodgers@cdhlegal.com

Ludwig Smith

Joint Sector Head:
Financial Institutions, Services & Fintech
Director: Corporate & Commercial
T +27 (0)11 562 1500
M +27 (0)79 877 2891
E ludwig.smith@cdhlegal.com

Tamarin Tosen

Director:
Corporate & Commercial
T +27 (0)11 562 1310
M +27 (0)72 026 3806
E tamarin.tosen@cdhlegal.com

Roxanna Valayathum

Joint Sector Head: Pharmaceuticals
Director: Corporate & Commercial
T +27 (0)11 562 1122
M +27 (0)72 464 0515
E roxanna.valayathum@cdhlegal.com

Roux van der Merwe

Director:
Corporate & Commercial
T +27 (0)11 562 1199
M +27 (0)82 559 6406
E roux.vandermerwe@cdhlegal.com

Andrew van Niekerk

Head: Projects & Infrastructure
Director: Corporate & Commercial
T +27 (0)21 481 6491
M +27 (0)76 371 3462
E andrew.vanniekerk@cdhlegal.com

Njeri Wagacha

Partner | Kenya
T +254 731 086 649
+254 204 409 918
+254 710 560 114
E njeri.wagacha@cdhlegal.com

Charl Williams

Director:
Corporate & Commercial
T +27 (0)21 405 6037
M +27 (0)82 829 4175
E charl.williams@cdhlegal.com

Christelle Wood

Director:
Corporate & Commercial
T +27 (0)11 562 1372
M +27 (0)83 498 2850
E christelle.wood@cdhlegal.com

Alistair Young

Director:
Corporate & Commercial
T +27 (0)11 562 1258
M +27 (0)84 676 1171
E Alistair.young@cdhlegal.com

Emma Hewitt

Practice Management Director:
Corporate & Commercial
T +27 (0)11 562 1635
M +27 (0)82 896 1332
E emma.hewitt@cdhlegal.com

Alecia Pienaar

Counsel:
Environmental Law
M +27 (0)82 863 6272
E alecia.pienaar@cdhlegal.com

BBBEE STATUS: LEVEL ONE CONTRIBUTOR

Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

PLEASE NOTE

This information is published for general information purposes and is not intended to constitute legal advice. Specialist legal advice should always be sought in relation to any particular situation. Cliffe Dekker Hofmeyr will accept no responsibility for any actions taken or not taken on the basis of this publication.

JOHANNESBURG

1 Protea Place, Sandton, Johannesburg, 2196. Private Bag X40, Benmore, 2010, South Africa.

Dx 154 Randburg and Dx 42 Johannesburg.

T +27 (0)11 562 1000 F +27 (0)11 562 1111 E jhb@cdhlegal.com

CAPE TOWN

11 Buitengracht Street, Cape Town, 8001. PO Box 695, Cape Town, 8000, South Africa. Dx 5 Cape Town.

T +27 (0)21 481 6300 F +27 (0)21 481 6388 E ctn@cdhlegal.com

NAIROBI

Merchant Square, 3rd floor, Block D, Riverside Drive, Nairobi, Kenya. P.O. Box 22602-00505, Nairobi, Kenya.

T +254 731 086 649 | +254 204 409 918 | +254 710 560 114

E cdhkenya@cdhlegal.com

STELLENBOSCH

14 Louw Street, Stellenbosch Central, Stellenbosch, 7600.

T +27 (0)21 481 6400 E cdh Stellenbosch@cdhlegal.com

©2024 13230/MAR