

FLISP – How It Can Help Sell Your Units Today

There is a little known government housing subsidy that was implemented to bridge the gap between those who can afford their first home and those who earn enough not to qualify for “free-basic house” schemes. With the impact of the hike in home loan interest rates over the past 12 months, Flisp subsidies will play an important part to boost property sales and help buyers to improve their affordability to be able to qualify for a home loan.

The subsidy, known as the Finance Linked Individual Subsidy Program (or FLISP), is open to any first time home buyer who has never benefitted from a government housing scheme before. When applying for the FLISP subsidy applicants must show that they are a legal South African resident who’s gross household income falls between R3501 and R15 000 per month, and have a pre-approved home loan from an accredited financial institution. Any single person applicant must also prove they have a dependant(s) who is not a current home owner

“The biggest issue holding people back from applying for the FLISP subsidy is that they simply don’t know about it,” says conveyancing lawyer and FLISP expert Meyer de Waal. “Over the last year we have managed to acquire a few million Rand for our clients through the FLISP subsidy, especially from submissions after the transfer has gone through. Recently in the Western Cape the FLISP criteria was also relaxed for a short window period allowing for the gross household income to be locked in at the time the bond was approved. This means any increase in income after the bond was approved won’t affect a retrospective FLISP application.”

Retrospective submissions do vary from province to province, but are often the only option for those who qualify because the subsidy is simply unknown to the general public. “In the Western Cape you can apply for your FLISP grant up to 12 months after transfer has taken place,” Meyer explained. “However, Gauteng only allows for up to 3 months retrospective submissions and the Free State up to 24 months. The best way to figure out if you apply for the FLISP subsidy is get in contact with my team at www.flisp.co.za and we will be able to tell you if you still qualify for the grant.”

The FLISP subsidy is not only a huge help to first time home buyers but to agents, developers and even financial institutions. The money you receive from the grant can be used in two ways: either as a lump sum to be used as a deposit, or as a large injection of cash into your bond, lowering your overall payment. For developers this is a huge bonus as they are not only getting a pre-qualified buyer but one who comes with a healthy deposit. Affordability of home buyers have been in a predicament with the recent hike and interest rates and a Flisp subsidy can thus just be the answer for a home buyer to lower his home loan amount to an acceptable affordability status, or be the make or break factor to be able to raise a home loan.

“Agents and developers couldn’t ask for better clients than those who have been FLISP approved,” Meyer went on to say. “Here you have a willing and able buyer who already has his or her home loan pre-approved, as it is one of the FLISP requirements. This means you know exactly what the buyer can afford and that they have a deposit secured through the FLISP subsidy. With all this knowledge,

agents and developers can show buyers only the properties they can afford, cutting down on time, effort and tedious paperwork.”

Harnessing government subsidies like FLISP will not only help many first time home buyers get a property of their own, but will also allow developers and agents to sell their units quickly and reliably. *“Forewarned is forearmed”* – The FLISP subsidy takes most of the risk out of selling a home to a first time buyer simply because of its strict criteria. Agents and developers are secure in the knowledge that their potential buyers are well financed, pre-approved and armed with a healthy deposit.

For more information on how you can make the FLISP subsidy work for you – contact Meyer de Waal at meyer@budgetfitness.co.za or head to www.flisp.co.za and get in contact with their team of experts