



## Self- Finance Allocation Policy

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**Category:** HOUSING MANAGEMENT  
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### SUMMARY

The Ministry launched the Comprehensive Housing Plan initiative in February 2017. The plan recognise the need to have various housing products, which will not only suite the need of applicants but also match it with their income and savings (means). Such an approach ensures that certain groups of applicants are not left behind whilst managing the high demand for social housing.

For the approach to be successful the Ministry must first have clear selection parameters, which will help categorise the applicants and channel new applicants. Secondly, sets of clear and transparent criteria must also be put in place to guide and prioritise applicants for allocations.

### STATEMENT

The Policy provides clear application criteria as to who can apply for Self-Finance Housing and lays down a framework and guideline for allocation of those housing units.

### BACKGROUND

Self-finance housing products are town houses (semi-detached) of specific designs. They are ground plus one structure of two or three bedrooms. Qualified applicants are expected to mortgage the land on which the unit is to be built and raise capital to finance the construction

of the house. A qualified applicant has a choice of design based on available options. The house is only constructed in bulk, by the Ministry, along with other self-finance units upon completion of all formalities. Such approach is deemed to have limited risk and a preferred way of providing mortgage for residential projects by the banking sector.

The initiative started in 2015/16 when the Ministry seized the opportunity to make available 66 units under the self-finance scheme. For the year 2018, the Ministry has set aside three sites for the continuation of the scheme with a total yield of 73 units based on three house models. The Ministry will be making more units available to applicants in upcoming projects at Ile Aurore.

The cost of a self-finance unit will depend significantly on project costs based on going rates of construction on government tenders.

## **APPLICABILITY & SCOPE**

The Housing Department in the Ministry of Habitat, Infrastructure and Land Transport and all other responsible arms of Government.

## **POLICIES**

### **1. Application Criteria**

All applicants applying for the purchase of a Unit under the self-finance scheme shall meet the following criteria and shall give consent for the Ministry to look for additional information on the applicant relevant to the application;

- i. A citizen of Seychelles
- ii. 18 years and above
- iii. Must be domicile in Seychelles for a continuous period of 3 years (minimum).

- iv. Applicant or spouse/partner has not been or is not in ownership of immovable properties or interest in immovable properties or is does not have shares in a company owning immovable property
- v. Applicant has not been assisted through housing, housing loan or a residential plot of land by government.
- vi. In stable employment (Applicant can demonstrate consistent flow of income).
- vii. Single or combined Net Income of not less than **SR12, 000.00** (Seychelles Rupees Twelve Thousand Only) and not more than SR 17, 000.00 (Seychelles Rupees Seventeen Thousand Only)
- viii. Applicant must declare partner if any (expatriate spouses shall not be included on the application).

2. Applicants shall automatically contribute towards the Home Savings Scheme (HSS) once their application has been accepted

3 It shall be the applicant's duty to inform the Ministry of any substantial change in any factor, which might influence or affect his/her application once the application has been lodged.

#### **4. Criteria for Allocation**

4.1 Allocation will be as per project and shall be as per the following criteria;

- I. The application of the applicant must be three years or more
- II. Must have the ability and show proof that he/she can raise the sum equivalent of the Unit cost plus the price of the land. The unit cost is specific to the projects and may vary from time to time.
- III. Must show proof of savings, which covers 10% of the unit cost and such proof shall be in the form of bank statements of the last 6 months or HSS contributions.

- IV. The date of the application
- V. Consistency of HSS contribution over a period of 3 years

## **5. Bedroom Requirements**

- I. Despite having the financial ability to buy the units, priority on the number of bedrooms allocation shall be based on the need and status of the applicant (single, couple or family).
- II. Applicants with Certified medical certificate and old age will be given priority to units whose bedrooms are located on the ground floor.

## **6. Terms and Conditions (Contractual agreements)**

6.1 Units once sold will only be bought back or exchanged as the per the exchange Policy (i.e. at unit cost that it was originally sold, plus current going interest rate if the owner took out a loan to buy the unit plus the value of any material improvement the owner made to the unit).

6.2 Should it come to light that the owner made any false declaration during the application process which would have otherwise have rendered the applicant unqualified to apply for a condominium, the Government will automatically reposes the unit and refund the applicant the Cost of the Unit only or any sum disbursed for the construction of the unit.

6.3 All properties bought under self-finance schemes shall bear a restriction of 15 years registered against the property.

6.4 Any owner who wishes to sells his/her unit on the private market before the 15-year period shall to apply to Government (MHILT/PMC) to have the restriction removed.

6.5 An owner who sells her/her unit privately will not be assisted with another product (land, housing or loan) unless there was a valid reason for selling same.

6.6 A non-Seychellois will not be permitted to buy any property sold under the Self-finance scheme

6.7 Change of use shall not be permitted

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