

HOUSING - GENERAL

1977

AFRICAN HOUSING *FM*

Land not for sale ^{2/12/77} ₍₁₂₃₎

Government's plans to introduce a new type of tenure for urban Africans are still some way from finality. The new tenure, called a "Certificate of Registered Title," will replace the "indefinite period" leases under which Bantu Affairs Administration Boards have been attempting to "sell" their houses in the past year or two.

A memorandum setting out the main details of the scheme has been sent by the Registrar of Financial Institutions, Wynand Louw, to the Association of Building Societies for its comments.

Louw is involved in the devising of the scheme because it will entail various legislative changes, including amendments to the charter of the building societies, which fall under his jurisdiction.

The new certificates (which will apply only to African townships in the so-called "white" areas) will confer on their holders, in Finance Minister Owen Horwood's felicitous phrase, "satisfactory certainty of title." Precisely what this will mean for Soweto citizens and other township dwellers is not yet clear. One thing, however, is clear: it will not be freehold title.

A new deeds registry office will be created, along with an entirely new set of conveyancing rules. "Ownership" will be of site improvements only, and will be registered against existing site diagrams and conditions of title.

According to a Bantu Administration and Development official, the new certificates will not carry the usual transfer fees and stamp duties, though "the final details still have to be worked out." The

position of Africans west of the "Eiselen line", who are at present excluded from even the leasehold scheme, is also being reviewed, he says, "at the highest level."

Though government appears to be giving the introduction of the certificates high priority, much remains to be done if the necessary legislative amendments are to be ready for the next session of Parliament. The Association of Law Societies has not yet been consulted on the practical and technical aspects of implementing the proposed conveyancing procedures.

Nor is its response likely to be unanimously favourable. Says one leading conveyancer: "We have a perfectly adequate system of deeds registration already. However much one welcomes the relative security of tenure for urban Africans introduced by the scheme, it is clear that the certificates will convey a different and lesser form of title than that presently available to every white South African. Why?"

While Soweto Africans have welcomed Horwood's announcement that the summary eviction regulations are to be withdrawn, their response to the rest of his package has been to reiterate once again their demand for home and land ownership rights on the same basis as for whites.

Typical was the comment of social worker Shimane Khumalo, who told the *FM*: "We appreciate the fact that the tenancy of the black person who has purchased a house has been made more secure. But we still feel that this should not distract us from the aspiration of owning the land on which our houses are built. Our future will not be decided in the homelands but in the urban areas."

Verbande kom vir swart huise

klappant
4/12/77

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Deur ALPHONS DU TOIT

BELANGRIKE verwickelings word in die nuwe jaar verwag oor verbande vir swart behuising. Die Registrateur van Finansiële Instellings, mnr. Wynand Louw, het reeds gesê dat bouverenigings hulle voorberei om verbande aan swartes beskikbaar te stel.

In hierdie stadium is die Genootskap van Suid-Afrikaanse Bouverenigings egter nie bereid om kommentaar te lewer nie. Die president van die Genootskap, mnr. Hans Hefer, het darem bevestig dat nuus in dié verband verwag kan word. Dit het hy laat deurskemer tydens 'n noenmaal wat vroeër vandeeweek in Johannesburg gehou is.

Die nuwe bedeling sal vanselfsprekend eers deur die Parlement goedgekeur moet word. Die voorstel is blykbaar dat die eiendomsregister deur die Bantoe-kommissaris

kan nie nou met sekerheid voorsien word wat die spesifieke bedeling in sy totaliteit gaan wees nie. Maar hy het aan Eiendoms-RAPPORT gesê: „Waaroor wel sekerheid bestaan, is dat daar in die komende jaar 'n ernstige behoefte gaan wees vir swart eiendomspraktisyns.

Indien die swartman op grootskaal gevestig gaan word aangrensend aan blanke stedelike gebiede, met titelreg of een of ander vorm van eiendomsreg, sal daar 'n geweldige potensiaal

sal ontstaan.

„Dit is die oogmerk van Unisa se Skool vir Bedryfsleiding om die eiendomsbedryf in 1978 met mening te betree. Die SBL is ten volle bewus van die leemtes wat bestaan en gaan in die toekoms geweldig uitgebrei wat bestuursopleiding betref,” het mnr. Koster gesê.

Eiendoms-RAPPORT

gehou moet word. Indien die voorgestelde swart stadsrade goedgekeur word, sal die register heel moontlik deur hulle gehou word. Die huidige kostestruktuur van registrasie sal besnoei moet word. Hopelik sal here-regte, seëlregte- en oordragsfooi heeltemal vermy word.

Dit kan verwag word dat die verbandgelde deur die bouverenigings ook verminder sal word. Dit is gevolglik logies dat hulle self die verbande behoort te kan registreer. Volgens kenners is dit 'n eenvoudige proses en die huidige duur prosedure kan nie in hierdie spesifieke geval van swart behuising geduld word

ontstaan vir swart eiendomspraktisyns en konsultante — iets wat tradisioneel nog deur blankes alleen beoefen is,” het mnr. Koster gesê.

Volgens mnr. Koster is die SBL reeds sedert Augustus 1975 besig om swartes op te lei in kleinsakebestuur. Dit is gedoen deur middel van 'n program van 15 maande wat nou vir die derde keer aangebied word.

Dié program is uiters geslaagd. Daar was 27 inskrywings gedurende 1975 en altesaam 131 navrae en 89 aansoeke vir die kursus van 1976/77. Daar is reeds 90 aansoeke vir die derde kursus wat in 1978 begin.

Mnr. Koster sê dat die SBL op die oomblik ernstige aandag aan die nuwe verwickelinge skenk. Hy beskou dit as 'n uiters belangrike taak om te voorsien in enige toekomstige bestuursopleidingsbehoefes vir swart eiendomspraktisyns wat

Unisa se Skool vir Bedryfsleiding voorsien reeds 'n geruime tyd dat daar 'n verrykende nuwe bedeling moet kom ten opsigte van huisvesting vir die stedelike swartman. Volgens mnr. Manfred Koster van die SBL,

Association against abolition of rent control

Cape Times
6/12/77
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THE South African Residential Tenants' Association has protested in a letter to all parliamentary candidates in the election against the abolition of rent control proposed by the Fouche Commission.

The commission, chaired by the Secretary of Community Development, Mr L Fouche, proposed in June that rent control be scrapped by 1980. The proposals were accepted by the Cabinet but have not yet become law.

The letter was sent out before the General Election and was sent to all MPs because the association was "non-political", it said. In it, the chairman of the association, Mr J R Mortelmans, said that the case of an estimated half-a-million white tenants in South Africa was not effectively presented to the commission.

Sacrifices

At a time when sacrifices were needed to fight inflation and when essential commodities were subject to price control "to retain some economic sanity", Mr Mortelmans said he could not understand why anyone (except landlords subject to rent control) would advocate the abolition of rent control over a basic essential, such as accommodation.

Mr Mortelmans said decontrol would not lead to expanded flat development, as suggested by the commission.

"Today, any flat developer is automatically not subject to rent control," he said. He added that the real disincentive to development was the cost of building.

Extension of existing rent control legislation would obviously discourage developers, and his association did not advocate this, Mr Mortelmans said.

Mr Mortelmans felt that flat-owners who bought blocks before rent control was introduced were adequately catered for and were in the minority. He said they had been granted "extremely high" rental increases in recent years.

F.M. 16/12/77

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The 39 steps

This coming session of parliament was going to be the one for the introduction of several bills to implement the Fouché Commission recommendations. The buzz now is that those bills won't be ready in time.

If that is so then there is going to have to be some kind of establishment of priorities. There is one Fouché proposal in particular that needs urgent attention — the scrapping of Section 39 of the Sectional Titles Act. This keeps units in rent-controlled buildings subject to rent control even after the register is opened and transfer of the unit is effected.

So if a rent-controlled flat is sold with a tenant in it the buyer can't evict the tenant and get possession even if he wants it for his own use. This is in contrast with rent-controlled houses where the buyer can give the tenant three months' notice to move out — if the buyer wants to move in himself.

Also, should the buyer want to let the sectional unit at a later date he can then only charge the controlled rent and the tenant becomes a statutory tenant with all the protection of the rent control machinery behind him.

There are many good low-rise rent-controlled blocks in SA for which there is a steady market for the individual units. Sutton Place in Sandton, for instance, a rent-controlled block of 15 flats, sold out in a matter of weeks at prices from R18 750 to R65 000 for each flat.

One reason that the flats in this block

sold so quickly was that the buyers were guaranteed 80% bonds through the Residential Equity Building Society by the seller, a company controlled by the Pretoria estate agency Flat Finders (Pty).

But would-be buyers of units in other similar blocks wouldn't be so lucky. Most building societies, which adopt a cautious approach to sectional title lending in general, are even more cautious when it comes to rent-controlled units.

At present they base valuations, which determine the amount of the bond, on a rental basis.

Although methods vary from society to society the SA Permanent's method is fairly typical. It first takes the controlled rent, then deducts the levy and a further 10%. The amount remaining is the maximum allowable monthly instalment. If it comes to, say R100, the bond the society will be prepared to grant will be around R10 000.

When some good rent controlled duplexes are going for R30 000 plus that looks a little silly.

The societies, however, understandably feel that they have a duty to be careful about their security. If, they point out, they had to step in and foreclose on a rent controlled unit with a protected tenant ensconced — that unit may well prove unsaleable.

With Section 39 scrapped, as Fouché and the building societies feel it should be, the societies will no doubt change their attitude and be prepared to lend more generously.

John Bennett, GM of the NBS, tells the *FM* that the societies would certainly be prepared to review the basis of valuation and grant more realistic loans similar to those granted on non rent-controlled units.

Fouché's S39 recommendation, however, was made "in the light of" the recommendation on the phasing out of rent control. Here's hoping that even if the debate on the phasing out of rent control drags on in Pretoria, the S39 recommendation will be seen as a separate, pressing item.



Fouché . . . when will we see the bills?

DD 4/1/78

Housing hit by steel ⁽¹²³⁾ increase

PRETORIA — The increase in the price of steel announced in a special issue of the Government Gazette last Friday, was due mainly to the continued increases in unit costs of production factors, a spokesman for Iscor said yesterday.

The average increase amounting to about R31 per tonne would increase the cost of civil engineering construction by about 10 per cent, a spokesman for the Building Industries Federation of South Africa, said in Johannesburg yesterday.

Bifsa estimated that the cost of an average house would increase by an average of 2,5 per cent. Consequently a house priced at R20 000 would now cost R22 500. The cost on high-rise housing projects would be much more and near an average of 10 per cent, he said.

Dr E. P. Drummond, executive director of the Steel and Engineering Federation of South Africa (Seifsa) said the increase in the price of steel would have a ripple effect on a large number of goods.

He said that few of the manufacturers, if any, would be able to absorb the increase in the price of steel. — SAPA.

Why you should build now

The cost of building a house has risen 45% over the past three years. But take-home pay has gone up by only 25%. And this year things are likely to get worse with costs outstripping income by even bigger margins.

A house that now costs R19 000 to build is likely to cost R21 000 by the end of the year and R23 000 by 1980.

In 1977, to get work, house builders held their increases in selling prices by slashing their profit margins from 15% (or 20%) to 10% and by increasing productivity and cutting costs. High unemployment, which meant they could hire skilled labour at a cheaper rate, also helped.

As a result, although materials and labour went up 14% last year, the tender price to the client went up by only 2% (see figure). But builders cannot go on absorbing cost increases indefinitely.

The Building Industries Federation (Bifsa) projects that costs will rise by around 12% in 1978. A 2,5% rise has occurred already by way of the steel price hike in the first few days of this year. And cement and paint increases are in the pipeline. At the same time, the electricity, sugar and bread price increases are likely to result in more wage demands.

The net result for the prospective home builder will probably be an increase in price of around 10% this year.

Last year, tender prices shot up to R160/m² from R110/m² in 1974 and R61/m² in 1968. Comparing prices on

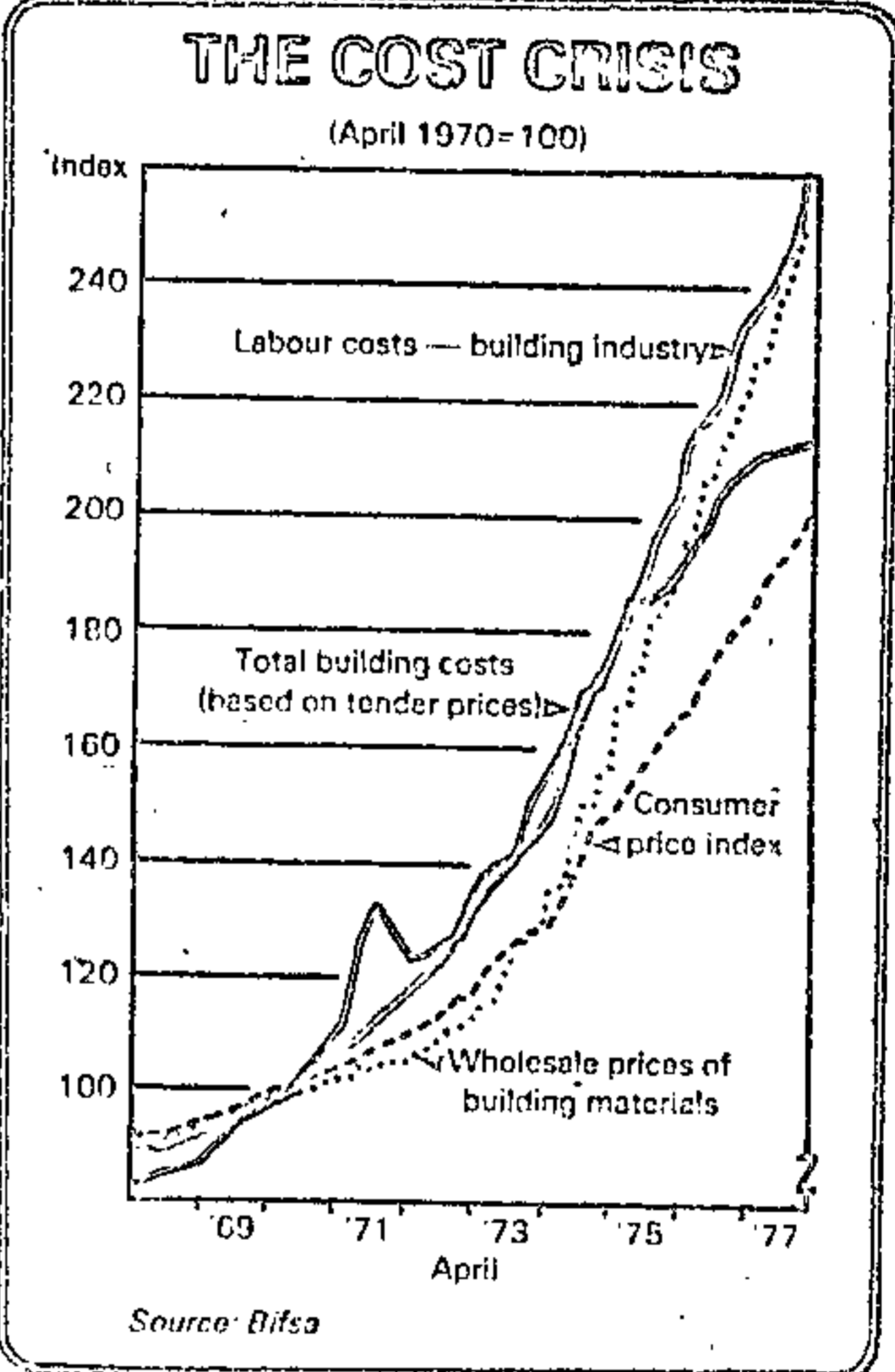
this basis can be confusing, however. Sometimes only building costs, ie walls, floors, roofing, electricity and plumbing, are included. But some builders include carpeting, driveways and surrounding walls. Then there are overheads, architects' fees, profits and legal costs. And, if the builder is providing finance, that cost has to be built into the price of the house too.

The cost, excluding finance, of building a typical 120 m² house consisting of three bedrooms, two bathrooms, lounge, dining room, kitchen and one-car garage, but without servants' quarters, would have come to R7 300 in 1968, R13 200 in 1974 and R19 200 in 1977 (45% up from 1974 to 1977). But during this last period income went up 33% from R724 to R963 — a difference of 25% after tax. Another blow for house builder/buyers has been the hike in interest on bond repayments, up from 8,5% in 1968 to 11,5%. Where, in 1968, monthly repayments on a 20-year bond of R9 500 would have been R83, by 1977, repayments on an equivalent (adjusting for inflation) bond of R20 000 would have come to R213 a month.

The combination of rising costs and interest rates and less cash has led to houses becoming smaller. Today, says Schachat Cullum marketing director Blair Ewing, the average is coming down to 100 m², consisting of three small bedrooms, one bathroom with separate toilet, lounge, dining room, kitchen, no servants' quarters and sometimes no

garage, and a less luxurious finish. The square metre cost of a small house is higher than that of a large house because of economies of scale. But the overall price is still likely to be lower.

For a cheaper quote, it often pays to go to a small builder with lower overheads. In today's market, most will undercut the big contractors to get work.

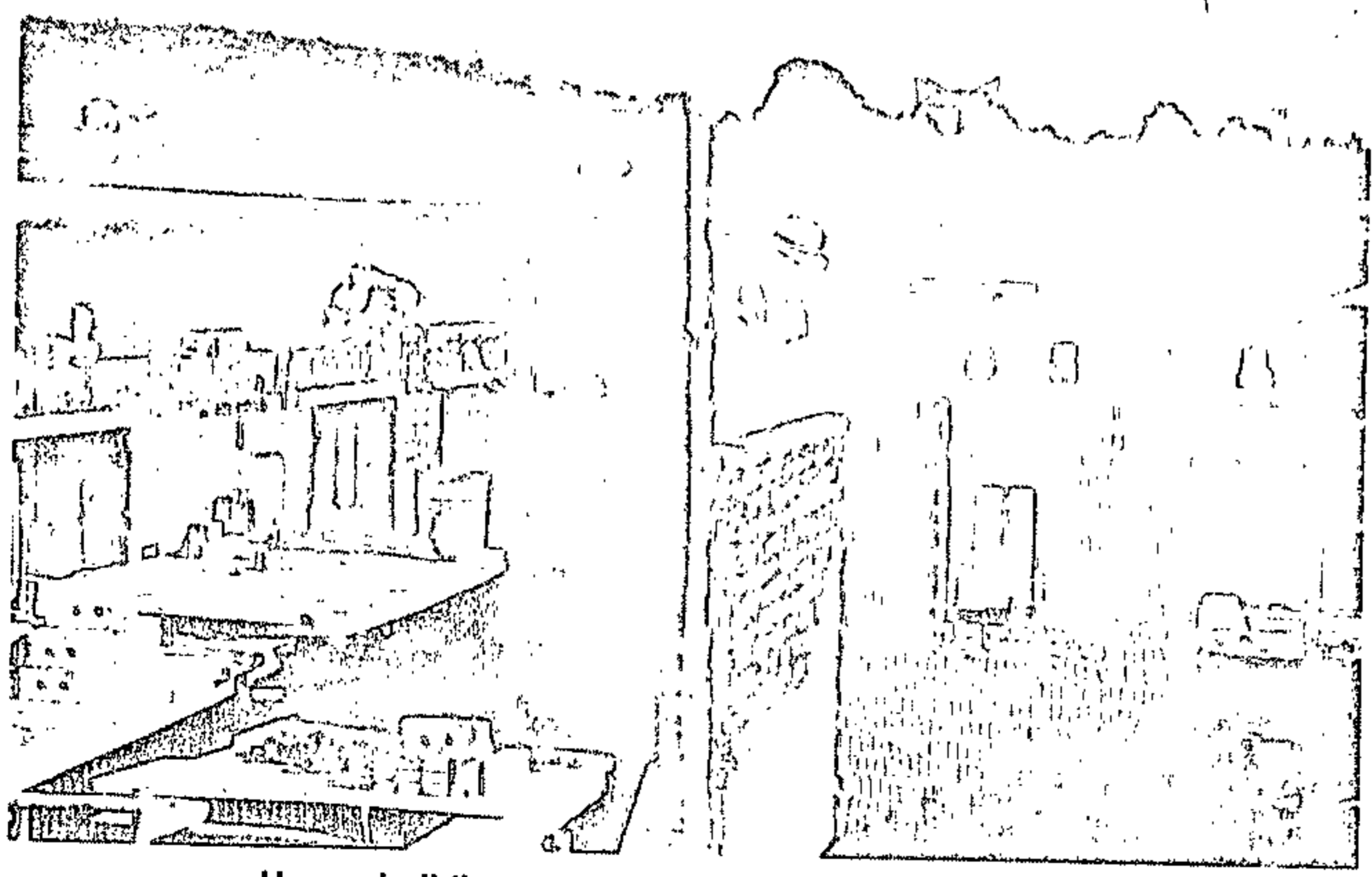


But the risk is higher. Smaller companies may be unable to provide the same financial backup, for instance. This can mean months of waiting for a bond. And there's the danger that they may go under before they finish the job.

Another possibility is to reduce the land part of the cost. Following the property recession, stands that sold for R8 000-R10 000 four years ago are in some cases now going for half — or less. And buying a smaller stand means a smaller outlay and less costly services.

What about the availability of funds for that new house? Association of Building Societies director David Akston predicts an adequate supply of funds in the first quarter. However, a renewal of buyer confidence could cause an increase in demand, making bonds harder to come by.

The message is clear: if you're planning to build, build now. Money is relatively freely available and tender prices are keen. But the chances are that it would still be cheaper to buy a second hand house.



House building . . . the costs go up and up and up

COMMISSION ON HOUSING UNDER FIRE

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By ESMOND FRANK *SUN TRIB.* 22/1/78

DEPRESSED conditions in the recession-struck home building industry are likely to be aggravated rather than alleviated by certain recommendations contained in the Fouche Commission's report on the housing industry, alleges Professor Trent Olivier, head of the department of building sciences at the University of the Witwatersrand.

He says the report appears to have been designed to restrict the housing sector at a time when it needs general stimulation and could contribute towards a new "brain drain" among newly graduated architects, builders and quantity surveyors.

"The government's low-cost housing plans, laudible though they may be, will help only part of the housing industry," according to Olivier.

"The rest of the sector," he adds, "can apparently look forward instead to a crippling curtailment of demand if the Fouche Commission's recommendations are put into practice."

Olivier specifically criticises recommendations that call for: a ban of the granting of second bonds; the scrapping of subsidisation of civil servants' housing bonds; and the strict enforcement of the limit on bond repayments at 25 percent of the breadwinner's salary.

Enforcing these provisions, he says, implies that building societies are unable to make an intelligent business decision and that home buyers are incapable of the responsible management of their own affairs.

"This," he adds, "is a further example of government interference in private enterprise in that it reflects a presumption that decisions of a purely individualistic nature cannot be left to the individual."

These provisions, according to Olivier, also imply that South Africans still build too luxuriously although, he claims, there has been "something of a social revolution" leading to a wide acceptance of smaller and simpler homes in the last five years under the twin pressures of inflation and dwindling disposable income.

He says implementation of the Commission's recommendations will lead to a further general lowering of housing standards, a drastic decline in new housing starts and a further blow to the hard-hit housing sector "with all that this implies for the country's housing needs".

And he points out that the housing industry, which contributes about 16 percent towards the country's gross national product of R29 000 million, is both a major employer and generator of consumer demand.

Olivier suggests that the Government should think in terms of stimulating housing industry activity by the introduction of such concepts as allowing bond repayments against tax instead of threatening it with restrictions.

He describes the Commission's recommendations as "a case of one step forward and two steps back".

HOMIES

Ston 28/1/78 (123)

Squeeze

Cash spent on houses down 30 pc

Michael Chester, Financial Editor

Money spent on housing in South Africa has dropped 30 percent in a year according to a survey released today by the Bureau for Economic Research at Stellenbosch University.

On the Witwatersrand, the value of plans for new homes is down by half, with home-owners going for smaller houses and more austerity.

But the worst-hit area in the country is Port Elizabeth, where cases have been reported of as many as three families moving out of their homes to share a single-rented house.

The slump in Port Elizabeth's motor industry has severely affected home-owners in the area.

The Bureau reports that:

- Spending on new houses and flats last year tumbled from R726-million to R508-million.

- On the Witwatersrand, the value of building plans passed for private housing have dropped to only R4-million a month — down 50 percent on levels two years ago.

- Home buyers in the middle-income group are spending less than R20 000 on new houses, compared with a few years ago, when builders argued it was impossible to put up houses for less than R25 000 because of the insistence on luxuries.

The researchers find that the average new house going up in 1978 is smaller and cheaper than in the first half of the 1970s.

Low-cost

And even with the start of an economic swing soon, the survey forecasts that expenditure on new homes in the private sector will creep up no faster than 2 percent in real terms over the whole year.

In contrast, the public purse will pour out R470-million on housing for blacks as against R380-million last year.

The big fillip will come from the R250-million extra allocation by the Government on low-cost housing. The Bureau of Economic Research estimates that R90-million of it will be spent this year, and the rest next year.

The largest slice of the enlarged kitty — around R165-million — will go into low-cost housing in the cities.

The Stellenbosch Bureau calculates the share out as R100-million for Coloured communities; R50-million for urban black families; R50-million for black families in the homelands; and R50-million for Asian families.

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Costs kill City project for Malay houses

Cape Times
27/11/78

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Municipal Reporter

THE CITY COUNCIL'S Housing Committee has decided to abandon plans for the second stage of the restoration of the Malay quarter because the costs are too high.

There are 73 houses in this stage and the average cost of restoring them is R29 000 each, according to official council estimates.

Mr Achmat Davids, spokesman for the Schotsche Kloof Civic Association, said the council should sell the houses to the people living in them "and we will restore them ourselves".

Mr Davids said the Malay people would make a better job of the restoration than the council and they would do so at a much lower cost.

Mr Brian Basset, chief professional officer of the National Monuments Council said he was extremely disappointed as the Malay quarter was of national importance. "It is as important as Tulbagh," he said.

According to a report by the City Engineer, Mr J G Brand, the council has completely restored 52 houses in the first stage. The selling prices of these houses, based on present building costs, ranged from R17 000 to nearly R40 000.

The total cost of the second stage is estimated at R3,1m and the 73 houses involved will cost R2,1m or about R29 000 each to restore. This stage also made provision for a civic complex and amenities.

The Housing Committee felt that the completed houses preserved some of the history of the area and it would be cheaper to build new houses which would blend with the architectural style of the area.

Mr Davids agreed that the cost of restoration, as the council was tackling it, was prohibitive and the people in the area could not afford to buy the houses.

"Something must have gone wrong," he said. "The houses are sub-standard inside but the cost is so high." He said work had been badly done in many cases and dampness was a problem in some houses.

"Our suggestion is, sell the houses to the people living in them, specify how they must be restored and give the people a set time to do it in," Mr Davids said.

He suggested that loans could be given for the restoration and he was confident that the result would be a better quality restoration at a price the people could afford.

The City Council purchased the houses "as slum dwellings" between 1936 and 1939 to demolish them to make way for low-cost housing.

Malay Quarter cost

(123)

From Mr J G BRAND, City Engineer of Cape Town:

Cape Times 3/2/78

I REFER to the report "Council has hashed up Malay Quarter restoration" (Cape Times, January 30).

It would appear that the very detailed 64-page report on the restoration of the old Malay Quarter dated May 1977 which I submitted to council's housing committee has not been seen by your reporter.

I offer the following comments which it is hoped will clarify some of the issues raised:

Departmental construction and length of time taken to complete.

Your reporter poses the question: Why has the restoration cost so much? He answers it by attributing this to the fact that the work was carried out departmentally, and that it took a long time to complete.

Your report is correct in assuming that the latter factor contributed to the increased costs. It must be pointed out, however, that the financial grant from the government subsidizing the cost of this scheme was conditional upon the work being carried out departmentally over a period of not less than five years. The council accepted these conditions and the work was programmed accordingly.

46 dwellings

My department's report dated April 1966 recommended that approximately 46 of the 52 dwellings comprising the first extension be demolished and rebuilt behind restored facades and to a standard and size equal to those of the then highest quality houses in the council's selling schemes.

Apart from the conditions of the government grant mentioned above a further condition was that the restoration work was to be to the satisfaction of the National Monuments Council and their architects, whose fees were to be from a charge against the grant. Although my report recommended demolition and rebuilding (rather than restoration) of all but six of the dwellings the National Monuments Council insisted on the maximum degree of restoration throughout and on the retention of virtually every scrap of material in the existing structures in its original position. The acceptance of this condition required the often slow and painstaking planning and restoration of the whole of each dwelling to its original size. On the average,



Mr Brand

therefore, the reconstructed dwellings are larger not only in plan but also in height, than had been contemplated originally in 1966.

The 1966 estimate for the construction work, which was on the basis of reconstruction rather than restoration, was R503 530, inclusive of the government grant of R298 000. Authority to commence construction was received only in April 1970, and the work was completed in August 1976, at a cost of R841 962, an increase of R338 432 or 67 percent in excess of the 1966 estimate.

The average building cost index (Bureau of Economic Research, Stellenbosch) between 1970 and 1976, when construction was undertaken, rose by 86 percent as compared with the index in 1966 when the estimates were prepared.

Taking into account the fact that the 1966 estimate was for a scheme to reconstruct almost all the houses and not to restore them, as the council was eventually obliged to do, as well as the fact that the restored houses were generally larger than those originally contemplated, the actual percentage increase in cost compares more than favourably with the percentage rise in building costs over the 10-year period. *Costs at Mitchell's Plain*

Your reporter is correct in stating that private contractors, building for profit at Mitchell's Plain, are proving to be cheaper than the council's own building unit, and suggests that the restoration of the Malay Quarter would have cost less if it had been carried out by private contractors. This conclusion, however, is quite incorrect.

Firstly competition is extremely keen at the present time and economies of scale play a tremendous part at Mitchell's Plain. In boom times, however, prices have

been far less competitive, and the council's building unit has been able to construct a variety of projects at lower prices than those offered by way of public tenders. In fact this pertains even today in some projects.

More important, however, in the present context is the fact that the Malay Quarter scheme is totally different in character from the Mitchell's Plain project. Piece-meal restoration work of the kind the council was obliged to undertake in the Malay Quarter does not lend itself to construction by contract except on a "cost plus" basis, particularly where the buildings are in an advanced state of decay and every effort has to be made to retain as much of the original structure as possible. There certainly is no guarantee that had the work been undertaken by contract under the same difficult conditions and time spread, it would have cost less. It might well have cost much more.

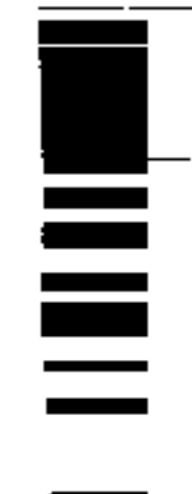
Use of paint

PVA on walls

PVA paint was used in the redecoration of the restored houses in the Malay Quarter in a sincere effort to minimize maintenance costs. It is not unusual to use PVA paint over walls previously painted with limewash and this can be successfully done provided that normal reasonable precautions are taken in the preparation of the wall surfaces before the application of the paint; and such precautions were in fact taken. Unfortunately peeling of paint, even on walls not previously limewashed, is not an uncommon occurrence in the Western Cape and can result from a number of factors. The reasons for the paint failure in this instance are still under investigation.

Restoration by the Malay community

I would be happy to see the Malay community restoring their own dwellings; every encouragement should be given to achieve this end. My report dated May 1977 mentioned earlier in fact contained a recommendation along these lines in respect of certain dwellings. However, many houses are in an advanced state of decay; over 50 percent of the second restoration scheme is in this condition. Thus few if any of the present occupants may be able to afford to undertake the restoration to the extremely stringent standards which hitherto been required by the National Monuments Council.



AFRICAN HOUSING FM 10/2/78

Amended again?

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Addressing the FM's Investment Conference last November, Finance Minister Owen Horwood announced that a new form of "home ownership" for Africans would be introduced shortly. The new scheme he said, would incorporate "satisfactory certainty of title." In order to make the occupation of properties by black owners as secure as possible, he gave an undertaking that government would withdraw regulation R1036 of 1968, which provided, amongst other things, for the summary eviction of people from their homes on a number of grounds.

The reason behind the undertaking was that the building society movement had indicated its unwillingness to lend, even against the mortgage of the new certificates, if the borrower could be evicted from his home.

While matters are evidently well advanced for the establishment of the new "Certificate of Registered Title," the introduction in Parliament this week of the Bantu Laws Amendment Bill raises certain questions.

Specifically, the bill's clause relating to the possible detention of any African who is out of work for 122 days in any year reopens the question of the borrower's risk status from the building societies' viewpoint.

Bond instalments may be met out of savings for a while if the breadwinner is out of work, but not if he is sitting in jail. Says Association of Building Societies director, David Alston: "The implications of the bill for the building societies' involvement in the financing of African housing under the envisaged new title is not clear. The movement has asked for and received categorical assurances that African owners' 'unassailability of title' will be protected. Anything that affects that unassailability will obviously be of concern to us."

Since government is presumably not intending to spike its own guns at this

stage, it seems likely that it will specifically exempt certain categories of Africans. The bill provides that the Minister may "in his discretion exempt any Bantu or any group or category of Bantu from any of all of the provisions" of the Bantu (Urban Areas) Act, and may "likewise withdraw such exemption."

The building society movement is hoping that future "homeowners" at least will form one such group for exemption, though the Minister's discretionary right to withdraw such exemption remains a worry.

Growing housing backlog foreseen

- (d) Ges
- (e) Woonple
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- (i) Werk w gedo gedu vaka
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- (k) Jaarli kont ande

LOCAL government will play an increasing role in the provision of housing as the shortage grows and prices rise, according to the president of the United Municipal Executive of South Africa, Mr J D K Saayman.

But he told delegates to the UME's annual meeting in Cape Town today local authorities had little hope of catching up with the growing backlog of housing. And he warned against lowering standards so much that 'the seeds of slums' were sown.

Blaming unscrupulous 'so-called township developers' who speculated during the boom years for the excessively high cost of housing land, Mr Saayman warned against over-reaction on the part of the Government.

'The unfailing remedy of government is the appointment of a board, and on top of that an advisory

board to advise the board, and the Minister, on housing policy,' he said. 'In the meantime the building industry has fallen upon evil times.'

GROW WORSE

'It takes no prophet to foresee that the ever-growing backlog in housing will grow worse — so much so that the man in the street will ill afford a house but will have to be content with a flat.'

Central government would become more and more involved in the building industry in an endeavour to meet the ever-growing need of people to get a roof over their heads.

This applied not only to the white section of the community but particularly to the coloured and black section.

'The role of local government, confined as it is at present to only the white and coloured sections in this set-up, is becoming increasingly obscure and difficult,' he said.

'But one thing is clear and that is that the more central government becomes involved the more will this be shuffled off on to the shoulders of local government.'

Mr Saayman criticised some local authorities for failing to acquire sufficient land and allowing speculators to snatch away every usable area on their boundaries.

He said local authorities might now be compelled to take over surplus land in the hands of private developers.

'They will need to proceed with caution, and to cultivate insight and a keen awareness of economic trends in the real estate business,' he went on.

'Given the financial backing and with the necessary circumspection they may just succeed in forcing down the present unrealistic land values, but with little hope of catching up on the backlog in housing.'

25/2/78 10 (10/11)

Black housing and pet food (23)

CAPE TOWN — South Africans spent almost as much on pets and pet food as it would cost to eliminate the entire black housing backlog in Johannesburg, Mr M. T. Savage, a senior lecturer in sociology at the University of Cape Town, said yesterday.

Speaking at a meeting of the Institute of Citizenship on "The cost of apartheid", Mr Savage said South African society was characterised by the co-existence of affluence and poverty where large amounts were spent on non-essentials while some people went short of necessities.

In the Republic R25m a year was spent on pets, R35m on cosmetics, R1,2 billion on liquor and — in the Transvaal alone — R300m a year on horse racing.

In the past 18 months R300m had been spent on television sets, R114m on establishing a single channel service and R40,5m a year in running it. Added to this was an amount of R192m spent on advertising brand name products.

Against these figures were R59m to complete the electrification of Soweto and R28,6m to eliminate the housing backlog there.

The pass laws cost more than R112m to operate. This was a conservative estimate and "but a fraction of the hidden costs."

A breakdown of this figure showed that loss of production through arrest and imprisonment cost

more than R7m, patrolling and policing over R11m, imprisonment almost R19m, the issuing and updating of passes R24m, and labour contracts and labour bureaux swallowed over R47m.

The Group Areas Act had been implemented at "staggering economic costs."

In Cape Town's District Six alone R24,6m had been spent buying properties of people forced to leave the area.

This did not include the cost of new housing for those dispossessed or removal costs, estimated at an additional R75m.

"Some five billion rands have been spent on the Group Areas Act and its consequences," Mr Savage said.

He quoted sources to show the country's gross national product would be 50 per cent higher if apartheid did not exist and said its direct current costs were R13 000 million annually.

"In any costing exercise some emphasis should be given to human costs of apartheid legislation, but no price tag can be placed on misery," Mr Savage said. — DDC.

Applications for 30-year leases X

123

240. Mr. T. ARONSON asked the Minister of Plural Relations and Development:

(a) How many applications for 30-year leases were received in respect of the area of each Bantu Affairs Administration Board as at 31 December 1977 and (b) how many of these applications in respect of each area were (i) granted and (ii) refused.

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

Since the re-introduction of the 30-year

leases on 26/1/76 the figures are as follows:

	(a)	(b)(i)	(b)(ii)
Central			
Transvaal .	35	35	nil
Northern			
Transvaal .	nil	nil	nil
Highveld ...	240	11	nil
Eastern			
Transvaal .	311	309	2
Southern			
Transvaal .	115	10	nil
West Rand ..	1 055	816	194
East Rand ...	514	438	3
Western			
Transvaal .	100	30	nil
Vaal Triangle	1 320	1 001	nil
Southern			
O.F.S.	162	72	9
Central			
O.F.S.	636	610	2
Northern			
O.F.S.	166	66	2
Northern			
Natal	nil	nil	nil
Drakensberg .	271	239	32
Port Natal ...	nil	nil	nil
Northern			
Cape	nil	nil	nil
Diamond			
Field	240	62	32
Cape Mid-			
lands	1 377	316	20
Eastern Cape	200	200	nil

Where the total of (b)(i) and (b)(ii) opposite each Board cannot be reconciled with (a), applications have not been finalized.

X Recommendation on rent control

10. **Best.** *23. Mr. W. V. RAW asked the Minister of Community Development: **ormele skakeldiens met**
- (i) (1) Whether he intends to implement the recommendation by the Commission of Inquiry into Housing Matters that rent control be abolished in respect of all dwellings; if so, **aiders se kinders na u**
- sk** (2) what provision will be made for the housing of tenants who are evicted or unable to meet increases of rental. **ers van u arbeiders se kinders.**
11. **Dink** (i) The MINISTER OF THE INTERIOR (for the Minister of Community Development): **witeit onder die werkers**
- (ii) (1) Finality in this connection has not yet been reached but an announcement will be made shortly: **le die plaas wil verlaat.**
- (iii) (2) falls away. **soort werk op die plaas doen.**
12. **Hoe belangrik is dit vir u arbeiders dat hulle kinders onderwys kry.**
13. **Doendie onderwyser enige buitemuurse werk (b.v. onderrig in die godsdiens aan werkers). Indien ja, spesifiseer.**
14. **Dink u dat, met die ontwikkeling van u plaas, u geleidelik meer ervare en opgeleide werkers nodig sal hê vir tegniese administratiewe en soortgelyke werk. Indien ja, spesifiseer.**

5.10 SPIRITUAL MINISTRATION

Spiritual ministration for farm workers and their families is a big undertaking. In this respect the churches are performing a big task with limited means at their disposal. Aid by farmers and farmers' associations in this respect is essential.

6. CONCLUSION

Hansard 5 col 324 3/3/78 123

This memorandum is intended as a guide for study by farmers' associations. It is recommended that a labour study committee be appointed by each farmers' association to give attention to the contents of the memorandum and other matters pertaining to 1

spective areas. Under the guidance of the committee the matter can then be considered

The Union wishes to stress that it is the responsibility of

Building of houses

107. Dr. F. VAN Z. SLABBERT asked the Minister of Community Development:

What is the estimated number of houses to be built for each race group in each province during 1978 by (a) his Department and (b) local authorities.

The MINISTER OF COMMUNITY DEVELOPMENT:

		Whites	Coloureds	Asians
Cape Province	(a)	369	129	68
	(b)	499	12 390	42
Transvaal	(a)	122	826	1 002
	(b)	759	1 600	97
Orange Free State	(a)	52	42	—
	(b)	94	181	—
Natal	(a)	458	1 283	74
	(b)	142	380	4 400

Contracts for 35 645 Coloured dwellings and 12 234 Indian dwellings have already been awarded or will be awarded shortly and taking into account weather conditions and other circumstances the delivery rate in 1978 will depend on how speedily contractors are able to deliver dwellings.

ANNEXURE /12

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Hansard 5 col 320 3/3/78

The provision of water in or near the house cannot be over-emphasized.

123

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Housing in each province X

16. Mr. N. B. WOOD asked the Minister of Community Development:

- (1) What was the estimated shortage of houses for White, Coloured and Asiatic persons, respectively, in each province as at 31 December 1977;
- (2) how many houses were made available for occupation by persons of each race group in each province during 1977 by (a) his Department and (b) local authorities.

The MINISTER OF COMMUNITY DEVELOPMENT:

- (1) Whites: there is no general shortage of housing for Whites, but there is a need of additional residential accommodation in certain towns and cities for specific categories of persons who qualify for national housing.

aining a fair loan scheme
g of houses for workers
and 2.

t farmers make use of this
housing conditions on farms
longer be blamed for the
ars.

important responsibilities
ent attention without delay.

MARCH 1978

322

	Cape Province	Orange Free State	Natal	Transvaal
Coloureds	45 000	900	4 800	6 900
Asians	1 200	—	17 000	2 500
(2)		Whites	Coloureds	Asians
Cape Province	(a) 56	29	—	—
	(b) 1 093	7 200	—	—
Orange Free State	(a) 21	—	—	—
	(b) 316	298	—	—
Natal	(a) —	444	—	—
	(b) 359	679	2 340	—
Transvaal	(a) 830	217	—	—
	(b) 489	1 364	553	—

For the hon. member's information it may be mentioned that in many instances the funds shortage and unfavourable weather conditions exercised a temporary detrimental effect on the building rate, but by making available an additional amount of R150 million towards the end of 1977 for Coloured and Indian housing prospects for 1978 were improved substantially. The volume of building activity is clearly evident from the following data in respect of dwelling units for the respective population groups in housing schemes for which funds have already been made available and which are either already under construction or will be commenced shortly. It is expected that the dwelling units will all be completed by 1980-03-31.

Further schemes, including schemes already approved comprising 16 750 dwelling units, will be launched as soon as funds can be made available.

mers' associations, in consultation
or, make a survey of the school
as and submit the necessary

facilities on farms, as well as for
happen that such facilities
by the Department.

is a scheme whereby the necessary

buildings provided by the farmer or group of farmers are leased

Whites	5 193
Coloureds	35 645
Asians	12 234

8/3/78 (123) Jm

Mandy backs ending of rent freeze

Frank Jeans

Fears that with the removal of rent control there could follow widespread increases may well be allayed by the Fouche Commission's recommendations.

The recommendations go a long way to providing protection to tenants. For example, decontrol of a flat occupied in 1950 would take place only in three years, and for another two years after that, rents would not be allowed to rise by more than 10 percent a year — thus a tenant would remain protected for five years.

This point was made by Mr Nigel Mandy, general manager of the Carlton Centre, and a Sapoa councillor, when discussing a letter which he had sent to the Minister of Community Development, Mr Marais Steyn, urging the abolition of rent control.

In the letter, Mr Mandy maintained that people lobbying for the retention of control "had not read the commission's report or misunderstood it, or are shortsightedly pursuing selfish sectional interests."

In a hard-hitting reminder of the commission's attitude to the system, Mr Mandy said it saw it as a discrimination between landlord and landlord, and between tenant and tenant.

STAR 9/3/78

New Bill will boost SA housing, says Steyn

(123)

Political Correspondent
CAPE TOWN — A Bill expected to boost the South African building industry was published here today.

The Minister of Community Development, Mr Marais Steyn, said the purpose of the Co-ordination

of Housing Matters Bill was to streamline housing provision and to co-ordinate the efforts of his department, provincial administrations and municipalities.

The Bill provided for establishing a housing matters advisory committee to advise the Minister

on which the directors of local government in every provincial administration would serve.

It also provided for a housing policy council comprising the Minister and a member of the executive committee from each province.

The Housing Matters Advisory Committee would make recommendations on national housing policy and co-ordinate the Department of Community Development with provincial administrations in respect of:

- Township establishment procedures;
- Provision and sites of residential premises;
- Standards of housing and essential services;
- Measures relating to the township establishment industry.

~~50~~

~~85~~

123

Gross national product

28. Mr. N. B. WOOD asked the Minister of Statistics:

(1) What was the gross national product for the latest year for which figures are available;

(2) what was the (a) percentage and (b) amount allocated to (i) health in the Republic and the homelands, respectively, and (ii) social welfare services;

(3) what was the (a) percentage and (b) amount allocated to (i) education and

(ii) housing in respect of each race group.

The MINISTER OF STATISTICS:

(1) R27 729 million for the calendar year 1976 and estimated at R28 668 million for the 12 months ended 31 March 1977.

(2)	(a) Percentage of Gross National Product	(b) Amount R Million
(i) Health:		
Republic	2,61	749,6
Homelands	0,30	85,8
(ii) Social welfare services	1,51	433,1
(3) (i) Education:		
Whites	2,88	824,3
Coloureds	0,53	152,9
Asians	0,22	62,1
Bantu	0,70	199,7
(ii) Housing:		
Whites, Coloureds and Asians	0,69	196,7
Bantu	0,54	155,2

In the case of (3)(ii) separate figures in respect of Whites, Coloureds and Asians are not available. Transkei is excluded.

Star 15/3/78

R4-m boost for (123) black housing

Johannesburg Chamber of Commerce members have granted or lent about R4-million to black employees for home ownership in Soweto, Mr Fred Haslett, president of the chamber, announced in Johannesburg yesterday.

He said members would supply more money for black housing if the Government approved a more permanent form of tenure. This would mean changing black housing rights from "occupation in perpetuity" to "lease in perpetuity," he said.

"The Government had already promised a satisfactory form of title which would grant blacks in urban areas the usual rights associated with home-ownership," he said.

BONDS

Waarde aan boer

Fuller rights would qualify black homeowners for building society bonds.

(e) Grond

Oppervlakte van

Mr Haslett said that a R500 000 housing scheme in Pinville, Soweto, financed by IBM, the Natal Building Society, Southern Life and Federated Employers' Insurance, for employees, had begun.

Waarde aan boer

Water (jaarlikse)

He said more black housing would help stimulate the economy.

Koste van and

PROGRAMME

(f) Klere: artik

"A Government-sponsored programme for black housing is under way, but an escalation of this programme is, in my opinion, now called for. This would be a means of getting the construction industry back on its feet and would provide employment."

Koste

(g) Bonus (jaarlikse)

(h) Geskenke (jaarlikse)

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(jaarlikse)

er:

(i) Ontspanningsgeriewe verskef:

Koste aan boer (jaarlikse):

(j) Gesondheidsdienste:

Jaarlikse koste aan boer van: doktersrekeninge betaal

medisyne

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ander

(j) Totale mediese koste

(k) Pensioenbydrae deur boer (jaarlikse)

(l) Versekeringsbydrae deur boer (jaarlikse)

Huge need is admitted

(b)

NM 29/3/78 (423)
Parliamentary Correspondent

(c) CAPE TOWN – The Government has admitted that there is a “tremendous housing backlog” for Blacks in South Africa and the Department of Plural Relations intends obtaining capital from sources outside the State to meet the need.

(d) The admission was made in the last annual report of the Department of Bantu Administration and Development before its renaming as the Department of Plural Relations earlier this year.

The report, for the 1976/77 financial year, said: “It is conceded that there is a tremendous housing backlog and the need for housing is increasing by the day. There is no country where the authorities are in a position to meet the housing needs of the entire population.”

W However, the department added, housing had been provided in Black residential areas “on a scale unprecedented on our continent.”

(e) K The home ownership scheme had been re-introduced in an attempt to alleviate the shortage and already an estimated 30 per cent of 440 000 houses in Black areas outside the homelands were owned under this scheme.

(f) B “It is the department’s intention to obtain capital from sources other than State funds to meet the need for housing,” the report said.

(g) G **Assisted**
Employers had assisted with the construction of 1 661 housing units at a cost of R8 100 000 and 10 708 beds at a cost of R11,96

million. Certain building societies had made R4 000 000 available for a better type of housing and between April and December, 1976, the Department of Community Development provided R4 800 000 for 5 753 residential units.

In the homelands the

department, through its agents, had built 7 370 dwelling units with services at a cost of R33 million in 34 townships. The private sector had provided a further 834 dwelling units and 2 000-bed hostel at an estimated cost of R6 900 000 in various homelands.

Church support for ‘fair jailing’

CAPE TOWN – The proposed increased prison sentences for people who refuse to undergo military service had the support of the majority of churches represented in the Defence Force, Minister of Defence Mr. P. W. Botha said yesterday.

Mr. Botha was replying to the second reading debate on the Defence Amendment Bill which proposes that people who refuse or otherwise fail to undergo military training of a year or longer be liable to 36 months’ imprisonment. It also provides for an 18-month term of jail for people refusing or otherwise failing to undergo training of a year or less.

Mr. Botha said national servicemen had to undergo two years’ continuous training and in addition had to make themselves available for periodic training for another eight years.

In these circumstances it would not be unfair to jail for 36 months somebody who refuses to undergo training.

The SADF already made provision for people who preferred not to serve in a fighting capacity by employing them in administrative and other non-combative sections.

“All the churches of South Africa are represented in the Defence Force. The majority of these churches – that is, their representatives – have considered and have agreed with this measure.” (Sapa.)

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Jaarlikse koste aan boer van: doktersrekeninge betaal
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(j) Totale mediese koste

(k) Pensioenbydrae deur boer (jaarliks)

(l) Versekeringsbydrae deur boer (jaarliks)

DO 29/3/78 (123)

House backlog grows

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Conclusion a

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THE ASSEMBLY — The Government has admitted there is "a tremendous housing backlog" for blacks in South Africa and that the need for housing is increasing by the day. And the Department of Plural Relations intends obtaining capital from sources outside the State to meet the need for housing.

The admission was made in the last annual report of the Department of Bantu Administration and Development before its renaming as the Department of Plural Relations earlier this year.

The report, for the

1976/77 financial year, said: "It is conceded that there is a tremendous housing backlog and the need for housing is increasing by the day. There is no country where the authorities are in a position to meet the housing needs of the entire population."

However, the department added, housing had been provided in black residential areas "what is more on a scale unprecedented in our continent."

"It is the department's intention to obtain capital from sources other than State funds to meet the need for housing," the report said. — PC.

the area will
returning to work

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ully documented
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regions coupled with

high levels of unemployment. As a result of this and other circumstances, such as lack of education, widespread under and malnutrition occur in the areas. What is more, homelands are totally incapable of providing employment for their citizens. In each industrial sector of their economies the number of jobs being created are too few to meet the growing number of people entering the labour market. As a result, the men in particular have to become migrant labourers in order to support their families. At least 50% of the homelands economically active men are migrants. There is no hope of them finding adequate employment in the Ciskei or Transkei. They therefore desire to have their wives and children with them. Because such close members of the family may not legally be in the Cape Town area or reside permanently with their husbands, these families turn to squatting as the only way of enjoying a normal family life.

The policy implications of these incontrovertible facts should be clear for all to see.

The solution is to allow African labourers to obtain permanent residence rights in Cape Town and to allow their wives, children and other dependents (such as grandparents) to live with them. In this way the intense economic pressures can be taken off the homelands while the employment demands of the growing Cape metropolitan area can be met. A temporary recession or depression should not make us lose sight of the long-run trend of growth in the area.

Black Star 4/4/78 housing (123) law this session

Political Staff

CAPE TOWN — Legislation granting blacks home ownership rights outside the homelands will definitely be introduced in Parliament this session.

This assurance has been given by an official spokesman for the Department of Plural Relations and Development after reports that the Cabinet had made a final decision granting such rights, which amount to virtually full property rights for non-homeland blacks.

The spokesman said the legislation was still being prepared by the Department of Plural Relations and Development before being sent to the law advisers.

It would then have to be submitted to the Cabinet for approval before introduction in Parliament.

WESTERN CAPE

One aspect of the proposed legislation which remains unclear is how it would affect black people in the Western Cape. Early indications are, however, that they would be excluded from the proposed extensions of property ownership rights.

Mrs Helen Suzman, official Opposition spokesman on black affairs, said today the proposed legislation would obviously be good insofar as it would give added security to black people in the urban areas.

Prominent black community leaders expressed doubts today about the new legislation.

Dr Nthato Motlane, leader of the Soweto Committee of Ten, said he stood only for "unfettered" freehold land tenure, and added that the Government had made no reference to this particular matter.

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More black housing *Star 4/4/78 (123)* 'key to harmony'

Political Staff

THE ASSEMBLY — Dr Jan Marais (NP, Pinetown) yesterday singled out the expansion of non-white housing as the key to promoting employment and internal harmony in South Africa.

Speaking during the second reading debate on the Budget, Dr Marais suggested that a special formula be worked out for the utilisation of black people's own savings for this end.

PRIORITY

Another top priority should be that of putting the whole nation to work. He said there was nothing more explosive, demoralising and dangerous than unemployment.

Internal harmony should be promoted on every front and it was the responsibility of every South African to carefully weigh up every word he uttered.

Dr Marais also called for equality of opportunity and merit and the removal of racial discrimination. South Africa should now be moving into the situation where more people of other race groups were being absorb-

ed in the middle-class group.

Dr Marais said the time had come for South Africa to concentrate on looking after itself in the interest of its own survival. If it did this it would encourage others to come forward and help the country achieve its objectives.

Although the overall political and economic prospects for South Africa were still uncertain if it continued on the path indicated by the present Government it could set an example many other countries would like to emulate.

"If we continue on the road indicated by the present Government and its policies — although we are not perfect — and keep changing in a logical and evolutionary manner, we will show the world an example many would like to follow," he said.

Dr Marais paid lavish tribute to the Minister of Finance, Senator Horwood, and to the Budget he introduced in Parliament last week.

"This may be the turning point and the sign of greater things to come," he said.

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1. Wat wil u graag hê moet verander in u werksomstandighede?
(loon, ander soort betaling, werkure, vakansies)

In u lewensomstandighede? (behuising, ontspanningsgeriewe)

2. Het u al om veranderinge gevra sonder sukses? Indien wel,
gee besonderhede.

3. Watter probleme ondervind u met u werk?

123 7/4/78

Rent control to be ended

By DEREK SMITH
Property Editor

RENT control is to be phased out, the Government announced yesterday.

Nearly 100 000 people will be immediately affected by the decision, announced by the Minister of Community Development, Mr Marais Steyn.

Ultimately more than 400 000 people in 237 000 houses and flats will lose the protection of the Rents Act.

However, pensioners and other low-income tenants have been given special protection and will not face the twin fears of ejection and runaway rental increases.

The blow for other tenants will also be softened by a provision that rentals will not be allowed to increase by more than 10% per year, excluding statutory additional costs like rates for two years.

The decision is in line with recommendations by the Fouche Commission which was appointed to investigate the Rents Act.

The provisions announced by Mr Steyn include:

● The Rents Act will no longer apply to residential buildings occupied after January 1, 1960.

Premises occupied after May 31, 1966, are not controlled.

● The exemption will not apply to homes occupied by families earning less than R380 a month (with no children), R440 a month (one or two dependent children), R500 a month (three or four dependent children) and R540 a month (more than four dependent children). Control will be reimposed summarily where there is exploitation.

The next step advocated by the Fouche Commission will be to de-proclaim all housing units occupied after January 1, 1955. This would later be extended to cover units occupied after January 1, 1950, and another year later, all units would be de-controlled.

3. The shape of the curve is illustrated

4. Under all circumstances

5. The fixed costs

- (a) are fixed
- (b) when output is zero
- (c) increase with output

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Another immediate result could be to allow buyers of flats to move into their units — something they do not have a right to do at present.

The Government's decision was welcomed by the South African Property Association (SAPOA).

The SAPOA councillor dealing with rent control, Mr Nigel Mandy, said the association "congratulates the Government on the courageous manner in which it has placed the country's welfare above entrenched special interests."

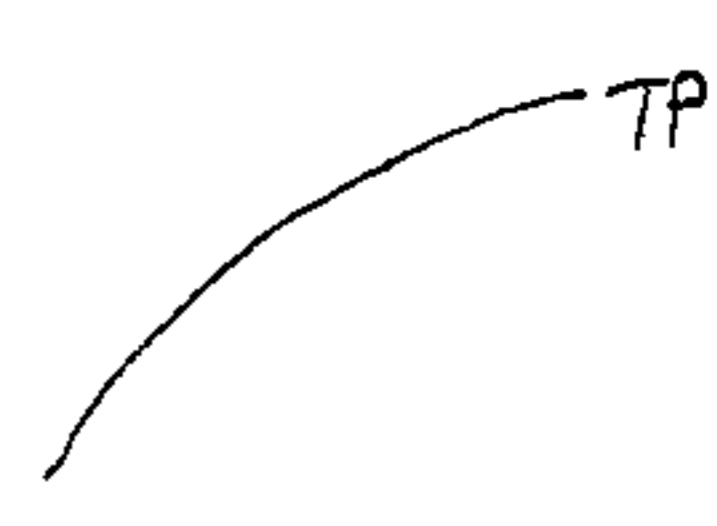
SAPOA would look further into the exemptions for poorer families, however, because it was logical that the Government, and not developers or landlords, should pay subsidies where needed.

The "Mails," Political Staff reports that the Progressive Federal Party criticised the move, saying it failed to provide protection from harassment of tenants by landlords.

"This proclamation now commits the Government to the total abolition of Rent Control without providing adequate alternate protection for tenants," said a PFP statement.

Fears that the exemptions from rent control will lead to harassment of tenants were voiced last night by Mr Aleck Jaffe, a Johannesburg City Councillor and champion of tenant rights.

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8/4/78 R.D. 17 (R3)

Landlords

can now say 'go'

Own Correspondent

CAPE TOWN. — The Minister of Community Development, Mr Marais Steyn, confirmed yesterday that tenants in buildings which have just been released from rent control can be given notice to leave in future.

He said this should, however, not create undue hardship.

"It is not a matter of great concern because of the large number of flats of all kinds which are available at present.

"You only need to examine the columns of the newspapers to establish what alternative accommodation is available," he said.

Mr Steyn gave the assurance that in individual cases of special hardship he could still impose rent control on an individual flat if necessary.

"However, it is difficult to see that this will become necessary in the present circumstances."

He said buildings, houses

or flats which have been released from rent control may be sold.

Spokesmen for tenants rights yesterday attacked the decision to phase out rent control saying it showed "no regard for the lot of the lower income groups."

Consumer ombudsman for the South African Council of Churches, Mr Eugene Roelofse, said failure to protect people from Wainer-type intimidation made a farce of the Government's claims that it was interested in the lot of the little man.

"The Minister has removed protection for tenants without proclaiming any alternative forms of protection."

He said the assurance that control would be reimposed if exploitation resulted "sounded hollow."

Johannesburg city councillor and champion of tenants rights, Mr Alec Jaffe, said retired people or young married couples would be harassed the most.

Despite the Government's provision for rentals not to increase by more than 10% a year, these would climb even more since there was no control, he said.

The Progressive Federal Party's financial spokesman, Mr Harry Schwarz said the issue would be taken up in Parliament as soon as possible.

"We will try to persuade the Government to re-establish the protection which so many people desperately need against exorbitant rentals."

It is estimated more than 400 000 people in 237 000 houses and flats will lose the protection of rent control.

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at

SATURDAY, APRIL 8, 1978

123

PHASING IT OUT

ALTHOUGH, to begin with, it may cause hardship to some people, and treat some landlords and tenants less fairly than others, the Government's decision to phase out rent control is unquestionably in the general interest.

Circumstances are different altogether to those which obtained during the 1940s, when a severe accommodation shortage made it necessary for the Government to act against rent profiteering. If, some 30 years later, the lifting of rent control is now likely to pose problems, it is because the system has been in force too long. It has become a wholly artificial factor in the market place that has led to dangerous and unnatural developments.

A prime effect has been that investors have fought shy of building new blocks of flats to rent, for fear that rent control might be imposed at some future date. This, in turn, has caused a shortage of medium-rental accommodation for people who cannot afford to buy or build homes. The shortage has been exacerbated by owners of rent-controlled premises who have sold blocks of flats under block share and sectional titles schemes in order to escape rent control restrictions.

A particularly unjust aspect of rent control has been that many landlords have received such poor returns on their investments that they would have done better to have invested in building societies. To all intents and purposes they have been called upon to act as charitable institutions for people in low income groups, and even to subsidise the liv-

ing of people who could well afford to pay twice the rental required of them.

Obviously, machinery of such long standing cannot be dismantled overnight without causing a major upheaval. By phasing out the system over a period, in terms of the Fouche Commission's recommendations, and imposing restrictions to protect pensioners and low income tenants from sudden exposure to high rentals, the transition should be accomplished with the minimum of disruption.

It will mean that some landlords will continue for a short time to subsidise their tenants. Moreover, some landlords who have endured the burden of rent control for the longest period will be among the last to obtain relief. However, that seems unavoidable.

Meanwhile, what should not be ignored is that the problems facing pensioners and low income groups will not disappear simply by allowing a period of grace before the protective cover of rent control is removed altogether.

It is impossible to say how the South African economic scene will look a year or two hence, or to judge the long-term effects of the lifting of rent control. But it is reasonable to suppose that even the lowest rentals obtainable will not be in the "bargain area" that they are under rent control today.

Pensioners, in particular, will still be faced with hardship when the artificial restraint on rents is removed. That is essentially a matter for the State to resolve. A wise Government should face the issue now — not later.

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Sunday
EXPRESS

Homefinder

April 9, 1978

Scrappling of rent control could give market another boost

THE phasing out of one provision of the Rent Control Act as announced in Parliament last week, has been hailed as a timely boost to the property market and could send many flat tenants, no longer protected by the Act, in search of a home or townhouse of their own where costs can better be pegged.

This is the feeling of a number of agents surveyed by Homefinder who believe that this latest concession by Government — which follows one of the recommendations of the Fouche Commission on Housing — could open up a whole new market of potential buyers

to them. They feel that the latest move will give a further boost of confidence to the marketplace, already stirring again after some useful concessions in the recent Budget.

The abolition of rent control on flats not occupied prior to January 1, 1960 has been labelled as a "step in the right direction", by property and business peo-

ple, although many had been hopeful that the Act would have been scrapped in toto.

Eddie Parnell, chairman of the United Tenants' Rights Association, which claims to represent thousands of tenants in rent-controlled buildings, tells Homefinder that he is all in favour of Government instituting a grading system for

BY TERRY MEYER
PROPERTY EDITOR

flats similar to that used with hotels, with landlords being granted increases according to their upkeep of buildings. Other than this, says Parnell, it only seems fair that landlords are now being given some relief.

JH Isaacs' Errol Friedman — whose company administers something like 200 blocks of rent controlled flats — tells the Express that the bulk of these units are pre-1960 and are afforded no relief by the latest concession. It seems unlikely at present that there will

be any great rush to jack up rentals in most of the exempted blocks because of the current over-supply in flat accommodation, he says. However, his company will be looking at valuations of buildings within the next two weeks, and where merited rents will be increased.

The new concession is also highly unlikely to result in any immediate increase of activity in the building of rental flats, according to most leading agents and developers polled by the Express.

Quite apart from the existing oversupply of flat units in most categories that would make flat building an unattractive proposition at present, current building and finance costs seem likely to put these units, no matter how humble, into the "luxury" class. Bachelor units, says one developer, may even have to rent at treble that of many equivalent units being offered on the market today and would be quite out of reach of the young market at which they are aimed.

HANSARD. 10. APRIL 10TH.

QUESTION 377 COL. 589.

123

589

MONDAY, 10

MONDAY, 10 APRIL 1978

†Indicates translated version.

For written reply:

Housing for Coloured persons †

377. Mr. T. ARONSON asked the Minister of Community Development:

- (1) (a) How many housing units for Coloured persons were built throughout the Republic during 1977 with the assistance of his Department, (b) where were they built and (c) what is the estimated number that will be built in 1978;
- (2) (a) what was the estimated shortage of houses for Coloured families as at 31 December 1977 and (b) when is it expected that the shortage will be eliminated.

The MINISTER OF COMMUNITY DEVELOPMENT:

- (1)(a) and (b) and 2(a) the required particulars were furnished on 1978-03-01 in my reply to Question 16.
- (1)(c) the required particulars were furnished on 1978-03-02 in reply to Question 107.
- (2)(b) By 1985 provided that sufficient funds are placed at the Department's disposal so that 18 000 dwelling units may be constructed annually and the private sector meets twenty per cent of the total housing needs.

May increases in wake of Rent Act move

NM 11/4/78
123

Property Reporter

TENANTS in buildings which have been de-controlled in terms of the Rents Act can expect their first rental increases of up to 10 percent from the end of May.

But although the owners of de-controlled buildings (those occupied after January 1, 1960 up until 1st June 1966) have been given permission to increase their rentals by a maximum of 10

percent for the first two years, the increases will not be automatic.

For the first time in many years the occupancy rate of some rent-controlled buildings is low and increases in these buildings, if applied at all, are expected to be marginal.

Mr. Woody Harrison, managing director of RMS/Syrets, said each building which his company

administered would be treated on its merits.

"We intend to investigate the situation of each building and make a recommendation to the landlord with whom the final decision will rest."

Mr. Basil Leven, managing director of J. H. Isaacs Geshen, said it was not a case of when the increases would be applied but whether they would be applied. The justification for

the increase had to be carefully balanced with the capacity for tenants to pay.

He said there were still queries over the change in the Act and the company was studying the Government Gazette before notifying tenants of any possible increases.

One effect of the amendment is that tenants who enjoyed the status of statutory tenants under the Rents Act

may now be given notice to leave. Previously if a rent-controlled flat was sold the purchaser would have no right to evict the tenant and occupy the premises himself if he claimed the rights of a statutory tenant.

The minister reserved the right to re-impose rent control in individual cases of special hardship but he felt it was unlikely that he would be called upon to exercise it.

11/4/78

HANSARD 101 13 April 1978.
 Question 376 cols. 610 - 612

123

- Werkerbesonderhede: Economic/sub-economic housing
- (m) Regskoste 376. Mr. T. ARONSON asked the Minister of Community Development:
- (n) Werker se
13. Behuising (1) What funds were available to his Department as at 31 December 1977?
- (a) Grootte van elk indi... ners, grootte van

611

THURSDAY, 13 APRIL 1978

612

for the construction of (a) economic and (b) sub-economic housing;

- (2) what amount was (a) spent and (b) allocated by his Department for the building of economic and sub-economic housing, respectively, for the period 1 April to 31 December 1977 in respect of each race group in (i) Cape Town, (ii) Durban, (iii) Pietermaritzburg, (iv) Pretoria, (v) Port Elizabeth, (vi) Kimberley, (vii)

East London, (viii) Bloemfontein and (ix) Johannesburg.

The MINISTER OF COMMUNITY DEVELOPMENT:

- (1) R26 901 777 for both (a) and (b). Separate data are unfortunately not available because funds are spent according to claims received for services rendered.

(2) (a)

	White		Coloured		Asian	
	Economic R	Sub-economic R	Economic R	Sub-economic R	Economic R	Sub-economic R
(i)	431 376	365 093	22 269 972	1 997 313	112	—
(ii)	88 839	127 772	4 113 426	1 849 400	6 259 884	4 690 633
(iii)	3 124 122	61 211	2 296 906	1 951 417	481 012	14 543
(iv)	1 362 365	129 276	1 054 649	21 498	35 128	—
(v)	69 908	853 668	1 658 080	3 297 565	278 799	—
(vi)	64 255	501	—	—	—	—
(vii)	222 586	90 000	262 071	379 011	184 862	—
(viii)	1 160 662	586 497	160	920 188	—	—
(ix)	995 012	472 935	4 565 560	1 885	1 570 383	—

The amounts furnished include expenditure out of the National Housing and Community Development Funds in respect of housing provided by local authorities and the Department itself.

- (b) It is unfortunately not practicable to provide reliable statistics in respect of amounts allocated to current and new schemes because allocations, which are made at

the start of each financial year, are intended for spending in the course of the full financial year. In any event allocations represent only estimates of anticipated expenditure and as such they are subject to adjustment according to how much faster or slower than anticipated building operations progress and claims for completed work according to the building rate are received and paid out.

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Rent control is at last being dismantled. The opposing clamour should be ignored

It is fitting that the phasing out of rent control, that arch instrument of government interference with the working of a free market economy, should have come at a time when Prof F A Hayek was in SA.

Not that he had anything directly to do with its demise in this country — the campaign against rent control has been fought ferociously for many years, not least by this newspaper. But liberal economist and Nobel prizewinner Hayek has argued for decades that competition, not control, is what breeds innovation and the search for new opportunities.

In other words, competition in an open market between landlords is what will make them seek out new sources of finance, new ways of building, new places to build, new types of dwellings and so on. It won't happen overnight — with building costs rising faster than salaries, and interest rates high, the arithmetic is not yet right for a building boom.

But phasing out rent control helps

create a climate for entrepreneurship; when the arithmetic is right again housing, at least for whites, will be provided on a scale that will satisfy the market by the people who should provide it — businessmen.

For that reason, the *FM* congratulates government on a move that must surely be causing mutterings in the all-powerful National Party caucus.

Odd bedfellows

In one sense, the move has cast doubts on a cosy old classification, namely that the Nats are a bunch of crypto-socialists and that the PFP is the party of free enterprise. Since the phase-out programme was announced late last week, reservations about it came from, among others, consumer protector Eugene Roelofse (which was to be expected) and the PFP's Harry Schwarz and Alf Widman (which was not expected, except perhaps by Widman's flat-living Hillbrow constituents).

Sapoa, the property owners club, responded to these criticisms with a stinging open letter which went to MPs and senators on Wednesday this week. Signed by Sapoa's Nigel Mandy, the letter notes that the "names of the persons now objecting, and of their associates, do not appear on the lists of people and organisations who responded to the invitation (to give evidence to the Fouché Commission which was deliberating on rent control)."

The important thing now is for government to *vasbyt* and carry on with de-control in the face of such criticism. It may not be easy — prepare to see some heart-rending cases of hardship being trumpeted around.

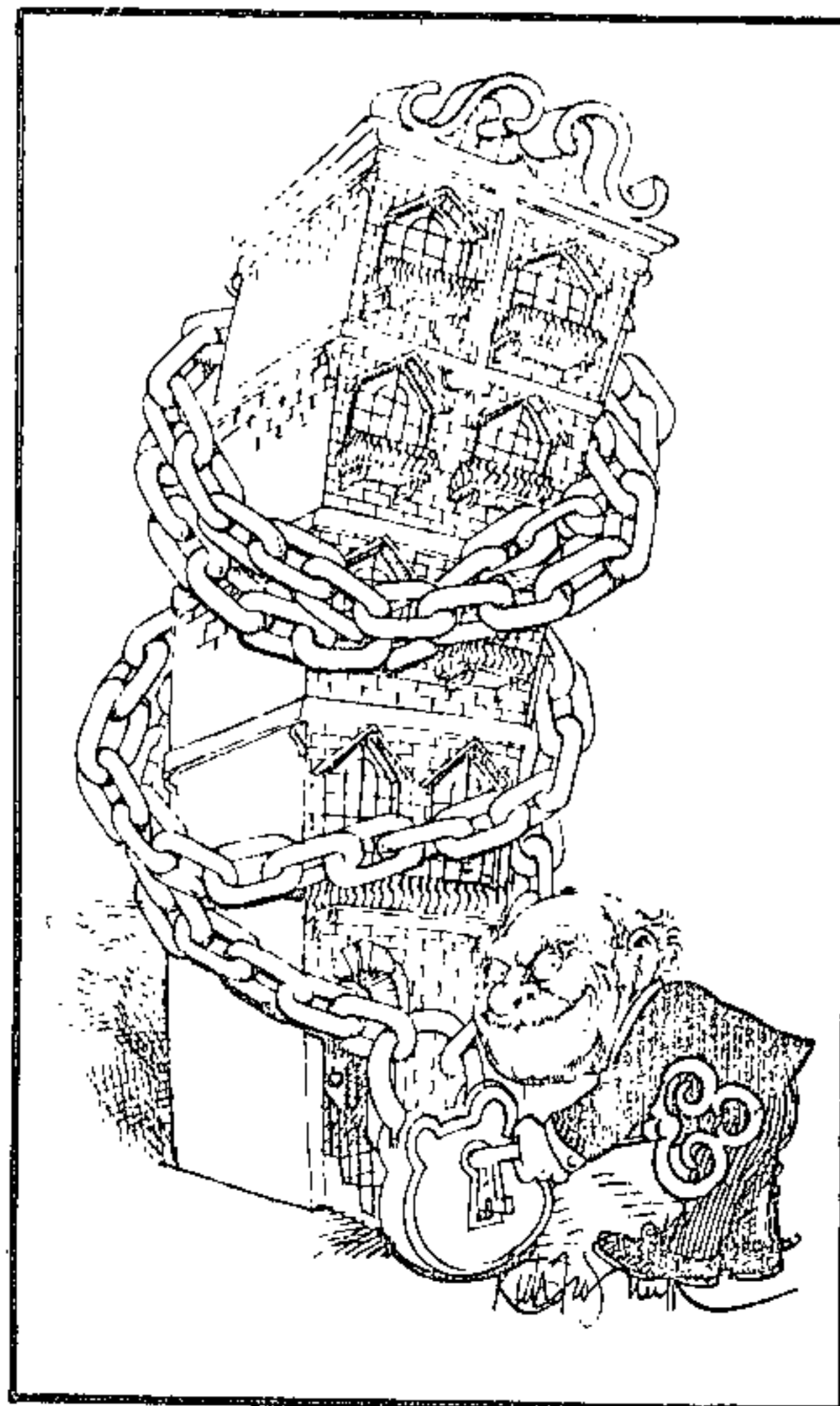
They will be found despite the cushioning effect of the phase-out. This is how the phase-out works: as from last week, all buildings occupied for the first time after January 1 1960 are de-controlled; this time next year, control is rolled back to 1955; a year later, to 1950 and a year

after that, to all buildings. And when a building is de-controlled, rent increases are limited to 10% a year for two years.

This is much as the Fouché Commission recommended. But government has pulled its punch in two ways — by retaining control where the tenant is below a certain income level (ranging from R380 a month with no children to R540 a month with more than four children), and by not repealing the Rents Act, thereby making the re-imposition of control a stick for keeping Collie Wainer-type landlords in line.

The effect of this programme will be to give the longest cushion — five years — to the oldest buildings, which tend to be inhabited by the poorest people. In any case, that market (and the market in bachelor flats) is oversupplied, and will probably remain so for some time, tending to keep prices low.

In the newer flats, particularly in the more well-to-do suburbs of Johannesburg and Cape Town, the vacancy rates are much lower, so when control goes and the two-year restricted period expires, rents may start rising by more than 10%.



Now is a good time for owners of new blocks to sell individual flats to tenants on sectional title.

The story is doing the property rounds of how one Johannesburg flat block owner sent his driver to Pretoria last week to pick up the official promulgation about de-control. Within an hour of it being in his hands, the first letters were going out to his tenants in plush blocks in the northern suburbs, putting up their rents by the permitted 10%.

The first de-control phase releases 63 000 dwellings in which about 100 000 people live. By the time de-control is complete, all 237 000 rent-controlled dwellings (19,3% of the white dwellings in SA, in which nearly 500 000 people live) will be on the open market.

Thus SA joins Australia and most of the US in beginning the dismantling of centralised price control of that socio-political hot potato — accommodation. Among those cities still burdened with it is New York, with horrible consequences so far as abandoned buildings and urban blight are concerned. SA has clearly taken the right path.

LOW-COST HOUSING

(123) FM 14/4/78

Building for blacks

African resistance to products specially designed for blacks is well known. Which is one of the reasons Loadwall Associates of Durban has established its semi-industrialised building system in white dwellings before tackling the township market.

Now it is offering a two-bedroomed dwelling, equipped with cupboards, a full bathroom, stainless steel sink in the kitchen, wooden window frames, finished floor and insulated roof for R6 000. "By stripping it down to the bare essentials we could bring down the price to R3 600," says site engineer John Harvey.

The system, which is patented, involves the use of concrete panels which can be made on-site. A fast curing process allows for houses to be completed within a week. Designs are flexible and a variety of inside and outside finishes are possible.

One clever use of finishing technique can be seen in the bathroom, where a convincing mock-marble effect is achieved on what is merely cement.

"We are now targeting the low-cost market for all race groups at R54/m² to R100/m² depending on appendages," says Harvey.

The system is claimed to have the approval of the Building Research Institute as well as local authorities and building societies.

The company is prepared to allow black contractors to use the system on a royalty basis.

As to the price, an interesting comment from Zeph Dhlomo, mayor of Kwamashu: "Finding R6 000 is no problem for a large number of blacks who would be prepared to pay in cash. Beyond R6 000 though there are problems in arranging loans."

HANSARD 10 - 2-11-78 April 1978.
 Question 2. Cols. 618 & 619.

123

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Hansard 12 28 April 1978
Question 11 Col. 713 & 714

Whether the income limit applicable to sub-economic housing has been lowered.

THE HON. MEMBER FOR ST. JOHN'S asked the Minister of Community Development:

Whether the income limit applicable to sub-economic housing has been lowered; if so, (a) with effect from what date and (b) for what reasons.

THE MINISTER OF COMMUNITY DEVELOPMENT:

Yes.

- (a) 1977-07-01 but in respect of existing tenants the effective date was extended to 1978-06-01.
- (b) the hon. member is referred to the debate on the "Community Development" Vote last year during which I made a statement on the matter and gave reasons for this step (Hansard: col. 10224).

APRIL 1978

714

Mr. A. B. WIDMAN: Mr. Speaker, arising out of the reply given by the hon. the Minister, does he think it is wise, in view of the increase they have to pay in rentals during this time of inflation and high cost of living, to increase the rentals of subeconomic housing?

The MINISTER: Mr. Speaker, I have responsibilities towards the State as well. It is because of inflation that it became absolutely essential that this level should be lowered somehow.

Steyn warns on big rent increases

HOUSE OF ASSEMBLY. — The Minister of community Development, Mr Marais Steyn, has acted against an owner who increased a Durban rental from R140 to more than R300 a month. He said in the House of Assembly yesterday he hoped this would serve as a warning. He would not hesitate to reimpose rent control if landlords took advantage of its phasing out to exploit tenants. The Minister was replying to his vote in the

Budget debate. Rent control was a relic of the emergency conditions during the depressed time of World War II, and had been imposed to prevent landowners exploiting these conditions. There had been a shortage of white housing then, but it now appeared there was a surplus, so rent control was being phased out to give responsible landlords a chance to take charge of their own properties.

"We cannot expect them to take the social responsibility of low-cost housing and allow people who do not need it to take advantage of rent control."

"One-third of the people who live in rent-controlled premises have incomes which do not justify their doing so," he said.

"Now is the best time to phase out rent control, provided we continue to protect only those who need protection." Rent control boards would remain in existence indefinitely to ensure action against exploiters.

When he announced, on April 6, that rent control would be phased out, Mr Steyn said rents should not be increased by more than 10% a year for two years.

Mr Barend du Plessis (NP, Florida) warned prospective buyers of sectional title units to be on the lookout for property vultures engaged in campaigns of sophisticated robbery, to ruin many people.

He urged Mr Steyn to use his influence to get the Sectional Title Act amended as soon as possible. — Sapa.

BLACK HOUSING

That R250m FM 5/5/78

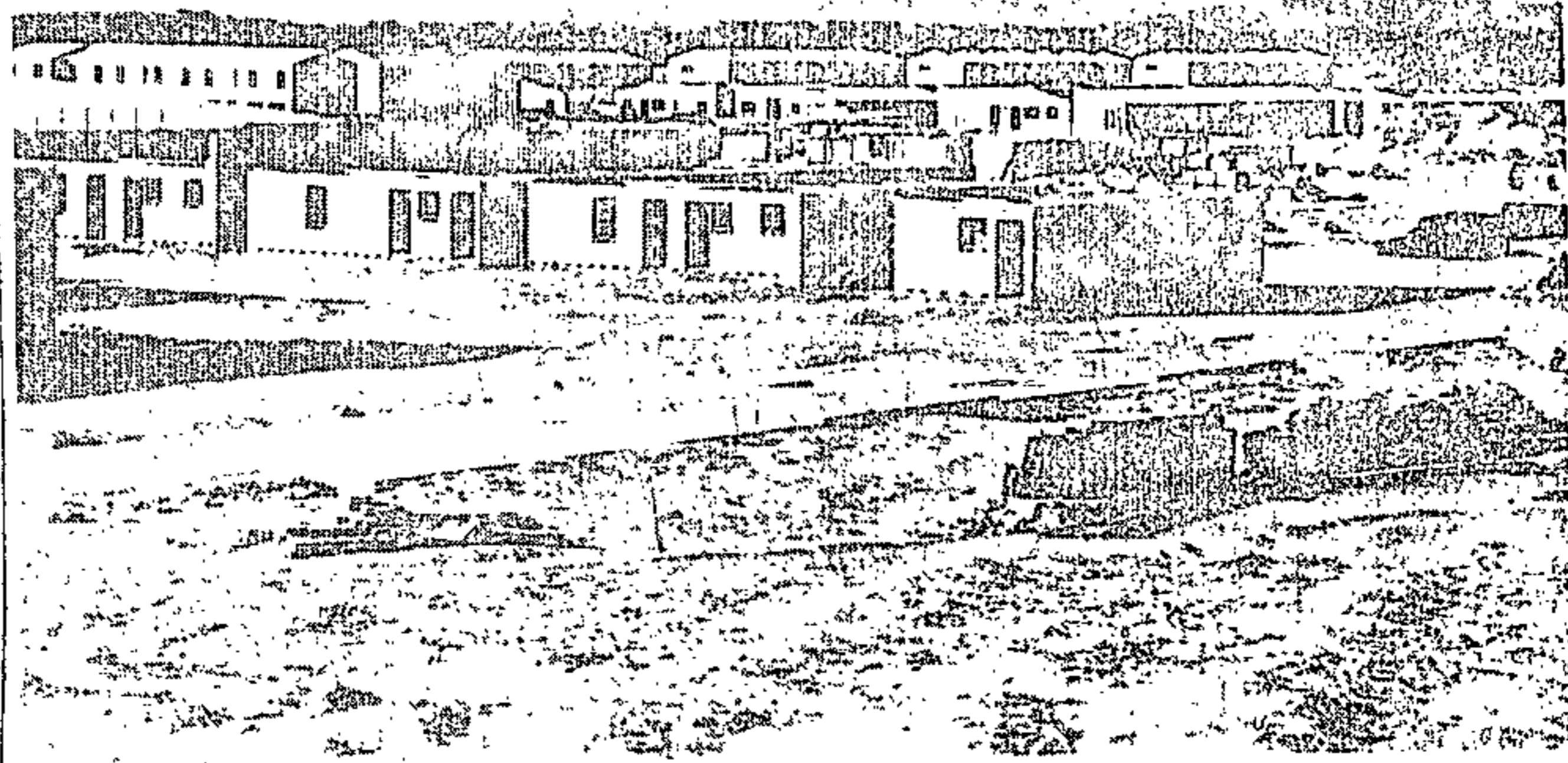
123

Understandably in the present economic climate, Finance Minister Owen Horwood's welcome R250m boost to black housing has received a great deal of publicity. As a confidence booster so it should. Horwood is spending R100m on coloured, R50m on Indian and R100m on African housing — half in the "white" areas and the other half in the bantustans.

Development, Louis Fouche, tells the *FM* that of the R165m put forward by the banks, R10m was spent in the past financial year, R80m is expected to be spent in the current financial year, and the remaining R75m should be spent in fiscal 1978/79.

However, Fouche says his department would be prepared to make all the money available more quickly than that: "If builders can complete all the houses in one year, then we will distribute all the money immediately."

These amounts will be in addition to



How much of the housing money will be spent on hostels?

The Department of Community Development — which is responsible for administering the R200m for construction outside the bantustans — tells the *FM* that the National Housing Commission has approved tenders for R64m to date.

It is not clear, however, how much of the R50m for African housing in the "white" areas will actually go on housing. While Horwood's boost is normally associated with housing and only housing, it is not known how much of this R50m is destined for housebuilding and how much will go on building schools, hostels and community centres.

If the latter amounts are at all significant, then it is misleading to say that R50m is being spent on African housing in the "white" area townships.

In contrast, the amounts designated for coloured and Indian housing are not reduced by spending on schools (which are financed through the budgets of other departments) or hostels (since the migrant labour policy does not apply to coloured people and Indians).

The R50m for the bantustans is provided through the SA Bantu Trust. Of the R200m for the common area, R165m will be financed through the banks, and the remainder directly by Community Development.

The Secretary for Community

Development, Louis Fouche, tells the *FM* that of the R165m put forward by the banks, R10m was spent in the past financial year, R80m is expected to be spent in the current financial year, and the remaining R75m should be spent in fiscal 1978/79.

However, Fouche says his department would be prepared to make all the money available more quickly than that: "If builders can complete all the houses in one year, then we will distribute all the money immediately."

These amounts will be in addition to the R207m provided in the recent budget for housing. Community Development adds: "Each and every application from the Bantu Affairs Administration Boards (Baabs) for this year has been approved and the funds provided." According to the recent Department of Statistics news release, *Anticipated Capital Expenditure of the Public Sector*, the various Baabs will be spending R50m on housing this financial year, slightly more than double last year's sum. Local authorities will be spending R136m, also about double last year's sum. R96m of the R136m will be spent in the Cape — no doubt reflecting the fact that most of the money will go on coloured housing. Cape divisional councils will spend R26m, and the SA Bantu Trust R23m.

Tighter bonds

123 FM 5/5/78

Senator Horwood's proposed legislation on homebuyers' loans is an unwarranted infringement of individual freedom

The Financial Institutions Amendment Bill — tabled in Parliament this week and further discussed on page 385 — creates yet another area in which the authorities deem it necessary to enshrine in legislation practices that in other capitalist countries — surely, rightly — are a matter for free negotiation between the parties concerned.

It has been a rule of thumb for many years that bond mortgage repayments are limited to 25% of a borrower's income. However, as far as we are aware, no other country has attempted to make such a rule legally binding.

Both the Registrar of Financial Institutions and the building societies stress that the rule will have to be applied with flexibility. UBS's Hans Hefer believes establishing reliable income figures for professional and self-employed people could cause a problem. Also, rapidly escalating other demands on home-owners, like rates and service charges, should also be taken into account, he insists.

The registrar and the societies intend jointly to devise a formula to cope with these problems. The permutations, exceptions and special pleadings that "flexible" application of any such formula will give rise to beggar the imagination; one wonders how much will be left of the rule in a couple of years' time.

If building society circles do not entirely see the need for making the 25% repayment rule statutory, they are much more at one with the authorities on banning second bonds. Says Hefer: "Now that the R18 000 limitation has gone, there's no need for second bonds. I'd like to see them banned completely. The availability of second bonds has pushed people prematurely into the housing market."

Adds Registrar Wynand Louw: "I've

had so many complaints from people about abuses related to second bonds: large raising fees, excessive rates of interest, and so on." The legislation will still permit second bonds with the express consent of the registrar. "If a man wants to help his son to buy a house, obviously we'd be sympathetic."

In fact, demand for housing has been so slack over the past 18 months that, except for the restrictions caused by the R18 000 limit, most societies have readily granted virtually all reasonable applications for loans. Except to overcome the R18 000 restriction, there has not been much demand for second bonds. Like so much legislation, the amendments thus in part seem aimed at ills that may no longer exist.

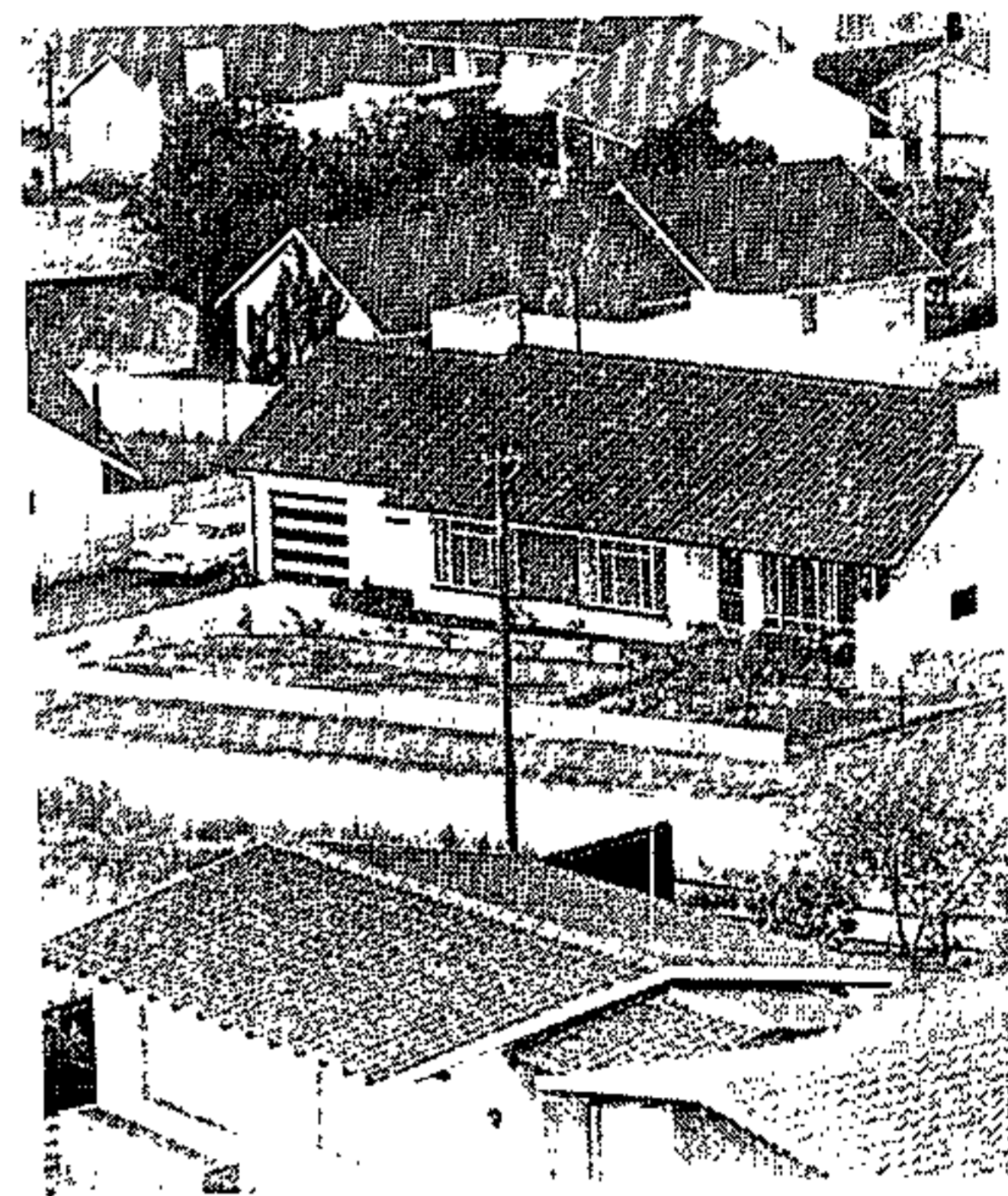
And to the extent that they are intended to protect homebuyers from taking on financial obligations they may be unable to sustain, their motivation is unexceptionable.

But this cannot outweigh the basic objection: once again, the authorities are introducing all-embracing legislation to ban practices of which they disapprove, and then devising formulas or adopting "flexible approaches" to soften the impact.

Those who know better

Underlying it all is the assumption that the public, by and large, is incapable of looking after its best interests and must, for its own good, have its freedoms limited by those who know better.

That some people may have suffered in the early Seventies by buying houses beyond their means, in the vain hope that both their incomes and property prices would rise to take care of this, is no doubt true. But the extent of this can easily be exaggerated, and must be set



White housing . . . too much, or too little?

against the fact that the recession of recent years has been so severe that some homebuyers would have become financially embarrassed, whatever restrictions had been imposed on domestic mortgages.

It is surely common cause that SA is over-governed. What we need is fewer controls, not more.

It seems a pity that at this stage the private sector should be burdened with still more direct controls, especially when the building societies have over the decades shown themselves well able to gauge the creditworthiness of prospective borrowers (unlike the smaller banks, none of our smaller building societies has run into difficulties), and even when the controls are implemented with the benevolence and good sense we have come to expect of Wynand Louw's department.

HOUSING FINANCE

Relaxing the rules

123 FM 5/5/78

With its new package deal for home loans introduced in Parliament on Tuesday, government has followed the recommendations of the Fouché Commission to the letter.

As the commission recommended:

- the R18 000 limit on the majority of home loans is to go;
- a differential interest rate system making larger bonds more expensive is to be introduced by the building societies;
- second bonds are to be made illegal except with the express consent of the Registrar of Financial Institutions; and
- the rule that monthly repayments should be no more than 25% of income is to be legally enforced.

The building societies are, on the whole, happy with the new deal. The R18 000 limit has been bugging them for years because they've been hard put, they say, to find enough good security properties in that range to lend against. Hans Hefer of the UBS says, "We'd accept anything to get rid of it."

The fact that second bonds are to be prohibited doesn't worry the societies. They feel that the R18 000 limit was partly the cause of the second bond market — with very little middle class housing in SA's main centres available at less than R25 000 most would-be buyers had to go to the grey market to help scrape together the missing R7 000.

As for the 25% rule, when the Fouché report first recommended that it be enforced



UBS's Hefer . . . we can work it out

ced some societies were dead against it. They preferred to keep some discretion in the amount of loans granted to individuals. There is, they argued, a big difference between a young man on a rising salary and a middle-aged man with a more-or-less fixed income. And besides, how could they assess the income of a self-employed person?

The answer is a formula for assessing earnings, to be worked out by Registrar Wynand Louw in consultation with the Association of Building Societies. This has made those objecting societies much happier.

What effect will all this have on the property market? Estate agents polled by the *FM* don't feel that it will get the market into top gear right away. But they do think that it will help things along a little in the lower to medium-price bracket.

Another measure which will help to do this is the proposed lifting of the R20 000 valuation limit on the building societies' internal guarantee scheme, to R28 000. This scheme enables building societies to grant 90% bonds (instead of the normal 75%), where the valuation of a property is less than R20 000, with the borrower paying a premium of 10% of the difference between 90% and 75% to the society to guarantee it against loss. This premium works out at less than the collateral normally required for a bond of more than 75%.

The internal guarantee scheme was popular a few years ago but is hardly ever taken advantage of now as there are very few houses around valued at under R20 000. With a R28 000 limit, it should be in fashion again.

The upper-bracket house market is likely to be hammered by the new rules. Most expensive homes (R45 000 upwards) are bought with the aid of second bonds because building societies only lend amounts of more than around R40 000 in exceptional cases. And even with no R18 000 limit that policy is unlikely to change.

9/5/78 (127)

Star 9/5/78.

Rents hike to hit poorer families

Rents for more than 1 000 of Johannesburg's poorer families will soar next month when a new Government housing policy takes effect.

PENALTY

For tenants in older housing rents will continue to be based on interest of one percent plus repayments for the cost of the housing. But they will pay a penalty of 30 percent on any amount they earn above R150 a month.

A tenant earning R200 will therefore pay an additional R15 monthly.

Tenants at newer schemes such as the Claremont State Three scheme for whites, who earn R151 could have rent increased from R26,80 to R42,25 — an increase of R15,45 monthly as a penalty for earning R1 a month above the ceiling.

This increase will be cushioned by the R6 limit, which will mean rents will increase to R32,80 in June, and by another R6 next year.

fect.

Some tenants of sub-economic council houses and flats, who earn only R1 more than the new income ceiling, will have their rent increased by R15 a month.

This blow will be cushioned for existing tenants as their monthly rent increase may be up to only R6 a year.

But new tenants — taking up occupation after June 1 — will have to bear the full brunt of the penalty rent.

The higher rents stem from a Department of Community Development directive to reduce the income ceiling for sub-economic housing from R200 a month to R150.

This was aimed at limiting the number of applications for sub-economic housing to stretch the limited funds further, said the chairman of the city council's management committee, Mr J F Oberholzer, MPC.

The effect of this move is that from June 1, sub-economic tenants earning between R151 and R200 will have to pay a penalty rent. Previously only tenants earning more than R200 paid penalty rents.

Cape Times 10/5/78

(R23)

Approval for R23m housing

PRETORIA. — New housing schemes worth R23 million had been approved during April this year by the National Housing Commission, according to a statement issued here by the Department of Community Development.

The value of tenders accepted during the same month amounted to R14,1 million.

The new schemes approved include housing worth R2,3 million for whites, R5,9 million for coloured people (mainly at Atlantis in the Cape and Newlands in Durban), R3,6 million for Asians (at Umkomaas) and R11 million for Africans (mainly at Kimberley, Cape Town and Bloemfontein).

Call for blacks to build homes

123
2/19/78

DURBAN — Enough homes could be provided for South Africa's growing population by the combined efforts of the private and public sectors, provided private enterprise played its part in building for blacks, the Secretary for Community Development, Mr Louis Fouche, said yesterday.

Speaking at the annual congress of the South African Property Owners' Association, Mr Fouche said for this to happen no

Avengers held

BEIRUT — Four men who said they wanted to avenge the deaths of terrorists in a Paris airport shootout on Saturday were arrested yesterday during an abortive hand grenade attack against the French Embassy. — SAPA.

group must demand standards they or the country as a whole could not afford, and black population groups must play a progressively larger part in housing themselves.

Family planning to curb population growth and public investment in the right financial institutions was also needed.

Whites needed 27 800 homes a year to meet their needs, and Asians 3 900 a year to meet their population increase and another 8 600 a year to catch up on the backlog.

Coloureds needed 13 500 homes a year for natural increase and the State had set a target of at least 24 000 to meet that need and catch up with the present shortage.

No figures were available for urban blacks, he said. — SAPA.

High Coloured Jobless rate

123

20/5/78

EAST LONDON — Massive unemployment is one of the most important factors affecting Coloured housing here, according to a Rhodes survey handed over to the city councillor in charge of the housing portfolio, Mrs Ruth Belonsky.

About 80 per cent of the Coloured people living in council houses are in arrears with their rent, and the reason for this can easily be seen when one considers that 41 per cent of Coloured households have an income of less than the Household Subsistence Level, calculated at R150 a month.

Unemployment runs at 32 per cent of the work force, the worst affected being the 21-25 age group and those with low educational qualifications.

Had there been full employment the percentage of householders living below the HSL would be reduced to about 18 per cent.

The survey done by Rhodes is meant as a pilot survey, pending further

investigation into the problem, and it was compiled with the specific purpose of pinpointing problem areas before plans are finalised for extensions to the Coloured suburbs.

It reveals that the unemployment problem can only be solved at national Government level and not by the local authority.

It also covers such matters as the large number of Coloured houses where dampness in the walls is a problem, the lack of privacy, number of people sleeping in each room, lack of playground facilities and entertainment facilities, lack of police stations in areas where crime and vandalism is high and the necessity for some sort of home ownership scheme.

— DDR.

(1) 125
(2) 339

House of Assembly 10 May 1978.
Question 529 Col. 752 & 753.

Amount spent on housing for each Bantu Affairs Administration Board

529. Mrs. H. SUZMAN asked the Minister of Plural Relations and Development:

What amount was spent on housing during the period 1 April 1976 to 31 March 1977

10 MAY 1978

754

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

(a) Malawi, Swaziland, South Africa and Swaziland.

(b) Contributions are per calendar year. For 1977 South Africa's contribution was R119 500.

753

WEDNESDAY,

1977 by each Bantu Affairs Administration Board.

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

The following amounts were expended by Bantu Affairs Administration Boards in urban Bantu residential areas—

Northern Transvaal	nil
Central Transvaal	792 856
Western Transvaal	581 561
West Rand	1 175 200
East Rand	4 497 666
Vaal Triangle	4 457 388
Highveld	793 088
Eastern Transvaal	375 778
Southern Transvaal	354 211
Northern O.F.S.	1 023 049
Central O.F.S.	721 955
Southern O.F.S.	602 457
Northern Natal	598 588
Drakensberg	132 003
Port Natal	1 214 134
Northern Cape	nil
Diamond Fields	325 041
South West Cape	426 454
Peninsula	256 115
Karoo	211 502
Eastern Cape	1 928 741
Cape Midlands	3 039 135

The Bantu workers of certain cities and towns in respect of ten of the above boards are however housed in townships in the homelands where in addition large amounts were spent on housing from the funds of the South African Bantu Trust and Homeland Governments.

Southern Africa Regional Tourism Council

559. Mr. J. D. DU P. BASSON asked the Minister of Tourism:

(a) Which countries are at present members of the Southern Africa Regional Tourism Council and (b) what amount was contributed to the funds of the Council by the Republic during 1977-'78.

Handed 14. 12 May 1978.
Question 517 cols. 468 a-762.

(1) 123
(2) 701
(3) 389

Houses provided for Bantu

517. Mr. G. DE JONG asked the Minister of Plural Relations and Development:

How many houses for Bantu were provided in each of (a) the homeland areas and (b) the major urban areas of South Africa during each year from 1972 to 1977.

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

(a) and (b) Separate figures for each year from 1972 to 1977 are not readily available. Information is furnished on the number of houses provided during the years 1972 until 1977.

(a) The following number of houses were provided in Bantu areas from South African Bantu Trust funds:

Bophuthatswana	2 985
Ciskei	5 705
kwaZulu	7 129
Lebowa	1 020
QwaQwa	1 700
Swazi	1 951
Transkei	4 320
Mabopane East (near Pretoria)	5 637

In addition to the above-mentioned information Homeland Governments

12 MAY 1978

762

also provided housing from funds on their budgets, but information about this is not readily available.

(b) West Rand	2 753
East Rand	5 675
Vaal Triangle	3 660
Bloemfontein	431
Pietermaritzburg	2 445
Port Elizabeth	5 323

① 123
② ~~529~~

Handed in 12 May 1978
Question 518 Cols. 762

X Dwellings to be completed for Bantu X

518. Mr. G. DE JONG asked the Minister of Plural Relations and Development:

- (1) What is (a) the estimated number of dwellings for Bantu which will be completed during 1978 in (i) each of the major urban areas and (ii) the homeland areas and (b) the estimated total number for South Africa for that year;
- (2) what is the total amount of State funds available for Bantu housing for the financial year 1978-'79.

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

(1) (a) (i) Johannesburg	2 500
Port Elizabeth	1 300
Cape Town	100
Bloemfontein	1 000
Vaal Triangle	1 800
East Rand	800
Pietermaritzburg	650
Kimberley	300

(ii) From South African Bantu Trust funds—6 551. In addition homeland Governments will erect houses from their funds, but information in this connection is not readily available.

(b) This information is not readily available.

(2) From South African Bantu Trust funds—R57 000 000;
From funds of Homeland Governments—Not readily available;
Funds for housing in urban Bantu residential areas are made available by the Department of Community Development.

INDIAN HOUSING

123

Asking the people

FM 12/5/78

After years of building public housing schemes for Indians the authorities are now actually consulting Indians about their housing preferences.

A three-year study expected to cost R50 000 is being sponsored by the Natal Town and Regional Planning Commission with support from Durban, Pietermaritzburg and the universities of Natal and Durban-Westville.

"Almost 70% of the Indian community qualifies for economic or sub-economic housing," notes former Durban City engineer Cecil Hands who heads the steering committee. "Let's not mince words. Dissatisfaction about the housing which has been provided is widespread. As 2 000 units a year are likely to be needed for ever and a day, the community's preferences should be taken into account."

Indians complain that many of the mistakes made at Chatsworth are being repeated at the new township of Phoenix. One of the biggest grumbles is that

houses have been provided before amenities such as schools, shopping, playgrounds, etc. At Chatsworth, where building started in 1960, some of these facilities are only now being provided.

Professor Jaap Greyling of Durban-Westville who, together with Professor Hilston Watts of the University of Natal, will direct the research, stresses that "satisfaction of the people themselves is the main goal. They can't go to an architect and say what they want, but if they tell us we can provide that link and meet their wishes within the limits of the means available."

Interim reports will be released from time to time. "Once we have established base-line preferences it will be easier to monitor changes," suggests Hands. "The cost will be insignificant in comparison with the R30m spent on Indian housing annually."

"We are trying to make it possible for people to live happily," says Greyling,

"while keeping an eye on the economics of the situation." Hands adds: "Only the people who wear the shoe know where it pinches."

Some 800 addresses have been selected in the Durban area and interviewers are already half-way through their mammoth task.

123

Handover 14 12 May 1978.
Question 519 Col. 463.

763

FRIDAY, 12

X Housing backlog/demand for Bantu housing X

519. Mr. G. DE JONG asked the Minister of Plural Relations and Development:

What is (a) the present housing backlog and (b) the annual demand for Bantu housing in (i) South Africa, (ii) each of the major urban areas and (iii) each homeland.

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

The information as requested is not readily available.

Answer 15 18 May 1978
 Question 516. Cos. 783-784.

123

783

THURSDAY, 18 MAY 1978

784

~~(a) R17 811 500.~~
 X Houses completed for Bantu

516. Mr. G. DE JONG asked the Minister of Plural Relations and Development:

(1) What was the total number of houses completed for Bantu in South Africa during each year from 1972 to 1977:

(2) (a) what amounts were obtained and (b) from which sources were funds obtained, for the provision of such housing during each such year.

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

(1) Separate figures for each year are not readily available. 37 199 housing units were created from funds made available by the Department of Community Development and from South African Bantu Trust funds during the years 1972 to 1977. In addition Homeland Governments also erected housing from their funds, but statistics are not readily available.

(2)(a) and (b)

	Community Development	S.A.B.T.	Private sector
1972-73	R5 670 884	R3 456 618	nil
1973-74	R6 026 602	R12 224 787	nil
1974-75	R6 611 385	R18 109 990	nil
1975-76	R9 811 387	R29 255 494	nil
1976-77	R5 619 169	R33 000 000	R17 100 800

~~State witnesses in terrorism trials killed/injured as a result of attacks on them~~

~~571. Mr. N. B. WOOD asked the Minister of Justice:~~

~~(1) How many State witnesses in terrorism trials have been (a) killed and (b) injured as a result of attacks on them during the last period of 12 months for which figures are available;~~

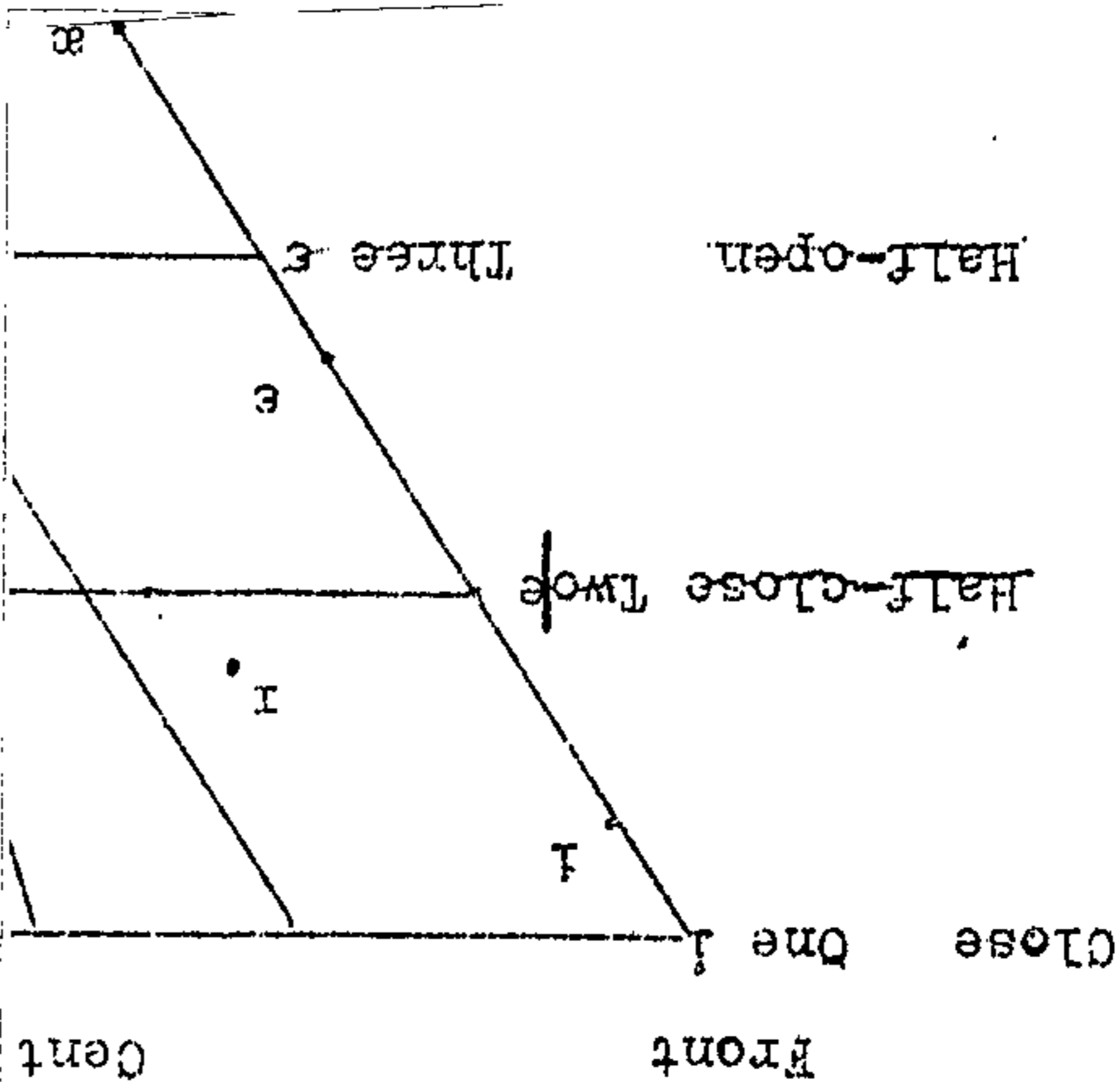
~~(2) What steps have been taken to protect the lives of such witnesses if they are threatened with death?~~

~~THE MINISTER OF JUSTICE:~~

~~(1) (a) 2.~~

~~(b) 1.~~

~~(2) The law provides for the appointment of a body to protect the lives of such witnesses if they are threatened with death.~~



A diagrammatic representation of the approximate tongue positions of average Standard English vowels compared with the tongue positions of the cardinal vowels

Hansard 16 25 May 1978
 Question 633 Colo. 823

823

THURSDAY

THURSDAY, 25 MAY 1978

Minister of Rural Development

For written reply

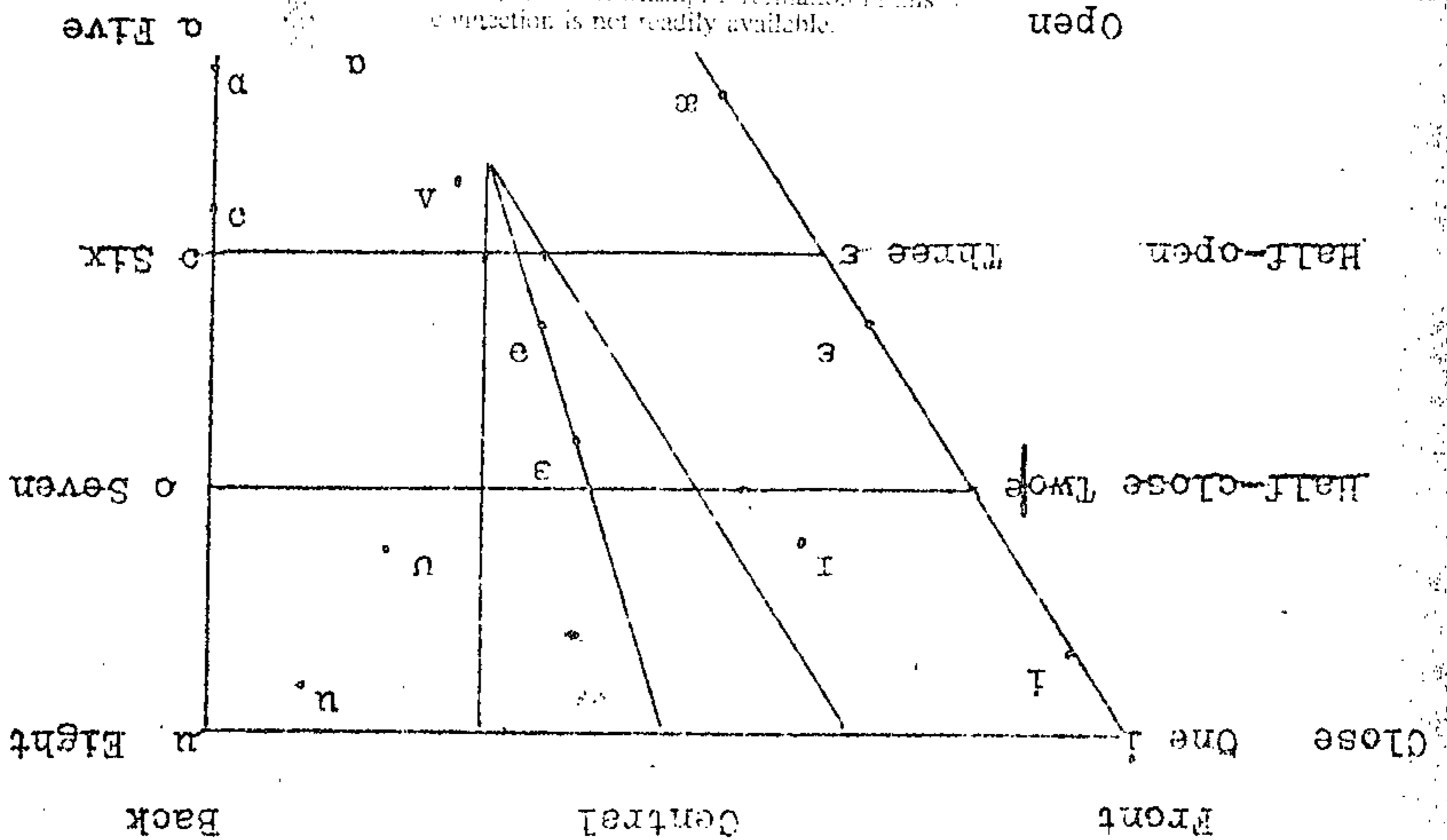
Township program or related from 99-year leasehold scheme

823. Mrs. H. SUDMAN asked the Minister of Rural Relations and Development

Whether any townships or areas other than those in the Western Cape are excluded from the 99-year leasehold scheme; if so, which townships or areas.

The MINISTER OF RURAL RELATIONS AND DEVELOPMENT:

Circumstances may necessitate certain townships being excluded from the proposed 99-year leasehold scheme, e.g. where a township is to be abolished after alternative accommodation has been made available in a new township. Information in this connection is not readily available.



a diagrammatic representation of the approximate tongue positions of average Standard English vowels compared with the tongue positions of the cardinal vowels

HOUSING AND PROPERTY

Good for a little FM 31/3/78

123

Buying a house or a vacant residential stand becomes cheaper from this weekend — provided the house does not cost more than R20 000 and the stand not more than R8 000. Since the duty for those categories is 1%, the saving on a R20 000 house will be R200.

The concession has been made "with a view to making it cheaper for heads of households to acquire suitable dwellings." That may be the effect on the platteland but certainly not in any major city. Eskel Jawitz of Johannesburg's Eskel Jawitz Real Estate says: "There is not much, if anything, for sale in Johannesburg at R20 000 and under."

Even on the platteland the concession will eventually become unrealistic as prices rise. As with the R18 000 bond

limit, this is another regulation which makes no allowance for inflation. Government can now expect years of lobbying to have the R20 000 raised as rising prices make it look more and more absurd.

The concession follows a recommendation by the Fouché Commission. Its acceptance *in toto* is a good sign and will raise hopes in the property market that other recommendations, like the abolition of rent control, are also being favourably received.

As for the overall effect of the budget on the property market, the vibes are mildly good. Says Gerald Leissner, joint MD of Anglo American Property Services: "If people have more money to spend it will help shopkeepers and therefore landlords. It may also help durable goods shops such as furniture and clothing, which have been doing badly." And causing untold vacancies in shopping centres, he might have added.

What's good news too is what is *not* in the budget — last year's extra prescribed investment which soaked up R120m in building society money. This means the societies will have R12m more to lend this year.

BONDS

(123)

FM 2/6/78

Enough to go round

With the recently introduced 99-year lease scheme (see *Current affairs*) building society loans for blacks are coming closer.

Most of the building societies have gone on record as being keen to lend to blacks since they have many black investors. How is this going to affect loans to whites — and the white house market?

Not much to start with, the societies tell the *FM*. The Natal Building Society, for instance, reckons that although it can't yet accurately assess the demand from blacks, it's unlikely to be great

initially. NBS hazards a guess that it will be making no more than between 100 and 200 loans a month to blacks. In money terms that's around R1m a month — very small beer.

That R1m a month shouldn't affect the availability of bond money for whites at all at the moment. This is because the societies are well able to meet the current demand for white loans. The only problem so far has been the artificial shortage created by the R18 000 limit — now hopefully on its way out. This limit caused waiting lists for loans over R18 000.

However, should the house market get going again, and black demand prove greater than anticipated, in the long term it could be a different story.

Behoefte aan beter huise vir swartes

Deur ALPHONS DU TOIT 4/6/78

DIE behoefte aan verbeterde en aantrekliker swart behuising is dringend en kan nie wag vir wetgewing met betrekking tot eiendoms- of paggrondregte nie.

Só sê mnr. H. G. L. Albertyn, voorsitter van die Southern-Lewensassosiasie. Mnr. Albertyn het aan Eiendoms-Rapport die Southern se betrokkenheid by swart behuising uiteengesit, en vertel hoe as gevolg van dié betrokkenheid die Stedelike Stigting nou 'n groot behuisingsprojek van 'n konsortium bestaande uit die Southern, Swiss Reinsurance, Federated Employers en IBM, oorneem het.

Die projek by Pimville Sone Vyf, suidwes van Johannesburg, het tot stand gekom eintlik vanweë 'n gedagte van die Southern. Dié maatskappy het beoog om behuising van 'n hoë standaard aan sy eie swart werknemers beskikbaar te stel. Toe kom die ander drie firmas by en die konsortium is gestig.

Aanvanklik was die plan om sowat 35 huise te bou en dit later te vermeerder. „Máár”, sê mnr. Albertyn, „die konsortium is nie 'n dorpsontwikkelaar nie.”

Gevolgtrek is die Stedelike Stigting genader en die projek is dadelik oorneem. En die Stigting is nou voornemens om 'n pragwoonbuurt vir swartes

in 'n uiters aantreklike middelklas-woonbuurt vir die stedelike swartes.

„Ons dilemma reg aan die begin,” sê mnr. Albertyn, „was die argument dat tot-

Eiendoms-RAPPORT

te ontwikkel. Die onmiddellike plan is meer as 1 000 huise binne ongeveer 18 maande teen 'n koste van meer as R10 miljoen.

Die gebied Pimville was vroeër 'n plakkersdorp. Mettertyd is die krotte gestroop en tot onlangs was Sone Vyf maar kaal grond.

Nou pronk daar al 35 huise van 'n verbeterde en aantrekliker ontwerp as in elke ander swart woonbuurt. Dertig van die huise is reeds verkoop teen pryse wat wissel tussen ongeveer R7 000 en R10 000. Teerstrate word uitgelê, elektrisiteit, water en riool is aangelê terwyl voorsiening gemaak word vir parke, skole en kerke.

Die gedagte is dat die nuwe Pimville moet ontwikkel

dat eiendomsreg aan stedelike swartes toegestaan word, sal elke beweging deur die private sektor om swart behuising beskikbaar te stel as steun vir onversekerde huurooreenkomste gesien word.”

Dié probleem is met verskeie belangrike en invloedryke swart gemeenskap-leiers bespreek. Daar is gevind dat hoewel eiendomsreg die ideale situasie is, is die behoefte van die swartes aan veral verbeterde behuising.

Mnr. Albertyn praat met lof van die heelhartige ondersteuning wat aan die konsortium gegee is deur die Natal-bouvereniging en die Wes-Randse Administrasieraad.

Mnr. Albertyn het die Stedelike Stigting bedank vir sy oorname van die

projek, en 'n beroep gedoen op werkgewers in private ondernemings om deur die Stigting te werk te gaan om van die geleentheid gebruik te maak om hul eie swart werknemers te help.

Thursday 18 June 1978
Question 658 Col. 884.

123

Amount spent on family housing for Blacks

658. Mrs. H. SUZMAN asked the Minister of Plural Relations and Development:

- (1) How much of the R115.7 million spent in 1976 on housing for Blacks was spent on (a) family housing and (b) hostels?
- (2) how much was spent in 1976 on (a) family housing and (b) hostels?

885 WEDNESDAY

(3) what portion of the total sum was provided by (a) the State and (b) the private sector.

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

- (1) (a) and (b) Separate figures are not readily available.
- (2) (a) R93 691 557.
(b) R22 719 969.
- (3) (a) R99 310 726.
(b) R17 100 800.

Hansard 18 of June 1978
Question 650 Cols. 890-891.

THURSDAY, 8 JUNE 1978

†Indicates translated version.

For written reply:

Abuses arising out of lifting of rent control

650. Mr. R. A. F. SWART asked the Minister of Community Development:

- (1) Whether his Department has received any complaints of abuses arising out of the lifting of rent control; if so,
- (2) how many complaints were received from each of the main urban centres;
- (3) whether any action has been taken in respect of these complaints; if so, what action;
- (4) whether he will make a statement on the reaction of the public to date to the lifting of rent control and to the conditions attached to the lifting.

The MINISTER OF COMMUNITY DEVELOPMENT:

- (1) Yes.
- (2) Cape Town 3
Durban 2
Port Elizabeth 1
Pietermaritzburg none
Kimberley none
Pretoria 6
Bloemfontein 1
Johannesburg none

891

THURSDAY,

- (3) Yes, each complaint is being investigated to determine whether it is well-founded. Further action will depend on the nature of the complaint as well as the result of each investigation. Where exploitation is proved I shall not hesitate to re-impose rent control in respect of the premises concerned.
- (4) The small number of complaints received speak for themselves and is a clear indication that the general public accepts the decision to phase out rent control and that lessors are generally abiding by the conditions to which exemption from rent control was made subject.

123

GUGULETU

Black housing costs (23)

THE ASSEMBLY — More than 80 per cent of the R115.2 million spent on black housing during 1974 went on homes in the homelands.

This was disclosed by the Minister of Plural Relations, Dr Mulder, yesterday in reply to a question tabled by Mrs Helen Suzman (PF).

Houghton)

He said R92 691 557 was spent on housing in the homelands, while R22 719 969 was spent in the white areas of South Africa.

The Government provided R99 310 726 of the money while the private sector contributed R17 160 500 — PC

KEY

BOUNDARY TO: ACCOMMODATION

EMPLOYER DORM'S (BUILT)..... J 710

'' '' (PROPOSED)

BOARD HOSTELS..... 2.60

AIRPORT

CAPE TOWN

PREDEVELD RAILWAY STATION

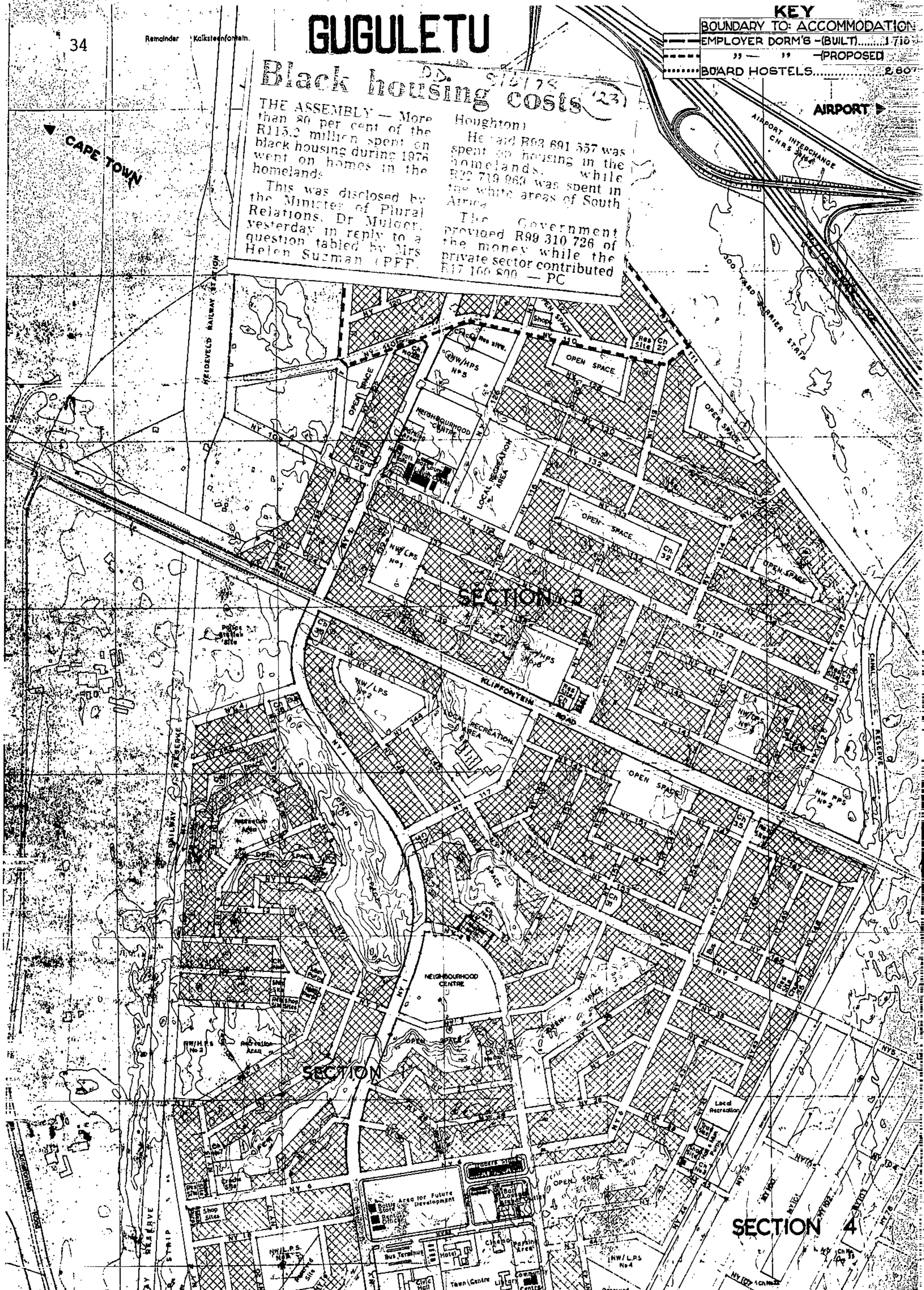
AIRPORT INTERCHANGE
CHRIS BAKER

1000 METER STRIP

SECTION 3

SECTION

SECTION 4



Handed 19 13 June 1978.
Question 643 cols. 927

123

Family housing units for Blacks built in each major urban centre

643. Mrs. H. SUZMAN asked the Minister of Plural Relations and Development:

- (1) How many family housing units for Blacks were built during 1977 in each of the major urban centres in the Republic other than Port Elizabeth;
- (2) what was the shortage of such units in each such centre at the end of that year.

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

(1) Bloemfontein	431
West Rand	422
East Rand	1 362
Vaal Triangle	577
Pretoria (Mabopane East) ..	1 000
Durban (Umlazi)	250
(Ntuzuma)	500
Pietermaritzburg	
(Edendale area)	185
East London (Mdantsane) ..	400

Family housing units for Blacks in respect of the last four urban centres were built in township (indicated in brackets) in the adjacent homelands.

- (2) The shortages of such units are derived from waiting lists which are unreliable and accurate information is therefore not available.

Oberholzer plan gathers no Moss

~~123~~

123

23/1/58 RJA

A proposal that the Johannesburg City Council impose rates on buildings as well as land, could stunt the city's growth by discouraging property development.

Mr Sam Moss, M.P.C., leader of the Progressive Federal Party opposition in the council, gave this warning in yesterday's municipal budget debate.

He attacked a statement by Mr J F Oberholzer, chairman of the council's management committee, who said in his budget speech: "It may become necessary to consider rating on improvements as well as land values, as is the case in Durban and Cape Town. Alternatively,

additional forms of revenue must be considered." Mr Moss described this as an ill-conceived proposal which he hoped would not get off the ground. Johannesburg's rating system was regarded by experts as a model for the rest of the country. The city rated land

only, in this way encouraging development. A city such as Cape Town which rated improvements, had many empty stands as owners were reluctant to pay the higher rates that would follow any building operations. Mr Moss described the R272-million budget,

which increased rates by an average of 8 percent, as "a budget that while hammering the citizens of Johannesburg still further in an inflationary climate, tells them that they should be grateful that they are not being hit any harder."

Mr Moss moved an amendment to the budget calling for the wage gap between whites and other races in council service to be abolished.

He approved the decision to give an extra R150 000 to the council's lowest-paid black labourers, which will improve their pay by 1c an hour, in addition to the general pay rise of 4.2 percent.

MIGRANT WORKERS IN CAPE TOWN - 1976

tically be accompanied by right to occupy still remains unclear, despite this week's legislation.

"The right of occupation will only be granted to people entitled to be in the urban areas," said Prad Minister Connie Mulder in Parliament. Moreover, according to legislation enacted earlier this year, children born after independence to homeland citizens no longer have a legally enforceable right of residence in urban areas — even if they were born there.

Does this week's legislation override the earlier law?

Legal opinion seems to be divided. Provided a leaseholder's descendant was born in an urban area or worked there for a specified number of years, he can inherit both the lease and the right of occupation. Or so says one lawyer. The earlier amendment excluding children of homeland citizens is inapplicable here, according to this interpretation.

If this is true, the two laws are contradictory. For while one denied future generations of homeland citizens permanency in the cities, another law enacted in the same parliamentary session — gives them just that.

Or does it? Legal experts in the PFP say that even the amended form of Mulder's legislation passed this week does not give the right of occupation. While the descendants of present leaseholders will have the right to inherit the leases, this does not necessarily entail that they will have a legal right to live in the houses.

The Urban Foundation has hailed the new legislation as "a giant stride" which confers the right to become homeowners on some 4,5m people, and releases as much as R100m a year of building society money for black housing.

BLACK LEASEHOLD

The right to remain

Ninety-nine year leasehold has now been put onto the Statute Book. But whether the right to use a house will automatically...

16/1/78
123

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Section 19

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contracts entered into with effect from 1968, which restricts the legal right to a much greater degree than previously.

on stipulates that all contracts entered into with effect from 1968, which restricts the legal right to a maximum of one year, and that at the end of the year the worker must return to the reserve in order to enter into a new contract.

The final category consists of those men who are employed in the townships or in squatter camps. This category is work paper.

qualify under Section 10(1)a) or b) for permanent residence in the urban area are termed local men; those men whose right to be in the urban area is dependent upon their contract with an employer are termed contract workers.

The latter term has been chosen in preference to the term 'migrant workers' because the popular connotation of the work migrant is of impermanence. In fact it is submitted that the contract workers spend their entire working lives in urban areas insofar as it matters, and return to the rural areas for only a few weeks each year.

The Western Cape is officially a 'Coloured Preference' area. This means that before an employer can employ contract workers, he must first show that there are no so-called Coloured men to fill the jobs. It is the Government's stated intention to phase out the African labour force in the Western Cape. The criterion applied to implement this policy is that of productivity.

CONSTRUCTION FM 14/7/78
Wood does the trick (123)

Cinema fans settling down to *The Domino Theory* will first sit through a 15-minute documentary that could change their lifestyles.

The Department of Forestry's R30 000 *Wood and Brick Does The Trick* (beautiful photography, marshmallow script) is a colourful piece of propaganda to promote timber frame brick-veneer housing. At the same time the SA Lumber Millers' Association (Salma), faced with a seemingly endless glut of wood, has set up a new promotion department. This will hopefully change the attitudes of traditional brick builders and municipalities towards wooden homes. In the past they have been stubbornly conservative.

This two-pronged attack on house



Salma's Trower... home build

buyers and builders is timely. Construction costs of conventional brick homes are climbing while the populace cries out for more, high-quality dwellings.

Salma construction consultant Doug Trower has the task of explaining to builders, architects, surveyors, municipalities and anyone else who'll listen, what brick veneer is and what it does. "A switch to timber housing would save 15% of building costs," he says.

After a three-month study tour of Australia (*Business brief* March 17) Trower reveals that two companies he visited in Adelaide are evaluating brick-veneer potential in SA with a view to opening subsidiaries. Atco Homes and Kaurie Timber, says Trower, believe mechanised production facilities, relatively cheap labour and abundant timber make SA attractive. He adds: "They are already big exporters of homes to the Middle and Far East and would

probably do the same from here as well as supplying the local market."

Trower has returned with some surprising figures. Last year in south Australia, for example, brick houses cost an average 27% more than brick-veneer models. He admits, however, that savings on this scale are unlikely here. "The Australian builders are extremely professional in a very competitive market with high labour costs. Their management, marketing and construction methods are much more sophisticated than ours," he

says.

The big construction companies remain wary of making the change. As one said after seeing the Forestry Department's documentary: "Trower says we can save 15%. We'd like to know 15% of what. The selling price of a house with stand is a long way off what actually putting the pieces together costs."

Despite the scepticism, it is hard to find a major builder who is not investigating brick-veneer housing — behind closed doors.

1. That the Roman Church was founded by God alone.
2. That the Roman Pontiff alone is rightly to be called universal.
3. That he alone can depose or reinstate bishops.
4. That his legate, even if of lower grade, takes precedence, in a council, of all bishops and may render a sentence of deposition against them.
5. That the Pope may depose the absent.
6. That, among other things, we also ought not to stay in the same house with those excommunicated by him.
7. That for him alone it is lawful to enact new laws according to the needs of the time, to assemble together new congregations, to make an abbey of a canonry; and, on the other hand, to divide a rich bishopric and unite the poor ones.
8. That he alone may use the imperial insignia.
9. That the Pope is the only one whose feet are to be kissed by all princes.
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22. That the Roman Church has never erred, nor ever will, by the witness of

THE DICTATUS PAPAE (March 1075)

THE INVESTITURE CONTEST.

HISTORY I

20/1/78 R. J. van Rensburg

'R1 440 spent on houses every minute'

By PATRICK LAURENCE
Deputy Political Editor

THE Government was eliminating the coloured housing backlog at an accelerating rate, Mr Marais Steyn, Minister of Community Development, said yesterday.

State funds were made available for coloured housing at the rate of nearly R692 000 a working day, or more than R1 440 a minute, he said.

In the first quarter of the current financial year tenders for provision of coloured housing and services in coloured residential areas were accepted at a total value of R41,5-million.

"About 80% of all housing for the coloured community in South Africa is provided by way of State funds," Mr Marais said.

Speaking at the opening of the first phase of a scheme to provide 500 housing units in the coloured township of D'Almeida in the Cape, Mr Marais urged the private sector to make a considerably larger contribution to housing for coloureds.

"The employer can make assistance available in various ways -- subsidising the rental paid, providing security for loans and giving financial and technical assistance.

"Larger employers should give serious thought to building houses for their employees on land made available by the local authorities."

Mr Steyn did not touch on the size of the housing problem in the coloured community in detail but, like the housing problem in the black community it is acknowledged to be one of the major challenges facing South Africa.

Last year Mr Steyn told Parliament that the shortage of coloured housing stood at 58 800 houses at December 31, 1976.

BONDS

(123) FM 21/7/78

Anyone for a second helping?

The R18 000 limit has finally gone (*FM* last week) and the building societies confidently expect the second bond market to dry up. Very good for new borrowers, but what of those who bought when the limit was very much in force — and are now saddled with a second bond at a crippling interest rate?

The building societies tell the *FM* that in principle they're quite prepared to make further advances to pay off second bonds. But, of course, the normal rules apply — the total bond (with the new advance) shouldn't be more than 80% of the value of the house; repayments not more than 25% of income; and so on.

The societies point out, though, that homeowners should consider whether or not they really will be better off getting rid of that second bond.

In some cases they may not be. This is because in the new differential interest rate pattern, still to be announced, interest rates will be based on the amount of the bond alone, as opposed to the current base of bond amount plus house value. If a borrower has a small second bond at a high interest rate, by borrowing more on the first bond to pay off the

second he may push the interest rate on the whole bond into a higher category. And by paying 0,5% more on the lot he may be worse off.

Until the new rates are forthcoming, homeowners won't be able to work this out. But, on the other hand, now seems to be a good time to go for a further advance because the societies have plenty of money. This, however, could dry up quickly if demand increases.

The raising of the limit for the internal guarantees scheme (this enables a society to lend 90% on homes valued up to R28 000 on the payment of a single "premium" to guarantee the society against loss) doesn't look as if it will come to the aid of existing borrowers whose homes are worth less than R28 000 but have bonds totalling more than 80%. The scheme, with its previous top figure of R20 000 was seldom used. But, say the societies, it's unlikely that it will ever be operated on a large scale even with the yet-to-be-announced more realistic limit.

Building societies are still "conservative" on loans over 80% of value.

Self help is key to a new housing plan

By Kevin Stocks

South Africa should not impose middle-class standards of building and design on the desperate housing needs of blacks.

This is one of the conclusions of a new study on low-income housing alternatives for the Western Cape produced by the Urban Problems Research Unit of the University of Cape Town. The study was financed by the Anglo American Corporation.

Although centred on the Western Cape the study has obvious applications to other areas with housing problems — which in the South African context means nearly every urban area.

It is scathing about the traditional policy of simply building rows of identical houses and renting them out.

This policy results from considering housing needs in numerical terms only — so many people need housing; build so many housing units.

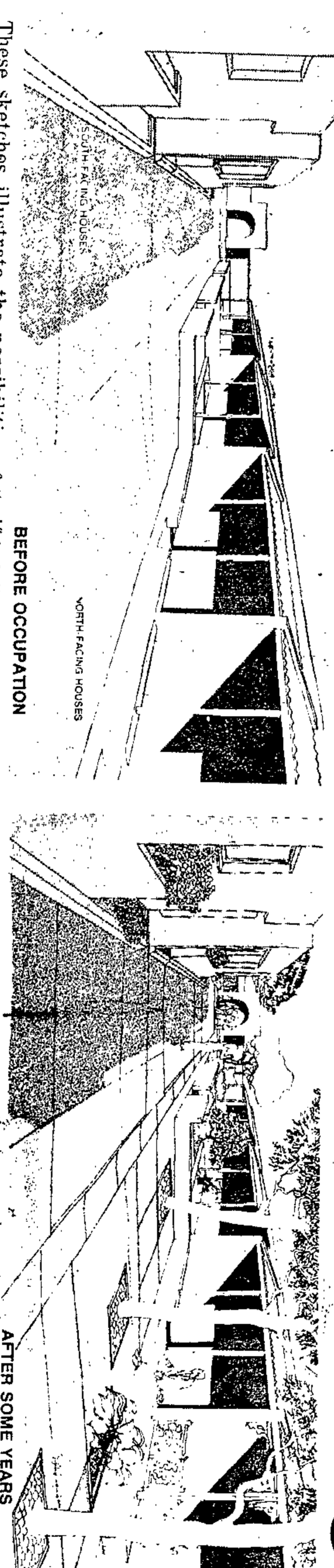
The most important housing criterion should be: "Not what it is, but what it does to people's lives," the study says.

In terms of this criteria housing policies should be assessed by their influence on the quality of life in the broadest possible sense.

Most important of all people should be offered "a meaningful choice" on issues which, after all, directly affect their lives.

Housing policies should be concerned less with imposing solutions and more with creating conditions and frameworks in which people can use their own efforts to improve their lot.

The study emphasises that this does not mean there should be a reduction in the national responsibility for housing the poorer sections of the population but that the policy should be redefined to change from being a provider of housing to a system which would enable people to provide for themselves. Taking a long term view the study says that



These sketches illustrate the possibilities of "self-help" housing improvements. The scheme, proposed for a site in the Cape, shows the basic houses to be provided and the type of improvements that could be made, at reasonable cost, in a relatively short period.

every effort should be made to increase people's income since fundamental housing problems spring from poverty.

The fundamental requirement for such a policy is obvious but also the most politically difficult. The study says: "What this implies is that a rise in black standards of living will have to be financed by a drop in white standards."

The authors do not see any drop in the rate of emigration to the cities. "We believe," they say, "that future immigration will pose problems to the urban centres which will make the scale of current (housing) problems small by comparison."

The study does not confine itself to vague generalities about the quality of life and the desirability of increasing black incomes and redistributing housing priorities. It also makes concrete proposals for current action.

BEFORE OCCUPATION

It examines thoroughly for instance, the question of lowering building standards to allow people to carry out their own renovations and improvements, even their own building, with cheap materials.

The resistance to such suggestions, the authors say, stems partly from Government fears of local and international criticism.

However, the study says, feedback from grassroots organisations clearly indicated that low-income people preferred the lower costs that go with lower standards.

"These people are currently excluded from the decision-making process," it says, "if they were not excluded and they themselves opted for lowering the standards there could be no question of any criticism."

The authors point out that when South Africa had a large "poor white" problem the housing needs

AFTER SOME YEARS

of these people was partly met by constructing, or their doing their own construction, with inferior materials.

The long-term problem was solved by efforts to increase their standard of living so they could afford to pay for their own housing.

"International experience," the study says, "suggests that the only possible course of action is to legalise people's use of cheap available resources if that is all they can afford at a particular time."

In the South African context this will often mean corrugated iron structures fixed to wooden frames. "In a sense this form of construction in principle is neither impermanent nor inherently inferior. In fact buildings constructed in this manner are part of our national heritage."

The authors also emphasise that security of tenure is essential if people are to care for or

improve the houses in which they live.

To quote the example of the Cleary Experiment in Port Elizabeth which was carried out by Mr Derrick Cleary, director of housing for that city.

In a small township coloured residents, who had previously been tenants only, were allowed to purchase their houses under easy terms. The effect was immediate and dramatic.

In what had previously been a run-down and unrented for township people started making improvements to their houses and neighbourhoods.

Mr Cleary himself commented, "We must either diversify our housing stock to meet the varied needs of the life cycle or we must merely provide the basic small unit and leave it to the breadwinner to enlarge his own home to meet his family needs."

"If any further indication of the value of self-help house extensions is needed it is shown by the fact that an assessment of the improvements carried out by coloured home owners in this small scheme in Port Elizabeth exceeds R500 000 and is increasing."

The interesting thing to observe is that the only factor that has changed is the one of tenure. They are the same people with the same incomes in the same houses they had occupied for years."

The authors argue that this indicates an important principle in housing policy. Given security of tenure it is possible to provide a basic housing unit and leave most people to effect their own improvements if necessary using materials regarded as sub-standard by most housing codes.

The study, Housing Alternatives, goes into many other areas of housing policy and construction and also examines conditions and policies in other countries.

It is written by Paul Andrew and Derek Japha, published by David Philip Publisher (Pty) Ltd and sells for R9.60.

White homes sold for a song

By PETER MANN

THE Transkei Government is said to be selling houses formerly owned by whites in Umtata to Government officials at incredibly low prices.

The man in charge of allocating the houses is Mr S. Mgudla, Secretary for Local Government.

Mr Mgudla is said to have bought a house for R2000. In 1972 the South African Government paid R55000 for the house, which is in Umtata's exclusive Delville Road next to the golf course.

The houses that are being sold were handed to Transkei as a gift by the

South African Government at the time of independence in 1976. The gift cost South African taxpayers millions of rands and represented the amount spent by the South African Bantu Trust which bought out whites who wanted to leave Umtata.

Only one of the subsequent sales of the South African Bantu Trust properties has been registered in the deeds office in Umtata.

And searches in the deeds office by a SUNDAY TRIBUNE reporter this week caused an angry official to warn: "The Prime



Mr J. D. Zeka's house

Minister gets very angry when journalists look at the deeds."

Other startling claims which emerged during the investigation were:

The purported sale of a house on the corner of Park Avenue and Delville Road to the Secretary for

Justice and Prisons, Mr J. D. Zeka, for R2100. Although his wife has told several people that this was the price, Mr Zeka denies this.

In 1963 the South African Government paid R12000 for the house, its value has more than

doubled since. The municipal value of the house is R30770.

The purchase of a house at 12 Eagle Street by the Secretary for Education, Mr T. M. Mbambisa.

Mr Mbambisa paid R5050 for the six-roomed house. It has a municipal value of R10160. In 1969 the South African Bantu Trust paid R3500 for it.

In addition several other Government officials are either living in houses bought by the South African Bantu Trust are interested in buying them.

A source close to the Department of Local Government said there was a long list of Govern

ment officials who had bought or were buying houses.

"The prices are all between R2000 and R3000," the source said.

Prime Minister Matanzima is reported to be negotiating to buy a house at 11 Millar Street. The house overlooks the golf course and is said to have the best position in town. In 1975 the South African Bantu Trust paid R48000 for it.

The Secretary for Local Government, Mr Mgudla, refused to give the SUNDAY TRIBUNE a list of the transfers and the prices paid. "My office files are secret," he said. See Page 4

DON'T FORGET THE R18000 TELLYPOI SEE TRIBUNE FINANCE AND PRO

- Peasant Studies
- Southern African Studies
- Review
- African Political Economy
- Development

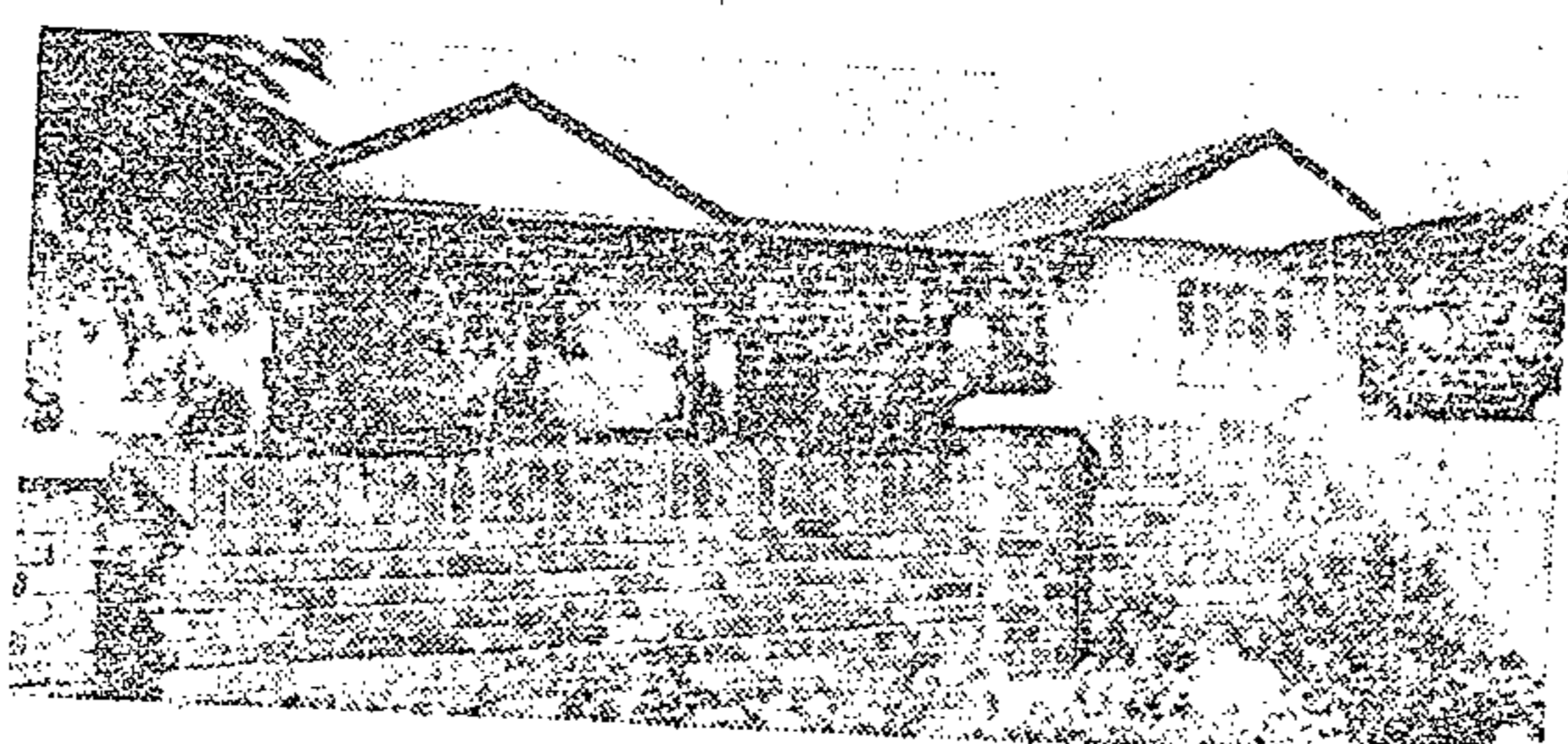
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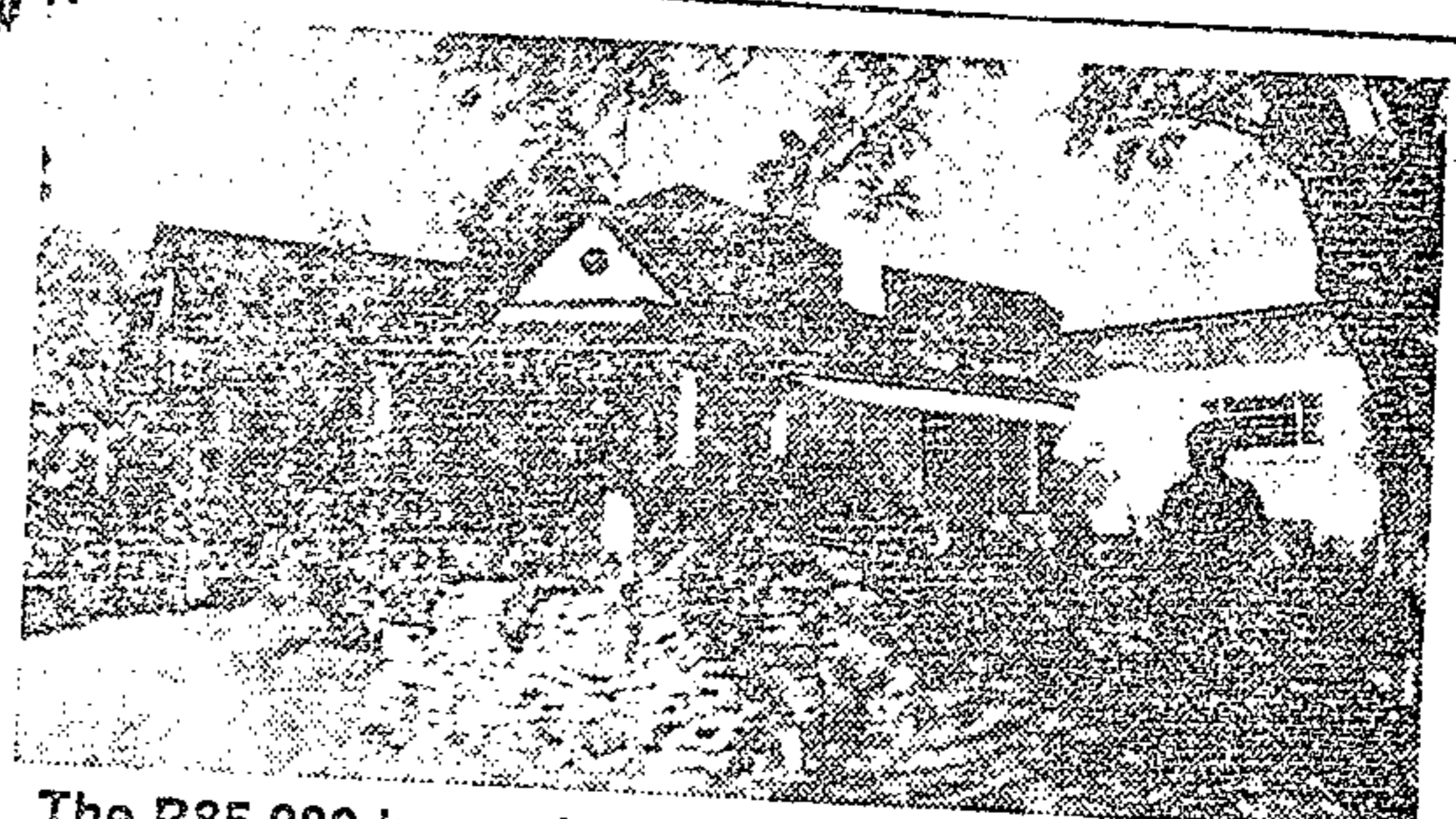
133 128 6/8/78 Sunday

Cheap houses for officials

TRANSKEI GOVERNMENT VIPs LIVE IN HOUSES BOUGHT BY THE SOUTH AFRICAN BANTU TRUST - AND SOME ARE BUYING



Mr Mgudla's house



The R85 000 house in which Secretary for Transport Mr Ashton Dunjwa is living



The R48 000 house Prime Minister Chief Kaiser Matanzima is said to be interested in

TOP Transkei Government officials are living in houses bought by the South African Bantu Trust and some are said to be in the process of buying them.

They include:

③ The Secretary for Transport, Mr Ashton Dunjwa, who recently moved into a massive home — also in

Special report by Peter Mann

Umtata's exclusive hill area.

The South African Bantu Trust bought the house from an Umtata attorney Mr John Beer for R85 000. The house occupies four plots of land and has three lounges and five bathrooms.

For some time it served as the officers mess for the Transkei Battalion.

③ Mr Prince Modikizela, an Umtata attorney and son-in-law of

the Transkei Prime Minister, who is living in a house at 44 Stanford Terrace in exclusive Umtata.

In 1963 South Africa paid R9 500 for the two-storey house which stands on two plots. It has at least doubled in value since then.

③ Mr P. Mbokodi, the Secretary for Agriculture and Forestry, is living in a house at 75 Cumberland Street which was bought by the South African

Government in 1963 for R6 000. An indication of how its value has increased is that the municipal valuation is now R16 170.

③ Mr Sydney Qaba, the Secretary for Foreign Affairs, who is living at 82 Delville Road. In 1969 the South African Bantu Trust bought the house for R5 000. It now has a municipal valuation of R16 470.

③ Mr L. E. Ndesi, the Secretary for the In-

terior, is living at 75 1 Alexandra Road. In 1963 the South African Bantu Trust bought the house for R10 700. It has a municipal valuation of R16 640.

③ Brigadier Elliot "Big Daddy" Cwele, the Commissioner of Police, who is living at 75 Delville Road — a house which the South African Government bought for R7 250 in 1963.

Mr S. Mgudla, the secretary for local government, claimed that the figures obtained by the Sunday Tribune were "all incorrect." He said: "I cannot remember offhand whether those people are living in those houses."

However, he later said that some of the people named were "leasing" houses. He would not say which of the officials houses because it was named were leasing "confidential".

Mr Mgudla did, however, confirm that he had bought a house but said he had paid more than R2 300 for it. He refused to acknowledge that houses had been sold for less than they had been bought by the South African Bantu Trust.

He was asked whether he was claiming that he had paid in excess of R41 000 for his house.

Mr Mgudla replied: "I'm no . . . all I'm saying is that what you want me to do is confidential. I cannot disclose it."

He repeatedly said that his office files were "secret" and that his department was the only one which knew how they disposed of the houses.

Mr Mgudla was then asked whether it was true that an inquiry into the allocation of the houses was under way.

At this point the telephone connection was broken. When the Sunday Tribune telephoned him again his secretary said he had left the office to go to the Department of Justice. She was not allowed to disclose his home telephone number.

The Secretary for Justice and Prisons, Mr Zeka, also denied that he had paid R2 100 for his house.

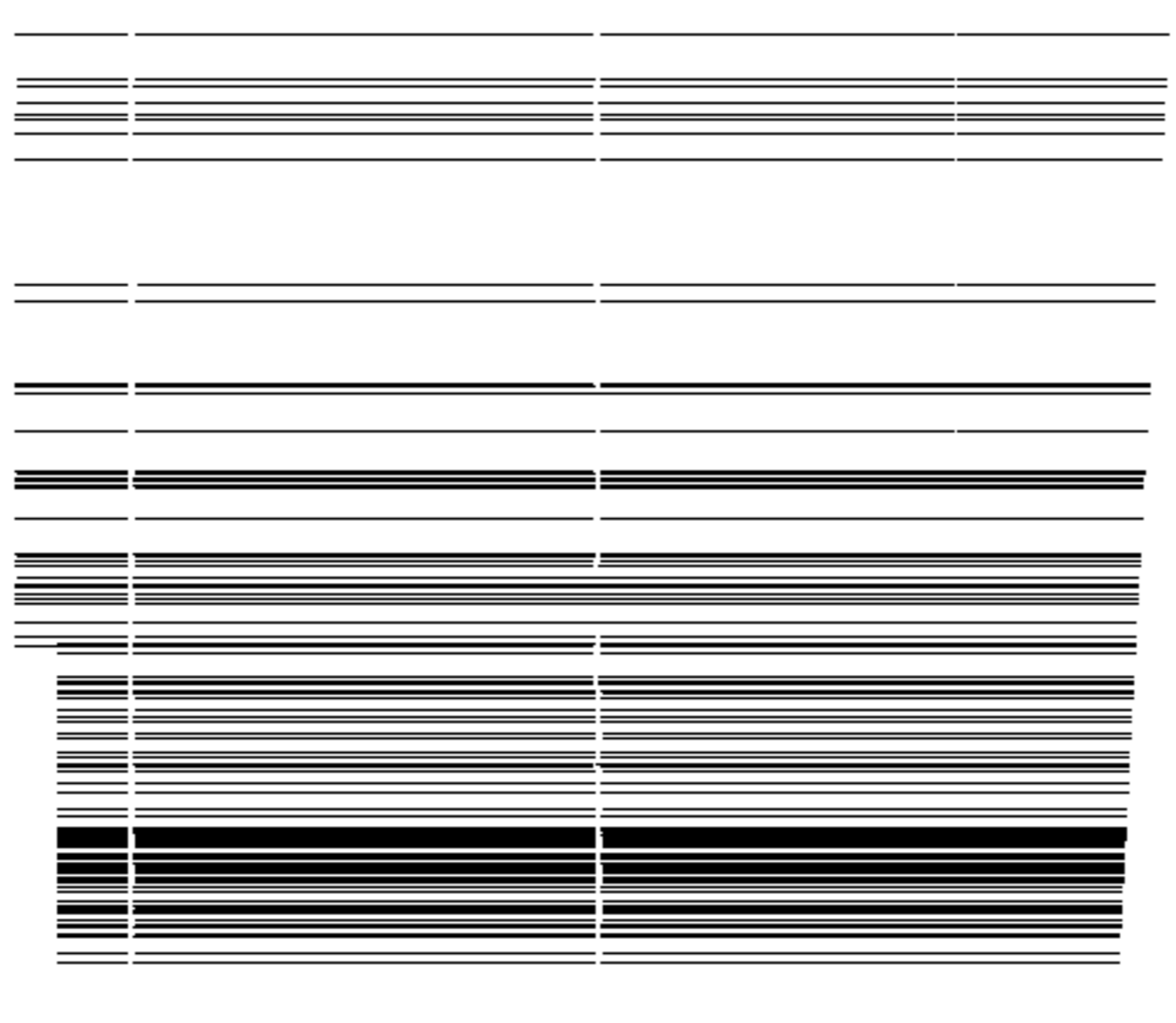
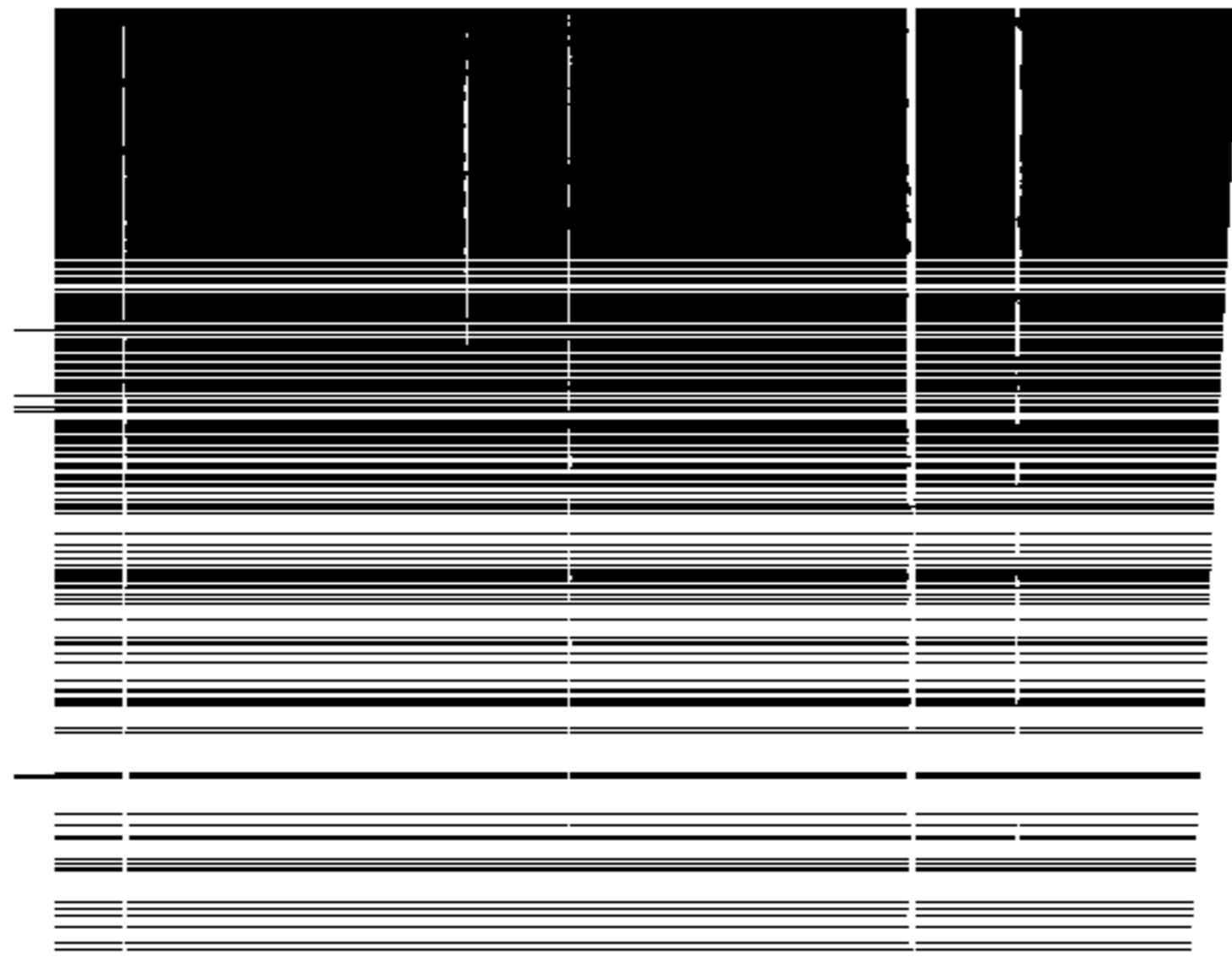
"I have applied to the Department of Local Government to buy the house. They have not yet told me how much it

Russian lands. While about a million French peast.

¹⁰ See G. E. Mingay, *English Landed Society in the Eighteenth C*

¹¹ For the French population of the seventeenth century, see p. 2

¹² See Robert and Elborg Forster, eds., *European Society in the*



will cost Mr Zeka said. However his wife has told a number of people in Umtata that they have bought the house for R2 100. None of the other officials involved could be contacted this week.

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Mulder: We can beat housing need

By HELEN ZILLE
Political Correspondent
SOUTH Africa would be able to cope fully with black housing demands within the foreseeable future, the Minister of Plural Relations, Dr Connie Mulder, said yesterday.

"South Africa has the financial potential and the knowhow to solve the housing problem," he said in his opening address at the Sixth International SA Building and Construction Exhibition in Johannesburg.

But, he said, the target of providing adequate housing would be reached quicker if:

- No population group made unreasonable demands.

- Intensive family planning led to a lower and more realistic birth-rate.

- Blacks took a bigger share in providing housing and finance, with assistance from their employers and financial institutions.

"Over the last 20 years, the State has financed 86.3% of housing for blacks in white urban areas.

"It is therefore the object of the Government to popularise home ownership among blacks as much as possible and to provide avenues along which the private sector can proceed in accepting its share in making housing available to blacks."

Dr Mulder said 37% of the total housing appropriation had been made avail-

able to blacks. This was "yet another example of the Government's genuine desire to provide adequate housing for blacks.

"The housing needs of one population group must be carefully weighed against the legitimate claims the other population groups have on the sources of housing."

The migrant labour system acted as a safety valve for adjacent developing countries where excessive unemployment might easily create economic, social and political chaos, Dr Mulder said, reports Sapa.

While South Africa could employ at least 78% of its migrant labour force, only 10% of employable Basotho and Botswana

workers found work at home. The figure for Malawi, Swaziland and Zambia, ranged between eight and 20%, he said.

"An analysis of the earnings of migrant workers reveals that some of our neighbouring states benefit economically very much from this system," he said.

"Malawian and Mozambican workers employed in South Africa are taxed by their government of origin and not by us. Not only do the earnings of these workers represent important economic aid to their countries of origin, but they have also gained vocational and specialist skills which will be invaluable in the development of their own countries," Dr Mulder said.

The Renaissance in Italy

In addition to compulsory class work, students are strongly advised to do additional work. Such work will reflect enthusiasm for the course and will improve a student's grasp of course material. Additional work may include: reading assigned material, writing papers, and participating in class discussions. Students are encouraged to seek out additional work on their own initiative. Such work will reflect enthusiasm for the course and will improve a student's grasp of course material.

In the midst of this profusion of human thought circled around a single problem: how to absorb the rich, bewildering heritage of pagan antiquity into the inherited body of Christian philosophy. The Renaissance historians seeking to differentiate the pagan and the Christian have greatly exaggerated the paganism of the Renaissance. They have pointed to Valla's Epicurean epigram on pleasure and to the immorality of Renaissance depots. But Valla did not want to exchange Christianity for Epicureanism; he wanted to reconcile the two. It is not an accident that the slogan of the Renaissance was "reconcile the two." And the just, proud, and virtuous Renaissance depots were immortal because they were pagans but because they were Christian. The Humanists were not unbelievers, and they did not restrain their appetites. The Humanists were not unbelievers, and they did not do their work for the sake of unbelief. It is not unbelief accessible even so, pagan philosophies did not really die. The significant force in European culture until the late sixteenth and seventeenth centuries, after the Renaissance had passed. The Renaissance was not a religious or a non-Christian age; it was an age of widening secular concerns. It shows, as Kristeller has put it, a "steady and irresistible growth of nonreligious intellectual interests which were not so much opposed to the content of religious doctrine, as either competing with it for individual and public attention."

Humbly aware that man is less than the angels but confident that he occupies a worthy place in the scheme of things, the Humanists concentrated their philosophizing on man. Against paganism, whatever their particular intellectual loyalty, whether they believed that man's actions are determined by fate or (as some of them did) by the stars, that they are free, whether they were optimistic about man's prospects or pessimistic, the Humanists insistently returned to man's value. Man's dignity, which had given the lead with his life and his writings, and of century later, the Florentine Humanist Giannozzo Manetti showed that this was a controversial matter indeed. His sizable treatise on *The Dignity and Excellence of Man* was quite explicitly directed against a treatise on man's misery by Pope Innocent VIII. Pomponazzi urged that it was man's central task in this world to seek the sphere of moral action most appropriate to him, and in 1486 Giovanni Bico della Mirandola, a precocious disciple of Ficino's, summarized this central concern of humanistic philosophy in a famous *Oration on the Dignity of Man*. God, he argued, had created man last of all, after all of the divine gifts had been distributed among God's other creatures. But this was a fortunate fate: it meant that man was free to give freely among all possibilities, to shape himself as he pleased. This unique opportunity imposed a unique duty: to choose the best possible way to life open to mortal man.

One way in which the question of man's place and proper activity presented itself to the Humanists was through the old debate about styles of

37 Kristeller, Renaissance Thought 72.

R5,8m

for ^{CT}
15/8/78
black

houses,
schools

123

Staff Reporter

THE Peninsula Administration Board has been granted loans worth R5,8 m to build new houses and schools in Langa, Guguletu and Nyanga. The money will also be used to repair roads and homes and to build additional classrooms at existing schools.

The loans were granted by the National Housing Funds.

R2 m has been set aside for additional housing for families who are legally in the Peninsula and who are therefore entitled to a house.

The board intends to build 1 860 houses which should be available within the next five years.

A further R242 000 has been made available to build two new primary schools in Langa and Guguletu.

(123)

STAR
16/8/78

Loan security for homelands housing

Political Staff

DURBAN — The Government is amending regulations to give building societies security for housing loans to blacks in homelands, according to the Minister of Plural Relations, Dr Mulder.

He was replying to a resolution at the National Party Congress calling for loans to be granted to blacks in homeland areas. Dr Mulder said loans already were permitted. The problem concerned security for such loans.

In terms of existing legislation building societies could not reclaim

houses if there was a default in payment in a black area.

Dr Mulder said the Government was working on a change in regulations which would give building societies the right to reclaim houses on which there had been a default in payment, on condition that the house was resold to blacks.

Earlier, Dr Mulder gave an assurance that East Griqualand would not become "black." With its incorporation into Natal on April 1 this year its status had become final and "there is nothing further to say on the subject."

Delay in granting housing loans for blacks

Star 17/8/78
(23)

The R150-million allocated for black housing loans by building societies cannot be used until the Government formulates regulations.

Legislation providing a 99-year leasehold for blacks with rights to buy, sell and inherit property was passed in the last parliamentary session.

Building societies, however, are still waiting for regulations to be announced by the Government detailing how loans can be made.

The West Rand Administration Board admitted this week that it had no more funds for loans for blacks to build homes.

Speaking at the Interhou Conference in Johannesburg yesterday, the president of the Association of Building Societies, Mr J. L. S. Hefer, called on the Government to cut as much "red tape" as possible to allow building societies to make loans to blacks a reality in the near future.

A spokesman for the Department of Plural Relations said in Pretoria today that his department was conducting investigations into the issue of loans.

More houses, fewer cars says survey

22/8/78
DA
123

CAPE TOWN — People are likely to buy more houses and fewer motor cars during the present quarter, according to the Bureau for Economic Research at the University of Stellenbosch.

The bureau says in its latest consumer survey report that while consumers were optimistic about the future, "the majority of households are not in a position to save and about 38 per cent can only just manage to make ends meet.

"However, it is encouraging that running up debts seems to be declining."

Turning to the economy

in general, the survey said the economy was still enjoying an upswing — however gradual it might be.

However, several factors were inhibiting the moderate recovery continuing.

These were the deterioration in the economies of South Africa's trading partners; too-high interest and inflation rates; and the continued deficit on the capital account of the balance of payments.

Still on the economic front, labour leaders said yesterday that wage increase demands would become bigger and more

insistent because of the 4,2 per cent rise in the Consumer Price Index in July — the first full month of the operation of the general sales tax.

They also criticised the Minister of Finance, Sen Horwood, for "misleading" the country on the effects of the four per cent tax.

They warned that wage increases for the past two years had been totally inadequate to compensate for the price spiral.

The Artisan Staff Association is to lay a claim for a substantial pay increase before the Minister of Transport, Mr Muller, early next month.
— SAPA-DDC.

the way in which, he says, surplus wealth naturally and simply fell into the hands of the male. The division of labor was first between the sexes only. "The man fights in the war, hunts and fishes . . . house and the preparation of food. . . They are sphere." But eventually "the herds provided g belonged the cattle."

But where is the evidence for that statement? Of evidence suggests that it was the women in wh production and control over domesticated anima produced, it was wrested from women, the sugges already in the hands of the men.

"To procure the necessities of life had always l said Engels. Not so, for as even Engels admitted could not survive on the precarious rewards of h jointly involved in food production, not just by men brought home. If men grabbed the surplus it their superior strength, the hunting tools that a weapons, the vulnerability of women during prej tially biologically rooted reasons that are hard to fi

Even Engels's own words question his insister power of women. His references to marriage b abducting women. He recognizes female infant describing the transition from group marriage to to "the man [who] had a chief wife, among his n aborigine wandering from his home and finding is a male. All these illustrations imply unequal s other evidence does indicate that oppression of unrelieved in all societies throughout all time convincing: that women occupied positions of societies and until the emergence of private prop

Engels's commitment to group marriage, wh does not have to be tied to the idea of eq otherwise. If survival of mankind required coc that meant "mutual toleration among adult mal quite irrelevant. A system in which "every wom did not at the same time have to include the belonged] to every woman."

Engels's tendency to make easy and tidy gen

unconfirmed pronouncements of female equality. To get from g to pairing marriage to monogamy he relied on a few more. In group marriage there were no inhibitions against incest of any kind, Engels proclaims. The "first advance in organization consisted in the exclusion of parents and children from sexual intercourse with one another, the second was the exclusion of sister and brother. On account of the greater nearness in age, this second advance was infinitely more important."²⁹ Despite the extraordinary importance of such a change in social outlook, Engels has no evidence to offer to substantiate his first assertion, that there were no prohibitions against incest, or to explain why such incest taboos suddenly came about.

How did group marriage break down? Living together communally had a "natural limit." "As soon as the idea arose that sexual intercourse between

TUESDAY,
August 23, 1978

Get on with the housing job

THE Minister of Plural Relations, Dr Connie Mulder, has publicly committed himself to major action in improving housing in Soweto and other black townships. We have been glad to welcome his commitment.

Promises, however, are cheap — while an entirely different picture of gross deficiency, delay and red-tape emerges when the facts are revealed. As they were at Monday's National Development and Management Foundation conference on black housing.

Take these details . . .

- The black housing backlog in urban areas is now estimated at 200 000 houses. Wraab itself admits that its task, on its own, is almost impossible.

- Instead of the Government meeting this need, there has actually been a considerable reduction in the allocation of funds. In the latest, 1977/78, allocation black housing was given R8-million, compared with R123-million for coloureds, R30-million for whites and R17-million for Indians.

- Official delays in approving applications for funds and in actual allocation of funds are monumental, with delays of up to five years. As building costs have been rising by

1% a month, eventually there must be another application for more funds to pay for the original project.

- Even the Government's much-vaunted 99-year leasehold scheme for urban blacks — announced last November and enacted by Parliament earlier this year — has not yet been implemented. It is said it could be another 18 months before all the practical details are sorted out to make the scheme possible.

Taken together, this is a dismal picture. It means that hundreds of thousands of people are living without adequate housing, with social consequences and dangers that should be obvious to all.

Yet not only is the Government bumbling and fumbling, it is making matters positively worse by its unyielding stance on ideology: on the same day as the housing conference was discussing the acute housing shortage, the Minister of Defence, Mr P W Botha, reaffirmed the intention to demolish Cape Town's Crossroad squatter camp!

The conference was told that an urgent combined effort by Government, commerce and industry is needed to reduce the housing backlog. Instead of constantly saying what he intends doing, Dr Mulder should get on with the job.

V

The imprecision with which Engels has examined women in pre-class societies carries over to his discussion of women in class society, particularly under capitalism — women as wives, workers, mothers, rulers. Despite some remarkable insights, the earlier unresolved question—the relationship of the subjugation of women to exploitative class relations, and all the ramifications that follow—becomes increasingly significant. While he does not discuss

CAPE TIMES 24/8/78



Dr Piet Koornhof

Plan to eliminate sports permits

Own Correspondent

EAST LONDON. — Permits for mixed sport will no longer be necessary when a scheme being devised by the Minister of Sport, Dr Piet Koornhof, is introduced. He confirmed in an interview yesterday that he was working on this and that 'good progress' was being made.

"We must move away from it. In my view we don't need a permit system in sport," Dr Koornhof said. However, the matter was not only in his hands, as other departments were involved. The necessary co-ordinating work was being done but he could not say yet when the scheme would be finalized.

Earlier Mr Marais Steyn, Minister of Community Development, told the Cape National Party congress that attempts were being made to simplify granting of permits for mixed sports and other gatherings.

Applications for mixed sports meetings were made to the Department of Sport which, after investigation, made recommendations to the Department of Community Development which normally replied the same day.

All departments involved were investigating how delays in replying to applications could be avoided and he said Dr Koornhof was investigating the possibility of doing away with permits in sport.

If there were delays in replying to permit applications, the department should be notified.

Ownership basis of constitution plan — Steyn

EAST LONDON. — The Minister of Community Development, Mr Marais Steyn, said here yesterday that property and home ownership were the real basis of the new constitutional scheme envisaged by the government.

Addressing delegates to the Cape National Party congress, Mr Steyn said the new constitutional proposals embodied the idea of a "home owning democracy" in South Africa.

He outlined recent government attempts to come to terms with the backlog in housing and which included:

- The allocation of funds and making provision for the building of 50 000 housing units in the current financial year.
- The removal of certain restrictions in subsidized home ownership on various population groups, in order to provide that all whites, coloured people and Indians earning less than R540 a month could qualify for State-assisted home ownership schemes.
- The lowering of deposits on these houses to R300, or five percent of purchase price, or R100, with the rest being paid over five years. This latter provision was applicable in Mitchell's Plain.
- Low-priced housing was provided at subsidized interest rates, which lowered the effective rate to 9,25 percent per annum.
- The provision of 90 percent loan schemes on certain middle-class housing units.
- The introduction of a saving scheme through building societies and which enabled prospective home owners to save up to R10 000 tax-free at an interest rate of 11 percent, of which the government contributed two percent.

"We are determined to afford those people who are going to be permanent citizens in this country the right to home ownership," Mr Steyn said. — Sapa

TV: 'Run by experts'

EAST LONDON. — South Africa could do without a "sissy" television service which did not portray reality, the Minister of National Education, Dr Piet Koornhof said here yesterday.

Addressing delegates at the Cape National Party annual congress, he said South Africa's TV service was being run by experts, some of whom believed that TV violence was not bad per se, but that the exclusion of all forms of violence on TV could have a detrimental effect.

It was the deliberate aim of marxism to create a society where violence was so much detested that the community suffered in consequence by not facing up to the threats.

The SATV service had, however, undertaken to portray violence with dignity and in an aesthetically acceptable form, and not to portray violence excessively or sadistically.

Reacting to a motion expressing concern over the quality of music played and propagated by the SABC, he said that of the 37 hours of weekly TV time in South Africa only 10 minutes was devoted to pop music. — Sapa

Sun. Exp. 27/8/78

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Motlana says PFP credibility at stake

THE critical issue facing the Progressive Federal Party at its Transvaal provincial congress next month will be whether to abandon the qualified franchise for a one-man-one-vote policy.

Dr Ntatho Motlana, chairman of the Committee of Ten, has already said the PFP must accept one-man-one-vote if it wants to retain any credibility with Blacks.

He gave his views at a PFP meeting in Benoni in May. That was before the Minister of Justice warned him, on pain of permanent detention, not to make the sort of statement he had been making.

Amplifying his position, Dr Motlana told me: "In this day and age, when even the National Party boasts of its conferment of the vote on all people above 18, any party advocating a diminution of that vote would find itself rejected.

"Every man should have the vote. Every man has his intrinsic value, which should not depend on his education, property, race, or colour."

He wants to see a unitary state, but adds: "If a policy of federalism is geographic and completely nonethnic, and it is quite obviously not an attempt to perpetuate White power, there will not be much opposition to it.

"If it is done for effective, decentralised administration, and because the

PARTY CONGRESS TO DISCUSS VOTE ISSUE

By JOHN MATISONN
Political Correspondent

states or provinces have something in common, I have no doubt a lot of Blacks will support it.

"We should certainly decide on a constitution that will guarantee a man rights because he is human... but it must be as a human being, not as a member of a racial minority."

Why does he want a uni-

tary state? He replies: "Why should I want a divided state?"

"The determination for a unitary state in South Africa springs mainly from reaction to White designs to split our fatherland into ethnic states at the periphery with the powerful White state at the centre.

Dr Motlana rejects liter-

acy as a test for the franchise.

"A man I knew was one of the most effective political leaders I have encountered. And he was completely illiterate.

"Literacy has nothing to do with political effectiveness."

An educational franchise is unthinkable, he says, because many Blacks cannot better themselves under the present system.

If there was free and compulsory education it would make sense.

The PFP, he says, has some credibility with Blacks. "It's not much, but it's something to build on. One thing they can build on is a decision to institute universal franchise without any qualifications."

Booby prize for SA, says Suzman

By JENNIFER HYMAN

THE South African Government deserved an internationally-recognised booby prize for its achievements in Black housing, Mrs Helen Suzman said this week.

The Progressive Federal Party MP dismissed as "the joke of the year" Dr Connie Mulder's claim that the Government deserved the Nobel Prize for what it had accomplished in regard to Black housing in urban areas.

Dr Mulder, Minister of Plural Relations, was speaking at the Cape National Party congress.

He said the Government had been responsible for 86% of Black housing but this task had become "too much to keep up with" — hence the leasehold legislation that would enable Blacks to build their own homes.

Mrs. Suzman described this attitude as "incredible", particularly in view of the admission that the Government could no longer afford to provide housing for

Blacks at all.

Said Mrs Suzman: "With a conservatively estimated shortfall of 20 000 homes in Soweto, and the fact that fewer than 1 200 houses were built in the two years 1976 and 1977, I hardly think the Nobel Prize would be appropriate."

In the Western Cape not a single Black house had been built for the last 10 years as a result of the policy of reserving the Western Cape for Coloureds.

The Government's solution to the Black housing crisis was to place the responsibility fairly and squarely in the lap of employers.

"In most advanced countries it is the government that assumes the responsibility to house poorer sections of the population, fi-

nancing it out of the taxes paid by employers."

Bishop Desmond Tutu, General Secretary of the SA Council of Churches, said he could not believe that Dr Mulder's suggestion was made seriously.

"It really is the most extraordinary thing to say, at a time when his own (West Rand) Administration Board agrees that more than 20 000 families are on waiting lists for homes in Soweto alone."

Mrs Ina Perlman, regional secretary of the Institute of Race Relations, said Dr Mulder's statement was extraordinary in the light of the Government's record in Soweto.

"To cope with the natural increase of population alone, 2 000 new houses would have to be built there every year; yet the best the West Rand Board has ever done is just over 1 000 homes in a year."

A morsel instead of a meal

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123 FM 8/9/78

The half-baked 99-year leasehold scheme for certain city Africans looks less and less appetising the more closely one examines it. Indeed, if government has its way, the whole dispensation would disappear from the urban African plate within a generation.

The scheme provides that those who "qualify" for urban residence will be able to acquire rights of leasehold in some (but not all) urban areas. Leaseholders will be able to erect, alter, or demolish buildings; sell the leases to other "qualified" people; and encumber them by means of mortgages.

Most important, they will be able to register the leases, so building society loans will be fully available for the first time. For people accustomed to tenuous monthly tenancy in mass-produced housing, the improvement is immense.

But a closer look at the legislation reveals some serious snags, all aimed at ensuring that roots formed by blacks in the cities are not too deep. In the first place, apartheid ideology dictates that the land on which the house stands remains the property of the local administration board, which can dispose of it subject to the lease.

The homeland poser

Secondly, the right to obtain a lease depends on qualification under Section 10(1) (a) or (b) of the Black (Urban Areas) Consolidation Act. Under Section 10(1) (a), only people who have lived continuously since birth in an area can remain there for more than 72 hours. Section 10(1) (b) confers the same right on people who have worked for one

employer continuously for 10 years, or have resided in the area continuously for 15 years.

Leasehold rights are restricted to such people, and to those of their descendants who have similar qualifications. So if your mother left town for her confinement, or if you accepted a job in another area, leasehold is probably out of your reach. Nor can migrant labourers ever graduate from hostel life to home life in the area where they work — no matter how long they might have worked there.

The number of qualified people, moreover, is shrinking fast. An amendment to Section 12 of the Urban Areas Act, passed this year, deprives all children born after independence to citizens of independent bantustans of the Section 10 rights they would otherwise have had.

This means that, as homelands take on independence, fewer and fewer people will qualify for rights of leasehold. If, as John Vorster hopes, all bantustans become independent within five years, it will take no more than a generation for the new dispensation to become a thing of the past.

The definition of "qualified person" includes the descendants of qualified people, but only provided they too have Section 10(1) (a) or (b) rights. It is tempting to interpret this as allowing children of bantustan citizens to qualify for leasehold rights. Such a view is held by the Urban Foundation, which has hailed the new legislation as a "giant stride." Even if this were the case, these descendants would be prevented from being in the area at all without special permission.

Yet legal opinion taken by the *FM* is

that even the dubious advantage of a right to own a leasehold without a right to occupy the premises is precluded. This is because no one can be "referred to" under Section 10 if he is born after independence to a citizen of an independent homeland.

Parents hoping that their investment will ensure 99 years of security for their descendants are badly affected. The legislation lays down that where a lease is inherited by an unqualified person, the only benefit the heir can derive from the right is the net proceeds of its sale. This has been interpreted to mean that in practice the right will have to be sold.

There is provision for the Minister to allow people without Section 10 rights to obtain leases. It is likely that he will make a significant number of such concessions. But special permission, open to arbitrary withdrawal, is no substitute for legally enforceable rights.

Patchy rights

Nor does leasehold apply to the whole country. The exclusion of the Western Cape, designated as a "coloured labour preference area," cuts a huge slice out of the number of potential leaseholders. Townships in other areas can be excluded at the discretion of the minister, in particular those demarcated for removal to bantustans. One such example mentioned by Connie Mulder is Grahamstown's Fingo Village, one of the last surviving areas in the country where Africans have freehold. Not only will its residents' freehold rights be removed; they will not even have leasehold.

Another such removal project is in the

Western Transvaal, where the African inhabitants of 14 towns are being resettled in Itsoseng in BophuthaTswana. Mulder also spoke of Fort Beaufort and Stutterheim.

Yet another problem is that possession of the right of occupation does not guarantee its retention. The right of occupation can be lost if the leaseholder forfeits his section 10(1) rights, by, for

white shareholders from obtaining secure leases. One victim of this proviso will be African Development & Construction, in which Roberts Construction has a 49% share and black businessmen own the rest.

New regulations to give effect to the practical details of implementing the leasehold scheme have yet to be framed. At present, a township superintendent

has the power to refuse a site or residential permit to anyone he deems unfit or improper, whose wife is not domiciled in the area, or who has another house. Women need special permission to buy leases.

For government, an important benefit of the new legislation is that it enables the private sector to share in the financing of black housing. Soweto alone is short of at least 21 000 houses. Countrywide, according to Charles Skeen, Chairman of Roberts Construction, the housing backlog for Africans had reached almost 350 000 by 1975, of which nearly half were in the so-called "white" areas of South Africa.

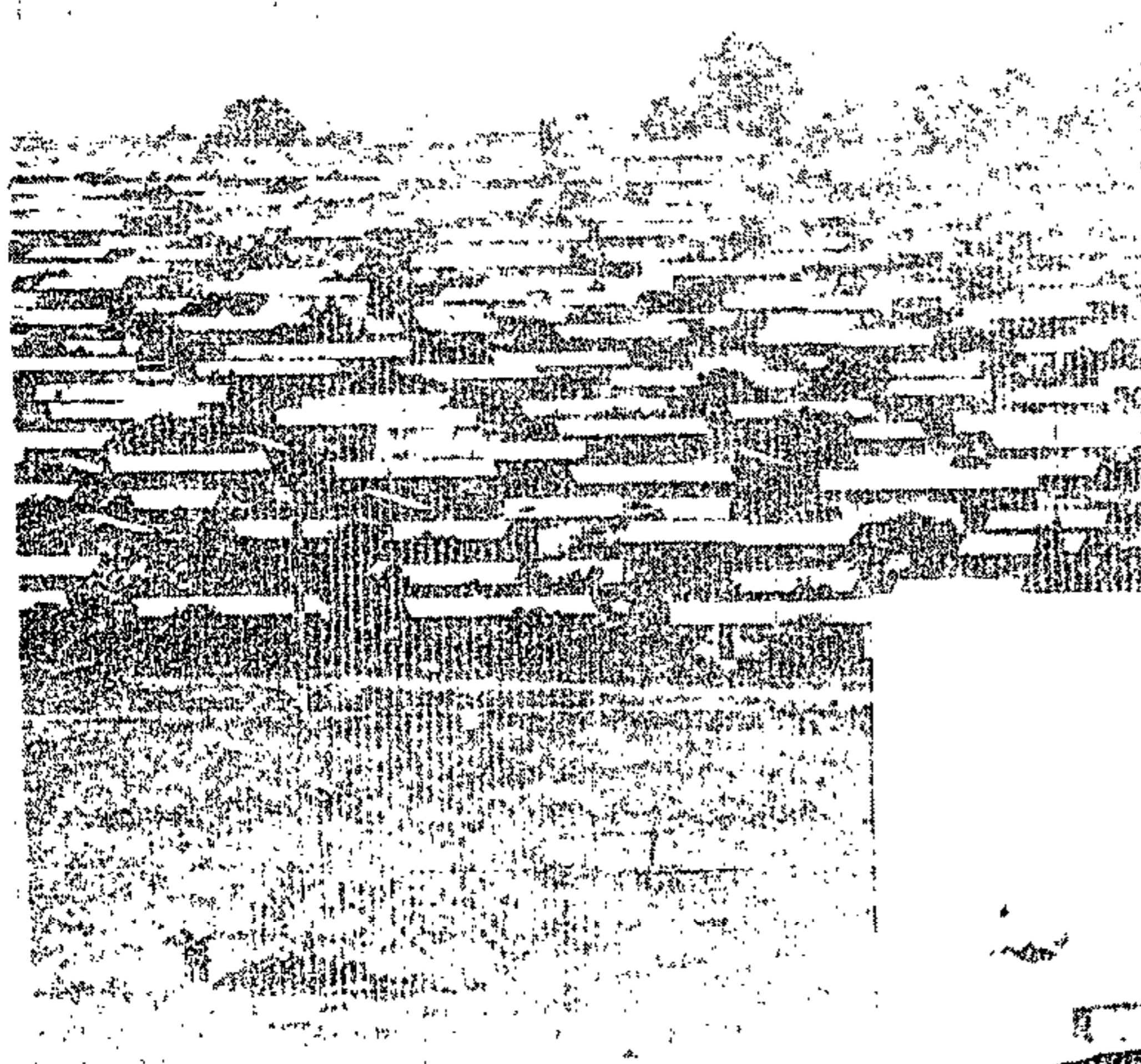
But private sector housing loans will do no more than scratch the surface of the problem. Skeen maintains that only people earning above R6 000 a year should be able to afford building society or similar loans. A mere 1.48% of urban Africans fall into this category.

Suggestions have been made in Parliament that government should ensure the availability of low-interest loans. Mulder promised to investigate. For the rest, government will have to provide housing, and no easy task lies ahead. To eliminate the backlog and provide for population growth of low income blacks, 340 000 houses are required between 1975 and 1980.

This requires housing and services to the value of R1 438m. Infrastructure such as sewerage works, bulk water, railway services and highway access add a further R377.4m to the bill.

Yet government spent no more than R34.6m on housing and hostels for urban Africans between 1972 and 1976. And the prognosis is not good. Skeen shows that only R103m will be spent on urban black housing between now and 1981.

The horizon looks even gloomier, if Skeen is correct in claiming that 3.3m houses will be needed for low-income urban blacks between 1975 and 2000. A far more radical plan than the half-baked 99-year lease scheme will be needed to solve that problem.



Soweto's boss, Connie Mulder, will have to go back to the drawing board if leasehold is ever to be more than a temporary sop for temporary sojourners



example, breaking his continuous period of residence in an area. Accepting employment in another area, or incurring a fine of more than R500 or a prison sentence in excess of six months, can have the same effect for holders of 10(1) (b) qualifications.

The legislation allows associations to lease premises for business purposes. But all members of the associations must be black before they can obtain leases. This effectively bars all associations with

Bonds on most SA homes to cost less

Cape Times 16/9/78 (123)

By GORDON KLING

THE MONTHLY mortgage bond repayments of most South African homeowners will be reduced in the next few months because of a drop in the rate of interest paid to savers and investors announced yesterday by the government, banks and building societies.

Interest rates paid by the financial institutions have been reduced by one percent, with minor exceptions, to take effect at various stages from Monday in a move which economists and the Minister of Finance, Senator Owen Horwood, said would further stimulate the economic recovery.

The president of the Association of Building Societies, Mr J L S Hefer, said in a statement yesterday that an indication on the mortgage rate cuts could be expected to be given on September 26th. But the Cape Times can disclose that the reduction will be 0,5 percent in most cases and Senator Horwood said it would take effect "not later than January 1".

Most bond repayments will be reduced by about R7 a month.

Reliable sources in the building society movement said a further reduction of 0,5 percent was possible at a later stage. The societies are not able to pass on the full one percent reduction immediately because about 60 percent of their portfolios are in funds on which they are paying the old higher rates.

● A 20-year bond at 11 percent previously will cost R182,95 a month, down from R190,46.

● A 30-year bond for R15 000 will cost R137,22 monthly, down from R140,02.

The poorer section of the community, which has already been notified that it will lose the 2 percent government subsidy on bond interest after benefitting from it for five years, has virtually nothing to gain from the new move.

But in theory all sections of the community should benefit from the improved economic climate and the building industry in particular should get some uplift from cheaper building finance.

Small bonds with an interest rate of 10,5 percent will not be reduced and bonds of R15 000 at 10,75 percent interest, for example, will be reduced by only 0,25 percent. The societies maintain that they cannot currently go lower than the 10,5 percent rate on their loans. Here are some examples of the savings:

● A 25-year bond for R30 000 previously at 11,5 percent interest will now cost R294,03 a month, excluding insurance, compared with R303,94.

New scheme for home ownership

ARGUS
16/8/78

123

(13)

The Argus Correspondent

PRETORIA. — A far-reaching scheme to encourage private home-ownership among all races and in all levels of South African society was announced in Pretoria today by the Minister of Community Development, Mr Marais Steyn.

(12)

Comeland tie (77 workers):

(11)

Mr Steyn said that in the first 40 years after its inception in 1920 the National Housing Commission provided 32 000 houses. This year alone the number would be 45 000.

R450-M

The department was providing R450-million in the current financial year for housing.

Spokesmen for Cape Town branches of building societies said they did not expect the new scheme to bring a rush of investment.

'This is not really a new scheme,' said one. 'It has been going for a long time but with different ceiling rates. The last one was up to R6 000.'

'Somehow it has never really caught on. I don't know why, because it is a very good scheme, especially for newlyweds.'

'It means they go to the top of the list for favourable consideration when they apply for a bond and meanwhile they enjoy a good rate of tax-free interest.'

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The new scheme provides for prospective home owners to invest money with building societies at a tax-free interest rate of 11 percent up to a maximum of R10 000.

It places no ceiling on the income of those wishing to benefit by the scheme, and there is no restriction other than that they do not already own a home.

There is also no limit on the value of the home acquired through the scheme as long as the bond repayments do not exceed 25 percent of the buyer's income.

EARLIER SCHEME

The previous scheme, introduced in 1972, allowed a maximum home deposit investment of R6 000, was limited to people earning less than R7 200 a year, restricted the value of homes acquired to R25 000 and the maximum loan to R18 000.

The building societies would pay an interest rate of nine percent and the State would subsidise the interest by an additional two percent as long as the investment was for the acquisition of a home.

OBLIGED

People would be free to save money to buy homes for themselves, their parents or their children and would be obliged to buy the home within a specified period of saving the R10 000 maximum.

He emphasised that all the provisions of the new scheme had not yet been worked out in fine detail, but the conditions would be available at all building societies soon.

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Rates relief will give lift to property

Star 27/9/28

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The demand to buy homes, which has recently accelerated after the slump, will receive another boost following last night's announcement that building society home loan rates will drop.

This prediction was made today by property and consumer experts after the Association of Building Societies announced a drop of the home loan rate of between 0.5 and 1.5 percent.

This will mean a reduction of monthly payments of at least R3 and, in exceptional cases, R20.

Mr Courtney Redhill, president of the Institute of Estate Agents, said the new interest rate would give added impetus to the property market.

Mr David Alston, director of the Association of Building Societies, said that from October 1, the rate on new bonds will be cut by 0.5 percent. On January 1 next year, the mortgage rate on existing bonds will be cut by as much as 1.5 percent.

Home owners with highly-valued properties and reasonably low bonds will benefit most.

Previously his interest rates were based on a combination of the property value and the amount of the bond. Now interest will be based on the bond only.

The new building society home loan rates are: Up to R10 000 — 10 percent. Between R10 001 and R15 000 — 10.25 percent. Between R15 001 and R20 000 — 10.5 percent. Between R20 001 and R25 000 — 10.75 percent. Between R25 001 and R30 000 — 11 percent. Between R30 001 and R40 000 — 11.5 percent. More than R40 000 — 12 percent.

NATAL BUSINESS

Odd lots FM 13/10/78 (123)

Some of the asides at last week's NDMF Natal business outlook conference in Durban were more revealing than the main discussions:

Builder Bill Hamilton, a member of the PM's Economic Advisory Council, revealed for instance that of the R250m earmarked by the government for hous-

ing, only R16.9m had been spent by the end of August.

Durban's publicity director Terry Toohey worried aloud about the important Rhodesian tourist market and pointed out that while whites could get a visa stamp at the border there was a five to eight week delay for black Rhodesian visitors.

Wits Professor Arndt Spandau expressed strong reservations about the practice of directing applicants for import permits to local suppliers. He claimed that this limited the buyer's freedom of choice and was an unwarranted form of protection which could lead to abuses. Natal Chamber of Industries director Roland Freaques disagreed.

McCarthy group financial director John McCarthy predicted an increase in total vehicle sales of 7% in 1979 with commercials leading the way.

According to Unilever chairman Alex Bury, blacks are now the greatest readers of English language newspapers and buyers of such commodities as toilet soaps, tea, washing powder, beer, cigarettes, and certain types of clothing. He predicted that the black family of the 1980s would have much the same tastes as its white counterpart.

DEVELOPMENT

123

For coloureds, Indians

FM 13/10/78

Last week's announcement by Minister of Community Development Marais Steyn, that building societies and insurance companies are to be allowed to act as property developers and buy land for township and housing development in Indian and coloured areas has been welcomed. Up to now they have only been able to grant bonds on houses in those areas.

It has long been felt that money deposited by Indians and coloureds should be put back into their communities. Demand for loans from those sectors is "tremendous." The move should also give the building industry a boost, as well as alleviating the housing shortage. In fact, some institutions have been preparing for some time. Among others, the Natal Building Society (which first applied for a permit in 1971) has been granted a permit for a township in Tongaat which it expects to have built in two to three months. Old Mutual is also ready to start a "pilot" housing scheme for Indians in Natal, consisting of 50 houses for the middle income group. SA Permanent's Development Corporation has also approached the department for a permit for an Indian township near Johannesburg.

In general, the same conditions will apply as for whites. Bonds will be restricted to not more than 25% of salary, and the interest rates for loans will be the same as for whites.

Much will depend on whether land can be made available at reasonable prices. In some cases institutions will be able to buy fully serviced plots. In Tongaat, NBS hopes to be able to sell a three-bedroomed house, with bathroom, but without a garage, for a maximum of R20 000.

AMERICAN EXPORT-IMPORT BANK CONNECTION

Direct pressures for labour changes coming

Star 24/10/1980 123
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By Sieg Hannig,
Labour Reporter

For the first time direct pressure for labour changes is about to be brought to bear on wholly owned South African companies — provided they rely on American Export-Import Bank guarantees.

But the move is expected to have a limited impact both on South African employment conditions and on American exports to South Africa.

It came in the form of the "Evans amendment" to the Export-Import Bank Authorisation Bill which was approved by the Senate last week and will become law as soon as it is signed by President Jimmy Carter.

The amendment denies the bank's facilities to any South African purchaser

who fails to get certification from the State Department that he is proceeding towards implementation of:

- ① Non-segregation of the races in all work facilities.
- ② Equal and fair employment for all employees.
- ③ Equal pay for equal work.
- ④ Initiation and development of training programmes to prepare non-white South Africans for supervisory, administrative, clerical and technical jobs.
- ⑤ Increasing the number of non-whites in management and supervisory positions.
- ⑥ A willingness to engage in collective bargaining with labour unions.
- ⑦ Improving the quality of life for employees in such areas as housing, transportation, schooling, recreation and health facilities.

The new law also applies to any export which would contribute to enabling the South African Government to maintain or enforce apartheid.

And it applies to exports to South African Government agencies unless the President determines that significant progress has been made towards the elimination of apartheid.

It is understood that the bank was committed to the tune of close to R200m for periods of no longer than 3½ years in respect of exports to South Africa last year.

But it is impossible to ascertain from local sources how much of South Africa's annual trade of close to R1 000m with the United States is dependent on guarantees from the bank.

The bank does not grant

direct credit to South Africans as a result of a previous political ruling. Since the bank's function is to promote American exports, and since America is not the sole source of supply for most South African importers, the move must hurt America more than it does South Africa.

Mr J J Bouwer, general manager of the Credit Guarantee Insurance Corporation of South Africa, pointed out that there is a private firm in the United States which provides facilities similar to that of the Export-Import Bank.

He said European banks which had the same function as the Export-Import Bank provided credit guarantees for about 10 percent of their countries' exports on average, he said.

Initially foregone a basic right conferred by the right he confers upon others benefits at no cost to themselves and with no return to himself.

Botswana represents a clear case of the need to evolve traditional forms to accommodate the commercial world. One of the forcing houses of the modern world is the company concept: essentially simple yet radical. A parallel development would be to up-grade the right to graze (that is, the right of access to land) into shares over communal land controlled equally by member households. The shares would refer to grazing units according to the grazing capacity of the communal land. In other words, the community would become a company in the modern sense, the asset base of the company being the land it controlled. In this way the right to grazing would be converted to a right over an asset i.e. land which has a certain grazing capacity. At annual general meetings of the company (the equivalent of the community) it would be decided what the carrying capacity

CONSTRUCTION

Hearts of oak

123

FM 3/11/78

Builder Gary Gregory's arithmetic should give a jolt to traditional construction colleagues still sceptical about cost savings on brick-veneer houses. Six months after opening Boere Behuising in Sandton the former asbestos-cement farmstead supplier is putting out a house price list with rock-bottom prices.

So far Boere has prefabricated 28 timber-frame houses and one single-storey office block.

Gregory's 10-model "Quaint Cottages" range goes from a 106 m² two-bedroomed dwelling at R12 820 through to a 270 m² four-bedroomed ranch-house (sun lounge, study, sitting room, dining room, kitchen, two bathrooms, and a third toilet) at R30 313. All units come with carpets, cupboards and tiled kitchen and bathroom, with a varying cash credit for light fittings and stove.

Construction costs are as low as R110/m² for large units rising to R123/m² for smaller homes. All have a garage and domestic quarters. Tile roofing on the biggest model costs an extra R2 400. "We can have the roof on in six days and a three-bedroomed house completed in five weeks. All to SABS specifications," he adds.

Sounds too good to be true with modest conventional brick housing starting at around R135/m² with outbuildings extra. "Brick-veneer is 10% cheaper than even asbestos-cement and indistin-

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guishable from traditional brick buildings," says Gregory.

SA Lumber Millers' Association construction consultant Doug Tower's recent claims of 15% saving with brick-veneer against conventional building got a cool reception from big developers whose own figures show minimal or no advantage in making the switch except on very big housing schemes.

Gregory, continuously tapping his hand-held calculator, says they are wrong. Savings on labour are considerable with simpler foundations, electrical and plumbing work done in one day, and erection put out to contract workers. Material savings come in fewer bricks (no internal main walls and only single brick external cladding), easier foundation work and, as everything arrives on one lorry except the bricks and cement, there is negligible pilfering.

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IT'S JUST NOT ON, CONNIE

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By Ticks Chetty

DR CONNIE MULDER was out of step in announcing last week that building societies would be allowed to give housing loans to homelands blacks.

The building societies say it is not on. They were not consulted by the Minister of Plural Relations and Development before his out-of-the-blue announcement.

Because of this, says a statement on behalf of the president of the Association of Building Societies, Mr Roy Canning, they are not committed to the Minister's promise.

The news will come as a shock to blacks living in the Durban area because the townships of KwaMashu and Umlazi are part of the fragmented homeland of KwaZulu.

The general manager of a Natal building society, Mr John Bennett, said this week his society would not lend money to people in homelands because of the risk

Building societies say housing loans for homeland blacks are too risky

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Table 15.

Speaking at a hand-
over ceremony of 30
houses for workers of the
Phosphate Development
Corporation at Lebowa's
Nakgale township last
week, Dr Mulder said
black site owners could
now borrow money for
homes from building so-
cieties and banks.

Extended

Previously, provision
was made only for the
balance of the purchase
price to be registered as a
charge against the title
recoverable by the South
African Development
Trust.

"This provision has now
been extended to advances
made for housing purposes
to site owners by the State
or other body constituted
by law, or any building so-
ciety, commercial bank,
insurance company, or
other registered financial

institution or corporative
authorities approved by
the Secretary for Plural
Relations and Develop-
ment, provided the sec-
retary approves." Dr
Mulder was quoted as say-
ing at the ceremony.

Mr Bennet said his
building society would
lend money to the
KwaZulu Development
Corporation, if the
Government approved, and
to blacks in urban areas,
but not to people in
homelands because it was
not sure what would hap-
pen if the homeland
became independent.

The regional manager of
another building society
said: "There is strong
reluctance to lend money
to people in homelands be-
cause of what happened in
Transkei. The bottom fell
off the property market
there. Then there are also
fears about the new laws
that may be passed when a
homeland becomes in-
dependent."

Dr Mulder was not
available for comment.

16/11/78 (123)

Housing seen as challenge

PRETORIA — The provision of housing for blacks — in cities, towns and homelands — was not only the biggest single problem connected with black urbanisation, but also the biggest challenge, the Deputy Minister of Plural Relations and Development, Dr Willie Vosloo, said here yesterday.

Addressing a symposium on "Towards viable communities," Dr Vosloo said the financial responsibility in providing housing for blacks had to be shared by three parties, namely the state, the employer and the black man himself.

The task of the authorities among other

things was the provision of low-cost housing from funds voted annually by Parliament.

"As far as the employers are concerned, the standpoint is that generally a bigger contribution can be expected from them towards the housing of their black employees.

"The person or body which makes use of black labour inevitably must accept the responsibility for his black workers' housing needs as he is the person who derives the benefit from their labour."

Dr Vosloo said it was an irrefutable fact that the black man today was considerably better off.

HOUSING *FM 21/11/76* *(123)*
Tracing that R250m

At last some concrete results of the R250m housing package announced exactly a year ago by Finance Minister Owen Horwood. The Department of Community Development (CD), the custodian of the R200m slice allocated to areas outside the bantustans, intends to pump R60m into housing in the 1978-79 financial year, after last year's paltry R10m. Tenders to the tune of R124,8m have already been approved, and CD has a further R191,4m from its regular budget for black housing at its disposal.

Coloured housing is the chief focus of attention. By September, 17 300 houses had already been built, and a further 27 700 are in the pipeline. This puts CD well on its way towards relieving the 57 600 shortage of coloured houses.

Indians fare less well, with only 2 500 units complete by September, scarcely a dent on the 20 700-long waiting list.

African housing, always a parish in development schemes, remains out in the cold again. Only 5 900 houses were built from CD money (the R200m and the budget allocation) in the first nine months of this year, and 16 400 more are planned. In this number is included the 8 275 planned hostel beds.

CD has no figures for national housing shortages for Africans. But Charles Skeen, chairman of Roberts Construction estimates that 68 000 houses a year are needed between 1975 and 1980 for Africans outside the homelands.

CD claims that other sources of funds for African housing are available, but administration boards are notoriously short of money. So although Soweto has a waiting list of 12 000 families, with at least 10 000 more in need, only 300 houses have been financed by Wrab. From CD funds, only 404 houses are under construction, with 300 more out to tender. Private employers have contributed another 80.

In addition, complained Wrab housing director Nico Malan at a recent NDMF seminar, delays of up to five years occur between the approval of a scheme and the allocation of funds. "With building costs rising by 1% a month, by the time the project is completed, application must be made for additional funds."

The Vaal Triangle Board fares somewhat better. A loan of R9m from CD has facilitated a scheme of 3 100 houses in Sebokeng, and R25m loans have been raised from the private sector over the past two years.

CD's Louis Fouche points out that

money will be paid out more rapidly as projects get into their final stages. Expenditure is also delayed, he claims, by the rate at which local authorities and Administration Boards advertise projects for tender.

Other advances chalked up by CD relate to community facilities and schools. The department is planning to build 76 schools this year, of which 37 tenders have been approved so far. About R2m is earmarked for community facilities.

Of the R200m, R165m is financed by a consortium of banks, headed by Barclays. Interest charged is at the normal bank rate. The rest of the money comes via a special appropriation from parliament.

The final R50m is allocated to the bantustans, administered by the SA Development Trust. No figures are available about how this money has been used, except that R9m was allocated for the 1977-78 financial year. This year R23m has been allocated, and the remainder is to be spent next year.

8/11/78 80 (123)

R1 000-million challenge

facing the State

The South African Government is fighting a losing battle in trying to alleviate the country-wide black housing backlog.

For while the expenditure on black housing is steadily increasing, fewer houses are being built each year because of the rising costs of construction and services.

In white areas of South Africa 130 000 houses are required as well as hostel accommodation for 160 000 single blacks. In the homelands, there is an estimated shortage of 170 000 houses.

This backlog of 300 000 houses would cost an estimated R1 000-million to alleviate.

In Soweto alone, about 25 000 people require housing according to figures stated by the Black Sash and Soweto Council chairman, Mr David Thebehali.

And in the neighbouring East Rand, there is an estimated shortage of 8 000 houses in the East Rand Administration Board's 12 townships.

Last November, the Minister of Finance, Senator Owen Horwood, announced a R250-million housing package.

One hundred million of this figure will go to black housing, Senator Horwood said, and the remainder to Asian and coloured housing schemes.

According to the Secretary for Community Development, Mr Louis Fouche, the R250-million will all be allocated to the various administration boards by the 1979-80 financial year.

four houses were built by residents by themselves or through contractors with no financial aid from Wrab.

A total of 907 Board-owner houses in townships were sold to residents in 1977-78 through bonds advanced by Wrab for R1,6-million.

Board officials estimate that at least R75-million is required to alleviate Soweto's housing backlog.

In the Vaal Board, chairman Mr John Knoetze, says they practice "self-generating revival" to cope with the housing crisis.

In the last few years, the Vaal Board has received R3½-million for black housing loans from several building societies.

Promised

Since last November the Vaal Board has received between R7-million and R8-million for black housing from the funds promised by Senator Horwood.

And last year the Board sold about 1 400 houses to township blacks through loans made available from Community Development.

At present two tenders for housing projects have been approved for 1 160 houses. According to Mr Knoetze his Board is also building 800 of its own houses.

The West Rand Administration Board has budgeted no funds for housing projects in its 1978-79 budget.

From Community Development, Wrab has received an estimated R1,8-million for housing projects.

This money is being used to build about 570 houses in Mohlakeng, Bekkersdal and Dobsonville.

A housing project involving 1 000 houses is also being planned for Kagiso near Krugersdorp.

A Board spokesman said they were awaiting another R1,72-million from Community Development for a 937-house project in Dobsonville.

A further 7 600 houses have been planned by Wrab for Protea, Diepkloof and Molapo

townships in Soweto, but the plan is still awaiting approval before cost is looked into.

In the last two years the Vaal Board has raised R25-million from the private sector which went towards building two large hostel complexes.

The Vaal Board has planned extensive development in Sebokeng township which includes 4 000 new houses, two new schools, a communal hall and a cinema which alone costs R150 000.

Mr Knoetze has said his board is already investigating the possibility of increased loans in terms of the Government's announced 99-year leasehold scheme.

An estimated R150-million has been suggested as a figure available for loans from building societies once Government regulations are passed.

The regulations have been drawn up but have yet to be negotiated between building societies and the Department of Plural Relations.

Antagonism

The issue of rent increases has also proved to be an area of antagonism, especially in Soweto where a recent three-stage rent increase has been completed.

Residents, as well as community councils have complained in the past about the lack of consultation before the rent increase decisions are made at official level.

With the "new powers" accorded to community councils increases in rents and services are placed in the control of the local council.

The councils are also to take over administrative posts formerly held by board members as blacks are trained for the jobs.

In the Vaal several blacks are already being trained as township managers.

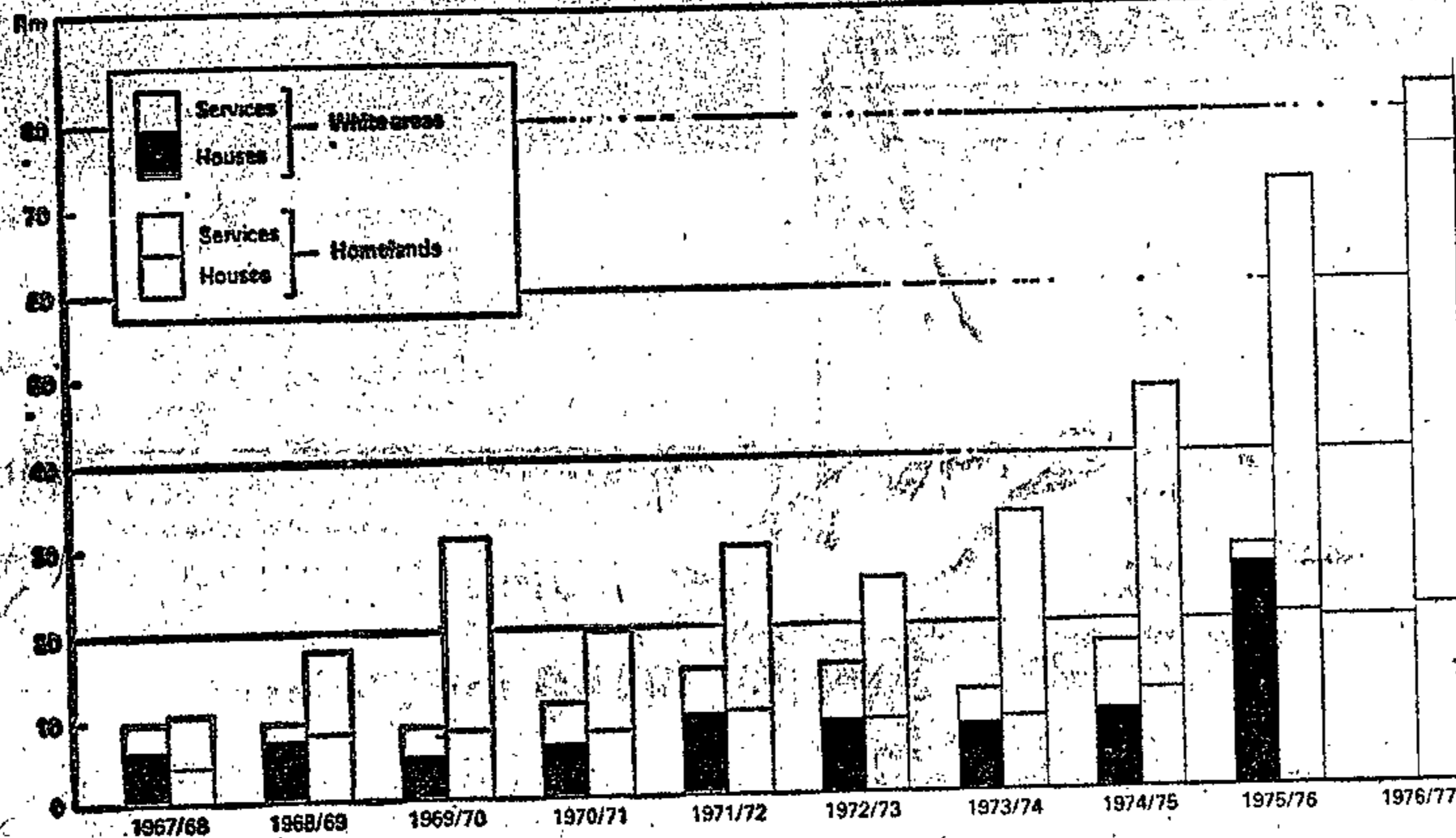
But rent increases still remain the major area of complaint especially with the housing crisis and widespread unemployment. And possible rent increases in Soweto have not been entirely ruled out in the near future.

In South Africa the black housing backlog has reached staggering heights with Government funding unable even to meet current, annual needs. One thousand million rand is the estimated cost of alleviating the backlog. The Government announced R100-million for black housing in November last year. TONY DAVIS reports on the housing backlog with specific reference to Soweto, the eviction issue, and the efforts of a small administration board to cope with the economic and housing crisis.

123
The Star
The Star Wednesday November 8 1978
CLASSIFIED ADVERTISEMENTS INSIDE

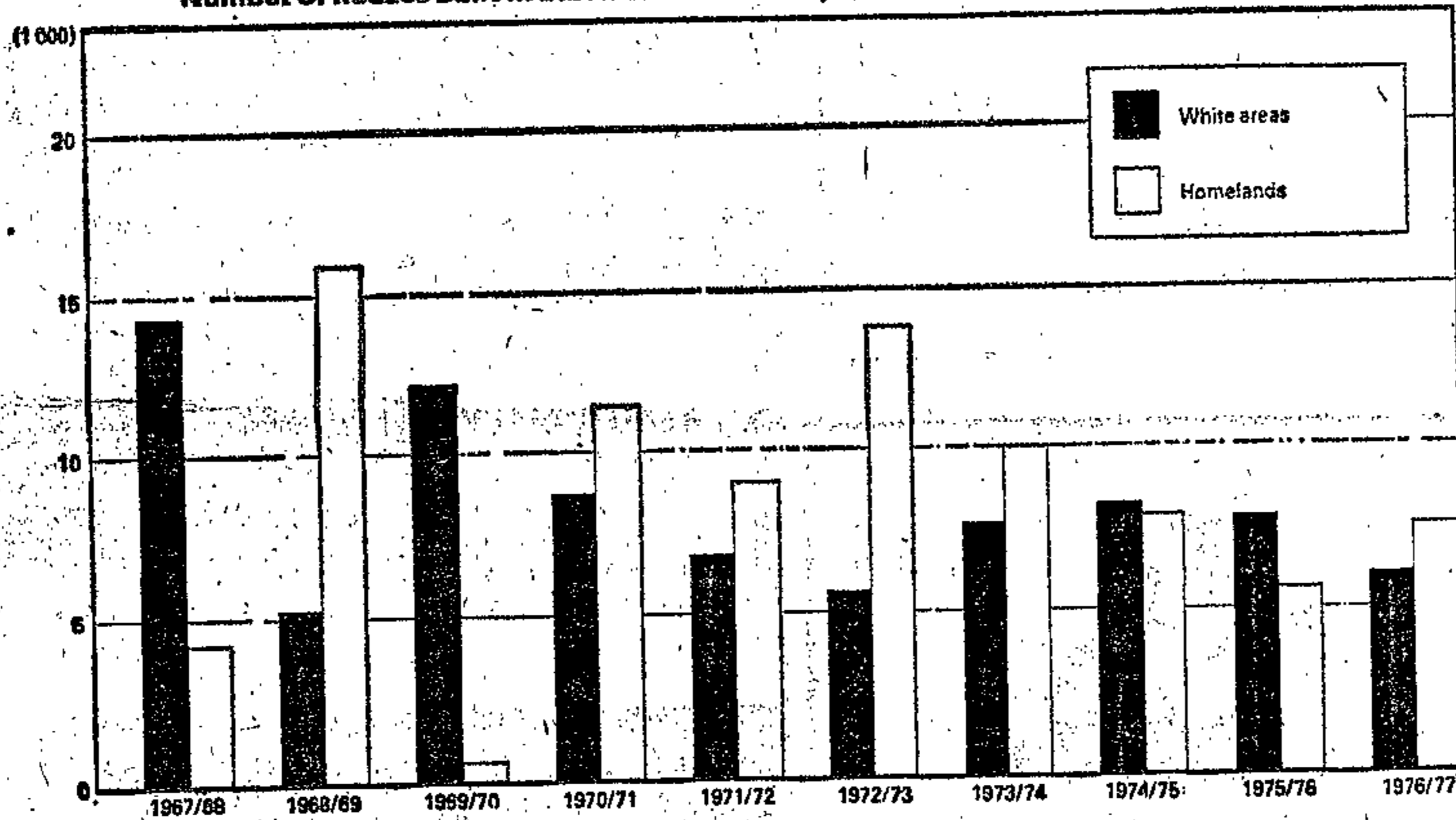
Cont

Expenditure on Black housing, 1967/68 — 1976/77



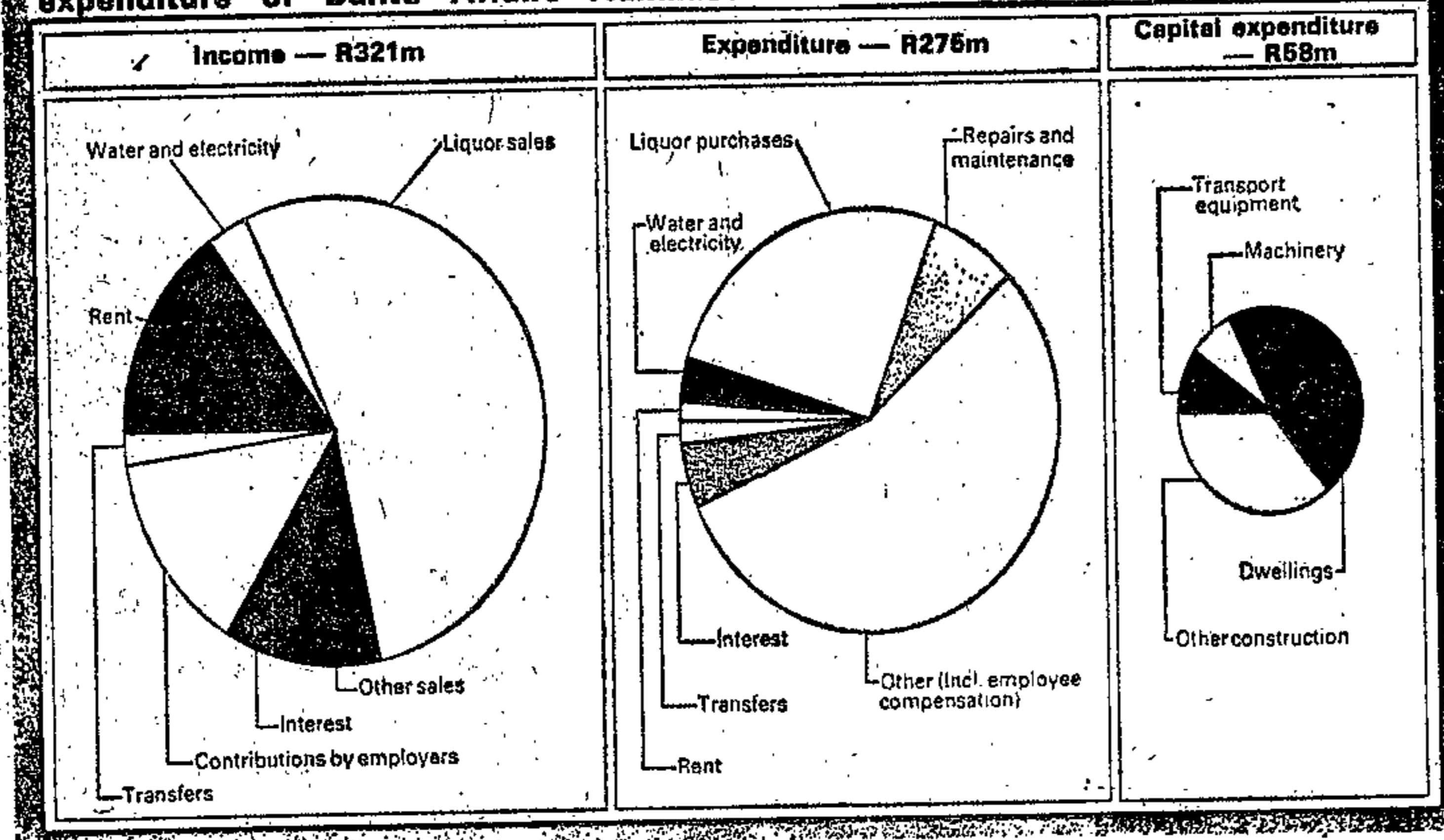
Annual expenditure for black housing has increased over recent years. But the majority of funds have gone towards housing in the homelands

Number of houses built in Black urban townships, 1967/68 — 1976/77



Fewer houses are being built as a result of increased construction and basic service costs.

Current income and expenditure as well as capital expenditure of Bantu Affairs Administration Boards, 1975/76



The incomes of administration boards show a large volume going towards liquor revenues and a smaller portion coming from rent. (Graphs through courtesy of Mercabank: Focus on Key Economic Issues)

Approves

The Department of Community Development in Pretoria is the body which approves housing schemes submitted by administration boards as well as allocating housing funds.

Money for black housing is also available to the boards through building societies.

Funds for housing are not a major part of annual expenditures of the administration boards.

A major part of board expenditure goes to salaries and liquor purchases representing the second largest expenditure.

Income for the administration boards comes largely from liquor sales, with rents and employer contributions also providing income.

Run dry

The housing backlog issue has been aggravated in the Johannesburg area with the recent revelation that funds for loans to blacks to build their own houses has run dry.

Officials of the West Rand Administration (Wrab) admitted in August that their housing loan fund for new houses was empty.

That, and the issue of evictions for rent arrears in Soweto townships has created bitterness among urban blacks.

Under the Wrab housing scheme for new homes, a potential homeowner paid a deposit of 10 percent of the total cost of the house and then received a loan payable over 30 years.

A comparison between Wrab and the efforts of a smaller administration board — the Vaal Triangle Administration Board — show that economic initiative can help to relieve the housing backlog in the townships.

Request

Since 1977, almost 550 houses have been built in townships falling under Wrab's administration.

Of this figure, 394 houses were built by the Board at the owner's request. Loans were made available for these residents with R1,75-million from the Natal Building Society and the Johannesburg City Council.

One hundred-and-fifty-

Evictions compound the backlog crisis

Evictions for rent arrears in Soweto townships have caused controversy involving a three-sided clash between the West Rand Administration Board, the Soweto Council and Soweto Residents.

Wrab chairman, Mr Manie Mulder, has repeatedly denied the Board has been taking a "hardline" attitude towards rent offenders.

But Press reports have detailed stories about township families being taken from their homes by Wrab police in the early hours of the morning to township managers to explain arrears, and having the doors to their houses padlocked.

Evictions have compounded the housing backlog crisis. There are thousands of people who are waiting to move into houses where tenants have been evicted because new houses are not being built fast enough.

The Soweto Council recently stepped into the fray after reports that 20 families were taken from their homes in the Jabavu area of Soweto and taken to township managers after the doors on their houses were padlocked.

Despite the fact that only one eviction was actually made (a man with no permit to live in the area), Soweto Council chairman, Mr David Thebehali, called on Wrab to halt evictions and held urgent meetings with Board officials.



The Board has now agreed that no eviction will be made until full investigations have been carried out.

Wrab's policy is to send notices to a tenant who is arrears in rent advising him to pay or face eviction.

If these notices are ignored a final eviction notice is sent to the resident.

In some cases as a last resort a Wrab truck is sent to the house in question and the tenant's furniture is removed and the door padlocked. In such cases the tenant is given a few days grace to make good his arrears.

Wrab spokesman have said "the channels of

communication" have always been open for tenants who are facing rent payment difficulties to obtain extensions.

The procedure is to approach an area township manager, and if no satisfaction is obtained there, the senior township manager, and from there to New Canada officials, and to the Housing Department of Wrab in Johannesburg and even to the Ministry of Plural Relations and Development in Pretoria.

But in response to widespread complaints, a senior Wrab official, Mr Steve Clayton, has been stationed at New Canada to review rent arrears cases which cannot be

reconciled with township managers.

According to Mr Clayton, the majority of cases — an average of 11 people see him daily — involve arrears because of unemployment, while others come about because tenants have failed to notify the township managers of why they cannot pay or those who have simply disregarded notices.

Wrab officials ask that tenants who have difficulty paying rent should report immediately to the township managers and explain their situation and not let the situation reach the stages of eviction.

BUSINESS

4/12/78 (23)

Capital spending will be confined to black housing

The public sector will probably account for the only large increase in capital expenditure during the next two years, namely that on black housing.

Therefore the share of the public sector in total gross fixed investment will probably increase, says Senbank Economic Opinion.

The study by the Central Merchant Bank concludes that real expenditure by the private sector may decline slightly more during the next two years, while virtually no growth is expected in real capital expenditure by the public corporations.

It rates prospects for 1979 less attractive for the industrial sectors producing capital goods because real growth in domestic fixed investment may decline slightly further, and most of the sophisticated machinery for public corporations will have to be imported.

TAXATION

The bank says there are no signs yet of a general revival in private sector investment.

Growth in exports is slowing down while a steady rise in private consumption expenditure and economic growth will depend on the recovery of fixed investment.

The growth rate of eight percent in real gross domestic fixed investment by the private sector from 1961 to 1969 slumped to a mere three percent from 1970 to 1977.

The corresponding percentages for the public sector were 10 and eight percent respectively. Senbank blames the re-

duced growth in private sector fixed investment since 1970 on the decline in economic growth and on high public sector expenditure which hit the private sector by way of increased taxation and rises in administered prices.

The strong drop in private sector investment since mid-1975 combined with increased public sector investment up to and including 1976 boosted the public sector's share of gross domestic fixed investment from 41 percent in 1960 to more than 54 percent in 1977.

Senbank expects a further slight increase in this trend during the next two years.

officers explained that farmers (e.g. those with full- and economic units) by saying that it is impossible for the poor to improve their agriculture, they have too little land and too few resources. Thus they concentrate on the possible, helping the bigger farmers who, they say, are usually the only people interested anyway.

U.J. Lele and J.W. Meller write of the Green Revolution: "For the poor or labourers to receive any good effects the political environment must be favourable and economic policy astute. The benefits for the poor do not rise automatically from the system as they do for the rich."³⁷

As Michael Lipton shows³⁸, in countries where the richer power groups remain entrenched it is extremely difficult for a government to implement a policy directed at benefitting the poor. The rich have various ways of ensuring that they secure any resources made available.

6.2.2.2 Communalism as a Cover

I have discussed for the dairies and communal gardens how N.M. was able to obtain resources on the basis that they would benefit the community, and how these then benefitted her mainly.

One should see her role as similar to that of "patron" figures in other underdeveloped regions³⁹. Brett writes for Tanzania: "Individuals who have been in the field

particular government. Whenever area, be these the Prime Minister, President, or high-up departmental officials, a tremendous show is put on for them. Almost all the people in the upper class are involved in the organisation of, and contribute to the entertainment of the visitors. (The magistrate's office could not possibly come up to scratch alone because of its limited resources). After all important events (e.g. the Independence Celebrations) there are reports that the visitors said they had never been so well received in any other area.

A lot of the top level focus on Umhlaba is because of the exceptional number of co-operatives in the area. The senior extension officer attributes this to the fact that whereas in other districts the extension officers "push" the projects, in Umhlaba "members of the community" approach the extension officers to help them start a project.

Home plan for blacks published

Political Staff

Regulations clearing the way for implementing the 99-year leasehold scheme for urban blacks were published in the Government Gazette today.

Building societies are poised to make R100-million available in loans after April next year to blacks wanting to take advantage of the new scheme.

This follows protracted negotiations over more than a year between the Government and the private sector in which the Urban Foundation played a leading role.

Mr David Alston, chairman of the Association of Building Societies, said today all major problems with the scheme appeared to have been ironed out.

The 37-page document rules that applications for leasehold rights must be submitted with a R6 administration fee and a deposit for the cost of surveying the site concerned.

It says this deposit, fixed by the relevant administration board, will be refunded to the applicant if the board "is unable" to grant leasehold rights.

An administration board may grant the right for a surveyed site if it is available for allocation to the applicant, and the applicant is a "qualified" person.

The regulations stipulate that the right of leasehold will not be granted to more than one qualified person.

If the administration and an applicant reach agreement on the granting of a leasehold right, the board will issue a "provisional grant of a right of leasehold."

This will expire in 150 days of issue or in a further period endorsed by the board if the holder has not submitted prescribed papers for the registration of the right.

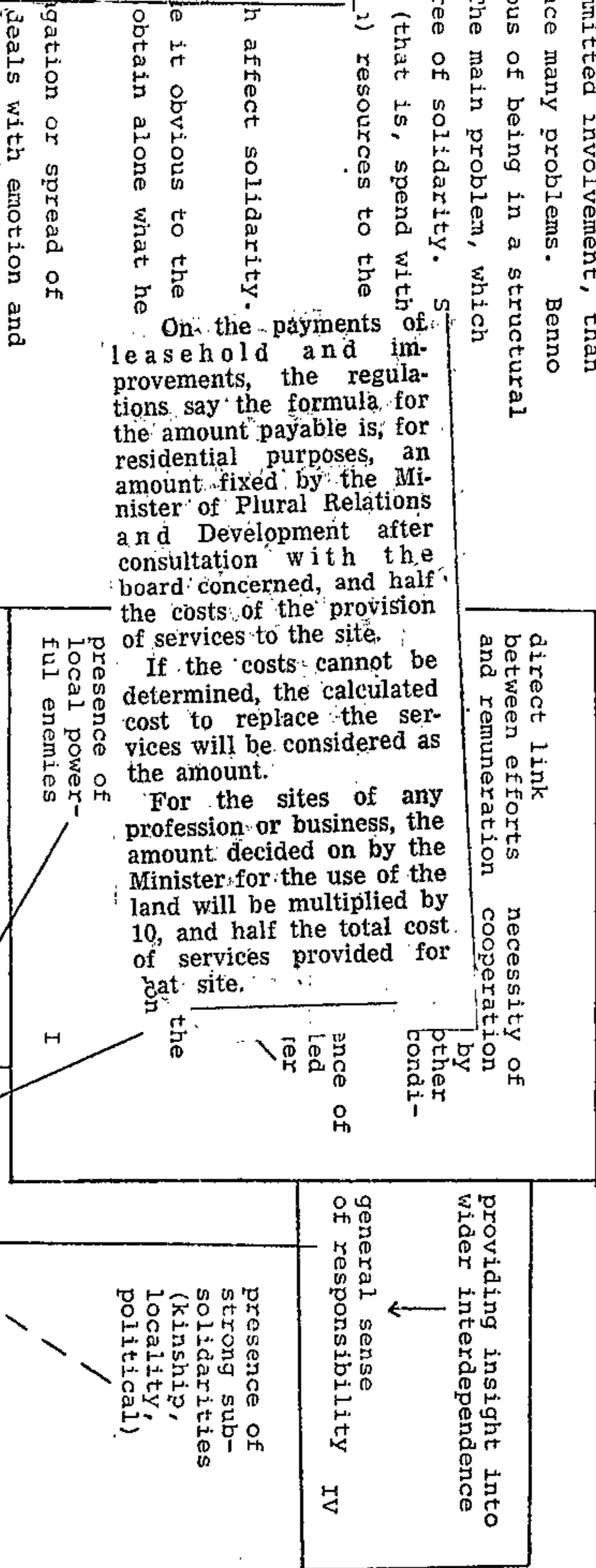
13. FACTORS INFLUENCING MEMBERS' COMMITMENT TO PROJECTS.

While small scale production groups seem by their nature, more likely to inspire participation and committed involvement, than bigger community projects, they too, face many problems. Benno Galgarr writes "people who are conscious of being in a structural bind are likely to act collectively. The main problem, which their association meets is that of degree of solidarity. Solidarity is the willingness to sacrifice (that is, spend with resources to the detriment of one's own interests) for the benefit of the group. It affects solidarity. It is obvious to the extent that one can obtain alone what he can obtain only through cooperation or spread of resources with emotion and zeal." (1)

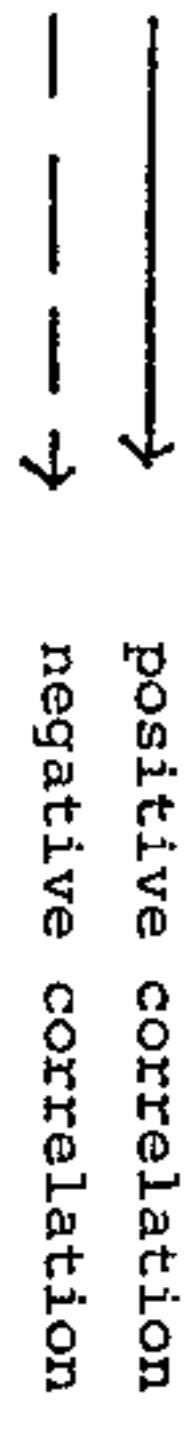
On the payments of leasehold and improvements, the regulations say the formula for the amount payable is, for residential purposes, an amount fixed by the Minister of Plural Relations and Development after consultation with the board concerned, and half the costs of the provision of services to the site.

If the costs cannot be determined, the calculated cost to replace the services will be considered as the amount.

For the sites of any profession or business, the amount decided on by the Minister for the use of the land will be multiplied by 10, and half the total cost of services provided for that site.



I. As regards No. I, it is obviously very important that projects run efficiently if they are to benefit members, if they don't, members will leave. Mr Gidimi, the extension officer who set up the 6 very successful communal gardens at Keiskammahoek (successful in terms of drawing membership, being a focus for group activity and inspiring others to start gardens) (59), outlined a pattern of project development.



Making a house a home

Star 15/12/78 (123)

CLASSICAL ASSOCIATI

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AGENDA f

1. Personalia
2. Minutes of the AGM held on 7th September 1977/Notule van die Jaarvergadering van 7 September.
3. Chairman's report/Verslag van die Voorsitter.
4. Matters arising from the Minutes and Chairman's Report/
Sake wat van die Notule en Voorsitter se Verslag voortspruit.
5. Financial statement for the year ended 10th September 1978/
Finansiële verslag vir die jaar geëindig 10 September.
6. Motion: The Western Cape Branch requests the chairman of the Classical Association to transmit to the biennial conference of the Association the proposal that the portion of the subscription remitted to the local branches for each registered member should be increased from 50 cents to R1.
Proposed: J.E. Atkinson; Seconded: Mr. J. Sang.
7. Election of office bearers and committee members for 1978-9/
Verkiesing van ampsdraers en komiteede vir 1978-9.

Huidige lede: Voorsitter/Chairman: John E. Atkinson
Sekretaris/Tesourier//Secretary/Treasurer: Mr. J. Sang
(Vice: Miss P. le Roux)

Sekretarisse vir die Skole/ Schools' Secretary: Miss B. Keeson
(not available for reelection)

Committee members: Dr. S. Bruwer, Mrs. M. Mezzabotta, Mr. Thom,
Mr. P. Collins, Miss S. Armstrong, Dr. R. van Stekelenberg.

Coopted members: Mej. D.J. Blokbergen, and student represen-
tatives from U.S., U.W.C. and U.C.T., namely Messrs. M. Sahd
and C. Yon and Miss J. Frater.

8. Any other business/Algemeen.

J. Sang.
Department of Classics, U.C.T.
Phone: 698531 Extn. 213.

REGULATIONS gazetted today clear the legal path for urban blacks to take out 99-year leases on township homes — a formula approximating (with some reservations) to full ownership. It marks an important milestone on the path towards more realistic policies for South Africa's 7-million or more black city-dwellers.

For ideological reasons the Government, even in its more verlig phases, has a mental block about conferring straight freehold rights. Hence the tortuous negotiations which have taken place with the building societies and the legal profession to devise a formula which the former Minister of Plural Relations described as "permanence in inverted commas." This has led to needless, damaging delays. But now at last the building societies are satisfied and ready

to make R100-million available for loans to urban blacks.

The effect is to satisfy a major black aspiration and to inject a new element of security into the uncertainties of township life. It is a recognition that urban blacks are a permanent part of the population, not "temporary sojourners" subject to the white man's whim. As such it is a move directly in the interests of all South Africans.

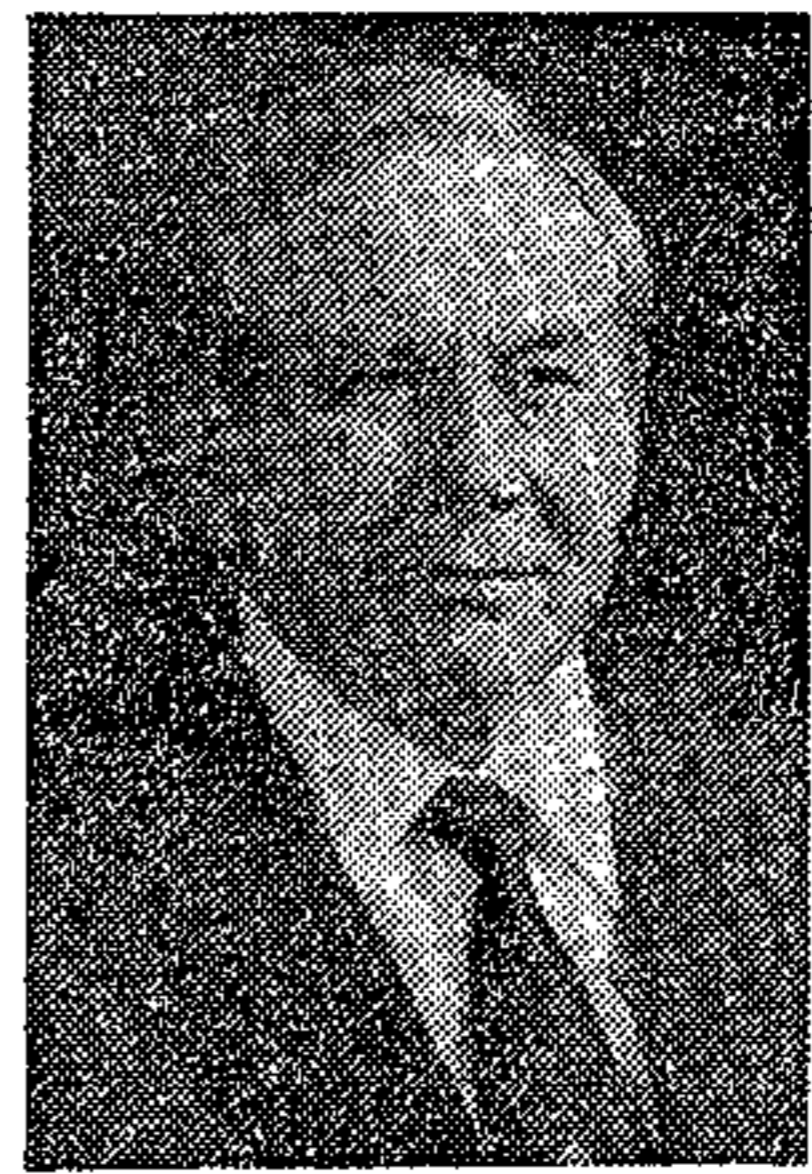
It goes without saying that the black homeowner is going to be a better and more contented citizen. He will be able to improve his home without fear of dispossession; to buy or sell and bequeath the property to his children. The system is still discriminatory in that it applies only to "qualified persons" under Section 10 of the Urban Areas Act. Nonetheless it represents a welcome step forward.

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- (c) Muurmateri
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BUSINESS

Black housing: private sector must help plea

CAPE TOWN — Welcoming the 99-year lease plan for black housing in urban areas, the chairman of the Old Mutual, Mr J. G. van der Horst, said at the annual meeting yesterday that the vital area of providing adequate housing for black, Coloured and Indian people "can no longer be left to the Government alone."



VAN DER HORST . . . chairman of the Old Mutual.

However good the housing provided by the Government and local authorities was, it could never be as acceptable to people as houses provided by themselves, in which they could have pride of ownership.

The 99-year lease plan, he said, would enable black people to build their own houses and would enable the private sector to assist in this by providing loan finance.

"In this regard, all savings institutions, but primarily building societies, have a vital role to play."

He added: "There should be no restrictions on lending by such institutions other than those dictated by normal commercial prudence."

Mr Van der Horst said

savings institutions, like building societies and life offices, were drawing large and increasing amounts of savings from black people.

"It is thus only fair that they be allowed to channel money into developments for the benefit of the communities from where the money emanates, subject only to normal sound investment criteria."

The provision of privately-owned housing and an increasing flow of private capital for other developments for blacks,

Coloureds and Indians would be a major step forward in the encouragement and enlargement of the middle class.

"A healthy and growing middle class is not only essential for the stability of the community, but is also a prerequisite for further economic development."

Turning to pensions, Mr Van der Horst said the provision of pensions had importance as an economic force.

This was because pension funds and the pension fund portion of life offices had become major properties of industry in countries like the United States and elsewhere and would also become so in South Africa.

They were already the major private sector holders of public sector securities in this country.

"Governments would do well to take note of this fundamental change in ownership when formulating economic, including taxation, policy," he said and added: "And so should organised labour."

Mr Van der Horst said entitlement to a pension was clearly a form of wealth and added: "Employers and pension fund advisers will have to accept that pension funds must provide fair and reasonable preservation rights when employees change employment."

Reviewing the last year, he said Old Mutual had increased its investment income by R35,6 million to R181,1 million during 1977/78.

Old Mutual had paid its policyholders and their dependents R153,6 million — nearly R3 million a week — over the year.

— SAPA.

Live and let live

FM 22/12/78

123

Leasehold or no leasehold for city Africans, a housing crisis is looming on South Africa's horizon. Overcoming it will necessitate killing a great many sacred cows, ideological and otherwise.

In the first place, there is already a huge backlog — according to one estimate, 547 000 in 1975. (By race: 349 000 Africans on the waiting lists, 158 000 coloured people, 40 000 Asians, and no whites.) Secondly, future demand has also to be met.

Putting backlog, necessary replacement, and future needs together, Roberts Construction's Charles Skeen has calculated that SA will need more than 5,5m new houses by the end of the century — 24 000 a year for the rich, 200 000 a year for the poor. For the public sector to meet the housing needs of the poor between now and 2000 AD will cost it R40 000m, according to Skeen.

Although the Department of Community Development — which finances housing for lower income groups — claims to be confident that it can cope with the demand, others are sceptical. Stellenbosch's Professor S P Cilliers, for example, told a recent housing symposium organised by the CSIR's National Building Research Institute that it was "absolutely unrealistic" to expect the public sector to meet the demand.

At odds

The Department of Plural Relations also seems to be at odds with Community Development. One of its officials, S J P Ellis, told the symposium that the "situation is rapidly approaching where there will be no more funds for development."

The State in any event seems eager to divest itself of financial responsibility for African housing — which, of course, is where the bulk of both present shortage and future demand lies. Thus M G

Lötter, deputy secretary (housing) at Plural Relations, told an NDMF conference in Pretoria last month that the "ideal position" would be for Bantu Affairs Administration Boards to be responsible only for township infra-

World today. South Africa, he added, needs a housing policy it can afford. Self-help would emerge as an important aspect, that should be developed to the limits of its potential.

Cilliers argued that instead of clearing



Cilliers, Smit, Vosloo . . . towards viable communities

structure and services, with blacks providing their houses themselves.

The reintroduction of a leasehold system in certain urban townships (*Current Affairs*) is no doubt at least partly a reflection of government's desire to pass the African housing buck to the private sector. But the building societies have made it clear that they see their market mainly among the wealthier township-dwellers, not the great homeless masses. The 99-year lease system thus does not provide an answer to the problem of housing for the poor.

What then is to be done? The NBRI symposium was not at a loss for constructive and imaginative ideas. Most involved "self-help" in one form or another, including "squatter upgrading" and "site-and-service" schemes.

Indeed, Cape Town's Revel Fox told the conference, self-help accounts for most of the dwellings built in the Third

away "uncontrolled" urban settlements (like "squatter" camps), the authorities should provide a framework to ensure orderly settlements that could gradually be incorporated into modern cities.

Among the essential ingredients of self-help schemes that several speakers highlighted were:

- Secure land tenure must be granted;
- Essential infrastructure and transport services must be laid on;
- Basic health and educational facilities must be provided;
- Technical services and advice must be available; and
- Cheap, simple, and effective credit must be available.

People should then be allowed to erect "sub-standard" shelter for themselves on a temporary basis, provision being made for "upgrading" at a later stage.

Of course, to many people the very idea of "sub-standard" housing is close

1030

Financial Mail December 22, 1978

Alfred Dunhill Ltd., Duke Street

Grand Total 618,7 744,9 +20,3 87,1 94,7 + 8,7

(Inclusive of Municipal Subsidies)

Source : Department of Health, Pretoria.

W = white
 B = black (including coloured and Asian)

to heresy. Thus Community Development's W J Marais told the symposium that he was opposed even to "controlled squatting" schemes and that he did not believe the "slum-dweller" would build his own permanent houses or "improve his own slum."

But, said Pretoria University's Professor P Smit, dweller satisfaction is not necessarily related to the imposition of standards. Third World people had shown that they were able to "build so much with so little."

Added Port Elizabeth's director of housing, D J Cleary: the old adage "don't build down to a price, build up to a standard" is laudable idealism, but SA must take a more pragmatic view and tailor available money and material resources to reach as many families as possible. Referring to squatters, Cleary said that in some instances "it is best to leave them where they are and help them improve their conditions."

The self-help approach has been catching on more and more in the poorer countries. Said Fox: "In response to the need to face up to the realities of housing low income families, all international institutions concerned with the provision of shelter have in recent years shifted their support from the traditional housing scheme approach to site-and-service and minimum-shelter programmes."

SA, he added, was dragging behind the rest of Africa. "We like to think we are leading the continent, but we are in fact way behind."

Indeed, a feature of the NBRI symposium was the number of speakers who were able to describe successful self-help housing schemes in which they had been involved in Africa and South America. J van Nostrand, for instance, was able to describe one such scheme on SA's very

doorstep — the Naledi squatter upgrading project outside Gaborone, Botswana.

The Naledi camp was at first due to be bulldozed. But the government realised not only that this was impracticable, but that the 8 000 to 10 000 people in the settlement had on their own initiative created a substantial and more or less permanent settlement for themselves without any assistance. Naledi was thus officially recognised in 1975 as a *bona fide* residential area, and the government set about upgrading it.

Low-interest loans

The authorities are thus stepping in with roads, streetlighting, schools, health clinics, and so on, with lavatories on each plot to be laid on in due course. The Naledi people pay levies to defray the costs of services and infrastructure. Technical assistance and advice is provided, and low-interest 15-year loans are available to buy building materials.

"The primary object," says Van Nostrand, "is to provide plot-holders with improved access to the 'tools' and money they may need to continue what is essentially their own upgrading." He adds that the Botswana government "has recognised the potential for existing squatter settlements to serve as viable communities. Naledi, by its very existence, demonstrates the inherent capabilities of individuals and groups to come to grips with problems which have frustrated entire governments."

People in Crossroads and other "squatter" settlements in and around Cape Town have given ample proof that they possess similar capabilities. But the tragedy of housing in South Africa is that it is not only a financial problem, but first and foremost an ideological issue.

Places like District Six are thus lying empty and falling into a state of disrepair while the coloured families evicted from their homes there have simply lengthened already long waiting-lists for houses. How long the executioner's hand which is hanging over Crossroads will be stayed is anybody's guess.

Deputy Plural Relations Minister Willie Vosloo told the NBRI symposium that government's broad policy was that "as far as practicable" Africans must live and work in the Bantustans, or at least live there and commute daily or weekly to work in the "white" areas.

At the same time, however, he did not rule out self-help and site-and-service schemes as a means of providing family housing in the Bantustans and "in white areas where it is necessary." Instead, Plural Relations has agreed to allow the black township adjoining Graaff-Reinet to be upgraded rather than "re-located." Even tiny concessions like this appear to be very much the exception rather than the rule, however.

"Towards viable communities" was the name of the NBRI symposium. A unique feature was the extent to which it succeeded in bringing together (at least geographically) not only some of South Africa's top names in town planning and urban development, but also many senior municipal and government officials.

Certainly, there was no shortage of bold ideas. Moreover, as Revel Fox pointed out: "There is no alternative to self-help schemes. We cannot cope with the backlog via contractor-built schemes. But if people are given the self-help framework, they will build homes very rapidly."

Or, as Stellenbosch's Professor J L Sadie put it: "We cannot give them homes, so please let them squat."

LEASEHOLD How it's done

FM 22/12/78
123

At last regulations have appeared setting in motion the 99-year leasehold scheme for urban Africans in certain townships. Last week's *Government Gazette* details a cheap and easy process of registration of leases for suitably qualified people. Leases were available to city Africans until government stopped them in 1968; registration is entirely new, however.

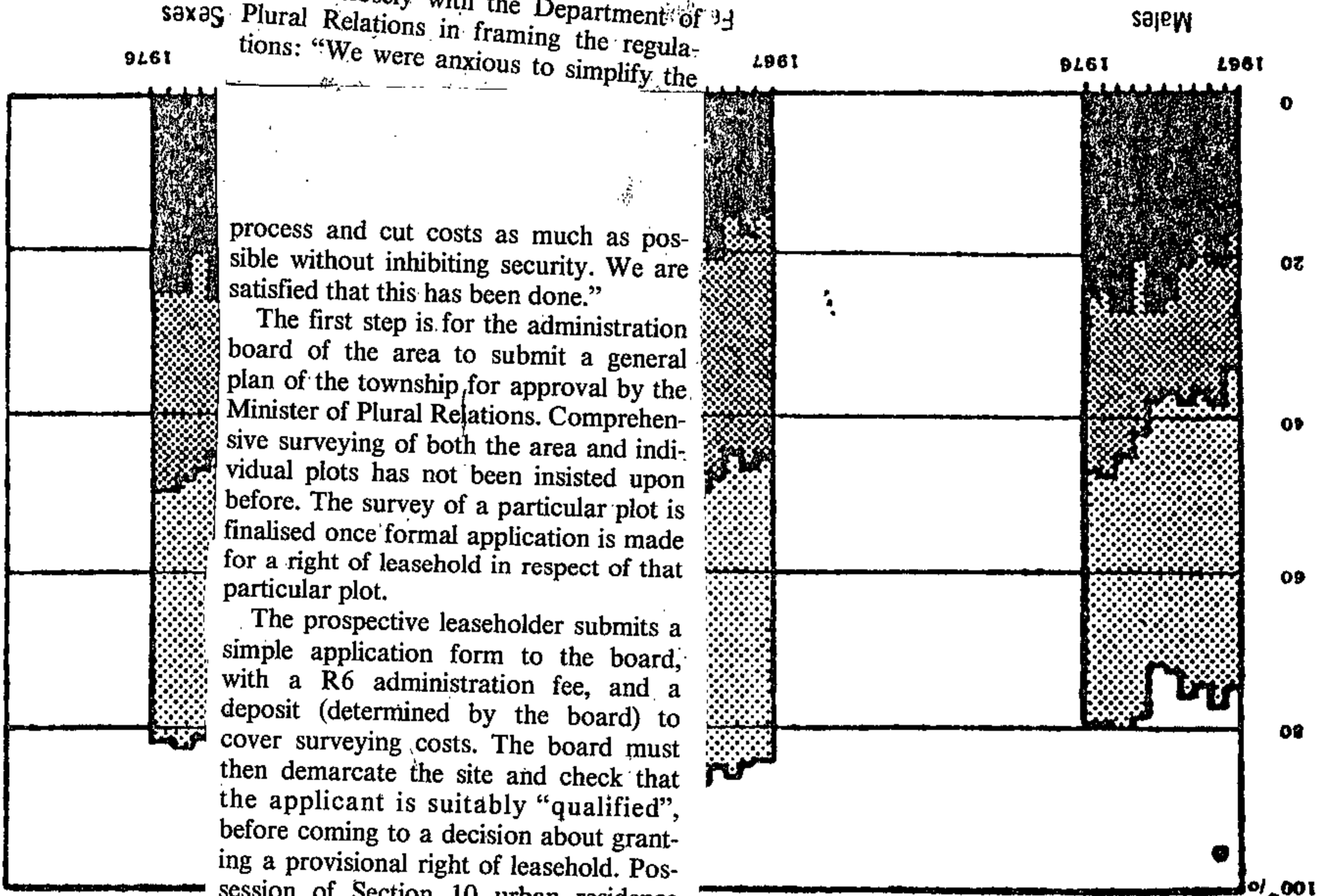
Says David Alston, director of the Association of Building Societies, which worked closely with the Department of Plural Relations in framing the regulations: "We were anxious to simplify the

process and cut costs as much as possible without inhibiting security. We are satisfied that this has been done."

The first step is for the administration board of the area to submit a general plan of the township for approval by the Minister of Plural Relations. Comprehensive surveying of both the area and individual plots has not been insisted upon before. The survey of a particular plot is finalised once formal application is made for a right of leasehold in respect of that particular plot.

The prospective leaseholder submits a simple application form to the board, with a R6 administration fee, and a deposit (determined by the board) to cover surveying costs. The board must then demarcate the site and check that the applicant is suitably "qualified", before coming to a decision about granting a provisional right of leasehold. Possession of Section 10 urban residence rights is one of the qualifications.

Registration itself, which can either be conducted personally or through a conveyancer, is also quick and easy. The applicant submits the relevant documents, including proof that payment has been arranged, to the registrar at the chief commissioner's office. If satisfied



PERCENTAGE OF ALL DEATHS OCCURRING IN PERSONS AGED 55 YEARS OR MORE 1967 to 1976

BLACK
COLOURED
WHITE

R58 m in loans made available for SA black home owners

Cape Times 23/12/78

By Brian Grobber

123

AN AMOUNT OF R58 million to be used as loans for black home ownership has been made available by three American banks. The loans will be available from local building societies in the second quarter of 1979.

Mr Justice J H "Jan" Steyn, executive director of the Urban Foundation, made this announcement at a press conference in Cape Town yesterday. He said that an expected 50 000 urban blacks would negotiate loans of R5 000 each in the new year as 73 000 black housing units were urgently needed in the country.

The American banks, Chase Manhattan, Bank of America and Morgan Guaranty Trust Company, agreed on loans totalling R29 million and this will be matched on a rand-for-rand basis by local building societies. The money will be held in trust by South African banks, Barclays National, Standard Bank of SA and Nedbank Ltd.

Blacks living in the Western Cape are excluded from the scheme and most of the money is expected to be used in the Pretoria, Rand, Vaal and Port Elizabeth, East London, Grahamstown areas.

Visited US

He said that a Urban Foundation team of himself, Mrs Deborah Mabiletsa, of Soweto, Mr Franklin Sonn, both of whom are regional directors of the foundation, and Dr R Lee, visited the United States in October at the expense of South African building societies, and successfully initiated loans with the American banks.

"The Urban Foundation was able to secure these funds at a lower rate of interest than the current market rate for mortgage bonds and will pass on the savings to black home buyers."



Mr Justice J H Steyn

impetus to home ownership and the construction of new homes to decrease the backlog in housing in all urban areas where leasehold applies.

"It is hoped that, dependent on the demand for housing loans, to obtain further foreign loans in subsequent years with a target — from local and foreign sources — of R200 million over five years. This sum will accommodate a significant number of all black households able to afford a loan of R5 000 or more (there is no limit to a loan) and represents a major contribution by the private sector to reducing the urban housing backlog."

Proud owners

He said it was hoped to get 50 000 black home owners "on stream" with the loans already obtained and that eventually between 150 000 and 200 000 blacks would make use of the loans available.

introduce an education system for both black workers and their white employers.

"The distribution of the loans will be related to demand which should be greatest in the Transvaal urban areas."

Lower rate

Giving further details of the loans scheme, Mr Steyn said the initial loans would be made available by the American banks to the three South African commercial banks. The local banks would hold the funds in trust on behalf of the foundation till the leasehold scheme was introduced next year — any interest accruing during their interim would be applied exclusively to the loan financing.

Loans would be granted at a lower rate of interest for the period during which the building societies would have access to foreign funds. The lower rate would be passed on to bondholders by reducing monthly repayments or with interest debited at a lower rate, resulting in accelerated capital redemption.

The foundation and the SA banks involved would not charge any costs incurred in the financing of the loans. The foundation initiated the proposed financing and conducted negotiations with the SA banks and a representative of the Association of Building Societies. The negotiations had, at all times, the support of prominent black leaders both within and outside the foundation.

Real boost

In answer to a question on this point, Mr Steyn said the loans had been obtained at five percent interest fixed for five years. To this had to be added forward exchange and withholding tax which meant an effective 6,85 percent and that black home owners would obtain bonds at 1 to 1,5 percent less than white bondholders.

"The loans will be used exclusively for urban black housing and will provide an invaluable

"In addition to this, South Africa still needs a great deal of sub-economic housing which must be supplied by the State.

"As far as the Urban Foundation loans are concerned, we must get away from any form of subsidization as soon as possible and to create proud black home owners. One of the major problems will be demand for the loans; and we have got to

Mr Steyn said: "The loans will be available in good time for the introduction of home ownership under the new leasehold scheme early in 1979. The initial sum of R58 million will provide a real boost to housing and home ownership while the innovative nature of the scheme emphasises the really practical and beneficial role that can be played by the private sector. The Urban Foundation first proposed to the government and still favours freehold title for urban blacks but regards the present system as a real opportunity for advancement.

"We are pleased that major foreign institutions have agreed with our view and committed themselves in such a significant way through the Urban Foundation toward black advancement in South Africa. All the institutions involved have co-operated with great willingness and we hope that the proposed scheme will obtain favourable response from all concerned.

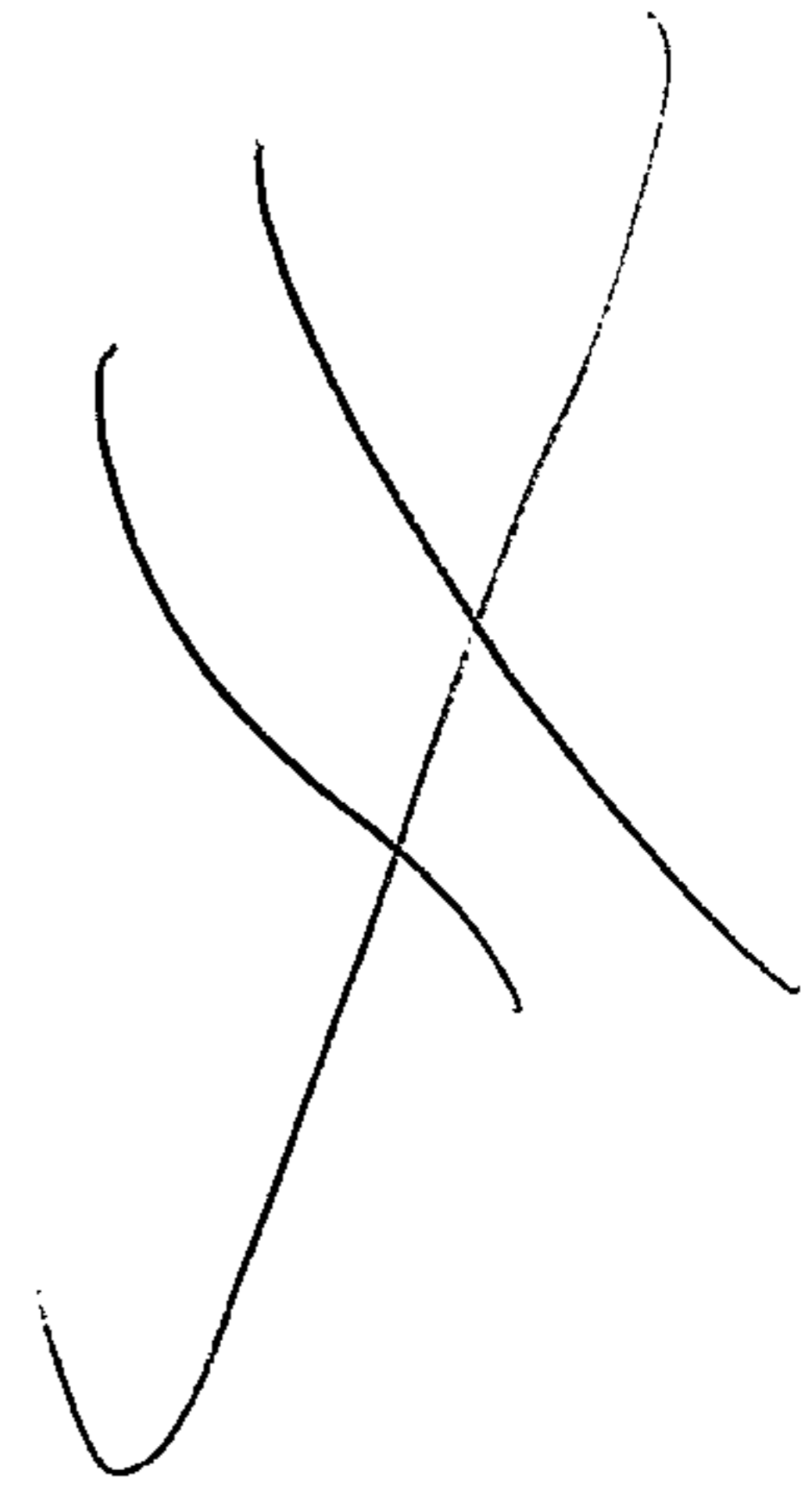
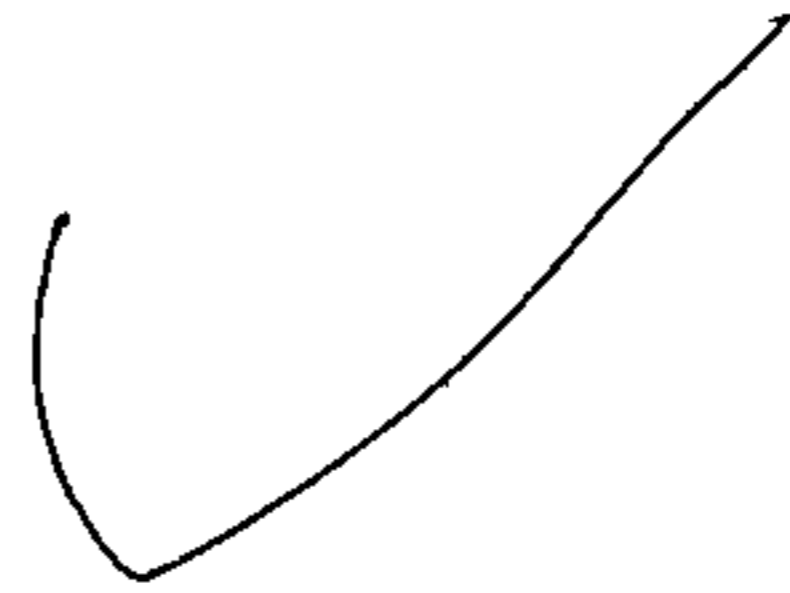
"We now look to employers as part of their commitment to improve the quality of life to include financial assistance with housing in the remuneration of all their employees and thus also to play a part in the promotion of black home ownership."

Mr Steyn said he hoped the wage gap between white and black workers would be closed during the next five years.

HOUSING * HOSTELS -
General

123

27-12-78 - 16-12-79



SA blacks will follow US trends

RAM
29/12/78

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By VITA PALESTRANT

SOUTH Africa's urban blacks will become increasingly price sensitive and hostile towards stores which do not treat them fairly.

They will follow a lead set by their counterparts in the United States, anticipates a study of black consumer behaviour by the Centre for Management Studies of the University of South Africa.

The study, undertaken by Mr A van der Reis, concludes that there are striking similarities between the behaviour of the South African and US black populations.

And experience in the US has shown that disgruntled black customers settle their grievances against stores by organising pickets and boycotts.

Mr Van der Reis says that there is already evidence in South Africa of hostility by blacks towards stores that discriminate against them.

And in some cases, the hostility has been translated into action: the boycotts of some bus services when fares were increased is but one example, the study claims.

Another, more recent, example cited is the picketing by black workers of a cafe that had allegedly increased its prices by more than 4% after the introduction of General Sales Tax.

From the comparison between the behaviour of South African and US blacks, the study draws some interesting conclusions vis-a-vis price and quality as seen by the black consumer.

Until now well known, expensive, branded items have been popular among South Africa's urban blacks because of their value and status symbols.

But, the black consumer will soon be less likely to associate quality with price and will instead seek good quality at reasonable prices.

He will rely on his own judgment of quality and take advantage of private brands.

Another prediction is that the urban black will soon want his own shopping centres and black women will play a greater role in spending the family wage.

One section of the study is devoted entirely to advertising. It maintains that younger, educated blacks are more favourably disposed to advertising than their older, less educated counterparts.

The less educated blacks tend to interpret advertisements literally: a model lying down is considered lazy, while a woman in a kitchen is considered a good housewife.

People standing next to cars were labelled drivers and those in leather jackets thugs.

On average only 37% of urban blacks interpreted the message of an advertisement in the way the advertiser intended it.

The study showed the South African urban black as rating education which he sees as leading to better employment, and the improvement of his home the most highly.

He has a desire to extend and alter his home, make the interior more attractive and renovate or acquire new furnishings.

Although in many respects his behaviour is becoming closer to that of the white man, there are still many differences stemming from those main issues of the day for urban blacks: education, housing and employment opportunities.

R60-m lined up for black home ownership

27 MEI 1978

BY BOB HITCHCOCK

THE R7 500 000 loan raised in the United States recently by the Urban Foundation will make more than R60-million available for individual loans to township residents when the black home ownership programme comes into operation.

The introduction of leasehold rights for blacks is expected to take effect from the second quarter of this year.

An Urban Foundation statement said these funds would ensure that the initial demand for black housing loans is met.

The Urban Foundation has raised two loans totalling R38 500 000 million from three American banks.

They will be used exclusively for black housing wherever leasehold rights exist.

"They will provide an invaluable impetus to home ownership and the construction of new homes, and will decrease the backlog in housing in all urban areas in which the leasehold applies," an Urban Foundation spokesman said.

The initial loans were made by the Chase Manhattan Bank, Bank of America and Morgan Guaranty Trust Company to three major South African banks — Barclays, Nedbank and Standard.

They will hold the funds in trust on behalf of the Urban Foundation until the leasehold scheme is introduced. All interest accruing during this period will be

used exclusively for the loan financing scheme.

Local building societies will draw on the trust fund as demand for loans by black home buyers changes.

They will match all foreign funds on a rand-for-rand basis from their own funds.

The loans will be granted at a lower rate of interest for the period in which the building societies have access to the foreign funds.

The lower rate will be passed on to the borrower by way of a reduced monthly payment, or a normal monthly payment but with interest debited at a lower rate.

The Urban Foundation and the three South African banks involved will not charge for servicing the loans.

3.4 Doop: Eerste Sondag in die maand 10.30 vm;

3.5 Doop- en Tugkommissie vierde Woensdag in die maand. Voornemende doopouers stel hul wyksouderling in kennis en ontmoet die kommissie saam met die ouderling onmiddellik na biduur;

3.6 Spreekuur met leraar in kerkkantoor: Elke Woensdag van 6.00 - 7.30 nm (voor biduur);

3.7 Dankoffers:

3.7.1 Elke Sondag in die maand;

3.7.2 By besondere geleentheid soos Nagmaal, Kersfees, Lentefees;

3.7.3 Elke diaken (en waar geen diaken in die wyk is nie: ouderling) hou 'n boekie met volledige naam en adreslys van lidmate wat 'n verdienste het;

3.7.4 Elke diaken sal verkieslik die laaste week in die maand die dankofferkovertjies vir die volgende maand aan sy wykslede besorg, waarop die wyk, datum and die naam van die Lid ingevul is;

3.7.5 Wanneer die kovertjie ingelewer is, sal die diaken sy wykslede se dankofferbedrag invul in sy boekie en die Lid se "bydragskaart" tuis ook invul wanneer die nuwe kovert afgegee word;

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Department of Classics, U.C.T. : 698531 Extn. 213.

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(Vice: Miss P. le Roux) ary/Treasurer: Mr. J. Sang

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Members for 1978-9/

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C. Times 23 19/1/79

The urban wellbeing

NM 22/1/79

123

HOUSING comprises only a small segment of South Africa's growing urban Black problem, yet it is of such major importance that failure to solve it will exacerbate existing racial tensions.

The success of the Urban Foundation in raising two United States loans totalling R36,5 million for Black home ownership schemes should therefore help the private sector to play a significant role in preventing a worsening of the situation — a role, incidentally, which the Government itself, as the architect of an ideology that is daily proving more unworkable, should long ago have adopted.

We assume that the Foundation's effort was spurred by the mid-December promulgation of the 99-year leasehold system for urban Blacks — which would mean that it was able to raise this substantial sum within a month, an achievement which would have been impossible without the understanding and co-operation of the Americans, whose subsidiary companies in South Africa are so effectively pointing the way to economic upliftment by implementing

the Sullivan principles.

About one-fifth of the amount borrowed is earmarked for home ownership loans to the residents of three Black townships in the Cape, and the balance will presumably be used where the need is greatest.

South Africa's unemployment position and its incipient labour problems should inspire the Government to consider timely palliatives, one of which is the creation of a contented middle class. To that end Blacks should be encouraged to become proud home owners who will defend what they have acquired by personal endeavour.

Although the private sector is ready to make its contribution, the Government itself should allocate generous funds to such a worthwhile project as part of the "new deal" recently announced by Dr. Piet Koornhof.

The promised dispensation should also include the creation of autonomous local authorities throughout the country and the overhaul of the Bantu (Urban Areas) Consolidation Act to bring about a new order for the voteless, with the emphasis on positive development.

A copy of the
by David Philis
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Getting the picture

Salary surveys have become big business for management consultants in recent years. But now a Johannesburg firm, Fine Spamer Associates, has come up with a more daunting type of survey — this time on black advancement.

The idea is to apply the technique of salary surveys to the area of black advancement. Fine Spamer hopes to make it an annual feature. If successful, it could provide the most accurate record of black advancement in SA industry yet.

An exciting prospect, but fraught with difficulties. After all, job advancement is a sensitive area, and firms who might be quite prepared to commit their salary scales to paper are unlikely to feel the same about an area in which government and registered union opposition has persuaded most to remain silent.

Fine Spamer is confident it can overcome the problem. It aims to preserve full

confidentiality for individual participants, and so has arranged for all replies to be held in trust by Finansbank.

"We ourselves won't know the names of the individual firms whose answers we process. So there's no danger that a firm would have its job advancement programme revealed by participating," says MD Coen Spamer.

A further problem may be that a black advancement survey could be more difficult to process than a wage survey. Figures are, after all, a lot easier to feed through a computer than opinions. But here again the surveyors are confident they have the answer.

"We'll be using content analysis techniques to evaluate the answers to our open-ended questions. Our questionnaire also has built-in checks to evaluate the accuracy of answers," says Bernard Chalmers, who is responsible for the design of the programme.

Certainly the questionnaire itself, now in draft form, should unearth a mine of information. Questions will cover the whole gamut of current management policies and practices regarding black workers, future management plans, and problems firms have experienced in implementing job advancement programmes.

Among the issues to be canvassed are training, the usefulness of work committees, liaison committees and trade unions, fringe benefits, legal and other restrictions, management attitudes, and the effect of outside pressure on firms' policies.

The survey will also contain comparisons between various industries, as well as one between SA and overseas firms. It also aims to focus on the difference between problems which firms themselves perceive and those they have actually

experienced.

"For example, some firms might fear they can't promote black workers because of customer reaction. But many might never have tried to sound out that reaction," says Chalmers.

Firms participating will receive a copy of the report, and can also receive a company position report if they want it. Another advantage, claims Chalmers, is that: "Many firms have been wanting to carry out a detailed 'social audit' for some time but don't have the resources. We're now offering them those resources."

The survey requires a minimum of 200 companies participating to be viable. Spamer is confident that figure will be exceeded: "We already have 40 inquiries from people who've not yet received our brochure. I feel we can get as many as 500 firms."

Questionnaires will be posted to participants from the middle of March to be returned by end-April. Publication date is June 15.

Hansard 4(240) 28/2/79

Shortage of houses

123

93. Mr. N. B. WOOD asked the Minister of Community Development:

- (1) What was the estimated shortage of houses for White, Coloured and Asian persons, respectively, in each province as at 31 December 1978;
- (2) how many houses were made available for occupation by persons of each race group in each province during 1978 by (a) his Department and (b) local authorities.

The MINISTER OF COMMUNITY DEVELOPMENT:

	Cape Province	Natal	Transvaal	Orange Free State
(1) Whites	—	—	—	—
Coloureds	34 500	3 000	6 400	1 600
Asians	1 100	16 000	2 200	—

241

WEDNESDAY, 28 FEBRUARY 1979

242

(2) Whites				
(a)	359	123	739	34
(b)	789	67	454	81
Coloureds				
(a)	423	369	127	11
(b)	19 347	1 801	1 240	88
Asians				
(a)	79	2	265	—
(b)	57	3 089	145	—

For the hon. member's information it may be mentioned that the mere fact that there is an overall surplus of residential accommodation does not mean that anyone can obtain adequate housing anywhere upon application. The provision of housing for Whites is therefore being proceeded with on a selective basis in order to meet the demand arising out of the natural increase in population and to remove proven bottlenecks.

BLACK HOUSING Constructive move

123
10/2/74

For the first time in over a decade, Africans in "white" areas will be eligible for government housing loans at sub-economic interest rates. This development was announced last week and is due to begin on April 1.

Sub-economic housing loans have long been available to non-Africans through the Department of Community Development's National Housing Fund, whose coffers are filled by appropriations by Parliament and returns on invested capital. Loans at 1% are granted to people with incomes of less than R150 a month, while for people in the R151-R250 income bracket, interest rates are 3,5%. In the "economic" bracket of R251-R540, rates are 9,25%.

For African housing, on the other hand, all loans negotiated by the administration boards have had to be at economic rates.

The new development means that poorer Africans will now have access to housing subsidies on the same basis as poorer non-Africans.

Says Louis Fouche, Secretary for Community Development: "To enable Africans to pay back housing loans, artificial means, ie liquor sales, have had to be used. The government has now decided that subsidies available to whites, coloureds and Asians should be extended to Africans."

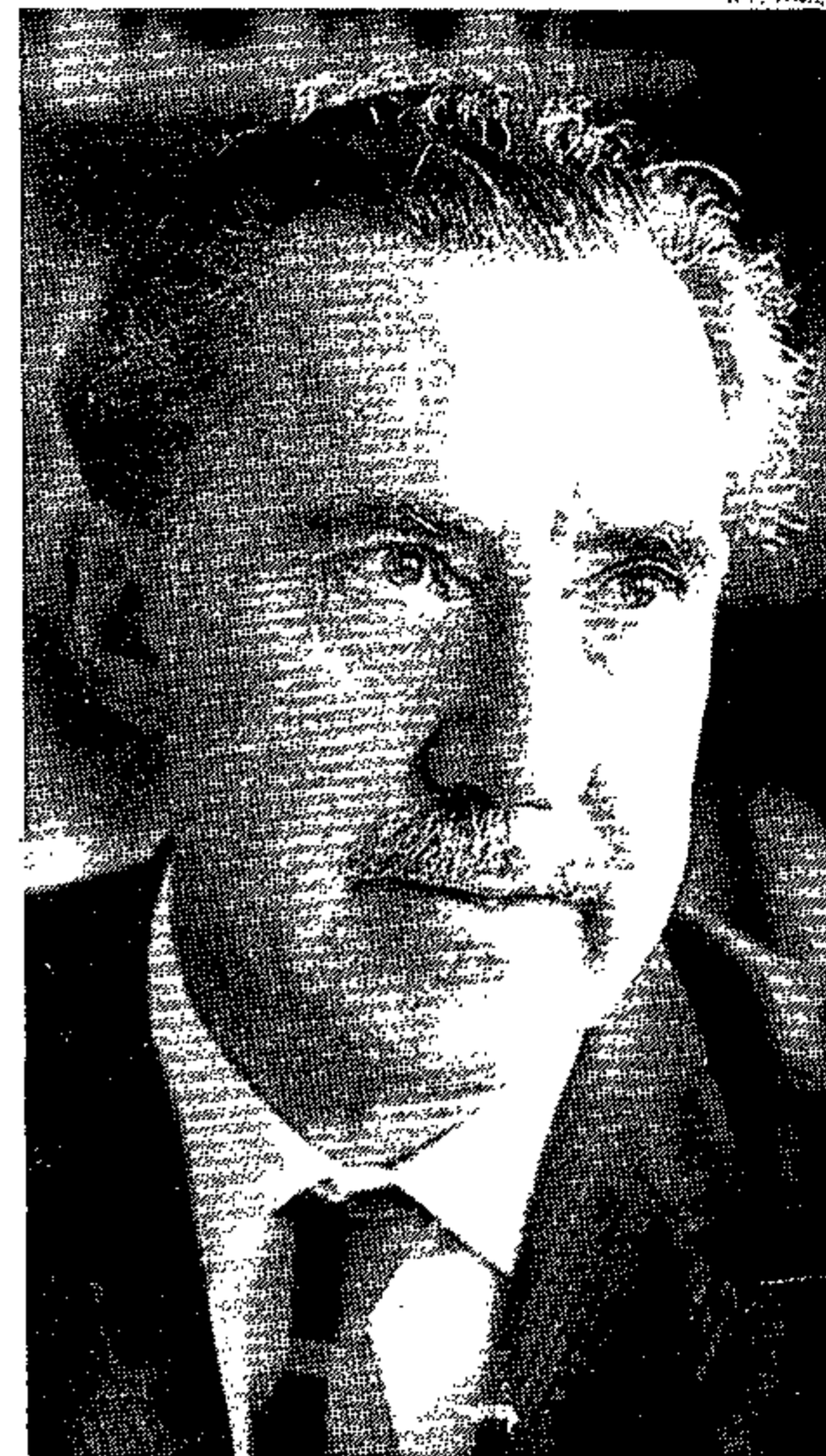
Cheaper loans will also mean a better standard of low-cost housing.

How many people will be able to benefit from the change is difficult to say, but Department of Statistics data for the end of 1977 put the average monthly earnings of Africans at only R124.

The administration boards will not comment as yet. The West Rand and the Vaal Triangle boards tell the *FM* that they have not been officially notified.

Government first began discouraging sub-economic loans for Africans in 1960. It wanted Africans in the "white" areas, no matter how poor, to pay for their own housing without assistance from the State.

The Johannesburg City Council was one of the few local authorities that continued applying for, and being granted, sub-economic loans. "In 1967, government insisted that Johannesburg should rather build in the bantustans," says Will Carr, who was director of Johannesburg's Non-European Affairs Depart-



Carr . . . refused, so no more loans

ment at the time. "We refused. That was the last time we were granted a sub-economic loan."

When Wrab took over from the council in 1972, Carr says, an estimated 12 000 out of Soweto's 68 000 houses were sub-economic.

Why the change of heart on government's part? Among the reasons listed in a joint statement by Community Development Minister Marais Steyn and Plural Relations Minister Piet Koornhof, are the increased costs of housing and the "general lower standard of African housing."

The statement also refers to "the reassessment of the position of blacks in respect of their permanent residence in white urban areas." One of the reasons for the policy of demanding self-sufficiency among urban Africans was the desire to emphasise that they were only temporary sojourners. They were expected to remain in white areas only to sell their labour, and to leave as soon as they became economically redundant.

"Government has now realised that a stable, skilled labour force is necessary," says Prof Phillip Smit, Pretoria University's expert on urbanisation. "Stability and home ownership are essential to prevent unrest. No Rhodesian townships have experienced disorders, because the people there have an interest in preventing them."

Recognition of permanence for urban Africans is, however, far from complete, as is clear from last year's legislation depriving future generations of citizens of independent bantustans of their rights to be in urban areas.

The administration boards will pre-

sumably now be able to step up their pitifully slow rate of housing construction.

A major beneficiary of the new arrangements will be the building industry. Fouche pointed out in his department's 1976 report that "an acceleration of the rate of provision of housing would help the ailing building industry to bridge a critical period."

(5) 1974.

3

Housing loans for farm workers

transvaal 5 (377) 9/3/79

366. Mr. P. A. MYBURGH asked the Minister of Agriculture:

123

(1) How many farmers in (a) the Western Province, (b) the rest of the Cape Province, (c) the Orange Free State, (d) the Transvaal and (e) Natal applied for housing loans for farm workers in 1978;

(2)(a) how many of the applications in each area were granted and (b) what was the total amount granted in each area.

The MINISTER OF AGRICULTURE:

- (1) (a) the Western Province 133
- (b) the rest of the Cape Province 60
- (c) the Orange Free State 41

- (d) Transvaal 38
- (e) Natal 7

- (2) (a) the Western Province 113
- the rest of the Cape Province 55
- the Orange Free State 31
- Transvaal 28
- Natal 5

- (b) the Western Province R563 834
- the rest of the Cape Province R308 510
- the Orange Free State R198 999
- Transvaal R183 250
- Natal R36 232

16 Applications were still under consideration at the end of December 1978.

Homes up R150

JOHANNESBURG — The cost of buying an average home through an estate agent will rise by R150 from today.

And the commission payable on the sale of vacant residential and commercial stands is also going to soar — by 50 per cent on properties selling for R10 000 or less. The increase will be lower on more expensive stands.

Agents' fees will rise on smaller commercial and industrial deals, too, but commission on the really big transactions is going to come down because

from today

larger deals do not necessarily mean more work.

The biggest number of people by far will be hit by the increase in house sale commission which are part of a new all-round tariff announced on Friday by the SA Institute of Estate Agents.

Although not all agents are members of the Institute, its tariff is generally accepted throughout the industry.

A feature of the new formula is that different rates have been prescribed for the sale of houses and commercial property for the first time.

The former rate of five per cent on the first R20 000 and 3,5 per cent on the balance has been changed to five per cent on the first R20 000 and 3,5 per cent on the balance.

This means that the amount payable will rise by a flat R150 on houses which sell for R20 000 or more.

The amount payable on a R20 000 sale was R850, but from today it will be R1 000. On a R30 000 house the amount payable has been R1 200, but from today it will be R1 350.

A R40 000 sale has attracted commission worth R1 550 until now. From today it will be R1 700.

The commission on vacant land has usually been estimated at five per cent of the selling price. From

today it will be 7,5 per cent on the first R10 000; five per cent on the next R90 000; and 2,5 per cent thereafter. This means that commission payable on a R10 000 stand will rise from R500 to R750.

Commissions on commercial deals will generally rise on deals of up to R1 million or just over, but will come down on more expensive properties.

Commission on a R10 million deal, for example, will drop from R350 150 to R215 750.

The last increase in estate agents' tariffs came into effect in June 1977 — 20 months ago.

During that time there had been a steep rise in operating expenses, the president of the Institute, Mr C. T. Clark, said.

Expenses had risen particularly sharply in areas which formed a large part of agents' overheads like motoring expenses, advertising costs and staff salaries.

Although the increases are considered fairly steep, they are not expected to have a material effect on the property market. — DDC.

Hansard

6

Question Col. 385

12/3/79

123

385

MONDAY, 12

MONDAY, 12 MARCH 1979

6(234) 13/03/79
†Indicates translated version.

For written reply:

Housing units for Coloured persons

111. Mr. T. ARONSON asked the Minister of Community Development:

(1)(a) How many housing units for Coloured persons were built throughout the Republic during 1978 with the assistance of his Department, (b) where were they built and (c) what was the estimated number that will be built in 1979;

(2)(a) what was the estimated shortage of houses for Coloured families as at 31 December 1978 and (b) when is it expected that the shortage will be eliminated.

The MINISTER OF COMMUNITY DEVELOPMENT:

12 MARCH 1979

386

(1)(a) and (b) and 2(a): The required particulars were furnished on 1979-02-23 in my reply to Question 93;

(1)(c) The required particulars were furnished on 1979-02-20 in my reply to Question 108.

(2)(b) The position as set out in my reply of 1978-04-05 to the hon. member's Question No. 377 remains unchanged.

Hansard

6 Quest. 430

14/3/79

123

Blocks of flats exempted from rent control
(123) (430)
336. Mr. P. A. PYFER asked the Minister
of Community Development:

How many blocks of flats in (a) Cape Town, (b) Port Elizabeth/East London, (c) Durban, (d) Pietermaritzburg, (e) Bloemfontein, (f) Kimberley, (g) Johannesburg and (h) Pretoria were exempted from rent control during 1978.

The MINISTER OF COMMUNITY DEVELOPMENT:

- (a) 4;
- (c) 16;
- (g) 4; and
- (h) 1—other areas: none.

In respect of some buildings only certain flats were exempted, whilst the remaining flats are still subject to rent control. There are various reasons for this distinction. For example, in some cases application for the exemption of all the flats in the block was not made, whilst in other cases certain flats were not exempted because they were occupied by less affluent tenants.

The particulars given above are only in respect of applications for exemption from rent control. Dwellings which were occupied for the first time after 1959-12-31, which were exempted, in terms of Proclamation 83 of 1978, from the provisions of the Rent Control Act, 1976, are not included. Information regarding dwellings in this category is not obtainable.

Senate Hansard 4 Col # 14/3/79
 17. Senator L. E. D. WINCHESTER asked the Minister of Statistics:

How many dwelling units were constructed in 1978 by (a) his Department, (b)

local authorities and (c) the private sector for each race group in (i) Durban, (ii) the Witwatersrand complex, (iii) the Cape Peninsula, (iv) Port Elizabeth and (v) Pretoria.

The MINISTER OF STATISTICS:

	Whites	Coloureds	Asians	Blacks
(a) (i)	67	369	2	—
(ii)	145	123	289	58
(iii)	4	25	—	—
(iv)	—	—	72	—
(v)	470	—	—	—
(b) (i)	30	1 300	1 866	1 374
(ii)	71	1 001	—	1 608
(iii)	425	13 145	57	—
(iv)	11	600	—	517
(v)	187	10	—	5
(c) (i)	1 437	26	468	—
(ii)	4 348	494	31	—
(iii)	2 794	326	—	—
(iv)	459	—	—	—
(v)	1 926	6	—	—

Black family homes move

123

16/3/79

ORMANDE POLLOK
Political Correspondent

CAPE TOWN — The Government was considering diverting a large sum of money away from single-quarter accommodation for railway workers to family housing in the Black urban area, Mr. Louwrens Muller, the Minister of Transport, said yesterday.

He was replying to Mr. Val Volker, the National Party MP for Klip River, who suggested during the Railways debate the two planned hostel complexes, in Umlazi, Durban, and Plessislaer, Pietermaritzburg, be pruned down and family housing be built instead.

About R50 million had been voted for the two schemes, which are both in the KwaZulu territory, serving the Durban harbour and railways complex in Pietermaritzburg with labour.

Mr. Muller said that the matter was under consideration.

Mr. Volker was praised by the Opposition's chief spokesman on railways, Mr. Rupert Lorimer, for his suggestion.

"His speech about providing family accommodation instead of single hostel quarters was a revelation," said Mr. Lorimer.

Mr. Volker's philosophy that it was more desirable to have family accommodation had impressed him particularly. It was the first time this approach had been adopted on the Government side.

"I commend him because it shows there is some thinking in that party," said Mr. Lorimer.

● See Editorial Opinion

Horwood says senators to be quizzed

Parliament Correspondent

CAPE TOWN — The Minister of Finance, Senator Owen Horwood, announced in the Senate yesterday that he would ask the Erasmus Commission to investigate allegations made by Opposition senators against Cabinet ministers, including himself.

Replying to the second reading debate on the Part Appropriation Bill, he said this would result in the senators having to testify before the commission.

He warned Opposition members they were "playing with fire" by making serious and unsubstantiated allegations and insinuations in recent debates about when ministers had known details of the Information scandal.

Citizen

"It has clearly been stated that no minister knew of the fact that State money was going into the Citizen."

Senator Horwood said he could not give orders to the Erasmus Commission. "But I am going to put all these speeches containing these allegations before the commission. I am going to ask them to investigate them very thoroughly," he said.

Premier

The Prime Minister, Mr. P. W. Botha, would speak in the Assembly today when the Information affair was debated on a private member's motion.

"The Prime Minister is going to have a few things to say as well. You will find the Prime Minister and I are talking consistently on these matters," Senator Horwood said.

More left last year

Parliamentary Correspondent

CAPE TOWN — For the second year running South Africa has lost more people through emigration than it has gained through immigration.

The overall loss of 795 people in 1977 jumped during the first nine months of 1978 to 2 936, according to the annual report of the Department of Interior and Immigration, tabled in Parliament yesterday.

The Opposition Chief Whip in the Senate, Senator Bill Horak of the New Republic Party, said in a statement afterwards that the two NRP members concerned, Senator Monty Crook and Senator Warwick Webber, had nothing to hide and would respond willingly to a subpoena.

Threat

"Normally in my view a threat to a Member of Parliament to have him examined by a body other than Parliament in respect of anything said by him in Parliament would be an infringement of the right of members to free speech."

R 160-m to be poured into black housing

STAR 26/3/74
123

Building societies are poised to make R130-million in loans available to urban blacks for houses on April 1. But there is still no clarity on the surveying of individual plots — essential for proper leasehold title.

Mr David Alston, director of the Association of Building Societies, said building societies could make R100-million avail-

able immediately with a further R30-million ready to match an overseas loan of R30-million.

CRITICISED

"But at the moment we do not know what the demand will be, he said.

The Government announced recently that land surveys in each township would have to

be undertaken prior to securing title for home ownership.

This has been criticised by organisations connected with black housing because of the cost of the surveying of individual sites.

The vice-chairman of the Central Council of Land Surveyors, Mr L A Course, said the surveying of sites on an individual basis would have to be avoided to prevent an escalation of house costs.

"The way to do it would be for one surveyor to handle 12 or 15 stands at a time in one township as applications came in," Mr Course said.

But Mr Course said that a sound system of surveying had to be carried out in order not to create a second-rate title for blacks.

In the creation of black townships in urban areas, the land was simply divided up for the construction of houses for blacks who had only occupational rights.

Says Mr Course: "Under leasehold, such a situation is no longer acceptable. If title is to carry the right to register bonds over it, then it is essential to the lender of money that there is complete certainty about boundary lines, etc."

To save the cost of resurveying every township, wherever possible, existing plans of the areas will be used and the positions of houses and fences checked by aerial survey or ground methods.

123 J.T. 22/3/79

Important change in housing funds

From Mrs R N ROBB (Vice
Chairman, Western Cape
Region, Black Sash,
Mowbray):

THERE has been very little public reaction to a most important statement by the Minister of Community Development, Mr Marais Steyn, that in future African housing will be financed on the same basis as that for white and coloured housing. At present, and for very many years, all African housing has been economic housing, regardless of the income of the tenant.

Now money for housing for Africans earning less than R150 per month will be lent at one percent instead of the present 9¼ percent. For the first time the poorest section of the community will receive the same housing benefits that the coloured and white people have received for many years. In Mbekweni Location, Paarl, the latest three-roomed family housing units have been let at R24,50 per month, because of the greatly increased cost of building, and the young couples moved into these houses have been quite unable to pay this rent out of wages of approximately R18 per week.

Their parents were still paying R8 — R10 per month for superior four-roomed houses built many years ago. Very recently some equalization of these rents has been proposed. In view of the fact that the



Administration Board can now borrow money at one percent to build sub-economic houses, one hopes that hundreds of houses will be built and let to those Africans earning less than R150 per month at a rent they can afford. One hopes that the houses, especially the economic ones, will have floors, ceilings, internal doors and toilet, and above all electricity. At present, the standard African houses have few of these things.

To correspondents

WHEN WRITING to the Editor please be brief, double space, use only one side of each page, sign your name clearly and give your full address (not only a post office box number). Pseudonyms are not ordinarily acceptable. Letters are liable to be shortened and edited.

From the Bible

We all, like sheep, have gone astray, each of us has turned to his own way; and the Lord has laid on him the iniquity of us all.

(Isaiah 53:6, New International Version)

Govt may tighten reins on flat rents

RDM 23/3/79 (123)

17.

By HELEN ZILLE
Political Correspondent

CAPE TOWN. — The Government is looking for a way of lifting the burden on flat-dwellers faced with rocketing rents since the scrapping of the rent control system.

This assurance was given by the Minister of Community Development, Mr Marais Steyn, this week during a meeting with Mr Harry Schwarz (PFP Yeoville) and Mr Alf Widman (PFP Hillbrow).

The meeting took place to discuss rent increases affecting

people — particularly pensioners — in the two constituencies since the introduction of looser rent control regulations.

Although Mr Steyn refused to halt the phasing out of rent control, he said alternative cheaper housing would be provided in existing schemes in Johannesburg.

Because of the social disruption this would mean for elderly people, Mr Steyn agreed to consider other alternatives.

These included (at sub-economic interest rates):

● A scheme whereby the Government would lend money to

charity organisations or non-profit housing utility companies to buy or build flats in the Hillbrow/Yeoville area.

These flats would then be let to deserving tenants at minimal rentals.

● A scheme whereby the Government would hire entire blocks of existing flats and sublet flats to deserving pensioners at rentals they could afford.

Mr Schwarz and Mr Widman said they were investigating these possibilities and would submit concrete proposals to the Department of Community Development.



MR HARRY SCHWARZ
... met Mr Steyn

De Villiers, J.

Elphinst, R.

Hallatt, R.

Hodgson, M. L.

Hughes, K. R.

Maringold, L.

Marais, J. S.

Marks, S.

Milner, M.

Wright, J. B.

Wright, J. B.

Van der Merwe

Union leader urges end to Group Areas Act

STAR 24/3/79 088 2123



Mr Barney Krynauw, general secretary of the Garment Workers' Union of South Africa.

Mr. Barney Krynauw, general secretary of the Garment Workers Union of South Africa has called for the suspension of the Group Areas Act — especially in places where blacks are without houses while white accommodation stands empty.

Mr. Krynauw said "it makes no sense" to refuse black and coloured families accommodation in areas which have been vacated by white families.

He said there were people who could afford to move into this accommodation but who were blocked by the Group Areas Act.

TRANSPORT-COSTS

Mr. Krynauw said the shortage of housing among blacks had become crucial. He pointed to an "oversupply" of flats in Johannesburg city areas in Braamfontein and Hill-brow where flats were standing empty.

"The accommodation is available, yet, because of their race, people who cannot find accommodation elsewhere must move from flat to flat living as inconspicuously as possible to escape eviction and persecution."

Although segregation in housing could be expected for many years to come this should be economically rather than racially based, he said.

Mr. Krynauw said the further black families were moved from their place of work the heavier their transport costs become.

REHOUSING

"The logical step would be for future housing development to take place on the land between the

black townships and the white cities, not further away," he said.

Mr. Krynauw has also called for a halt to the moving of people against their wish from existing housing.

He questioned the expense of this re-housing. Quoting Mr. Ray Swart, MP, he said the Department of Community Development has spent R261-million on coloured and Indian housing between 1960 and 1975. Of this total R200-million was spent rehousing families who had homes but were disqualified from living in them because of the Group Areas Act.

26/3/79

Province to help blacks buy homes

Provincial Reporter

THE Cape Provincial Executive Committee intends to introduce legislation at the next Provincial Council session to eliminate race discrimination in guaranteeing housing loans to provincial personnel.

The legislation would allow the Administrator to guarantee loans for black employees to acquire leasehold rights to land on which to build homes in terms of the Black (Urban Areas Consolidation Act.

At present the Peninsula is excluded from the provisions of the Act, but blacks in other parts of the Cape may acquire leasehold rights.

CONTRIBUTORS

Existing legislation, the Dwelling Loans Guarantee Ordinance of 1959, empowers the Administrator to guarantee loans to contributors to the Government Service Pension Fund and the Government Employees' Provident Fund — white provincial

employees and some coloured employees.

The proposed new legislation would extend this system to coloured and black permanent employees who contribute to the Government Non-White Employees' Pension Fund.

RETROSPECTIVE

This would apply the system without discrimination to all races. It is proposed the legislation should be retrospective to November 6 1978.

The legislation limits the guarantee on loans to 30 percent of the total loan.

STAR 28/3/79 123

House prices set to jump

12,5 pc this year

Building costs, and therefore house prices, will rise an average 12,5 percent this year, the Bureau for Economic Research at the University of Stellenbosch forecasts in its latest building survey report.

A house costing R16 000 to build a year ago will now cost R18 000.

The bureau comments: "At this rate the available building society funds are swallowed up quickly, and the adverse effects regarding the supply of new housing are apparent."

The forecast is based on the rises in the price of crude oil and liquid fuel, also an expected accelera-

tion of inflation, which will push up wages.

"Because products like certain floor tiles and paints are manufactured from the by-products of crude oil, their prices are directly affected.

"Many building products have a high mass per volume, and therefore transport cost forms a fairly high proportion of the price.

"It will be surprising if the average increase in the price of building materials is lower than 17 percent," the report said.

The survey had shown that contractors and developers were still pessimistic about prospects. Manufacturers, and especially merchants were optimistic, partly because of Government spending.

The doubling of Secunda should prove a stimulus to the construction industry after 1980, "that is, if the reassessment of priorities, mentioned by the Minister, does not lead to the postponement of other construction projects." — Sapa.

THURSDAY, 29 MARCH 1979

Sanct Hansaid 6 (26) 29/3/79
 †Indicates translated version.

For written reply: **123**

Housing: amount spent

14. Senator L. E. D. WINCHESTER asked the Minister of Community Development:

(a) What was the actual amount spent during the financial year 1977-'78 and (b) what is the estimated amount to be spent during the current financial year, by his Department on housing for each race group in each of the major urban centres.

The MINISTER OF COMMUNITY DEVELOPMENT:

	White R	Coloured R	Asian R	Black R
(a) Cape Town	5 688 758	55 160 578	112	—
Port Elizabeth	841 570	5 384 669	332 800	1 909 448
East London	540 513	641 082	224 545	—
Kimberley	110 206	—	—	59 500
Durban	1 402 334	6 507 532	10 967 738	532 610
Pietermaritzburg	3 237 069	4 976 743	495 555	247 670
Witwatersrand	5 673 073	10 023 837	5 449 669	4 461 747
Pretoria	3 622 271	1 092 147	363 917	171 501
Bloemfontein	1 789 428	1 213 021	—	349 219
	× R1 000	× R1 000	× R1 000	× R1 000
(b) Cape Town	6 938	88 153	599	55
Port Elizabeth	274	1 320	20	391
East London	512	251	24	—
Kimberley	—	500	—	—
Durban	1 442	6 968	26 035	489
Pietermaritzburg	21	1 384	1 888	—
Witwatersrand	3 921	7 321	4 382	129
Pretoria	1 016	263	—	759
Bloemfontein	95	1 066	—	—

Expenditure out of the amount of R165 million made available for Non-White housing by a consortium of banks is included under (a), but not under (b), as it is very difficult to estimate the expected expenditure out of bank funds on a regional basis, as requested. The expected expenditure out of bank funds for the whole Republic is as follows:

Coloured	R30 747 000
Asian	R11 652 000
Black	R17 600 000

THURSDAY, 28 MARCH 1979

123

†Indicates translated version.

For written reply: *Jansen* 8(559) 29/3/79
Economic/sub-economic housing

110. Mr. T. ARONSON asked the Minister of Community Development:

(1) What funds were available to his Department as at 31 December 1978 for the construction of (a) economic and (b) sub-economic housing;

(2) what amount was (a) spent and (b) allocated by his Department for the building of economic and sub-economic housing, respectively, for the period 1 April 1978 to 31 De-

ember 1978 in respect of each race group in (i) Cape Town, (ii) Durban, (iii) Pietermaritzburg, (iv) Pretoria, (v) Port Elizabeth, (vi) Kimberley, (vii) East London, (viii) Bloemfontein and (ix) Johannesburg.

The MINISTER OF COMMUNITY DEVELOPMENT:

(1) R36 522 978 for (a) and (b). Separate data is unfortunately not

available because funds are spent according to the claims received for services rendered. The aforementioned amount, being the unspent balance of the funds which were appropriated by Parliament for the 1978-'79 financial year, does not include temporary financing amounting to R165 million made available for Non-White housing by the consortium of banks.

(2)(a)

	Economic			
	White	Coloured	Asian	Black
(i)	3 461 458	59 191 065	572 133	3 107
(ii)	2 324 149	3 218 245	16 557 577	489 276
(iii)	17 215	828 471	2 959 989	—
(iv)	2 777 464	101 626	—	1 312 303
(v)	149 122	1 197 236	49 874	2 580 789
(vi)	337 799	195 138	—	330 324
(vii)	33 416	11 942	17 178	2 200
(viii)	516 449	92 800	—	970 382
(ix)	2 678 282	6 754 192	1 826 668	4 586 320
	Sub-economic			
	White	Coloured	Asian	Black
(i)	3 027 084	14 506 113	—	None
(ii)	645 771	2 790 806	3 514 776	None
(iii)	3 489	481 364	739 950	None
(iv)	587 666	—	—	None
(v)	320 574	858 751	—	None
(vi)	—	305 008	—	None
(vii)	454 707	288 659	7 207	None
(viii)	858 972	552 738	—	None
(ix)	1 684 473	416 409	—	None

x = daily output of black & white
y = daily output of coloured & white

October '72 Question 3
Sudafrica Solution

SUDAFRICA SOLUTION

240
280
300
320
352



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123

Vol. 165]

KAAPSTAD, 29 MAART 1979

CAPE TOWN, 29 MARCH 1979

[No. 6377]

DEPARTEMENT VAN DIE EERSTE MINISTER

DEPARTMENT OF THE PRIME MINISTER

No. 656.

29 Maart 1979.

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 26 van 1979: Slumswysigingswet, 1979.

No. 656.

29 March 1979.

It is hereby notified that the State President has assented to the following Act which is hereby published for general information:—

No. 26 of 1979: Slums Amendment Act, 1979.

(123)

EL low down on housing money

THE ASSEMBLY — The Department of Community Development spent R114 m on economic and sub-economic housing for all race groups from April, 1977 to December, 1978.

The Minister of Community Development, Mr Marais Steyn, said in reply to questions yesterday by Mr Theo Aronson, South African Party member for Walmer, that R36,5 m was left over from the 1978/79 financial year.

In a breakdown of spending in each race group in the major cities it emerged that the biggest single amount, R59,1 m, was spent in Cape Town for Coloured housing.

In Johannesburg, R6,7 m was spent on Coloured housing, in Durban R3,2m and in Port Elizabeth R1,1 m.

About R11 942 was spent on Coloured housing in East London.

White housing in Cape Town cost R3,4 m, in Durban R2,3 m, in Pretoria R2,7 m, in Johannesburg R2,6 m, in Port Elizabeth R149 122, and in East London R33 416.

Houses for Asians cost R16 m in Durban, R2,9 m in Pietermaritzburg, R49 874 in Port Elizabeth, R17 178 in East London and R1,8 m in Johannesburg.

Port Elizabeth was second only to Johannesburg in the total amount spent during the period on black housing. In Johannesburg R4,5 m was spent, while in Port Elizabeth the total was R2,5 m.

About R489 276 was spent on black housing in Durban, about R1,3 m in Pretoria, R3 107 in Cape Town and R2 200 in East London. — PS.

123

STAR 30/3/79

R107-m for coloured housing

Political Staff

THE SENATE — It was estimated that the Department of Community Development would spend slightly more than R107-million on housing for coloured people in South Africa during the current financial year, the Minister, Mr Marais Steyn, said yesterday.

Of this R88-million would be spent in Cape Town, R1-million in Port Elizabeth, R500 000 in Kimberley, almost R7-million in Durban, R1-million in Maritzburg, R8-million on the Witwatersrand and R1-million Bloemfontein.

Just over R14-million was to be spent on white housing, of which nearly R7-million would be spent in Cape Town, R274 000 in Port Elizabeth, nothing in Kimberley, R1-million in Durban, R21 000 in Maritzburg, nearly R4-million on the Witwatersrand, R1-million in Pretoria and R95 000 in Bloemfontein.

About R1,8-million was to be spent on black housing.

Nearly R33-million was to be spent on Indian housing, of which R599 000 would be spent in Cape Town, R20 000 in Port Elizabeth, R24 000 in East London, R26-million in Durban, R1-million in Maritzburgh and R4-million on the Witwatersrand.

Mr Steyn, who was replying to a question put to him by Senator Eric Winchester, said these figures did not include expenditure out of an amount made available by a consortium of banks as this was difficult to estimate on a regional basis.

The estimated expenditure out of bank funds for the whole of South Africa was R30,7-million for coloured people, R11,6-million for Indians and R17,6-million for blacks.

Building industry asks State for R300-m more

STAR 30/3/79

~~0123~~ ~~0123~~

(2) 123

By Frank Jeans

The Building Industries Federation (Bifsa) has been quick to follow through on Senator Horwood's pep-up budget by making a high-level approach to the Government for an additional R300 million for housing and services for the lower income groups.

The Minister of Community Development has been asked by Bifsa to make urgent representation to the Cabinet for the extra millions, which are in addition to the R250m allocated for low-cost homes in November 1977, of which R70 million has already been drawn by the building industry from the banking sector.

So immediate does Bifsa see the need for more cash in the housing pipeline, that the federation did not take time to draft a formal letter to the Minister, Mr Steyn, but sent him a telex message.

Says Mr Johan Grotsius, director of Bifsa: "This week's budget was clearly an expansionary gesture."

"The Finance Minister obviously wants to give the national economy a hard shove from the consumer end, and the building industry, by its nature, is one of the prime vehicles for stimulating consumer spending.

"A serious backlog in housing still exists throughout the Republic," says Mr Grotsius, "and this could build up to a serious accommodation bottleneck."

Based on the assumption that the original distribution pattern will be maintained, it is estimated that the breakdown of the R300-million would be:

40 percent for blacks, including homeland and urban;

40 percent for coloured people; and

20 percent for Asians.

Mortgage repayments cut

By GORDON KLING

LOWER home mortgage bond repayments are the latest financial benefit from the accelerating economic recovery.

The mortgage rate cut of 0,5 percent, announced yesterday by the Association of Building Societies, will mean a monthly saving of about R8 on a bond of R25 000.

This, coupled with the income tax concessions announced in the national budget, will mean an extra effective income of about R40 a month for someone earning about R10 000 a year.

The director the Association, Mr David Alston, told the Cape Times last night that the reduction would apply immediately in the case of new loans and from July 1 on existing bonds. It was hoped,

however, that existing borrowers would continue to repay their bonds at the previous higher rates to enable earlier repayment.

The 0,5 percent reduction in interest follows reductions ranging from 0,5 to 1,5 percent six months ago, and is part of the lower interest pattern throughout the economy which has meant cheaper overdrafts and will soon extend to lower HP costs.

It comes at a time when economists believe the rate of price increases, inflation, is either steady or on the decline in South Africa.

In keeping with the lower interest rate structure, the building societies also announced a 0,5 percent decrease in the interest rates they will pay on many new deposits.

Let us look at the recent history of formal technical education in South Africa and follow the path a potential technician takes if he/she wishes to qualify for the National Diploma for Technicians (NDT), a level of education considered by the Human Sciences Research Council to be equivalent to Standard X plus three years' training, or the National Certificate for Technicians (NCT), equal to Standard X plus one or two years' training. The system of National Diplomas and National Certificates was introduced by what was then the Department of Higher Education in 1957 but has slowly become stan-

worker. The technician has some of the in- processes taking place as well as the ability to undertake some of is a person who has a general understanding of the operations and technicians. It is, perhaps, satisfactory to say that a technician benchmarks. We need to broaden our definition to include all industries such as the chemical industry there are no such convenient occupying a position between that of an artisan and an engineer, in Another point is that while some technicians can be defined as This illustration raises several points: the first is that employers have no clear idea of what an engineering technician, or indeed any kind of technician, is. There is no doubt that this is a consequence of the relatively recent introduction of the occupation of 'technician'; the need for a bridge between the engineer and the artisan only arose with the rapid technological development following World War II. The classification of technicians is likely to become increasingly standardised with time.

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GOVERNMENT HOMES Peerks slammed

HOUSING subsidies for public servants came under fire this week after plans to tax fringe benefits in the private sector were announced by the Minister of Finance.

Senator Horwood's plan, outlined during his budget speech, exempts the Government from "fringe-benefit" legislation to be instituted later this year.

It is this exemption clause in the plan which is drawing the most criticism from building societies and large companies.

Lure

Building Society Association Director Mr David Alston says the biggest and most common fringe benefit offered to employees is the housing subsidy, used by many companies as a lure to prospective employees.

"Instead of offering large salaries which would be heavily taxed," says Mr Alston, "companies subsidise their workers' housing, and at the same time claim the subsidy as a tax deduction."

Mr Alston said he saw the latest Government move as part of an overall plan to eventually make housing subsidies too expensive and difficult to be worthwhile. "It is chiefly against subsidised housing that the new legislation appears to be di-

BY GORDON
MCINTYRE

rected, but by exempting the civil service, the largest sector of subsidised employees is left unaffected."

A spokesman for the Finance Department stresses that Government subsidies have also come under scrutiny.

He says a separate scheme to "de-escalate" subsidised housing for Government workers is "being worked out and may be instituted in the near future".

"If we were to suddenly cut off housing subsidies for civil servants," said the

Civil servants will

escape 'fringe' tax

spokesman, "we would be faced with immediate wage demand which we could not possibly comply with."

He would not say what the separate plans were.

The South African Property Owners' Association (Sapoa) has come out in favour of the move, "in principle", but warns of "dire problems" involved in

the scheme.

A spokesman for Sapoa said this week that should subsidies be cut off without any safeguards, the property market, only now beginning to recover after years of recession, would suffer and "as many as 25 per cent of householders receiving subsidies could be forced to sell their homes".

Figures released by the Department of Statistics on housing subsidies provide a clue to the number of people who will be affected by the new move and what the effect will be.

The most recent report on housing matters shows that in 1975, more than R6-million was spent by the Government and by private

or public companies in subsidising housing for employees — a large figure when you consider that there are approximately 1.3-million white households in South Africa, of which only 40.5 per cent are still being paid off.

The R6-million, says a spokesman for the department, is an extremely conservative estimate and he says a more realistic figure would have been in the region of R12-million.

He said the amount spent on housing subsidies for employees had "probably doubled" by the end of last year.

Meccanismo grammaticale

- Presentatore
- Un signore
- Una signora
- Presentatore: il, la.
- Signore: io, tu, egli, essa.
- Signora: mio, tuo, suo
- Signore: mia, tua, sua.
- Presente, sei, è.

Il treno. Ecco il signor Fabris. Ecco la signora
 Il signor Fabris.
 La signora Fabris.
 Il tuo marito. Tu sei mia moglie.
 La tua moglie. Tu sei mio marito.
 Il suo marito. Essa è sua moglie.

13/4/79
LOW-COST HOUSING

Round again? (123)

A building technique used in Africa for centuries and since developed in Canada has come full circle. A low cost rondavel in reinforced concrete is currently being marketed in SA — aimed primarily at meeting demand for black housing.

Canadian Maureen Clarke, who owns the design rights for SA and Australia, has formed Rondes (Pty) jointly with Johannesburg businessman Robert Brodie. The next step, she says, is a prototype on the Canadian pattern planned for a site near Pretoria — depending on the level of interest shown by potential developers.

She says a "round house" comprising three bedrooms, one bathroom, kitchen and living area under a domed roof with a central skylight will cost "at the most" R4 000 complete, which, she maintains, is cheaper than comparable conventional accommodation.

Clarke says the design which allows flexibility has been patented in SA and the technical know-how and use of fibreglass shuttering is to be offered to developers on a royalty basis. She says the design and specifications conform with SA building by-laws, and have been approved by the Department of Community Development and the Bureau of Standards.

She has based her costing on quotes for materials and labour submitted by SA consulting engineers for a 94 m² unit. A 60 m² unit is also planned, aimed at bringing the cost below R3 500, including internal finishes. Costings are based on a contract for 200 or more units, excluding land.

R300m housing boost is now likely

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Sun. June 15/4/79

A R300-MILLION scheme to further reduce the R1-billion sub-economic white and black housing backlog is likely after proposals by the building industry for the Minister of Community Development, Mr S J Marais Steyn.

If government accepts the representations, the economy will enjoy a powerful new stimulus through the most labour-intensive arm of the

private sector construction industry, which will handle virtually all the work.

Drawn up with the help of key representative bodies, including the Building Industries Federation of South Africa (Bifsa), the proposals call for a repeat of the R250-million, budget boost sanctioned by the Minister of Finance, Senator Owen Horwood, in November, 1977, during the depths of the recession.

Sen Horwood allocated R100-million to coloured housing; R50-million for Indian housing; R50-million for

black housing in urban areas and R50-million for housing for blacks in the homelands, the last through the Department of Plural Relations.

According to the building industry, more than R100-million of the original R250-million has now been spent and the entire scheme should be complete by early next year.

Bifsa director John Groitius was reluctant to give details of the R300-million scheme this week, but con-

firmed the representations to the Minister.

He noted that if the scheme was implemented and if the revival in the economy continued, a comprehensive new training effort for black and white building workers would be necessary, especially for artisans.

"The stagnation in our sector in recent years has seen training widely neglected. If South Africa is serious about encouraging labour-inten-

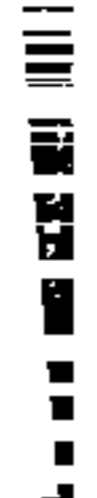
sive industries to create jobs, this is an excellent place to start. The house-building industry is more mechanised than it was. But it is still a lot less capital-intensive than many other industries, and likely to remain so unless wages become unrealistic."

The industry regards the R300-million scheme as crucial. Although a large increase in construction work is now expected, it is centred mainly on major capital works, it is said.

This argument is not entirely con-

vincing at a time when residential building plans passed have just risen 30 per cent to R87,5-million for January-February, compared with R67,2-million last year. Nevertheless, the number of employees in the building trade was down from 350 000 in June, 1978, to only 250 000 as late as August, last year, so there is much leeway to be made up in terms of jobs.

Also, the current upturn in new business is still a long way from reinstating the sort of volumes enjoyed in the late sixties and early seventies.



PARLIAMENT

20/4/79 DA

(123)

Govt spends more on housing for blacks

THE ASSEMBLY — There was a surplus of residential accommodation for white people in most metropolitan areas of South Africa last year, but a housing shortage for all other race groups.

But a shift of almost 50 per cent in government spending on new houses away from whites in favour of other race groups has taken place between 1974 and 1978.

According to the Secretary for Community Development, Mr L. Fouche, the reason for the shift is "the relatively greater need for housing among blacks, while the change in expenditure pattern, together with an enormous increase in the total amount made available for spending, confirms the earnestness of the government to wipe out the housing backlog."

In his department's annual report tabled here yesterday, Mr Fouche said the extent to which the housing backlog would be eliminated depended largely on whether there were sufficient funds to enable building at a sufficient pace.

Between 1974 and September 1978 the money spent on white housing had declined from R44,6 million a year to R35,5 million a year, while Coloured housing had risen from R42 million a year to R112,4 million, Indian housing from R12,8 million to R27,1 million and black housing from

R5,5 million to R20,4 million.

At the beginning of 1978 the shortage of housing for Coloureds is estimated to be 57 600 but "I am confident that if sufficient funds were made available to maintain the present building rate and the private sector were to do its bit, the housing backlog can be wiped out by 1985."

Although the 3 135 houses built for Indians exceeded the number built in each of the previous five years, "the department is not satisfied with this turnover" and the object was to double this figure.

To eliminate the housing shortage for Indians within five years, 8 000 houses would have to be built each year.

His department only had responsibility for financing houses for black people, but the national housing fund could meet the demand for funds by administration boards. — PC.

"South Africa is still prepared to pay the price of proper housing. It is not prepared to accept inferior housing standards. Squatting and shacks, uncontrolled or so-called controlled, resolve nothing, do not save much and inevitably lead to evils," says Mr Fouche.

He says that although building costs have risen sharply over the past few years, wages have not lagged far behind.

A three-bedroomed sub-economic house could still be built, with all necessary services and facilities, for R4 500. A person earning up to R150 a month would pay R15,93 a month in rent for such a house.

People earning as little as R64 a month could afford a three-bedroomed house with floor coverings, inner doors, ceilings and electricity, based on the internationally accepted norm that rental should not exceed a quarter of income.

"The individual who cannot afford national housing is in fact a candidate for welfare care and assistance," says Mr Fouche. — PS.

Warning on cheap housing

CAPE TOWN — The government has sounded a warning against the use of site and service schemes to counter the housing crisis facing blacks in the lower income groups.

The Secretary for Community Development, Mr L. Fouche, in his annual report tabled in Parliament yesterday, says advocates of site and service schemes believe that even the cheapest housing unit is beyond the reach of some low-income blacks.

He warns that this line of thought is gaining increasing support.

Warning on black housing crisis

C. Times 20/11/79
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Political Staff

HOUSE OF ASSEMBLY. — The Government has sounded a warning against the use of site and service schemes to counter the housing crisis facing blacks in the lower-income groups.

The Secretary for Community Deveopment, Mr L Fouche, in his annual report tabled in Parliament yesterday, says advocates of site and service schemes believe that even the cheapest housing unit is beyond the reach of some low-income blacks. He warned that this line of thought was gaining increasing support.

"South Africa is still prepared to pay the price of proper housing. It is not prepared to accept inferior housing standards. Squatting and shacks, uncontrolled or so-called controlled, resolve nothing, do not save much and inevitably lead to evils," says Mr Fouche.

It had been proven time and again that it was possible to provide proper housing within the paying capabilities of the lowest-paid categories of workers.

Two decades ago it was thought that self-help schemes were the obvious solution. The decision to accept site and service schemes as a temporary measure had resulted, for example, in an Elsie River, where the clearance of nuisances created by the scheme was costing R80 million.

"It is wishful thinking that the mass of lowly-paid and usually unskilled workers can make any significant contribution to the provision of their own housing," says Mr Fouche.

The isolated achievements of the Third World countries, which had not stood the test of time but which were nevertheless often held up as an example, did not impress him, because circumstances in South Africa differed vastly from those in other countries.

They, in contrast to South Africa, lacked the capital and ability needed to provide proper housing efficiently.

Mr Fouche said that although building costs had risen sharply over the past few, wages had not lagged far behind.

A three-bedroomed sub-economic house could still be built, with all necessary services and facilities, for R4 500. A person earning up to R150 a month would pay R15,93 a month in rent for such a house. People earning as little as R64 a month could afford a three-bedroomed house with floor coverings, inner doors, ceilings and electricity, based on the internationally accepted norm that rental should not exceed a quarter of income.

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C. Times 20/4/79
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Surplus for whites, backlog for others

Political Staff

HOUSE OF ASSEMBLY. —

There was a surplus of residential accommodation for white people in most metropolitan areas of South Africa last year, but a housing shortage for all other race groups.

However, a shift of almost 50 percent in government spending in new houses away from whites in favour of other race groups has taken place between 1974 and 1978.

According to the Secretary for Community Development, Mr L Fouche, the reason for the shift away from white housing is "the relatively greater need for housing amongst non-whites, while the change in expenditure pattern, together with an enormous increase in the total amount made available for spending, confirms the earnestness of the government to wipe out the housing backlog."

In his department's annual report, which was tabled in Parliament yesterday, Mr Fouche said the extent to which the housing backlog would be eliminated depended largely on whether there were sufficient funds to enable building activities at a sufficient pace.

Between 1974 and September 1978, the money spent on white housing had declined from R44,6 million a year to R35,5 million a year, while coloured housing had risen from R42 million a year to R112,4 million,

Indian housing from R12,8 million to R27,1 million and black housing from R5,5 million to R20,4 million.

Mr Fouche said "a survey of local authorities has shown a surplus of residential accommodation for whites in most metropolitan areas and at other larger centres."

However, at the beginning of 1978 the shortage of housing for coloured people were estimated to be 57 600, but "I am confident that if sufficient funds were made available to maintain the present building rate and the private sector were to do its bit, the housing backlog can be wiped out by 1985."

He said that although the 3 135 houses built for Indians exceeded the number built in each of the previous five years, "the department is not satisfied with this turnover". The object was to double this figure.

To eliminate the housing shortage for Indians within five years, the authorities together with the private sector would have to build 8 000 dwelling units per year.

His department only had responsibility for the financing of the construction of houses for black people but the National Housing Fund, which had built 385 000 dwelling units for blacks since its establishment, was capable of meeting the demand for funds by administration boards.

RENT CONTROL

Seize the nettle!

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FM 20/4/79

A year has passed since the first step was taken to dismantle rent control. We should now be in phase two, where only buildings occupied before January 1 1955 are controlled. No proclamation to that effect has appeared yet.

Community Development Secretary Louis Fouché tells the *FM*: "The matter is under consideration and a decision will be arrived at very soon." He is delighted at the way the first year has gone and says few complaints of exploitation have been received from tenants.

The fact that, as Fouché puts it, "landlords and their representatives such as SAPOA have really played their part," may be ascribed to the Minister walking softly and carrying a big stick. Marais Steyn made no bones that if there was any nonsense, control would be re-imposed.

It was understandable that the government should proceed cautiously at the start. The Fouché commission itself noted that "the total abolition of rent control would be an ideal step to take but ... conscious of the danger of increase in rentals (particularly at a time when demand may again strongly exceed supply) which may follow such a step, as well as the political implications ..." therefore recommended "that rent control be phased out ..."

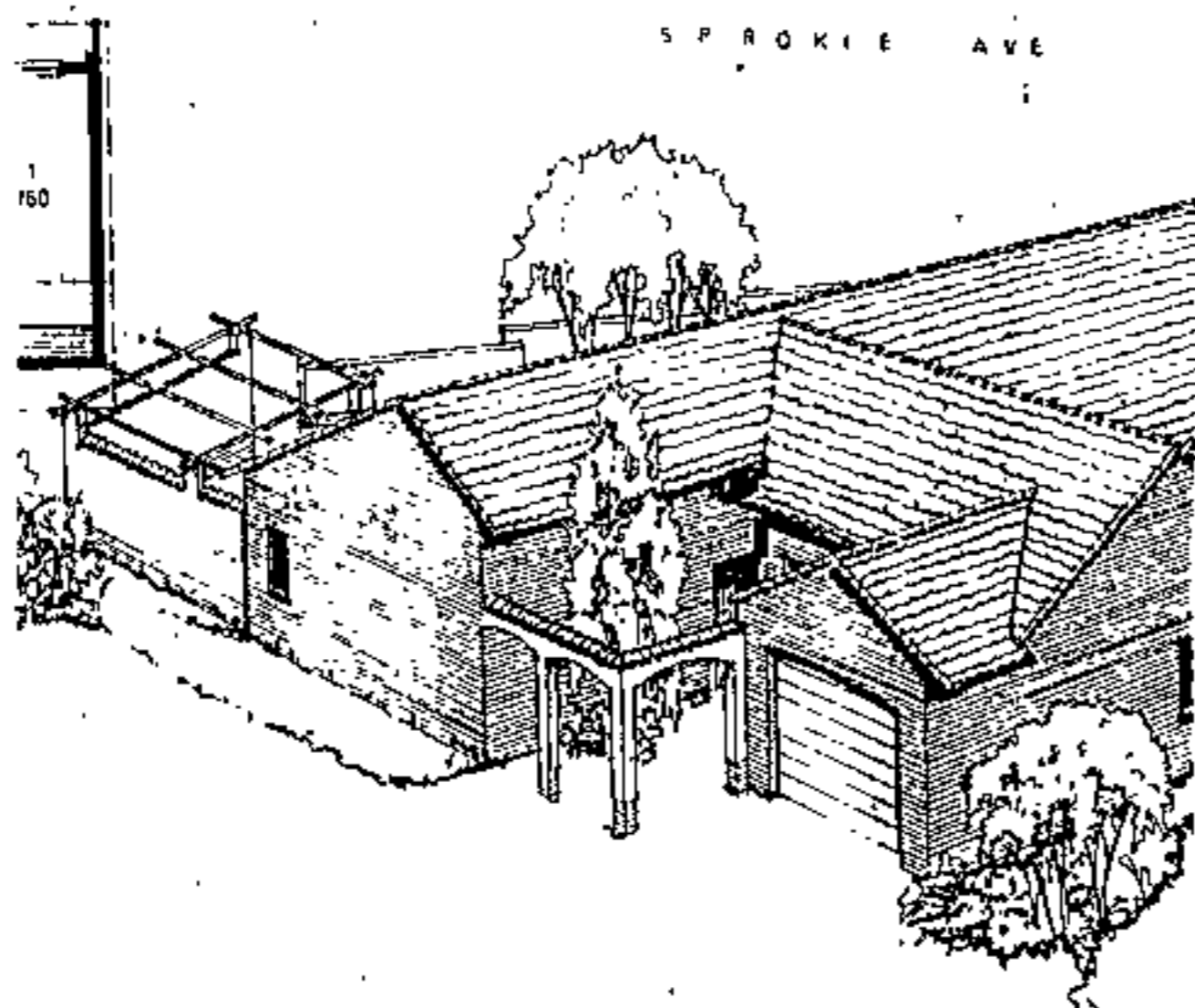
There were no riots in the streets during phase one and it seems superfluous to prolong the agony of decontrol another year. The government should go straight to final removal, retaining if necessary the 10% limit on rent increases during the first two years.

It was estimated that in phase one 63 000 dwelling units, or 26% of all units under rent control, would be freed and in the second year a further 18% would be exempt. As phase one took in 5% of the

total number of dwelling units, phase two would take in an even smaller number thus leaving a minuscule percentage to be freed a year hence.

By removing control immediately investors would be provided with an incentive to build housing which in itself would act as a form of rent control through the supply and demand mechanism. The longer control is retained the higher building costs rise and the more difficult it becomes to keep rents down.

Away with it — now.



A pair of the sectional title

Too much luxury living says Steyn

CAPE TOWN — The limit on a national housing fund home is expected to be raised from R10 500 to R12 000 because of soaring costs in the building industry.

And because of the high housing cost, South Africans will have to accept a drop in standards, cutting luxuries and living on smaller plots.

This was said last night by the Minister of Community Development, Mr Marais Steyn.

"The solution to the problem of building costs rests fair and square on the preparedness of South Africans to accept more modest standards and simpler designs or plans," he said.

Many South Africans were living in too luxurious and expensive homes, he said.

"The indications of a revival in the economy have already resulted in an increase in the demand

for building plots which will tend toward a sharp rise in erf prices," he said. The man in the street could no longer afford an erf.

He hoped this revival would not lead to "disquieting" rises in building costs.

Mr Steyn said the housing matters advisory committee was looking at standardising building regulations, more realistic requirements for electrical installations and realistic standards of building materials with a view to keeping costs down.

The cost of providing services to housing developers had doubled over the past six or seven years.

The housing policy council was giving attention to the determination of realistic plot sizes, the availability of residential plots and the maximum utilisation of building land. — DDC.

ants: Mr Fouche said.

Govt spending more on black housing

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20/4/79

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However, a shift of almost 50% in Government spending on new houses away from whites and in favour of other race groups has taken place between 1974 and 1978.

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penditure patterns, together with an enormous increase in the total amount made available for spending, confirms the earnestness of the Government to wipe out the housing backlog".

In his department's annual report, tabled in Parliament yesterday, Mr Fouche said the extent to which the housing backlog would be eliminated depended largely on whether there were sufficient funds to enable building activities at a sufficient pace.

Mr Fouche also sounded a warning against the use of site and service schemes to counter the housing crisis facing blacks

in the lower income groups.

Advocates of site and service schemes believe even the cheapest housing unit is beyond the reach of some low income blacks.

"South Africa is still prepared to pay the price of proper housing. It is not prepared to accept inferior housing standards," he said.

The isolated achievements of the Third World countries, which had not stood the test of time but which were nevertheless often held up as an example, did not impress him because circumstances in South Africa differed vastly from those in other countries.

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24/4/79

Mrs. Florence Nkosi battled in vain for accommodation when she and her four children had to leave their home on her husband's death. The 99-year leasehold scheme can provide relief for such people.

Leasehold Star 24/4/79 scheme can bring relief

The plight of the homeless, the overcrowded and the separated families of urban black townships cries out for a rapid and successful implementation of the 99-year leasehold scheme. The head of Star Line, June Bearzi, examines the avenues of relief that may be opened when the new home ownership scheme comes into operation.

Over the years thousands of complaints to Star Line have arisen from the grave personal problems and family disruption created by the housing shortage and strict housing regulations in black townships.

Some of the problems brought to light were:

- The great hardships suffered by divorced or widowed mothers as their rights regarding housing permits are not equal to those of men.



and her four children, on the death of her husband, were forced to leave their rented house and move into her brother-in-law's three-roomed home — with his wife and eight children.

Cont

● The disruption of family life as married couples are forced to live apart if they have no home.

● The death of a housing permit holder does not entitle the other occupants whose names appear on the permit to take over tenancy or continue to live in the house even if they are the widow and children of the deceased.

● The difficult living conditions created by overcrowding.

Shortage

Many of these problems arise directly from the housing shortage.

And the rest can also be related to the housing shortage in that regulations on the rights of occupation of a home are applied more stringently because of the shortage.

The 99-year leasehold scheme of black home ownership offers relief in various ways.

First, it promises to help reduce the growth in the housing shortage.

Second, the regulations which govern the rights of occupants in rented homes will not be applied to home owners who have 99-year leasehold rights according to the Department of Plural Relations.

Third, widows who have not lived in their deceased husband's township long enough to obtain the rights of permanent residence have the right to apply for an exemption when they inherit their husband's leasehold title.

Eased

Fourth, as housing becomes more readily available as a result of increasing home purchases, authorities may apply the regulations more leniently.

Indeed, the Government is already considering amending legislation which may be designed to have that effect.

Below are two examples of the predicaments which have hit township residents in the past and which may be eased.

● Mrs. Florence Nkosi

As the 15 occupants were living in extreme discomfort, Mrs Nkosi and her children were asked to leave.

She told Star Line that her brother-in-law had threatened to leave his wife if they had to carry on living in the overcrowded conditions.

"I can't blame him as at night the women and girls sleep in one room and the men in the kitchen and other room," she said.

Mrs Nkosi has been on the waiting list for some years.

Her chances of getting a home may be increased substantially if the 99-year leasehold scheme enables large numbers of families in rented homes to build homes of their own.

If her husband had been a 99-year leaseholder, she and her children would not have had to leave their home because he probably would have left it to them.

● All Mrs Peggy Catho wants is to share a home with her 12-year-old son Maxon.

This divorced factory worker's son is compelled to stay in his grandparents' four-roomed home with 12 other family members while his mother lives in a woman's hostel.

"Whenever I see Maxon he asks me when we can live together," a sad Mrs Catho told Star Line.

In prevailing circumstances such women's problems in getting homes are doubled. They must, just as a man, wait for their names to creep slowly to the top of the waiting list. In addition, they need special permission from the Chief Commissioner to get housing permits, although they are family heads.

Building society legalities may prevent women from getting housing loans that would enable them to become home owners under the 99-year leasehold scheme, according to a Johannesburg attorney.

But, once again, the plight of such women would be relieved by the impact which the scheme might have on the housing shortage.

Hardship warning as Steyn acts

Mercury Correspondent

CAPE TOWN — A second major step in phasing out rent control was announced by the Government last night.

The Minister of Community Development, Mr. Marais Steyn, said it would no longer apply to buildings less than 25 years old.

There was a countrywide outcry last year when buildings less than 20 years old were freed from control.

Mr. Harry Schwarz (PFP, Yeoville) has criticised the latest measures, saying that scrapping rent control caused great hardship to many flatdwellers.

Mr. Steyn said lower-income tenants would be given some protection and those earning less than certain amounts would be given full, rent control protection.

Rent control scrapped on older group of buildings

123
11/17/79

This applies to single persons without dependants who earn less than R300 a month and families with an income of less than R540 a month.

Mr. Steyn said he was going ahead with step two of the process as recommended by the commission of inquiry into housing matters.

"Their recommendation

that for the first two years rentals may not be increased by more than 10 percent a year is also applicable to homes exempted from control under this step," he said.

Mr. Schwarz said: "We have already seen the minister about the hardship the phasing out of rent control is causing to a large number of tenants.

"He said the moves would encourage the building of new flats. In fact they have not done so at all and the result merely has been rent increases, in many cases for people who cannot afford them."

Mercury Correspondent

JOHANNESBURG — There is a shortage of rented White housing for the first time in years, Mr. Cedric Clarke, national president of the South African Institute of Estate Agents, said yesterday.

"People who are particular about where they want to live are finding they must buy if they want to live in the better suburbs," he said.

But Mr. Clarke, who was commenting on effects of the gradual scrapping of rent control, said there was still plenty of accommodation in "unpopular" areas.

The second phase of the Government's roll-back of

Few rented homes for Whites

123
Nim
27/4/78

the Rent Control Act began this month when flats and houses let between January 1956 and December 1959 were decontrolled.

A serious flat shortage is understood to have developed in many areas and there are countrywide fears that landlords will seize this opportunity to in-

crease rentals.

The Minister of Community Development, Mr. Marais Steyn, has refused to halt the four-phase decontrol plan but has promised to examine ways of lifting the burden on flat dwellers.

When he introduced the new system a year ago, he urged landlords not to increase rentals by more than 10 percent for the first two years.

Yesterday Mr. Clarke said the institute had found that rent increases varied considerably.

In many instances market conditions had made it impossible for landlords to increase rents by the full 10 percent — and in some instances they had not been able to increase them at all.

The hunt's on for houses to rent

RDM 123

27/4/79

Staff Reporter

FOR the first time in years there was a shortage of houses to let, Mr Cedric Clarke, national president of the South African Institute of Estate Agents, said yesterday.

"People who are particular about where they want to live are finding they must buy if they want to live in the better suburbs," he said.

But Mr Clarke, who was commenting on effects of the gradual scrapping of rent control, said there was still plenty of rented accommodation in "unpopular" areas.

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The Minister of Community Development, Mr Mar-

ais Steyn, has refused to halt the four-phase de-control plan but has promised to examine ways of lifting the burden on flat dwellers who, as a result, are faced with rocketing rentals.

When he introduced the new system a year ago, he urged landlords not to increase rentals by more than 10% for the first two years. And he made it clear that he would reimpose rent control if victimisation occurred.

Yesterday Mr Clarke said the institute had found that rent increases varied considerably.

"In many instances market conditions have made it impossible for landlords to increase rents by the full 10% — and in some instances they have not been able to increase them at all."

Mr Clarke said the Government had chosen the best possible time to remove control because "there was not such a great disparity between market rentals and controlled rentals."

In a year's time, when rents did not have to be

pegged, prices would be dependent on market conditions, he said. And he was certain the price of luxury accommodation would increase more than "ordinary bread and butter" residential accommodation.

"If exploitation occurs the Minister can still re-apply control even if it's to only one building."

Johannesburg City Councillor Mr Alec Jaffe warned that the demand of flats in some areas would soon exceed supply and this would lead to heavy rent increases.

Once rent control was completely removed, residents were in for "a torrid time".

He would not hazard a guess on the kind of increases residents could expect and said it would vary, depending on the individual landlord.

There had been an upsurge in the purchases of homes — "not because there is more money around, but because people who have been living in flats are dead scared of impending increases."

were completed, against 34 580 in 1976. Last year things improved, however, and 30 515 units were finished.

Fouché's figures show that more is being spent on black housing, and the report also states that a survey has revealed "a surplus of residential accommodation for whites in most metropolitan areas and other large centres."

Spending on housing for the various race groups last year (previous year's figures in brackets) was: whites R35,4m (R38,4m); coloured people R112,4m (R108,2m); Indians R27m (R21m); and Africans R20,4m (R12,3m) — giving a grand total of R195,4m (R180m).

"At present 34 000 dwelling units in approved schemes are being held back" for lack of funds, says Fouché.

He is confident that the coloured housing backlog can be wiped out by 1985. Regarding Indian housing, he says "that talk of overtaking the housing shortage by 1984 is not farfetched." Indians on the waiting lists for over a decade will be pleased to hear it.

Fouché takes a hefty swipe at shack solutions and declares that "the Republic is still prepared to pay the price of proper housing." Squatting and shacks resolve nothing, do not save much, and inevitably lead to evils, he claims.

HOUSING (123) 27/1/79
Government's promises

When Finance Minister Owen Horwood announced an additional R250m for black (coloured, African and Indian) housing in November 1977 "there were approved schemes to the value of R200m for which no funds could be allocated," according to Community Development Secretary Louis Fouché in his annual report, just released.

Yet nearly 11 months later only R21m had been spent. However, Fouché is now confident that the banking consortium's loan of R165m (part of the R250m) will have been spent in full by the end of March. Tenders to the value of R128m have already been approved, he says.

Fouché's report says "the main reason why the building programme was not stepped up evenly in the past . . . was that sufficient funds were not always made available in good time." This caused the 1977 hiccup, when only 16 863 dwellings

SOLUTION 2 I - 19742 - 1

(a)	<u>Budget</u>	<u>F.B.</u>	<u>Actual</u>	<u>Total Variance</u>
Hours	1 000	1 250		
Cost	4 000	5 000	4 150	850 (F)
			Expenditure variance	4 000 - 4 150
			Volume variance	350 @ 4,00
			TOTAL variance	5 000 - 4 150
				<u>150 (U)</u>
				<u>1 000 (F)</u>
				<u>850 (F)</u>

~~Total only (2)~~

(b)	<u>Budget</u>	<u>F.B.</u>	<u>Actual</u>	<u>Total Variance</u>
Hours	1 600	1 250		
Cost	4 000	3 125	4 150	1 025 (U)
			Expenditure variance	4 000 - 4 150
			Volume variance	350 @ 2,50
			TOTAL variance	3 125 - 4 150
				<u>150 (U)</u>
				<u>875 (U)</u>
				<u>1 025</u>

~~Total only (2)~~

B E V E R A G E S

"Ah my Beloved, fill the cup that clears
Today of Past Regrets and Future Fears"
Omar Khayyam



GINGER BEER

- 10 bottles (750 ml) water
- 4 cups sugar
- 1 1/4 (20 ml) bottles Jamaica
Ginger

Judy Morris, Port Elizabeth

- 1 t cream of tartar
- 1 1/2 heaped t dry yeast

Mix all together and leave for 6 hours. Then bottle in screw top bottles. Leave for a couple of days to mature. Keep it in fridge when mature.

MOM'S GINGER BEER

- 16 bottles water
- 3 1/2 lbs sugar
- 2 lemons

Mix yeast with 1 cup lukew (except the yeast) together add the yeast. Leave over Leave for a week before dr

IRISH COFFEE

Heat Irish Coffee Glasses, (goblets and 2 t brown sugar. Maccoco instant) coffee to a whipped fresh cream, poured teaspoon.

TIA MARIA

- 2 cups dark brown sugar
- 7 t Nescafé
- 1 cup sugar
- 1 pt cold water

Bring white and brown sugar and water to the boil, and simmer for 1/2 hour stirring frequently. Add Nescafé and cocoa which has been mixed with a little water. Boil up again. Remove from stove and add rum and vanilla essence. Leave to cool and then add Mainstay. Bottle (preferably strained through a muslin cloth).

COFFEE SPECIAL

May Bennett, Ridgeworth

Pour together into coffee glasses, hot milk and strong coffee. Top with following: fresh cream mixed with a good instant coffee, a few drops of vanilla essence and fine sugar.

GRANADILLA DRINK

Mrs Futter, East London

- 3 cups sugar
- 3 cups water
- 12 granadillas
- 3 t tartaric acid

Boil water and sugar to a thin syrup. Turn out the pulp of the granadillas. Then to this, add 3 t tartaric acid. Pour hot syrup over and allow to cool. Strain and bottle. (Squeeze the pulp to get all the juice out.)

MOM'S GINGER BEER

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- 3 1/2 lbs sugar
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Mix yeast with 1 cup lukew (except the yeast) together add the yeast. Leave over Leave for a week before dr

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41

MONDAY, 7 MAY 1979

† Indicates translated version.

For written reply: *Senat Durban 9*

Shortage of dwelling units *(123)*

13. Senator L. E. D. WINCHESTER asked the Minister of Community Development:

What is the shortage of dwelling units for each race group in (a) Durban, (b) the Witwatersrand complex, (c) the Cape Peninsula, (d) Port Elizabeth and (e) Pretoria.

The MINISTER OF COMMUNITY DEVELOPMENT:

	Coloureds	Indians
(a)	2 050	11 800
(b)	4 400	1 900
(c)	25 000	800
(d)	3 400	140
(e)	640	500

In so far as the White population group is concerned there is at present an overall surplus of accommodation. This does not however imply that anyone can obtain adequate housing anywhere on application. The provision of housing for Whites is therefore being proceeded with on a selective basis in order to meet the demand arising out of the natural increase in population and to remove proved bottle-necks.

Sharon Young, Port Elizabeth

Jane Hullock, Durbanville

May Bennett, Ridgeworth

- 1 large bottle cold ginger ale
- 1/2 cup cold water
- 1/2 cup Cinzano Blanc

1/2 hour before using, in the refrigerator with a few slices of orange or

May Bennett, Ridgeworth

ated coffee. Heat milk but do not coffee and milk into cups, pouring of cream till frothy. Sprinkle a top of cream.

ORANGE HEALTH DRINK

May Bennett, Ridgeworth

(Delicious in Hot Weather)

- 10 oranges
- 2 lemons
- 3 pts boiling water
- 5 lbs sugar

Mix dry ingredients, orange rind, fruit juice and boiling water. Allow to stand for 6 hours. Strain and bottle (6 large bottles). To use, dilute small quantity of orange with cold water or soda water.

- 2 pkts citric acid (small pkts)
- 1 pkt epsom salt
- 1 pkt tartaric acid
- rind of 8 of the oranges

300 at building congress

RESEARCH was being undertaken into the reasons for the troughs and peaks in building activity in South Africa, one of the major economic problems of the country, the Minister of Public Works, Mr Louis le Grange, said today.

He told the building research congress at the Good Hope Centre, that the object of the research was to smooth out building activity.

The congress, organised by the Building Research Institute of the CSIR, is being attended by about 300 delegates and will last for three days.

DAILY LIFE

In his opening speech Mr le Grange said research must move out of the laboratory and into daily life as part of decision-making.

'It is the function of the research organisation to ascertain the relevant facts and interpret and present them as meaningfully and objectively as possible to the policy-maker; whether they are unpalatable or not is immaterial.'

Big need for homes in 20 years

circus 8/5/79 (123)

Property Editor

IN THE next 20 years, additional urban housing for about 20-million will have to be provided in South Africa, Dr N Stutterheim, chairman of the Council of the University of Witwatersrand, said today.

He was delivering his theme address to the South African Building Research Congress.

About 300 delegates from all sectors of the building industry are attending the congress which has as its theme Realism, Research and Resources.

Dr Stutterheim said the population of South Africa, including the former homelands, was expected to increase by 60 percent in the next 20 years.

The percentage of urbanised population would probably increase from the present 50 percent — 12-million to 60 percent — 32-million in this period.

EXCITING

The majority of people wanting the additional housing would be of the lower income group.

The need to provide this housing was one of the most exciting as well as the most critical challenges South Africa had faced particularly if in that challenge, is included the imperative to enhance the quality of life of the lower income groups.

SELF-HELP

● Another speaker, Professor E W N Malloes, an architect and town planner, advocated the principle of self-help in housing.

Speaking on the urbanisation process, he said the principle of self-help was accepted as a basic principle throughout the world and had been 'canonised' as a principle of aid to the Third World by no less an authority than the World Bank.

It was essential it was applied in Southern Africa.

Homes: Slabbert warns govt

HOUSE OF ASSEMBLY. —

The provision of adequate housing had the potential of becoming a major cause of conflict in South Africa, Dr F van Zyl Slabbert (PFP Rondebosch) said yesterday. Speaking in committee on the budget vote for the Department of Community Development, Dr Slabbert said it was well known that available land for residential development was dwindling.

There was a surplus of housing for whites in most metropolitan areas, while coloureds and Indians experienced shortfalls.

The Department of Community Development appeared fairly confident it could eliminate the housing backlog by about 1985, but till then care should be taken not to harm race relations and damage South Africa's image abroad.

Dr Slabbert asked how anyone could justify a situation where in a white group area 1 500 houses stood empty while in another group area nearby up to 20 people shared a house because of lack of accommodation.

If these people dared occupy empty premises in the white area, they were threatened with court action.

"You cannot make a criminal of a man because he wants to provide shelter for his family. If laws have this effect they should be changed as they have no justice in them," he said.

Now housing will get

a massive R760-m boost

123

8/15/79

Loss of face

Staff Reporters

The Government is to spend a massive R760-million over the next two years on houses — more than half of it for the coloured community.

This announcement came last night from Mr Marais Steyn, Minister of Community Development.

It is the latest of a sudden series of Government moves which point to a dramatic acceleration of plans to promote the non-white groups but still with-

in the framework of apartheid.

These include:

- The startling turn-about by the Government in its announcement that the contentious black township of Alexandra, next to Johannesburg, will not be demolished, but renovated.

- The appeal by Dr Piet Koornhof, Minister of Co-operation and Development to leading blacks — including strident Government critics — to advise

the Government on what to do about blacks outside homelands. "For God's sake, let's give it a chance," Dr Koornhof said.

- His statement that he is going to investigate the whole black reference book and influx control system to find a humane solution.

- Dr Koornhof has promised to amend laws relating to the 99-year leasehold scheme to speed it up. He also made it clear that blacks would be able to own more than one house in urban areas and would be free to let.

- He has also promised to investigate the means test applied to hard-pressed black pensioners — a move strongly welcomed by the Opposition.

- He has said he will scrap regulations relating to the management of black areas which are causing resentment.

All this follows the Wiehahn Commission's report recommending widespread liberalisation of South Africa's labour structure and the scrapping of job reservation entirely.

CO-OPERATION

The giant housing programme outlined by Mr Steyn is for 41 000 dwellings for blacks, 69 000 for coloured people, 17 500 for Indians and 20 000 for whites.

The cost, as detailed by the Department of Community Development today, is:

- R393-million for coloured housing.
- R192-million for whites.
- R106-million for Indians.
- R69-million for blacks.

A department spokesman said they hoped to eliminate the backlog in coloured and Asian housing within five years and that for blacks within eight years, provided further funds were available.

means of a policy of expansion and growth, this requiring a reduction in inflation. Third, that giving a real improvement to the lower income groups should have greater priority. And last, that there was need for confidence which would allow industry to invest and expand and trade union workers to know that the benefits are going to the people of the country as a whole, allowing, of course, for investment (12). A specific agreement was then

maximum wage drift), and a cost of living threshold agreement of 20p for each 1 per cent increase over 6 per cent should come into operation. And last a new body would be created to help lower paid employees, through increased productivity, to achieve higher wages. Significantly, the Prime Minister stressed in a Press Conference the same day that though there was room for

4

1.0

4.0

32.1

Mrs Helen Suzman, Opposition spokesman on Co-operation and Development, said today that Dr Koornhof was showing a willingness to examine suggestions from blacks and the Opposition objectively.

- Government acts to bring in black leaders — Page 4.

- Koornhof woos Motlana, Qoboza — Page 13.

of where bargaining power rests. It is fairly clear that the T.U.C. has offered, not because disagreement nor for the hell of it; nor just to be to agree puts them in a worse Disagreement then is the lesser of so bargaining power does not rest is this particular settlement is

Now any one... bargaining situation should be required to justify it. My justification is given in the brief discussion of each element which follows. **Loss of Priority for Lower Paid:** Rated at a cost of 4—relatively low on the basis that hitherto member unions have shown less concern with the interests of the lower paid (unless it can be used as a lever for the rest) than with the sectional interests of their members. A low likelihood rating is given on the basis that as this is as much Government concern as trade union, the Government may be considered unlikely to withdraw priority from the lower paid even if this particular package is rejected. **Statutory Control:** Rated high on both counts as no Government which views inflation from the standpoint of 'wages led' could

99-YEAR LEASES

Women and children

There is a chance that the ambiguities about the rights of heirs in the 99 year lease legislation may be removed. Co-operation and Development (CAD) Minister Piet Koornhof promised in Parliament this week to re-examine the position of future generations of citizens of independent bantustans.

Under some interpretations of the law, children born to citizens of such bantustans after the date on which they became independent do not have the right to live in houses in urban townships even if the leases are left to them by their fathers (*FM* April 6).

The matter was raised in Parliament last Friday by the chief opposition spokesman on black affairs, Helen Suzman, during the debate on Koornhof's departmental budget vote.

Suzman tells the *FM* that Koornhof assured her that if he could be convinced that the ambiguities did indeed exist, he would amend the legislation to clarify the issue. "I believe that he genuinely intends to include future generations of homeland citizens if they are born in the cities or have lived there for the specified period," she says.

The Black Sash's Sheena Duncan points out that any change would have to include an amendment to Section 12 of the Black (Urban Areas) Act, which prohibits children born after independence to bantustan citizens from being in the area at all. "If they cannot reside permanently in the house, leasehold rights will be meaningless," Duncan tells the *FM*.

Meanwhile another leasehold snag has

arisen this time relating to women. Women married under customary union have no contractual capacity and no rights to own property, with the result that they cannot be eligible for leasehold. But because it is very difficult to determine whether or not a woman has been married under customary union, many building societies are reluctant to lend money to any African women at all.



Suzman . . . promises from Koornhof

"Until positive legislation is introduced giving women leasehold rights whatever their marital status, we are excluding all women," says Brian Kemmey, general manager (technical) of SA Perm. Adds Geoff Bowker, Allied's loans manager: "We don't want to be in the position of having to withdraw a loan if we discover that a customary union marriage exists."

Natal Building Society is taking a similar stand, while United is prepared to consider cases of unmarried women on

their merits.

The Association of Building Societies has submitted a memorandum to CAD requesting that an amendment be introduced to allow qualified (under Section 10) women leasehold and mortgage rights whatever their marital status. The association has not yet had a reply and believes there is little chance of an amendment this year.

Another snag for women comes in the regulations themselves, which specifically exclude women married in community of property from leasehold rights. Although Africans are married out of community unless otherwise specified, CAD commissioners usually advise people to marry in community. Duncan reckons that most couples are affected by the regulation.

"This is particularly problematic when the wife qualifies for leasehold rights and the husband does not," she says.

Building societies believe that in any case the demand from women will be low. "Relatively few black women can surmount the income barrier," says UBS head Philip Sceales.

Duncan points out that many women need house purchase rights urgently, since they cannot normally be registered tenants of rented houses. One concession promised by Koornhof is to allow women who have been deserted by their husbands to retain tenancy of the house without having to obtain a divorce.

Koornhof's promise this week to simplify certain aspects of the regulations comes as a welcome move to building societies, who are bogged down in the technical problems of surveying. "We don't want to drag our feet, but until boundaries have been properly specified we cannot go ahead," says Bowker.

Friends (Quakers) en van die American Friends Service Committee deurgebring. Hy het 'n aantal konferensies in verskillende dele van die land bygewoon, baie vergaderings toespraak en senior beamptes van die Carnegie Corporation, van Community Relations Services van die Departement van Justisie van die Amerikaanse regering, van die American Friends Service Committee en kollegas verbode aan verskeie universiteite besoek.

13

Gedurende Augustus en September het die Direkteur Engeland, Nederland, Switserland, Swede, Israel en Zambij besoek. Hy het vooraanstaande joernaliste, Suid-Afrikaanse diplomaate, senior amptenare van die Suid-Afrika-Stigting en verskeie regerings betrokke by Suid-Afrikaanse belange ontmoet. Hy het besprekings gevoer met stigtings, trusts en opvoedkundige verenigings. As gevolg van sy besoek aan Nederland het hy 'n toelae vir die Konstruktiewe Program ontvang van die Algemeen Diakonaal Bureau van die Gereformeerde Kerken in Holland.

Professor J.L. Boshoff, ere-Fellow van die Konstruktiewe Program, het met 'n aantal instansies, wat universiteite in Natal en Transvaal insluit, en met verskeie handels- en industriële firmas in Natal, kontak opgebou.

(b) konferensies

Gedurende 1978 het die Direkteur die volgende konferensies bygewoon:

Jaarlikse Konferensie, Nasionale Uitvoerende Komitee- en Raadsvergadering van die Suid-Afrikaanse Instituut vir Rasverhoudinge, Kaapstad (Januarie).

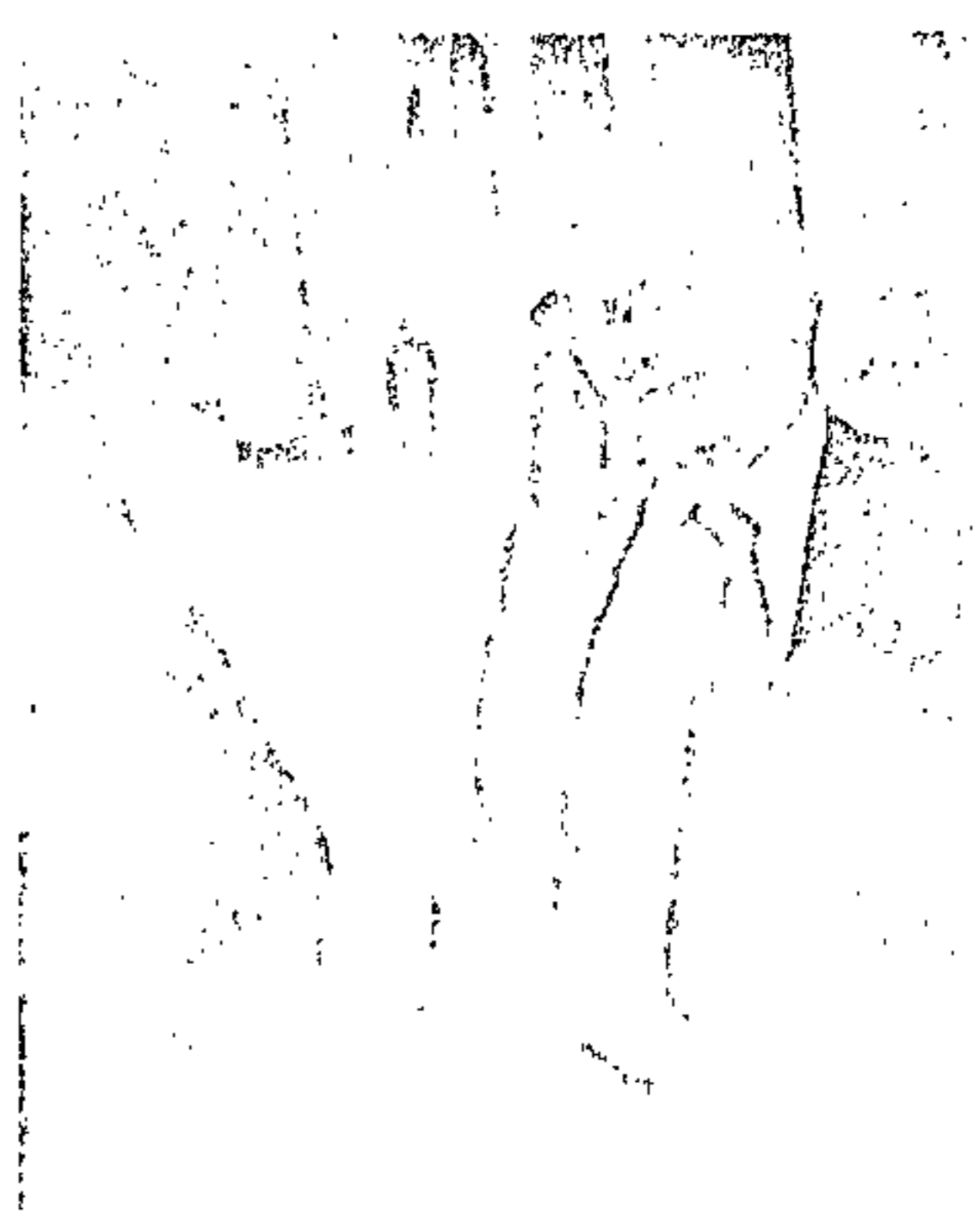
Suid-Afrikaanse Jaarlikse Vergadering van die Religious Society of Friends, Stutterheim (April).

Negende Wêreldkongres van Sosiologie, Uppsala, Swede. Verhandeling voorgelê in Werkgroep 6 en vergaderings bygewoon van die Raad van die Internasionale Sosiologiese Vereniging as die amptelike afgevaardigde van Suid-Afrika (Augustus).

ment (the other is employment) for permanent urban residence for all races.

So far so good. But in practice the housing requirement could turn out to be an even stricter form of influx control, since the critical housing shortage for Africans is going to be with us for years to come.

Community Development Minister Marais Steyn announced this week that R200m is to be spent on housing for all races between 1978 and 1981. Of this



Marais Steyn: more money on housing - no way

"white" area Africans housing will be R200m. R200m from the Community Development budget plus 15% from the R200m housing package announced by Marais Steyn. Dr Horwood and the M.C.C. will also contribute towards this.

The programme provides 40 400 houses in the Western Transvaal in 1978 and 1979. But Riekert's estimates out the African housing backlog at 132 000. From 1978 to 1981, 126 000 houses will be provided. To wipe out the shortage of public housing will cost R200m a year at present prices. Even though the amount of houses planned in the Community Development for 1978 will be increased by December 1977 to 40 000 in the State and another 40 000 in the provinces, it will still be far short of the 132 000 backlog of housing required.

The comparatively small sums spent on black housing in white areas must also be noted. It is the emphasis on housing in "black states," says Riekert. Indeed, many administrative boards are involved in building housing in the bantustans instead of in "white" areas under their jurisdiction. Thus the Western Transvaal board

Mr F.A. Jacobs
Mr H.M. Jimba

d) Twee Ere-Fellows:

Professor J.L. Boshoff
Dr Sheila T. van der Ho

Lede word na die Algemene Jaarve skappy uitgenooi en kies elke di op die Beheerraad. n Verkieesing huidige ampsdraer is Biskop A.W. Verpligtinge aan lede opgele wo: pleeg in verband met sake wat d

NAVOORSING

Gedurende die verslagjaar het c Sentrum die volgende behelss:

A. Mobiliteit en Politieke Ver Hierdie projek is n paar jaar l soek onder die kleurling bevol eiland is onderneem. n Aantal

focusing attention on Itso seng in BophuthaTswana, while the East Rand board is acting as agent for the SA Development Trust in building housing in Lebowa.

Prospects look much brighter for non-African recipients of Marais Steyn's largesse. Coloured people will get R293m from Community Development plus R100m from Horwood's package. This should produce 23 000 houses a year until 1981. Riekert says that to make up the coloured backlog and provide for natural population increase by 1982, would require 24 000 houses a year, of which only 19 250 need be provided by the State.

Indians will get a total of R126m over the next three years, providing 17 200 houses. If Riekert's estimates are correct, the Indian backlog will be wiped out by December 1982.

Whites were not neglected by Community Development, with an allocation of R192m from the department's budget between 1978 and 1981. This will provide 20 000 houses. Riekert estimates that only 5 800 houses are required each year for whites from public expenditure.

Even with Community Development's stepped-up expenditure, the African housing backlog will be greater than it is now — unless the private sector can at least match the State's contribution. Even if it can, the backlog (132 000) will be only marginally smaller than the present 141 000. Thus, in practice, influx control against Africans will remain.

van OUD-UITRA (Augustus).

HOUSING 19/1/79 (123)
Riekert's small print

The phrase "approved housing" crops up time and again in the Riekert report. Under Riekert's proposed new system it will be one of the two essential require-

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Black housing enters new era

123

Sun. Tribune 13/5/79

By
COLIN VINEALL
Property Editor

THE Government is to do away with the little square box style of housing for blacks. In future, housing provided from national funds will be basically the same standards for all race groups.

This was disclosed this week during an interview in Cape Town with the Minister of Community Development, Mr S. J. Marais Steyn.

Mr Steyn was giving further details of the massive programme to clear up the backlog of housing, especially among the Indian and Coloured communities.

The programme of building would be completed by 1981 if all goes well and Mr Steyn commented that this meant that in the three years, houses would have to be built at the rate of 191 a day. His department would be spending R1 046 000 a day, or as he put it, R2 179 a minute.

The money would come from R600 million from normal allocations to his department over the three years and the other R161.6 million was money still available from other sources.

Breaking down the normal allocation of

funds for the race groups, Mr Steyn said R192 million would be provided for whites (R132,7 million for economic housing and R59,3 million for sub-economic); R202,8 million for coloureds (R207,9 million economic, R84,9 million sub-economic); R76,2 million for Indians (R61,9 million economic and R14,3 million sub-economic); R39 million for black economic housing — "But that figure will change as I announced a completely new arrangement for financing black housing during my vote," commented Mr Steyn.

Mr Steyn further explained how money from the additional funds would be spent.

• For the whites . . . nothing.

• For the coloureds R71 million economic and R29 million sub-economic.

• For the Indians R40,6 million economic and R9,4 million sub-economic.

• For blacks outside the homelands R50 million for economic houses.

Mr Steyn said housing for blacks in future would be allocated on exactly the same basis as for whites, coloureds and Indians — sub-economic and economic. The houses would be of the same standards.

I asked Mr Steyn if this meant the end of the G51/9 — the box type house that typifies so many townships — "Yes, it does," he said.

Mr Steyn said: "From now onwards we have agreed with the Department of Development

and Co-operation that in future allocations of funds for black housing will be done by the National Housing Commission and the Commission for Black Housing will disappear."

There will be one national body controlling Government housing.

"The reason why there was a differentiation in the supply of housing to blacks in the past are these:

• The incomes of the blacks were comparatively very low;

• Because of this low income of the blacks, their homes were of a very low standard and cheap;

• We could build these houses much cheaper because cheap black labour could be used to a large extent.

"Now I will give the reasons why we are

eliminating this."

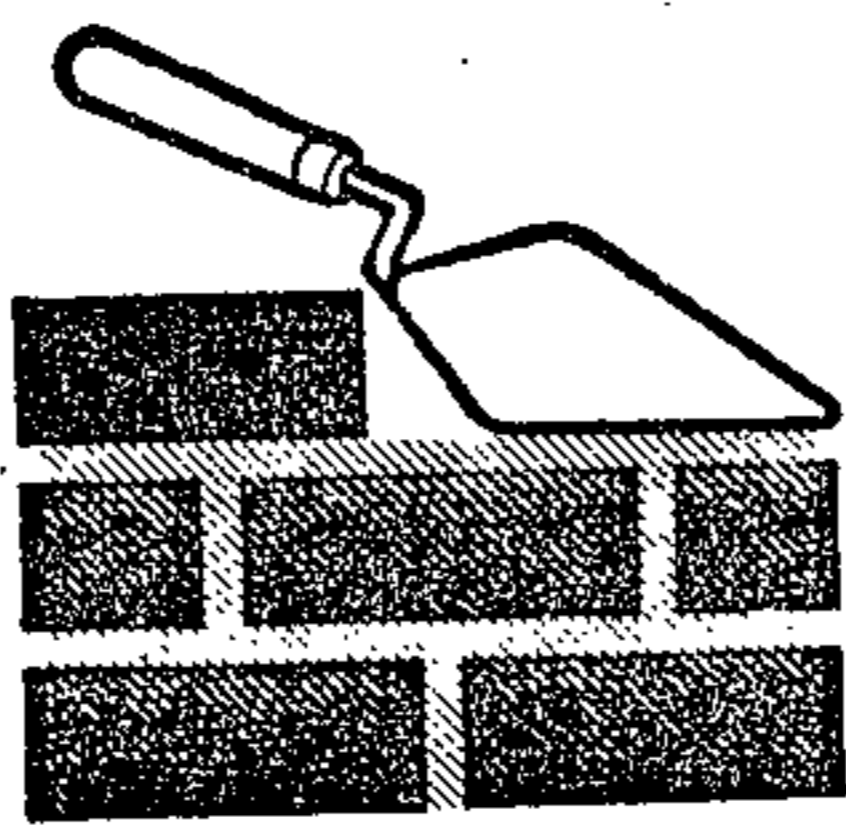
• The incomes of urban blacks are improving and compare favourably with those of the other non-white groups;

• Only about 63 per cent of urban blacks remain in the sub-economic group today. Thirty-six per cent earn more than R150 a month, and do not qualify for sub-economic housing and one per cent earns more than the limit of R540 a month and do not qualify for assistance;

• The fact that we were continuing to build houses of a lower standard for the blacks was giving rise to dissatisfaction and friction;

Community facilities for blacks will be financed in exactly the same way as for other populations groups.

Models used in planning



By Elizabeth Wilson

In a timber company committee room, a black sawmill worker and his wife are building a house which will suit their needs.

They are working with a scale model which allows them to erect walls at will, take them down and reposition them.

Where they want a bathroom, they can build one. Where they want an all-purpose room, they can create one.

Each piece of furniture the couple owns is represented by a miniature and is put into the house. Each member of the family, represented by a doll, is positioned in one or other room.

Exploration

The couple is playing the Housing Game — a novel scheme devised by the National Institute for Personnel Research of the CSIR to help people explore their own housing needs and see these in tangible terms.

Later, the houses they have designed will be built as company houses.

Says Mr John Verster, head of the Human Development Division of the NIPR, "If black housing is to be effective, it must be related to what people

truly need and want. It must allow for their aspirations and their place in a wider community.

"It must recognise also that workers have children and older dependants, and that these people cannot be neglected when housing is planned."

The best way to establish the real needs is for people themselves to state their preferences, but this is not always easy, especially with low-cost housing that must meet a budget.

Says Mr Verster, "Although a great deal of money is being spent on black housing, it is often on the wrong kind of houses. This could show itself in a high labour turnover, low productivity and low motivation."

"Where satisfactory housing is provided, workers are more likely to stay with a company, labour turnover drops and so does the cost of taking on new employees. Workers who are settled tend to develop skills and to identify more strongly with the company."

"When this happens they are likely to become more effective, more productive and more motivated."

Loans

When providing housing for employees, companies need to be very clear in their objectives, says Mr Verster.

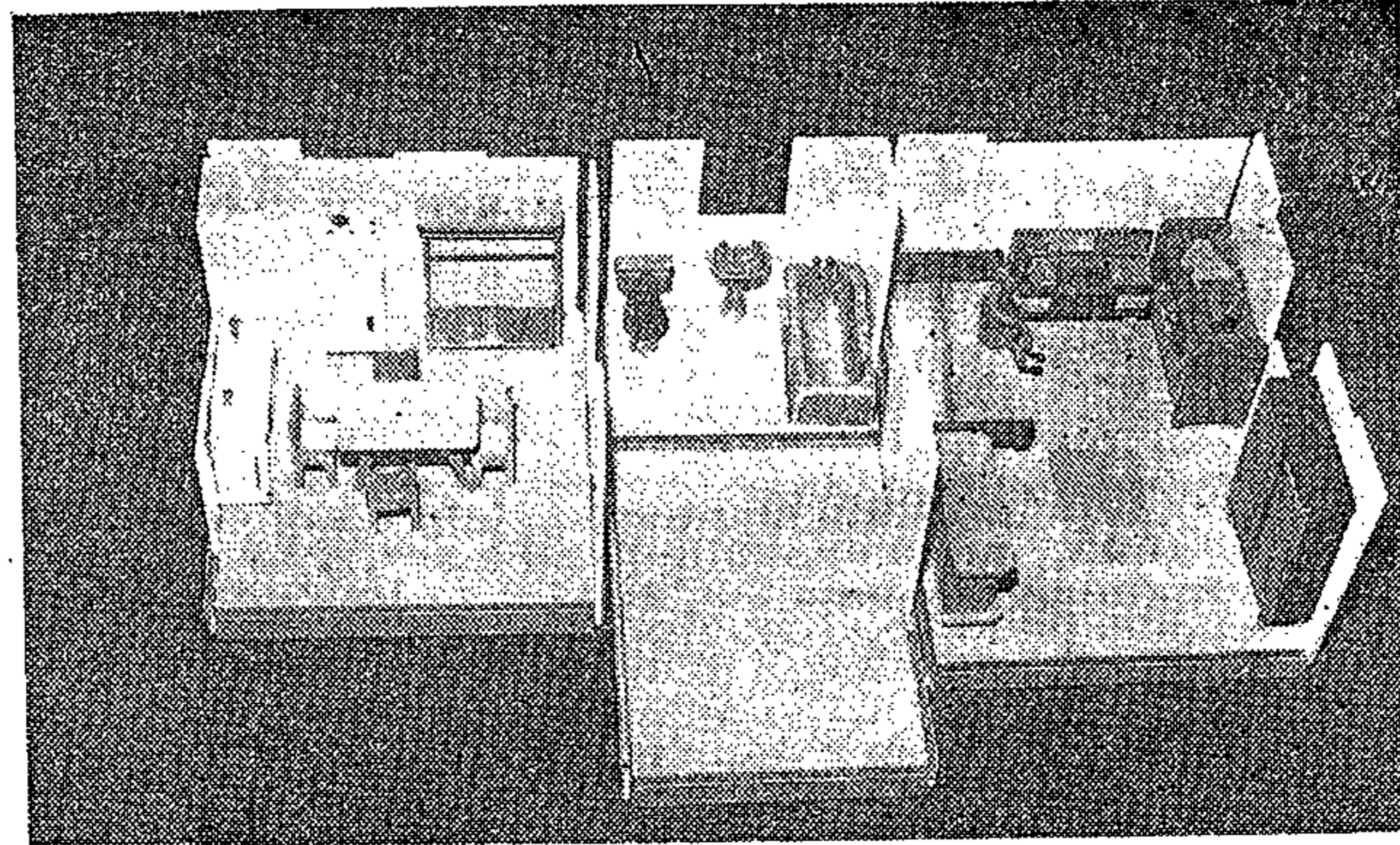
It may be that workers must be housed on company property. Or, that company wishes to help workers with loans for houses in established townships.

"In either case, the company has to learn what the workers' needs are, and to outline how much money is to be spent."

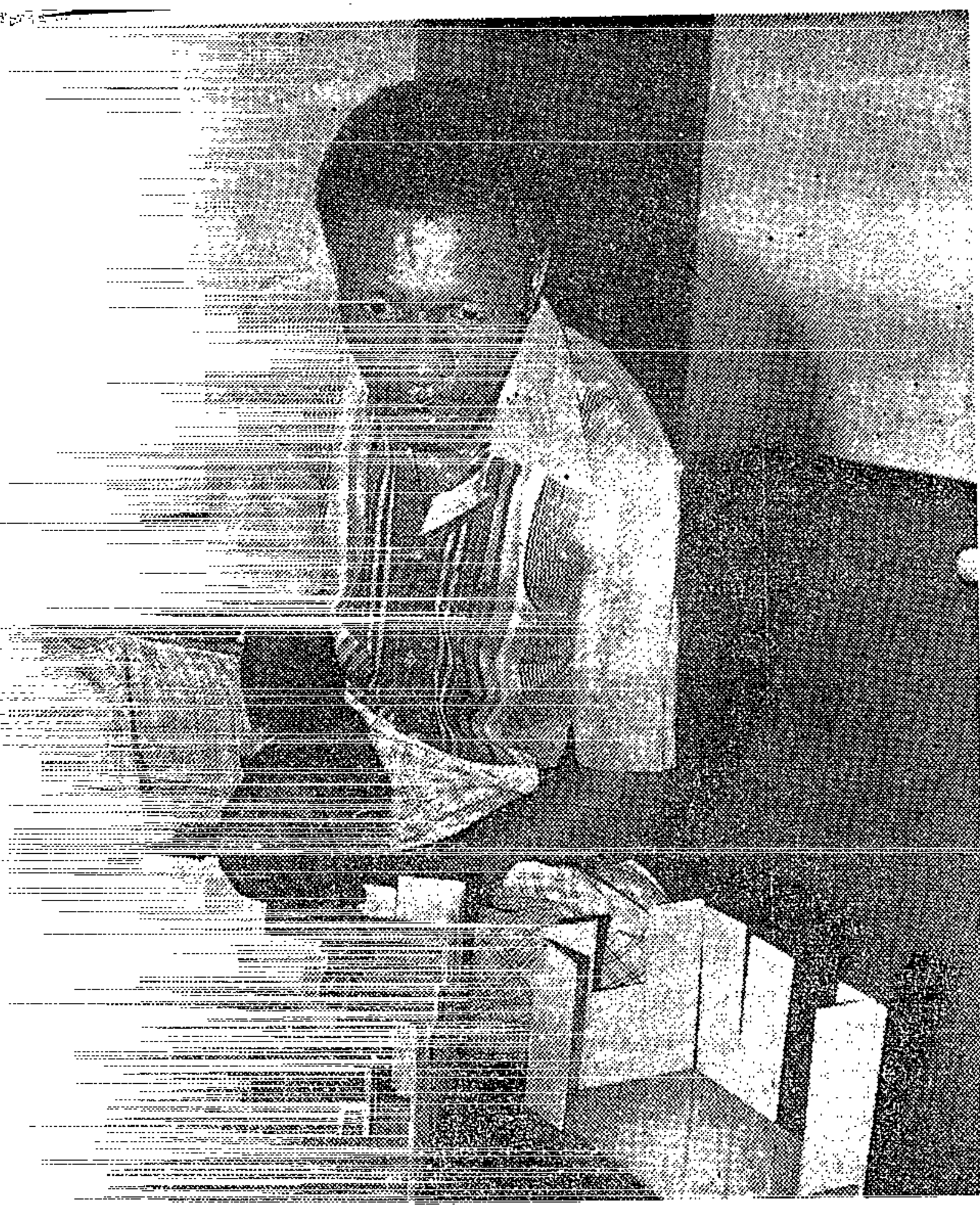
"It should involve representatives of the work force in decision making, and should explain there is a certain limited sum to cover various needs. In a community this could mean housing, schools, clinics, churches, restaurants, beer halls, shops, sportsfields, water and electricity."



Mr John Verster with housing units designed by the NIPR allow for choice in a compound. The room can take one, two or three beds. Or, single quarters can be combined. Symbolically each door is stepped and different in colour. Rooms are also furnished differently. The design allows for the units to be converted into family living quarters at relatively low cost and so encourages more settled, family-based labour.



Another example of a housing design. In this one the bedroom takes a bed and two bunks.



Making decisions is part of the housing game. Deciding how big rooms should be and matching this to the cost.

Playing the housing game

As a first step, couples are asked by a black administrator to build the house in which they live at present, using sections of a scale model.

It is explained that this is a game and not a test, and that they can experiment with the pieces, each of which has a money value.

The administrator helps the couple get the scale right. He then asks them to position the furniture and members of the family — including those not living with the family or household at present.

The feeling was that the luxury of one function, one room could not be afforded.

Greater variety and flexibility in housing. Houses should not just look different, but be different according to the household needs. A company could arrange a choice of at least six to ten different types of housing.

- Single quarters.
- For married couples without children.
- For friends living together.

For families with varying numbers of children.

For families with teenagers of other families who need to be near schools.

For extended families which may include aged relatives.

Blacks interviewed said that while multipurpose rooms appeared to lack privacy, many black families would prefer to section off areas as required with curtains, furniture or other temporary partitions.

They give characteristics of the residents — age, education, place of present residence, occupation, ethnic group.

Next the cost structure is explained. Using "poker chips," the administrator costs out the house the couple has built.

"We have found that even a man with a Standard 3 education can handle this," says Mr Verster. "In fact, people become more and more involved and enjoy making the houses."

"Once they have built a house costing R2 300, the couple is then asked to build a house for R3 000 and to furnish it to their needs.

"Each move they make is recorded. Some people have a very clear idea of their needs and priorities. Others make a lot of changes before reaching their ultimate decision."

According to Mr Eric Stillerman, who helped develop the housing game, it is suitable even for unsophisticated workers. They may not know in metres the exact dimensions of their homes, but they seem to have an innate sense of scale, he says.

Often they build their houses with amazing accuracy, but they cannot read an architect's plan.

Next the couple is asked to build for R4 000 and then for R6 000. Finally, they build with no monetary restraints.

"We have found that often where a company intended spending R6 000 on houses, workers were able to build homes that met their needs and aspirations for a good deal less."

"The homes they designed included such 'extravagances' as garages, pantries and passages — all of which are normally considered to push up costs," says Mr Stillerman.

Preliminary research among black workers in primary industry shows a preference for:

- Few big rooms rather than many small rooms.
- Multi-purpose rather than single-purpose rooms.

25/5/79
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TOWNSHIP HOUSING Evicting evictions

Jan 11/6/79

The noxious "fit and proper" eviction clause has itself just been evicted from township housing regulations. This is one of the effects of amendments to Government Notice R1036 gazetted last week by Deputy Plural Relations Minister Willie Vosloo.

Under the old form of the regulations, township superintendents had extensive powers arbitrarily to evict people from township houses. A householder could thus be ordered out of his house on 30 days' notice if he ceased to be, "in the opinion of the superintendent, a fit and proper person to reside in the black residential area."

Among the other grounds for eviction were, leaving the site of the house for more than 30 days.

The fact that township superintendents had these powers caused great unease among businessmen and building societies willing to provide loans for African housing. As a result, Finance Minister Owen Horwood told the FM investment conference in November 1977 that R1036 would be altered.

Andre van Schalkwyk, a spokesman for the Department of Plural Relations, tells the FM that Minister Piet Koornhof referred earlier this year to plans to remove regulations that could cause "resentment." Van Schalkwyk says that last week's amendments are designed to eliminate possible points of friction as well as to avoid any confusion or contradiction between the general "residential area regulations" (R1036) and the new 99-year leasehold regulations issued in December last year.

The amended regulations also provide for the owner of a house to be able to sublet it.

Among the clauses now deleted from the old regulations are those requiring applicants for sites in the townships to be "free of any infectious disease" and providing for ethnic segregation within the townships. But some of the qualifications for renting a township house or obtaining a site on which to build a house remain.

Thus the applicant must still have Section 10 (1) (a) or (b) urban residence qualifications, and be in possession of proof issued by an administration board. People who are not qualified can only be given a site "on the recommendation of the board and with the approval of the

chief commissioner."

Township superintendents also retain the power to evict people who no longer have their 10 (1) (a) or (b) qualifications.

There is also a new eviction provision which affects people living in houses built by or reserved for their employers. "Where an employer has erected a dwelling or specified dwellings have been reserved for occupation by employees of that employer," and the employee leaves that employer's service, the superintendent can cancel that worker's site or residential permit or occupation certificate.

o) Ander lede:

- | | |
|------------------|-----------------------------|
| Bosman | Mr H.W. Middelmann |
| Mr A. Cupido | Mr M.T.L. Moletsane |
| Daniels | Professor A.D. Muller |
| Mr R.J. Davies | Sheik A. Najaar |
| Mr J.J. Degenaar | Mr Victor Norton |
| de Villiers | Professor N.J.J. Olivier |
| du Plessis | Mr L. Phillips |
| J.J.F. Durand | Professor H.P. Pollak |
| J.B. du Toit | Mr W.J. September |
| Ederman | Mr Franklin Sonn |
| R.F. Fuggle | Mr P.M. Sonn |
| Gerwel | Regter J.H. Steyn |
| Guma | Mr R. Tobias |
| A. Paul Hare | Professor R.E. van der Ross |
| Heydorn | Professor J.H. van Rooyen |
| Jacobs | Mev. S. Walters |
| Imba | Professor F.A.H. Wilson |

allows:
J.J. Boshoff

Friends (Quakers) en van die American Friends Service Committee deurgebring. Hy het 'n aantal konferensies in verskillende dele van die land bygewoon, baie vergaderings toegesprek en senior beamptes van die Carnegie Corporation, van Community Relations Services van die Departement van Justisie van die Amerikaanse regering, van die American Friends Service Committee en kollegas verbonde aan verskeie universiteite besoek.

Gedurende Augustus en September het die Direkteur Engeland, Nederland, Switserland, Swede, Israel en Zambie besoek. Hy het vooraanstaande joernaliste, Suid-Afrikaanse diplomaate, senior amptenare van die Suid-Afrika-Stigting en verskeie regerings betrokke by Suid-Afrikaanse belangte ontmoet. Hy het besprekings gevoer met stigtings, trusts en opvoedkundige verenigings. As gevolg van sy besoek aan Nederland het hy 'n toelae vir die Konstruktiewe Program ontvang van die Algemeen Diakonaal Bureau van die Gereformeerde Kerke in Holland.

Professor J.L. Boshoff, ere-Fellow van die Konstruktiewe

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REPUBLIC OF SOUTH AFRICA
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PRETORIA, 8 JUNE 1979
 JUNIE

No. 6483

GOVERNMENT NOTICES

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GOEWERMENTSKENNISGEWINGS

**DEPARTMENT OF COMMUNITY
 DEVELOPMENT**

DEPARTEMENT VAN GEMEENSKAPSBOU

No. 1181

8 June 1979

No. 1181

8 Junie 1979

**APPOINTMENT OF MEMBER AND ALTERNATE
 MEMBER OF THE BOARD FOR HOUSING OF
 BLACKS**

**AANSTELLING VAN LID EN PLAASVER-
 VANGENDE LID VAN DIE RAAD VIR
 BEHUISING VAN SWARTES**

It is hereby notified that the Honourable the Minister of Plural Relations and Development has, in terms of section 8 of the Housing Act, 1966 (Act 4 of 1966), reappointed Mr G. H. Venter a member of the Board for Housing of Blacks and Dr P. S. F. J. van Rensburg his alternate for the period 1 April 1979 to 1 June 1979.

Hierby word bekendgemaak dat Sy Edele die Minister van Plurale Betrekkinge en Ontwikkeling kragtens artikel 8 van die Behuisingswet, 1966 (Wet 4 van 1966), mnr. G. H. Venter as lid van die Raad vir Behuising van Swartes en dr. P. S. F. J. van Rensburg as sy plaasvanger heraan gestel het vir die tydperk 1 April 1979 tot 1 Junie 1979.

frequency of inter-settlement contact would have increased and with it the probability of friction would have grown. The level of stress would have increased until fission occurred when groups would have moved away, settled and formed the nuclei of new cultures. Each of these nuclei could have acted in turn as a centre for fission and further expansion.

In this model, as was the case for the continuous spread model, carrying capacity has been defined as psychological tolerance and the problem of limiting resources remains.

A flow diagram and computer simulation of the discontinuous spread model were prepared (Fig.3; Appendix 1).

DATA

Quantitative data . The rates of population growth used in the simulations were two, three and a half, and four per cent per annum. The values were similar to those quoted by Birdsell (1957) for human groups colonising uninhabited areas. Four values for carrying capacity were used: one, five, ten and fifteen people per square kilometer. A value of five people per square kilometer has been used as the carrying capacity for simulations on subsistence agriculturalists (Ammerman and Cavalli-Sforza, 1973). The values coincide with low population known from African ethnography (Tew, 1955) but the possibility remains that the ethnographic values are too high since they may have increased as a result of European medical attention.

Both models were simulated with three different, arbitrarily chosen, input populations: 100, 500, and 1000 people. In the simulations space was conceptualised as a series of concentric circles. The perimeter of each circle was set at 10 km away from the previous circle.

Cultural data. The bevelled/fluted complex corresponds, at least in broad outline, to the eastern stream (Phillipson, 1977). However, there are a number of problems associated with the eastern stream. Nkope has been included in the eastern stream and has been used as a link between Early Iron Age cultures in eastern and southern Africa. Huffman (1978) has shown that some of the cultures included in the eastern stream, notably the Transvaal group, do not have a high relationship to either the Nkope-Cokomere axis or to Silva Leaves material and should be excluded from the eastern stream. Similarly

Black housing boost expected

City Editor

THE RECOMMENDED new housing deal for blacks presents a "tremendous and exciting challenge" for South African businessmen, the president of the Chamber of Mines, Mr D A Etheredge, said yesterday.

Addressing the annual congress of the SA Property Owners Association in Johannesburg yesterday, he said the recommendations of the Riekert Commission, if translated into law, could give a massive boost to black home-ownership.

He singled out recommendations which urged that:

- Employers be allowed to own property in black residential areas to provide housing for employees;

- the private sector be allowed to finance housing schemes in black residential areas and to develop housing for allocation under leasehold;

- plots with the necessary services be allotted for blacks to build their own homes;

- consideration be given to government subsidisation of black housing on the same basis as other population groups;

- larger sites be provided in black townships for boarding houses, hotels, hostels, flats, industry and business; and

- Group Areas Act restrictions be removed on blacks owning and occupying premises in central business areas for commercial and professional use.

"All these things are long overdue," he said, "but now the way is being cleared for them they pose a tremendous and exciting challenge."

1 in the 126% increase in office 28% increase in office

successful promotion of increased price, but income ratio which, budgets, has resulted

1. The revised report eliminates the effect of increased production costs as they are not controllable by the branch manager. Other comments:
2. Increased contribution from increased prices.
3. The increased price of widgets may have caused the decrease in volume of widgets. As these have a much higher marginal income ratio than gadgets it might have been better not to increase the price. Consider reducing the price if it will stimulate demand.
4. It seems as though gadgets (volume-combined with the in an adverse manner these have a relative volume-
5. Increased selling in travel and expense.

Stew 21/6/79

Black housing prospects

(123)

THE ASSEMBLY — It was hoped to overcome the black housing problem within ten years, the Minister of Community Development, Mr Steyn, said yesterday.

Speaking in the second-reading debate on the Housing Amendment Bill, he also said it was considered desirable that a member of the black community should serve on the National Housing Commission.

Opposition speakers welcomed the Bill which provides for the abolition of the Black Housing Board and the inclusion of black housing in the work of the National Housing Commission.

Mr Steyn said that since the

difference in the mechanics for black housing and housing for other groups had been dropped, there was no serious reason for the existence of the Black Housing Board.

There were already a coloured and an Indian member on the National Housing Commission, and as this body would in future handle black housing as well it would be desirable to have a black member too.

A provision of the Bill seeks to increase the membership of the commission by the appointment of two additional members to be designated by the Minister of Co-operation and Development.

and in 1675 the trade of Kingoland 'at lowest computation' was adjudged to be worth £150,000." 18

If the story of Mfengu collaboration was to be terminated in 1675 it would appear that they, unlike the 'Hottentots' had reaped tremendous benefits from their collaboration. No longer refugees, they had acquired a homeland; they were successfully engaged in cash crop production in competition with white farmers; and, during the 1870s, more and more of them qualified for the Cape franchise. Their experience was diametrically opposed to that of the other African peoples in southern Africa.

But their golden age was to be brief. After 1865 the Xhosa were no longer a significant military threat to the Cape Colony and the value of Mfengu military aid accordingly declined. After the final removal of the Xhosa threat to the stability

of the colony in 1879, the Cape Assembly enacted a 'Disarmament Act' which effectively disarmed both Xhosa and Mfengu. This, like the Mfengu vulnerable to the hostility of the Xhosa, as in the rebellion of 1880-81. The real significance of the act, however, was that the Mfengu realised that they, like the 'Hottentots' before them had been used and then discarded. The truth of this has been underlined by events in the twentieth century. If the experiment at Kat river had been a failure, so too had Mfengu attempts to integrate with the whites. Tony Kirk has shown the importance of economic pressures - alienation of land, overcrowding and overstocking, the deliberate exclusion of the 'Hottentots' from the profitable wool market, and increasing demands for labour - in the outbreak of the rebellion of 1851 and the eventual decline of the Kat river settlement. Of the trial of Andries Botha (the scapegoat for the rebellion) it has been remarked, "the case of the Queen versus Andries Botha is in reality the case of the settlers versus the Kat river settlement." 19.

theirs in old age, and whether bantustan citizenship will deprive them of their homes. They are also reluctant to spend so much money on Soweto 'boxes'."

The Mfengu appeared to be more successful than the 'Hottentots' had been in combating these pressures but their very success eventually brought about their defeat. As the work of Colin Bundy has demonstrated a section of the peasantry was undermined almost as soon as it

land was showing the

and progress. While so farmers, the vast majority relying on migrant labour

It is true to say extracted a greater price for their collaboration that this is precisely 'Hottentots' were already

99-YEAR LEASES

Slow lift-off

The much-vaunted 99-year lease scheme has not exactly got off with a bang, if purchases so far are anything to go by. Government officials on the Reef are mystified by the slack demand, while it looks as if Parliament will rise this week without resolving the legal ambiguities.

Thus there is still no guarantee that children born to citizens of bantustans after independence will be able to own or occupy houses under a 99-year lease, even if the houses are inherited from qualified people.

The government insists that descendants of independent homeland citizens will not lose any rights besides their citizenship," says Houghton MP

Helen Suzman. "We would have preferred a legislative assurance. All we can do now is to try and see if government assurances are administratively implemented."

Most building societies, eager to lend money for 99-year leases, are getting impatient at the administrative problems that continue to dog the scheme. The chief bugbear is surveying. At present, regulations require that each stand be individually surveyed, whereas the Association of Building Societies has asked government to allow block surveying. "We want the difficulties to be overcome as quickly as possible so that the scheme is not killed before it starts," says Association director David Alston.

Frans du Randt, chief co-operation commissioner for the Witwatersrand, says the black response to 99-year leases has been disappointing, with only four deeds so far registered in his area. Most of Soweto has not yet been surveyed, however.

Du Randt is at a loss to explain the exact reasons for the slack demand, although he thinks high costs could well be an important obstacle. "We would welcome letters from black people explaining their lack of enthusiasm," says Du Randt.

The Black Sash's Sheena Duncan says people coming into Sash offices have given some of the answers. "People are very suspicious, particularly in view of the high cost involved in taking out leasehold," she says. "They remember that freehold rights were cancelled, and that 99-year leaseholds were withdrawn in 1968. They wonder whether the house will still be

nineteenth century history of the eastern Cape has left an indelible mark on Xhosa/Mfengu relations to this day. Perhaps the greatest parallels between Mfengu and Hottentots is not that they both collaborated with the government in the nineteenth century but that in the long run they both succumbed to the same inbuilt forces in the colonial system. Whether they remained loyal

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For full text
see Act 1979



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Vol. 168]

CAPE TOWN, 22 JUNE 1979

[No. 6519

KAAPSTAD, 22 JUNIE 1979

DEPARTMENT OF THE PRIME MINISTER

DEPARTEMENT VAN DIE EERSTE MINISTER

No. 1326.

22 June 1979.

No. 1326.

22 Junie 1979.

It is hereby notified that the Acting State President has assented to the following Act which is hereby published for general information:—

Hierby word bekend gemaak dat die Waarnemende Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 76 of 1979: Slums Act, 1979.

No. 76 van 1979: Slumswet, 1979.

ACT

To consolidate the law relating to the elimination of slums within the areas of jurisdiction of certain local authorities and matters incidental thereto.

*(English text signed by the Acting State President.)
(Assented to 13 June 1979.)*

BE IT ENACTED by the State President, the Senate and the House of Assembly of the Republic of South Africa, as follows:—

CHAPTER 1

INTRODUCTORY PROVISIONS

5

Interpretation.

1. In this Act, unless inconsistent with the context—

- (i) "Administrator" means the Administrator of the province in which the district concerned is situated, acting on the advice of the executive committee of the province; (i)
- (ii) "building" includes any dwelling and any other structure irrespective of its nature or the purpose for which it is used; (iv) 10
- (iii) "Commission" means the National Housing Commission referred to in section 5 of the Housing Act, 1966 (Act No. 4 of 1966); (vi) 15
- (iv) "deeds registry", in relation to land, means the deeds registry for the area in which that land is situated, and in the case of land held under stand licence and situate within a township, the office of the Rand Townships Registrar, and in the case of land held under stand licence and situate outside a township, the office of the Registrar of Mining Titles; (xi) 20
- (v) "district", in relation to a local authority, means the area under the jurisdiction of that local authority; (ii) 25
- (vi) "dwelling" means any house, room, shed, hut or tent or any other structure or place, any portion whereof is used by any human being for sleeping in, or in which any human being dwells, or which in the opinion of the medical officer of health is intended to be used by any human being for sleeping or dwelling in; (xvii) 30
- (vii) "land" includes—
 - (a) land with or without buildings thereon;
 - (b) any servitude registered over land;
 - (c) any lease of land registered in the deeds registry which was entered into for a period of not less than ten years or for the natural life of the lessee or any person mentioned in the lease, or which is renew- 35

99-YEAR LEASES The cost of living

When the stalled 99-year lease scheme finally gets off the ground, many black families could well find the jump from tenant to leaseholder too big to attempt.

Qualified Section Tenners can either buy existing houses, or build for themselves. Because there is no established market value for existing houses, prices are based on the average of the original cost plus current replacement cost. Thus a standard four-roomed house with an inside bathroom in Soweto costs a basic R2 235. The same type with an outside bathroom comes to R1 750. An extra R80 is charged to install a water meter.

The administration board provides basic plans (concrete floors only, no ceilings) for those who want to build their own houses, at prices ranging from R2 900 to R6 315. When all additional costs are added on, the bill is far larger, with electricity, water, sewerage connections, and other services totalling at least R1 500.

Initial expenses are hefty. On application, the would-be leaseholder must pay about R300 for land usage, a R6 administration fee, and R20 for revenue stamps. There are also surveying fees (from R50 to R300), and conveyancing charges.

Thus an old 51/9 "matchbox" costing a basic R2 235 will come to R2 681, assuming surveying fees are only R50 and excluding conveyancing. To build a 51/9 (basic cost R3 500) would come to a whopping R5 000 — at least — excluding surveying and conveyancing costs and any additions like ceilings or tiled floors.

The board accepts a 10% deposit, but building societies will advance only up to 80% on the value of the property unless collateral is supplied by an employer. Building society loans exclude the extra costs.

In its information sheet on home ownership, the West Rand Board states that 30 year loans at 10,75% interest will be available for building new houses. But a Wrab spokesman tells the FM that the board's housing fund has run dry. However, it will allow buyers of existing houses to pay back the money over 30 years at 9,5% interest, provided a deposit of 10% is advanced.

Because of the R30m overseas loan raised by the Urban Foundation, which is being matched by local building societies,

Immigration laws Immigration laws

Correspondent Cape Times April 13 1979
government's tighter immigration laws difficult for South Africans to settle here.

A Tory government would clamp down strictly on numbers allowed into the United Kingdom and, as legislation would not discriminate between black and white, white South Africans would be included in the "shut door" policy.

A Tory spokesman told me that a revision of the immigration laws would be a priority with a Conservative government. He said changes would be made only after consultation with governments of countries whose nationals would be affected.

"As South Africa's position in the international community is not exactly a happy one, a Conservative government's attitude to would-be immigrants would, in fact, be anything but generous," the spokesman said.

He added that only positive changes in South Africa's internal policy might make it possible for a Conservative government to view the matter of immigrants more favourably.

He spelt out exactly how Conservative immigration policy would probably affect South African would-be immigrants.

At present a person whose father was born in the United Kingdom is usually granted permanent residence here. Revised immigration legislation would almost certainly change this.

Affected would be not only South Africans but also many Canadians, New Zealanders and Australians, and others from countries to which British subjects had emigrated.

"There is a limit to the number of immigrants that Britain can afford to take in and that is a basic fact. We simply don't want more people than we can accommodate," the spokesman said.

At present persons who have worked in the UK for four years can apply for permanent residence. This, I was told, would almost certainly fall away.

The Tories also would end concessions to husbands and fiancés. This would be aimed mainly at Asians, but would apply also to other nationals.

The issue of work permits would be severely restricted and a quota system introduced, covering everyone outside the European community.

As far as political refugees and war resisters or draft dodgers were concerned, asylum or permanent residence would be at the discretion of the home secretary, I was told.

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RELATIONS plum accusa diplom Ameri

The detentions follow by the Prime Minister P W Botha. States Embassies have been found with a spy was used to of sensitive

The plane Africa today on the first stage of its re to the United

After South announced that rican airmen expelled the C retaliated by e members of African Emb; Washington.

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The US that the Am sy plane ha board, but fected alleg was inprop ricians are if South Afric for some tr was going o trying to e sion.

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Information scandal, while South Africa is demanding an apology from the US. The US is refusing to do this.

The US Secretary of State, Mr Cyrus Vance, has warned that the 'spy plane' incident will gravely damage future relations between the two countries.

The Minister of Foreign Affairs, Mr R F 'Pik' Botha, said today there had been a considerable deterioration of relations between the two countries.

LACK OF TRUST

He spoke of 'a total lack of trust and confidence between the two countries' and indicated that the position was not likely to improve unless the US apologized.

He said he regretted that the situation had deteriorated to the present position and said he did not wish to get involved in acrimonious exchanges with the US Government.

At the same time he accused the US of intimidation and veiled threats.

building society interest rates for black borrowers will be 0.75% less than the going rate.

The usual principle that monthly repayments must not exceed 25% of income still holds. But most building societies have decided to assess black families differently from whites, taking a spouse's income into account alongside that of the breadwinner.

"We must be a little more elastic with black families," says Allied loans manager Geoff Bowker. Allied has decided to base income assessment on the breadwinner's full income plus half that of the spouse. United MD Peter Richardson says income of children may also be considered in individual cases.

Most building societies are aiming at a better class of housing — the standard 51/9 with improvements — or new houses.

"We have never considered ourselves to be financiers of sub-economic housing," says Richardson. Bowker adds that he believes it is government's responsibility to provide low-cost housing. "We want to help people who can afford property," he says.

The societies are also stressing the part employers can play. An Urban Foundation pamphlet offers guidelines for employers, covering assistance with monthly payments and the initial deposit; selection of employees to be assisted; sources of loan finance for mortgages; and participation in group housing programmes.

EMBARRASSED

According to reports from Washington the US is clearly embarrassed about the incident but is trying to play it down as much as possible. In State Department circles there is said to be a report about the deterioration in relations as there were earlier indications that they were on the mend.

Mr Padenon was today not available for comment. An embassy spokesman indicated that all reaction would come from Washington.

attaches had been an act of pure revenge as they had done nothing wrong.

It is clear from Thursday's statement by Mr Botha, that South Africa obtained a spoof from the American 'spy' camera on board the official United States Embassy aeroplane.

Labour gets tougher on SA R & M

LONDON. — Britain's ruling Labour Party yesterday toughened its stance on South Africa, declaring it was prepared to introduce sanctions against Rhodesia and would support United Nations' settlement proposals for South West Africa.

In its manifesto for the May 3 General Election, the party pledged to take steps

to reduce Britain's economic dependence on the Republic and discourage new investment in the country.

"Labour believes that it is not only wrong, but contrary to British long-term interests to have close economic ties with South Africa," the party stated.

"Until a settlement in

Rhodesia acceptable to all the people of the country is arrived at, the Labour party will maintain and even intensify sanctions."

Prime Minister Mr James Callaghan said Britain would also put pressure on other nations to apply sanctions against Rhodesia more effectively. — Sapa- Reuter.

'Driven Muldergate off front pages'

WASHINGTON. — US officials expressed surprise yesterday at South African allegations that a US Embassy plane was used for spying purposes and the Prime Minister, Mr P W Botha's decision to expel certain embassy

personnel. "We don't have all the facts yet," one official said. "But if we wanted to spy on South Africa, we have fancy satellites that can do it better than a Piper Cub."

The State Department was awaiting a full report from the ambassador, Mr William Edmondson.

One official said he was unable to immediately identify the plane or the officials to which South Africa was objecting but said the plane might be of the Piper Cub variety.

Some American diplomats speculated that the timing of the South African accusation was linked with the information scandal.

"This has driven 'Muldergate' off the front pages," one said.

Housing crisis as building costs soar

RBM

5/7/79

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By HAMISH FRASER
Deputy Finance Editor

SOUTH African cities face a critical housing shortage in the wake of building cost increases which are rapidly putting the purchase of a new house out of the range of all but the top income brackets.

Property developers expect the building costs to rise at about 25% a year in the wake of sharp increases in the price of raw materials and in the price of petrol.

The cost of a new house at that rate of increase will double in less than five years — and some property economists have warned that the cost of a new house could double in less than three years.

The Bureau for Economic Research in Stellenbosch has reported that building costs rose by 17% in the first six months of this year, but Johannesburg property experts expect an even sharper rise in the next six months.

The pressure on accommodation in Johannesburg could cause headaches, which only Government subsidies for white housing will be able to solve, a Johannesburg property developer has warned.

He said the residential property market in Johannesburg had changed radically in the past six months.

Apartment accommodation has been filled and most blocks now have waiting lists. This contrasts with the situation two years ago when immigration dried up after the 1976 riots and there was an excess of flat accommodation in Johannesburg.

The filling-up of flatland switched attention to the suburban housing market which was becoming increasingly buoyant. But older houses in established suburbs are still cheaper — even at the higher prices which prevail now — than the cost of building a new house.

Demand for new houses still exists, but the crunch will come in meeting that demand, property economists warn.

First, a shortage of skilled labour to meet the increased demand is already evident.

Artisans who were retrenched in the property recession of the mid-1970s found jobs in other industries and will not return to the building trade for fear of burning their fingers a second time.

Second, existing restrictions on the granting of mortgage finance will make it impossible for anybody earning less than about R1 000 a month to buy a modest house.

density would increase in the central area until all the potential site territories were being utilised. In the central area population limiting factors would operate to balance recruitment (birth, immigration) and loss (death, emigration).

Piet's plans for Black housing

PRETORIA — Plans to speed up the provision of houses for Blacks, and iron out difficulties in the 99-year leasehold system were discussed at high level earlier this week, the Secretary for Co-operation and Development, Mr. R. J. Raath, announced here yesterday.

This simple population of capacity. It has population regulation regula-ly Iron Age co-unity grew the alhoun, 1952; C-ber levels of a community an-ly formed gro-pulation densi-iron an implicit have moved a shc The social accepted, and tl-factor limiting This also may b- human populatio-

Opinion

"To clarify the position of Black people who are, or become, citizens of independent States which formerly formed part of South Africa, legal opinion has been obtained to the effect that such Black people, provided they were former South African citizens or descendants of such citizens and qualify in terms of the Blacks (Urban Areas) Consolidation Act, may hold the right of leasehold.

"To accelerate the provision of houses for Black people, my department has agreed in principle to prepare amending legislation which will make it possible for financial institutions and township developers to undertake the development of urban Black residential areas."
(Sapa.)

evaluated, and it is probable that some of the dates are not associated with Iron Age occupations (Huffman, in press), and (2) quantile ranges are sensitive to processes associated with settlement proliferation as well as archaeological research strategies (Collett, in press). However, within one of the Early Iron Age traditions the bevelled Silver Leaves cultures), a No appearance is supported by th contradicted by this ordering would have made changes in po not occur, and social pressur spread and diversification of best by a model that combines

In the present paper two a continuous spread and the o colonisation of new areas. Mathematical modelling of both mechanisms will be shown to produce different rates of expansion, and by comparing these with rates derived from the Early Iron Age radiocarbon chronology it will be shown that a discontinuous spread model produces more realistic rates of expansion than a continuous spread model.

MECHANISMS

One of the results was that security of title by Blacks would be made as economical as possible which would pave the way for considerably reduced stand survey fees and make it easier for building societies to advance loans to Blacks.

The talks took place under the chairmanship of the Minister of Co-operation and Development, Dr. Piet Koornhof.

Present were representatives of the Association of Building Societies, the Institute of Land Surveyors, the Urban Foundation, some administration boards and officials of the department.

Mr. Raath said the Urban Foundation had offered R500 000 as bridging finance, interest-free for seven years, towards the cost of completing and verifying data on general plans.

"To enable Black women to obtain building society loans in their own right, my department intends to prepare amending legislation for consideration by Parliament.

"At the request of the Association of Building Societies it was further agreed that my department would extend the period during which a mortgage is permitted to dispose of any right of leasehold purchased by him in terms of the relevant legislation.

away some distance and settle. An imaginary boundary enclosing the settlements would appear to move outward (Fig.1). If population continued to grow, the boundary would continue to move outwards, and population

spread case. As the density of settlements

12/7/79 N.M. 12/11 123

White-controlled companies cannot own property in black townships. So if a financial institution has to take over a leased property when a client defaults, it is required to dispose of it to another qualified black person or company within 12 months. Failing that, the property has to go to the local administration board or community council.

Says Anton van der Merwe, Nedbank's GM (advances): "We do not want to own property. But in cases of financial trouble, we would like to be able to realise the security in a free market so as to ensure the best possible price."

The ideological restrictions and the inferior quality of leasehold title also hamper the insurance industry.

"The industry receives premium income from urban blacks and ideally it should be possible to channel moneys back into communities from which they came," says Johannes van der Horst, an investment manager at Old Mutual. "One difficulty is that the major institutions are all classified as white, because the majority of their shareholders or members are white."

Van der Horst says that because funds handled by life officers are effectively trust moneys, they have to insist on quality of title when lending.

One major victim of this state of affairs is Nafcoc's supermarket venture, Black-

chain. MD Sponono Majola tells the FM he is having trouble raising money for buildings. Because funds raised from shareholders are being used to finance building operations, Blackchain faces a shortage of working capital.

One solution suggested by senior African Bank men is to declare financial institutions colourless under the Group Areas Act, allowing them to own land in black areas. But, says Motsuenyane, this must be accompanied by a safeguard preventing whites from monopolising land ownership in black areas.

He concludes: "What we really need is freehold tenure for all."

F.M. 13/7/79 ~~123~~ 123
TOWNSHIP BUSINESS
Capitalism in chains

Black capitalism is in danger of being stillborn, because loan finance is almost impossible to come by.

This was one of the big points emerging from last week's 15th annual conference of the National African Federated Chamber of Commerce (Nafcoc) in Johannesburg.

"In spite of the 99-year lease facilities which we were made to believe would enable blacks to secure loans against bonds registered over their properties in the black townships," Nafcoc president Sam Motsuenyane told the delegates, "it is becoming clearly evident that most financial institutions are not prepared to finance blacks on any terms that would not allow them full and unencumbered ownership of a property in the black areas if the client fails to meet the terms of the mortgage bond."



Sponono Majola . . . where will he get the money?

'Basic home' units are on the way

Sun. Tribune

15/7/79

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By Dick Usher

MASSIVE increases in home building costs have been predicted by most experts in the industry, which they believe will force a revolution in building practices.

Increases as high as 25 percent a year have been forecast, but most experts feel that 17 to 20 percent a year for the next three or four years is more likely.

Their predictions are based on expected increases in costs of materials and labour in the wake of the recent fuel price rises which are expected to have severe and long-lasting ripple effects throughout the economy.

For many prospective homeowners the effect will be to raise prices to out-of-reach levels, unless the predicted changes take place.

The main changes predicted are:

- More modest houses.
- Smaller plots.
- Servantless houses.
- Innovative wiring techniques.
- Standardisation of building regulations and development requirements, and
- A move away from conventional brick and tile homes.

According to Mr Henrie van Zyl, business economist with the Building Industry Federation of South Africa, the industry will have to concentrate on training labour to make it more productive while designers will have to look closely at cost saving in the early stages of the building process — on the drawing board — and savings on land,

the largest component of the cost of a house.

"Developers will also have to look at savings in the services they put into townships. The cost of services is another major component in the price of a house and South Africans will have to start expecting reduced standards of services in new developments," he said.

Dr Thomas Webb, director of the National Building Research Institute, sees a more egalitarian society developing in which homes will generally be come more modest as a result of a shortage of labour, finance and other resources, especially land.

"South Africa is about 50 percent urbanised at present and this could reach 80 percent by the end of the century, which means that we will be running out of land in the urban areas," said Dr Webb.

"I expect that we will meet this challenge mainly by building on smaller plots, more modest houses in terms of size and finish, and houses which will use energy more efficiently.

"We cannot afford to continue splurging energy as we have been doing in the past few decades and so there will be a tendency towards features such as smaller windows and reusable energy resources.

"There will also be a lot of higher density housing — cluster houses and condominiums."

Other innovations which Dr Webb foresees are:

- New wiring techniques to eliminate practices which are out-

moded and inefficient but still insisted on by many local authorities.

- Incorporation of water conservation measures in homes.

- Servantless homes designed for easy maintenance.

- The introduction of a "basic home" which a family can improve for themselves as they can afford it.

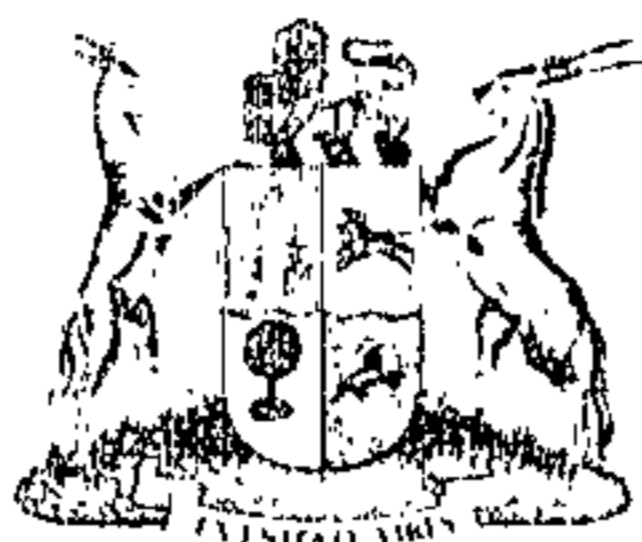
Dr Webb said that savings of up to 20 percent on the cost of wiring homes could be effected with no reduction in safety or efficiency if some outmoded requirements were abandoned.

At the same time, features such as built-in cupboards, light fixtures and carpeting could account for as much as 20 percent of the cost of a home.

"Families could save a lot of money by putting up a basic house — walls, windows, doors, ceilings — and then improving them at their leisure," he said.

He also looked forward to savings in the cost of development and services. "The development process is now a very long drawn out one, much of it unnecessary, and we are hoping in the near future for a standardisation of development requirements in all provinces.

"We have also to look to matters such as the greater use of stormwater channels instead of drains, innovations in sewerage such as a reduction in manholes and shallower gradients, and the introduction of less expensive overhead electrical distribution rather than underground cables."



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For full text
Act 1979

STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

is 'n Nuusblad by die Poskantoor Geregistreer

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Vol. 169

KAAPSTAD, 18 JULIE 1979

[No. 6580

CAPE TOWN, 18 JULY 1979

DEPARTEMENT VAN DIE EERSTE MINISTER

DEPARTMENT OF THE PRIME MINISTER

No. 1553.

18 Julie 1979.

No. 1553.

18 July 1979.

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 109 van 1979: Behuisingswysigingswet, 1979.

It is hereby notified that the State President has assented to the following Act which is hereby published for general information:—

No. 109 of 1979: Housing Amendment Act, 1979.

Act No. 109, 1979

HOUSING AMENDMENT ACT, 1979.

GENERAL EXPLANATORY NOTE:

[]

Words in bold type in square brackets indicate omissions from existing enactments.

Words underlined with solid line indicate insertions in existing enactments.

ACT

To amend the Housing Act, 1966, so as to increase the membership of the National Housing Commission; to abolish the Black Housing Board; and to substitute the long title; and to provide for incidental matters.

(Afrikaans text signed by the State President.)
(Assented to 2 July 1979.)

BE IT ENACTED by the State President, the Senate and the House of Assembly of the Republic of South Africa, as follows:—

Amendment of superscription immediately following long title of Act 4 of 1966.

1. The superscription "ARRANGEMENT OF SECTIONS" immediately following the long title of the Housing Act, 1966 (hereinafter referred to as the principal Act), is hereby amended by the deletion in the item "CHAPTER II" of the words "and the Black Housing Board".

Amendment of section 1 of Act 4 of 1966, as amended by section 1 of Act 47 of 1967, section 1 of Act 40 of 1975 and section 1 of Act 124 of 1977.

2. Section 1 of the principal Act is hereby amended—
(a) by the deletion in subsection (1) of the definition of "Housing Board"; and
(b) by the substitution for paragraph (b) of subsection (2) of the following paragraph:
“(b) no provision of this Act, in terms of which the **[Housing Board] Commission** is required to consult with the Administrator concerned in connection with a loan to a local authority, shall apply with reference to a loan to the Black Resettlement Board referred to in paragraph (b) of the definition of 'local authority' in subsection (1) or any management board referred to in paragraph (c) of the said definition”.

Substitution of superscription before section 5 of Act 4 of 1966.

3. The principal Act is hereby amended by the substitution for the superscription before section 5 of the following superscription:
“THE NATIONAL HOUSING COMMISSION **[AND THE BLACK HOUSING BOARD]**”.

Amendment of section 6 of Act 4 of 1966, as amended by section 2 of Act 124 of 1977.

4. Section 6 of the principal Act is hereby amended by the substitution for paragraph (a) of subsection (1) of the following paragraph:
“(a) The Commission shall consist of not less than **[nine]** eleven and not more than **[twelve]** fourteen members appointed by the Minister, of whom—
(i) one shall be an architect or an engineer or a quantity surveyor or town planner with knowledge of or experience in municipal affairs;

Worsening of housing problem forecast

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23/1/79
CT

Chief Reporter

A WORSENING of the housing problem for low-income families in South Africa in the next decade, if present policies are maintained, is foreshadowed in a new and comprehensive publication, "Low Income Housing Policy in South Africa", produced by the Urban Problems Research Unit at the University of Cape Town.

The authors, Professor David Dewar and Professor George Ellis, say in a preface to this 244-page work that low-income housing policy has never been applied on a scale sufficient to catch up with population growth.

"In essence, at each time period the planners are making great efforts, but they are coping with the population growth of the preceding period, and not that of the coming period. A new approach is needed to deal with the problem," they say.

"The policy being applied is, in addition, not adequately geared to the problem of poverty.

Commendable

"As an example, the City Engineer of Cape Town showed in his report for 1977 the commendable fact that 8 275 dwelling units will be available in Mitchell's Plain to house squatters by the middle of 1979, which is in principle enough to house those coloured squatters living in the Cape Town municipal area.

"However, according to Mrs Stott, chairman of the City Council housing committee, only about 10 percent of the coloured people on the coun-

cil's waiting-list can afford to move to Mitchell's Plain — and the economic circumstances of the squatters are, if anything, worse.

"Thus, the building of these many thousands of housing units will only deal with part of the problem of providing physical accommodation, if there are — as is apparently the case with present policy — many thousands of people who cannot afford that housing and its associated costs.

"These people will, under present policy, have to continue to live in squatter areas, or further overcrowd the existing rental estates."

Crime rate

The new volume, profusely illustrated with photographs, diagrams, maps and graphs, says the living environment in the new housing estates so impoverishes and restricts the lives of the people who live in them that both the Theron and the Vioen commission reports ascribe some of the high crime rate in these areas to the way in which the houses and the estates have been built.

Professors Dewar and Ellis, whose book is the product of a research project spread over four years, have evaluated present systems against a set of rational goals and objectives for housing, and have recommended adaptations to the present practices which, they say, would if applied have far-reaching and positive effects on the economy of the country.

99-YEAR LEASES Out of the mud?

Will the faltering 99-year lease scheme get off the ground at last? Building societies are hoping so, now that the surveying tangle has been unravelled.

A new formula, hammered out by the societies, land surveyors, and government officials, finally saw the light of day in amended regulations gazetted last week.

The nub of the problem is that very few urban townships have been surveyed by registered land surveyors, while the plans used by administration boards were not considered adequate for leasehold purposes.

The old regulations required not only that the plans be checked by the Department of Co-operation and Development (CAD), but that registered surveyors then do a full survey of each individual site once it had been allocated.

Inevitably, bottlenecks occurred. About 100 000 stands are awaiting CAD approval, and only three or four areas, all in Soweto, are available for leasehold. In addition, the need for full individual surveys pushed the leaseholder's costs up to R200 for surveying alone.

The new regulations aim to short-circuit these problems. Instead of CAD, private land surveyors can now do the checking. All that then remains is for CAD to approve the plans and pass them back to the relevant administration board to allocate sites.

In addition, because the general plans will now be checked by registered surveyors, the surveying profession has accepted that full individual surveys are not always necessary. Moreover, since block surveying is now possible, costs can come down to as little as R15 each for a block of 75 sites. The Urban Foundation has offered R500 000 in interest-free bridging finance towards the costs.

About 80% of all urban black townships have good enough general plans for the streamlined system to work. For the remaining 20%, some of which have no plans at all, potential leaseholders must still get proper individual surveys.

Land surveyors believe the new system will release 100 000 stands within a few months.

"At least the door is open to potential leaseholders to come forward," says David Alston, director of the Association of Building Societies. "We do not expect everyone to be able to afford or to desire home ownership. But at least now we can begin to assess the extent of the market."

Another change introduced by last week's amendments is that the price of a

lease over a formerly rented house is no longer determined by a fixed formula (the average of the original cost plus the present replacement cost).

In consultation with the administration boards, the Minister of CAD can now determine the price for a particular area. This means that some boards can charge less than they might have under the old formula.

MESSENGRERS
BP South Africa gave us detailed figures of its employees in its training programmes. It has a million a year in training programmes. It is spending close to R10 million a year in training programmes. It is spending close to R10 million a year in training programmes. It is spending close to R10 million a year in training programmes.

UNSKILLED
The majority of the 20 companies we have interviewed give our findings on the unskilled labour market. They would not tell us how many blacks and whites are in each grade. They would not tell us how many blacks and whites are in each grade.

Slauhter men back at work
Slauhter men returned to work at all five Heet and JOHANNESBURG. Slauhter men returned to work at all five Heet and JOHANNESBURG.

Union claims
The day after the revelation of the union's management has been a bitter one for the union. The day after the revelation of the union's management has been a bitter one for the union.

British companies appear to have little fear from the clause in the EEC code of conduct which requires them to report progress in complying with the code to Whitehall. The public has no automatic right of access to information contained in these reports, and there is thus no automatic independent check on them. The Durban based Chemical Workers' Industrial Union recently wrote to the British Board of Trade asking for a copy of submissions made by Reverex, a UK firm in whose Durban subsidiary the union claims majority membership. An official wrote back to union general secretary Nomusa Dhlamini to the effect that the union could not have a copy of the report "because of copyright restrictions". The union was told that it could inspect a copy of the document at the UK consulate in Durban. This a union official did - but he was told that he could not copy from or reproduce the report. Says a union spokesman: "This makes nonsense of the report-back provisions. We assumed the public had free access to the reports." A department of trade official in London confirms the copyright bar on making copies of individual submissions available. He says, however, that the Durban consulate's refusal to allow a mistake... there must have been some misunderstanding. "What if a company doesn't want its report released at all? We would be prepared to pursue such an incident with the company concerned," says the official. But he adds that since the code is voluntary, companies cannot be compelled to make reports available. So the publication of information appears to depend solely on the feelings of the company involved. Which would appear to defeat one of the objects of the whole EEC code exercise. In the Reverex case, the union is doubly unhappy because it claims to have pay slips in its possession which conflict with submissions on wages in Reverex's own report to the trade department. The union says Reverex claimed a lowest wage of R201 a month. This may reflect total earnings, but the lowest taxable pay, says the union, is R42,32 a week, which works out at around R180 a month. The union adds that this figure includes a pay increase granted now and the time the report was filed. Company wage figures available at the time of going to press are as follows: The union adds that this figure includes a pay increase granted now and the time the report was filed. Company wage figures available at the time of going to press are as follows:

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the workers told that all service con- will not be given for 22 years. Given for his working for... he was given one day's... he was given one day's... he was given one day's...

are victims

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450r 6/8/79 (123)

Builders are out, houses needed'

By Sieg Hannig
Labour Reporter

A Johannesburg city councillor is questioning

the municipality's decision to make 72 builders redundant while there is "tremendous" building activity to relieve shortages of houses for coloureds and Indians.

Last week 28 coloured and Indian artisans were given notice because, it was said, a decrease in work was expected.

Earlier, 42 black artisans building for coloureds and Indians in Johannesburg were demoted because the law allows them to work only in black townships.

Mrs Janet Levine, the Progressive Federal Party spokesman on council staff matters, said today that many of the demoted blacks were still working in their old capacity, and some were training coloured apprentices — while experienced coloured artisans were being sacked.

"The black artisans suspect the council is using a ploy to get their services at labourers' wages," she said.

Mrs Levine has written to the chairman of the council's staff board — and sent a copy to the Town Clerk — warning of a "tense" situation among black artisans.

She questions the planning in the council's building section.

"There is tremendous building going on in coloured and Indian areas and if Government promises of more funding are kept, there will be an ongoing building programme in which the council is heavily involved," she said.

L. Boshoff, ere-fellow van die konstruktiewe met 'n aantal instansies, wat universiteite Transvaal insluit, en met verskeie handels- le firmas in Natal, kontak opgebou. nsies

- c) Ander lede:
- Mr K. Bosman
 - Professor A. Cupido
 - Mr N. Daniels
 - Mr Achmat Davids
 - Professor R.J.J. Davies
 - Professor J.J. Degenaar
 - Mr René de Villiers
 - Dr I.D. du Plessis
 - Professor J.J.F. Durand
 - Professor J.B. du Toit
 - Mr H.W. Middelmann
 - Erw. M.T.L. Moletsane
 - Professor A.D. Muller
 - Sheik A. Najjaar
 - Mr Victor Norton
 - Professor N.J.J. Olivier
 - Mr L. Phillips
 - Professor H.P. Pollak
 - Mr W.J. September
 - Mr Franklin Sonn
 - Mr P.M. Sonn

Friends (Quakers) en van die American Friends Service Committee deurgebring. Hy het 'n aantal konferensies in verskillende dele van die land bygewoon, baie vergaderings toegesprek en senior beamptes van die Carnegie Corporation, van Community Relations Services van die Departement van Justisie van die Amerikaanse regering, van die American Friends Service Committee en kollegas verbonde aan verskeie universiteite besoek.

Gedurende Augustus en September het die Direkteur Engeland, Nederland, Switserland, Swede, Israel en Zambië besoek. Hy het vooraanstaande joernaliste, Suid-Afrikaanse diplomate, senior amptenare van die Suid-Afrika-Stigting

Gedurende 1978 het die Direkteur die volgende konferensies bygewoon:

Jaarlikse Konferensie, Nasionale Uitvoerende Komitee- en Raadsvergadering van die Suid-Afrikaanse Instituut vir Rasverhoudinge, Kaapstad (Januarie).

Suid-Afrikaanse Jaarlikse Vergadering van die Religious Society of Friends, Stutterheim (April).

Negende Wêreldkongres van Sosiologie, Uppsala, Swede. Verhandelings voorgelê in Werkgroep 6 en vergaderings bygewoon van die Raad van die Internasionale Sosiologiese Vereniging as die amptelike afgevaardigde van Suid-Afrika (Augustus).

obilititeit en Politieke Verandering in Suid-Afrika die projek is 'n paar jaar gelede aangepak. 'n Onder- onder die kleurling bevolking van die Kaapse Skiereiland is onderneem. 'n Aantal tydelike navorsings-

rende die verslagjaar het die navorsing van die num die volgende behels:

NAVORSING

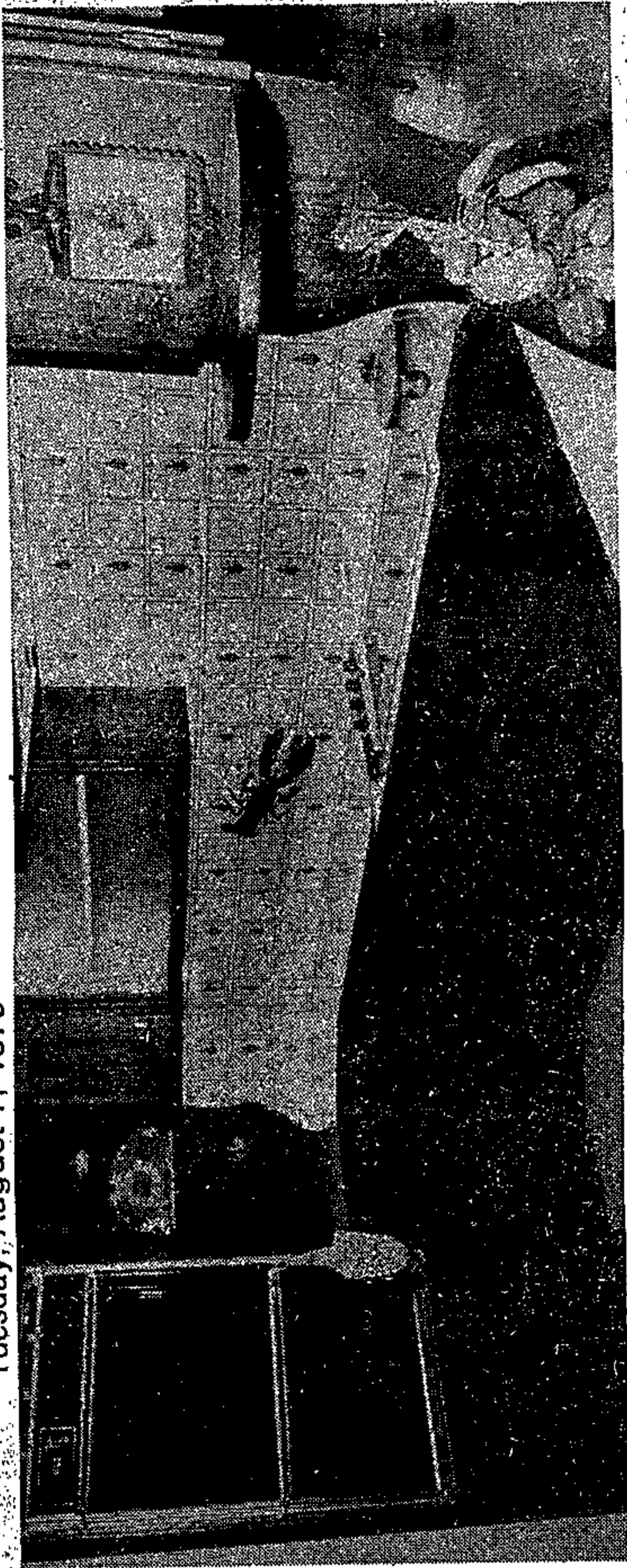
Beherraad. 'n Verkieping is in 1978 gehou en die ampsdraer is Biskop A.M. Habelgaarn. Terwyl geen ytinge aan lede opgelê word nie, word hulle geraad- in verband met sake wat die Sentrum se program raak.

c) Ander lede:

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7/18/79 Post

What we need is more land

Tuesday, August 7, 1979



This month **POST Housing** takes a look at those special rooms in the house — the kitchen and bathroom. We bring you ideas and pictures of what to do about them to make them really special. Read all about it in the centre pages.

I WAS in Pretoria this month to look at what homemakers are doing to their houses there.

People are busy building homes there. As they are in Johannesburg, in the Vaal townships. In the East Rand townships also.

In **Vlakfontein** . . . Talk in the trains and buses and taxis these days is about "my house", "my five-room", "my home", "my pad", "my cottage", "our building plans".

Men talk about the bricks and builders, and the ladies about their furniture and curtains.

By Housing Editor

home ownership scheme", let me add quickly the people are NOT.

The people are building because they want to give their families **HOMES** — homes that will give their families the environment needed for living life to its fullest.

But before someone cuts this piece to show those sceptical people overseas that "the blacks here are enthusiastic about the Government's 99-year

To see these new homes in the townships and then to see the Turffonteins, the Langlaagtes and the Mayfairs of this world would tell you something about black effort . . .

MATCHBOXES
Matchboxes are disappearing in lovely homes and empty stands are growing into some of the most impressive homes.

And these days more and more men and women are spending more time at home, thinking, planning and doing things to their homes. More money is being spent on these houses.

Surely, any spread should be in the opposite direction?

Hopefully when that is done he will double his efforts to find solutions to the problem of more land for black townships. He should also take a look at the white townships that are ever spreading in the direction of our residential areas.

He should also call for the marriage registers, and the birth registers. He should compare the increase in these numbers to the availability of land to house them.

But lest all those new houses all over the townships deceive the viewers, we want to challenge the Minister to call for all the Administration Boards' waiting lists.

DECIDED
They have decided "what the heck, they'll just go ahead and build the houses. Forget about home ownership promises, forget about threats of eviction, forget about electricity millions, forget about overcrowded townships — just build and face the consequences."

Telephone: 65-4145; 69-8531 Uitb. 766

Stuur Samur Lampus

august 31 1979

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HOUSING MARKET

The race for space

123

PM 31/8/79

The SA housing market has been becalmed for so long that the recent upsurge in activity requires some major mental adjustments. Plentiful mortgage money and a basic change in the balance of supply and demand have wrought a transformation in the state of the markets. Demand for housing has been stimulated by the natural growth of population, the return of a large batch of ex-national servicemen on June 1, and the improved state of the economy, which has enabled many couples who were previously "doubling up" to take flats or houses of their own. An incipient revival in immigration (especially from Rhodesia) could also add impetus. On the supply side, the lethal combination of a surplus of flats and houses, high interest rates and sharply rising building costs choked off private development a long time ago.

While the Consumer Price Index has risen sharply in recent years, house and flat prices have lagged, so that both

classes of accommodation were obtainable at prices generally well below replacement cost. In the long period since the last property boom, the building industry has suffered severe attrition. Artisans have drifted off to other jobs, and many construction firms have failed. The scene has been set, inevitably, for some nasty shocks to the public on rents and housing prices, big challenges to a depleted building industry, and potentially ticklish decisions for government.

The problem can be stated very simply. Building costs have rocketed in the past decade. They are accelerating under the influence of general inflationary pressure—perhaps 25% on building material costs in the year ahead, says Pretoria architect Piet Moolman, who represents the SA Property Owners' Association (Sapoa) on the Advisory Committee for Housing Matters. Yet building of new residential units on a large scale will not restart until the rent or sale returns are high enough to

generate an adequate profit margin to landlords or developers. With the further rise in building costs anticipated over the next few years, an alarming increase in new flat rentals and new house and sectional title prices is in prospect. Rents and sale prices of the existing housing stock must move up in sympathy.

The housing shortage is no remote prospect. Marc Wainer, of Johannesburg's Citiplan, says that two- and four-bedroomed flats are "all but unobtainable." Gerald Aronstam, of Geoff Seef Estates, says that there is "tremendous demand" for flats in Cape Town, especially in suburbs close to the city and well-located on public transport routes. Two- and three-bedroomed flats in fashionable Sea Point are letting for a hefty R400 to R500 per month, with the same units selling under sectional title for R40 000 to R50 000 (with levies running at R75 to R100 per month, to boot). In Pretoria, says leading estate agent Dirk Swart, the



Total Accidents, Poisoning and Violence (E800-E999)		E979 "Suicide and self inflicted poisoning by motor vehicle exhaust gas" is a code used in South Africa which does not appear in I.C.D. (8th revision).	
1973	100%	1973	100%
677	100%	677	100%
333	100%	333	100%
104	100%	104	100%
2175	100%	2175	100%
652	100%	652	100%
1868	100%	1868	100%
324	100%	324	100%

accommodation position is "tighter than in Johannesburg." The only odd man out in the major centres is Durban, where, says Keith Knowles of Isaacs, Gishen, "we are slowly moving towards a full letting position." Moolman confirms that, even in Durban, the position has "picked up considerably."

There is also a vigorous country-wide market in sectional titles, with many blocks of flats being withdrawn from the letting market for sale. A few blocks are under construction in Pretoria for this purpose.

Only recently, government made the long-avoided move in the direction of a free market by deciding to phase out rent control. But the move was hedged by Community Development Minister Marais Steyn, who warned landlords not to abuse their new-found freedom. The threat of recontrol on individual buildings where abuse takes place remains, with the Rents Act still on the statute book. Sapoa's councillor in charge of rent control, Nigel Mandy, though, hopes to have the Rents Act itself repealed to complete the decontrol process.

The growing pressures on the rental

market are going to provide a severe test of government's post-Fouché conversion to free market mechanisms. To illustrate, Citiplan's Wainer says that current Berea (Johannesburg) rentals of R90-R110 per month for one-bedroomed flats would have to near double to R180 (even at current building cost levels) to provide adequate incentives for additional development for rental. And this figure requires further escalation to allow for future building cost increases.

Onus on private enterprise

Minister Steyn says firmly that "government policy is that private enterprise should preferably do the job of providing accommodation." His department will "not easily or at all revert to rent control." It is, in fact, "allergic to rent control", which "interferes with the operation of market forces."

But what if rents of old flats doubled? Steyn refuses to be drawn on what he regards as an "hypothetical and most unlikely contingency." He reiterates his earlier warnings about "exorbitant profits," but thinks that private enterprise has proved itself "responsible" since the re-

laxation of rent control. So far, says Steyn, the process of decontrol has proceeded without one proven example of exploitation

Sapoa's Mandy remains confident that the Fouché Commission has brought official thinking round to the economic logic of a free market in rentals. He is convinced that "government will adhere to the decontrol procedure".

Notwithstanding these sturdy sentiments, the FM sees the danger of political pressure for recontrol, once the rents spiral gathers momentum. Property men should therefore do everything possible to bolster official determination to stick to its guns on decontrol.

Can government do more to help? Yes, says Moolman. Tax concessions like depreciation on buildings and investment allowances should be the means of accelerating housing supply. And the FM believes that government could also supply more public housing for the lower income groups.

Whatever the decision, though, residential property will come increasingly under the spotlight, far more so than during the slump-ridden Seventies.

0-1	1-4	5-24	25-44	45-64	65+	ALL	NO.
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0	1	5	25	45	6	4	2
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ALL CAUSES

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	21,76	16,18	40,44	27,11	133,70	119,02	91,30	88,18
1-4	1,17	0,94	2,42	2,39	17,22	16,21	10,23	9,93
5-24	1,05	0,46	1,31	0,74	2,26	1,25	1,64	1,12
25-44	3,02	1,47	4,33	2,48	8,80	4,96	4,78	3,70
45-64	17,46	9,49	26,27	18,72	24,27	17,87	18,06	15,57
65+	73,62	54,55	92,20	82,93	96,90	71,79	53,38	45,89
ALL	9,44	7,40	8,03	5,51	14,62	11,00	8,77	8,13
NO.	19600	15374	2828	1967	16632	12847	18348	13062

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'Rope in individuals to help'

Could the bold use of self-help programmes help cut the housing backlog in black communities? Cape Town architect Mr Revel Fox says "Yes" and explains how... **ELIZABETH WILSON reports.**

To clear the housing backlog and keep pace with future demands for black housing, the initiative and capabilities of private individuals, families and communities must be utilised, says Cape Town architect Mr Revel Fox.

Mr Fox maintains that the benefit of self-help schemes is that they can be instituted NOW and not in five or ten years' time.

Nor is this any new departure. The greatest proportion of the world's shelter, he says, is now provided by self-help procedures.

Mr Fox stresses that all housing should be based on the national economy and on what people can afford.

"The sort of housing people with low incomes need and what planners THINK they need can be two different things..."

Mr Revel Fox, chairman of the National Building Research Institute's Housing Research Steering Committee.



The starting point of any scheme, he says, should be the income of the people to be housed. Design standards, building codes and zoning regulations must all be tailored to this basic fact.

In urging the speedy introduction of self-help housing schemes, Mr Fox says individual initiative is a time-honoured participation in South Africa.

"The phrase 'a better than a plan' expressed the independent thought and action inherent in South Africa's ethos and this should be revived and expanded to take in the new generation of the urban poor," he says.

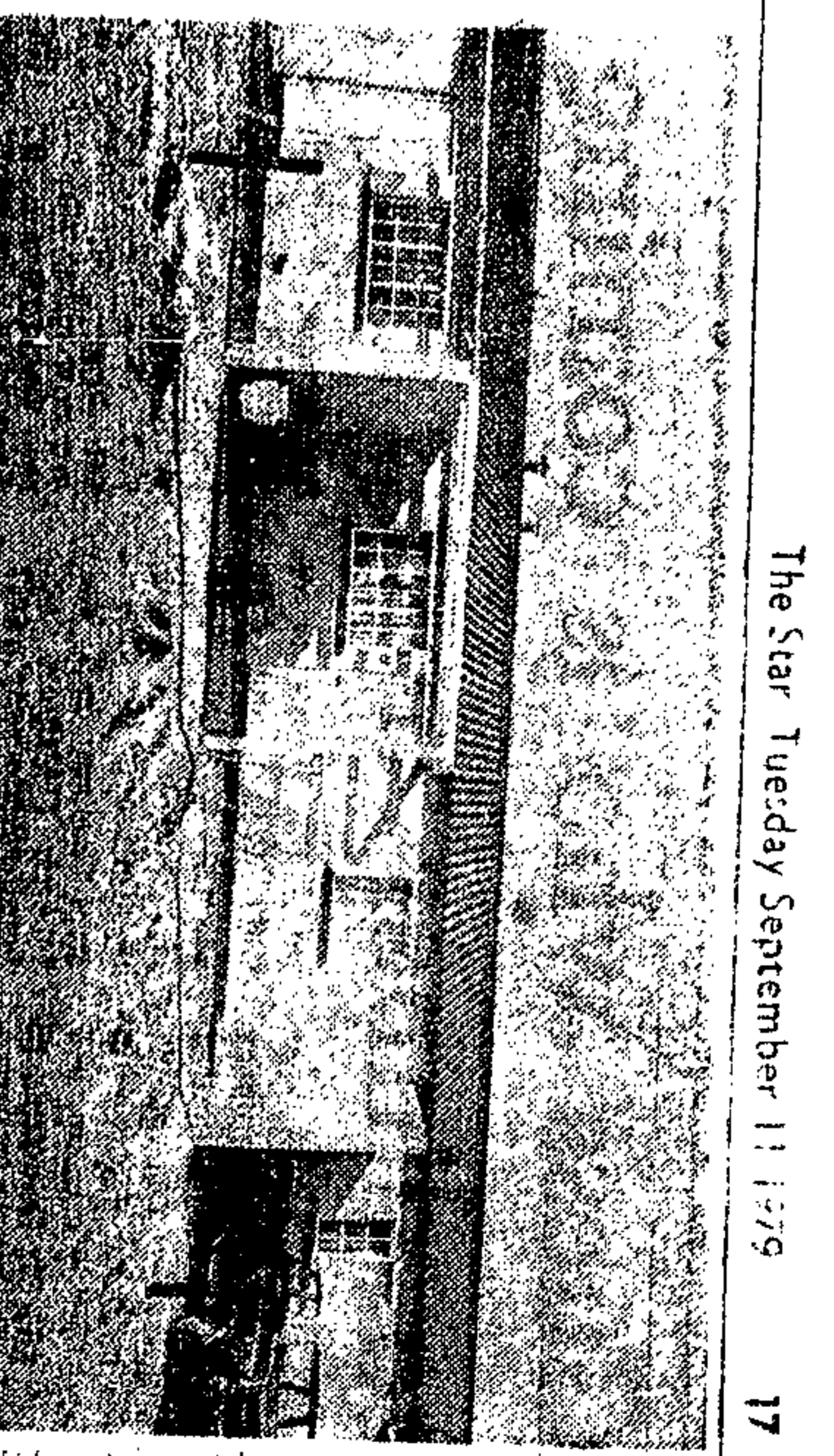
Mr Fox pointed out that self-help had become an ingredient in housing policies in all third world countries where feasibility and cost recovery were requirements of almost all international funding programmes.

In South Africa the introduction of self-help schemes in the provision of housing would need careful guidance and assistance.

Projects would have to be planned with the participation of the community rather than springing up in a spontaneous and unauthorised way.



Self expression and individuality soon come to the fore when the home is owned, not rented. In Mathalla Park, Cape Town, if look only months before this home was fenced and plastered, fitted with burglar guards and planted with a garden.



"As families become wealthier later additions can be contracted out."

It was clear that locally certain problems must be faced and overcome.

These were:

- Caution on the part of local and central authorities;
- Conservative attitudes among planners;
- The unfortunate history of the site and services projects in South Africa;
- Current and past experiences of informal, or illegal squatter settlements.

The stated preference of most authorities for state-funded, contractor-built housing.

The difficulties of making suitable financial and legal arrangements for poor families.

The present lack of administrators, planners and community workers with the experience necessary to implement self-help housing as a co-operative, participatory and counselling activity, and NOT as an authoritative, although benign dispensation.

Mr Fox outlined two programmes which were possible — "Site and Service" and "Minimum Shelter".

In a "Site and Service" project families would be allocated sites with minimum services and would be permitted to erect sub-standard shelter on a temporary basis with either voluntary or mandatory upgrading to standard structures and services over time.

With "minimum shelter" projects families were housed in contractor-built, expandable structures of minimum size and finish on sites initially provided with basic services.

The home-owner was then permitted either to extend with substandard material or had to apply to standard building codes in making additions.

In either of these programmes direct participation in the housing

process was necessary and self-help in the form of owner-controlled building was essential.

Other benefits of the self-help schemes in vogue were:

- That families who built their own homes would learn something of democratic decision making, the legal and financial aspects of ownership and technical building skills.
- That these skills were permanent assets which could

in turn help form stable communities.

- That homebuilding imposed the discipline of mortgage repayment and, once savings and group effort were invested the incentive to own property stabilised and encouraged homebuilders.
- That with increased affluence later additions to homes could be contracted out within the community thus recycling local capital.
- That an expanded

house among low-income people could provide a place of work for a home industry which would, in turn, generate jobs. It could also provide rooms to let, producing extra income to repay the housing loan.

- That it made it possible for even people of the lowest income group to own their own homes. It encouraged them to save and broke the cycle of poverty.

Group areas law to bite harder,^{Jan 1977 123} Minister warns

Political Staff

Apartheid laws preventing mixed residential areas are to be streamlined next year, hitting thousands of coloured and Indian people living in white areas, particularly in Johannesburg.

Anti-Botha backlash surfaces

Political Staff

The strong message of change from the Prime Minister, Mr P W Botha, to the Transvaal Nationalist congress has started a backlash in party ranks in the province.

Spokesmen for the conservative faction, which clearly forms the bulk of delegates to the congress, reacted with shock to Mr Botha's unrelenting stand against old-style apartheid.

They said his strong "accept me or reject me" stand had caused serious concern in their minds about the direction of the party and had heaped fuel on the fires of dissent among Nationalists who still believed in the true and tested values of the party's policy of separation.

● Nat Congress — Page 5.

Some delegates privately expressed concern last night over the increased power Mr Botha and the Cabinet will have after approval of his demand for a free hand in dealing with policy on a day-to-day basis.

They said Mr Botha's demand for a free hand could make the Cabinet a virtual oligarchy and give Mr Botha himself freedom of action unprecedented for a South African Prime Minister in peacetime.

But enlightened Nationalists expressed delight at Mr Botha's message of change.

"Just think of the courage it required from him to state as bluntly as he did that he believed in only one God for all people — white, brown and black," said one ecstatic supporter.

Mr Marais Steyn, Minister of Community Development, announced the proposed tightening of the law, probably the Group Areas Act, at the Transvaal National Party congress in Pretoria yesterday.

Mr Steyn accused certain people of deliberately frustrating Government policy by taking cases to court.

He said new legislation streamlining the law would be introduced next year. He could not give details of the law, but hinted at the form it could take.

It could take the form of ejecting a tenant who would then have to show he was occupying the premises legally before applying to court for an order restoring his occupation.

NOMINEES

He said 106 000 coloured and Indian people had been moved since the 1960s. Most had lived in poor housing which would have forced their removal anyway. Another 27 000 still remained to be moved.

Referring to Indian businessmen who used white nominees as fronts to run businesses, Mr Steyn said the problem might be overcome in terms of the Riekert Report which proposed mixed trading areas.

He said Indians might be allowed to run businesses legally in prescribed mixed areas.

If this failed to curb the nominee system, "we will have no choice but to introduce drastic measures to stop the illegal situation," he said.

One measure which had been mentioned would prevent Indians working in white areas. This would prevent Indian businessmen posing as employees but would also prevent genuine Indian workers from earning their bread, Mr Steyn said.

(Report by D Brofer, 47 Sauer Street, Johannesburg).

Hint at black housing plan

PRETORIA — The Minister of Co-operation and Development, Dr Piet Koornhof, yesterday hinted at an urgent housing programme for urban blacks.

He was replying at the Transvaal National Party congress to discussion on the implementation of the Riekert report on manpower.

After a delegate had raised the issue of black housing, Dr Koornhof said failure to take realistic action would not be in the interest of whites, let alone blacks.

"We must provide as much additional economic housing in areas like Mamelodi and Atteridgeville in the shortest possible time because it is so important," he said.

The Prime Minister, Mr P. W. Botha, and Dr Koornhof are to visit these two black areas near Pretoria in the near future.

Dr Koornhof also said that the 72-hour restriction on blacks being in white urban areas might eventually be lifted. The Riekert Commission's recommendation that this crucial aspect of the pass laws be abolished was rejected by the government.

Where the Riekert report recommended that influx control be governed solely by the availability of jobs and housing, Dr Koornhof said there should be control of movement both at the work place and where people lived. It had therefore decided to retain the 72-hour restriction.

Emphasis on this measure, which implied demanding identity books from blacks on the street, could however decline as stronger application of the other controls proved effective.

"This could result in the 72-hour restriction being replaced in time."

Dr Koornhof said an announcement on free rights in specific group areas would be made in due course.

"The government has accepted in principle the creation of free trade areas in group areas for whites, Coloureds and In-

EGG SALAD
hard boiled eggs
salsanaise
Cut eggs in half and lay on a flat seld platter; cut side down. Pour over salsanaise.

May Bennett, Ridgeworth
salt and pepper
paprika and parsley

GIFFMAN POTATO SALAD
boiled potatoes
cooked bacon
mayonnaise
Cube the potatoes while still hot. Chop up the bacon, mix with the potatoes, onion and mayonnaise. Season with a little salt and pepper. Use hot or cold.

Ethne Beard, Fort Elizabeth
chopped onion
salt and pepper

STUFFED CABBAGE SALAD
1 fresh green medium size cabbage
onions
carrots
Cut the centre from the cabbage, leaving the outer leaves to form a bowl. Wash well. Chop onion. Peel and cube the carrots and pineapple. Cube tomatoes. Thinly slice some of the inner leaves of the cabbage leaving the stalks. Place the carrots, pineapple, tomatoes, sliced cabbage and the finely chopped onion in a bowl adding any juice from the tomatoes, pineapple and salt and black pepper to taste. Toss well; then pile the salad into the cabbage "bowl". Garnish with radish roses and a small bowl of mayonnaise for those who like it. To make the radish roses, cut across the tops in a double cross, then put them in food water until the radishes open up.

May Bennett, Ridgeworth
tomatoes
french pineapple
radishes

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"This will, however, follow an investigation by the Group Areas Board with the express reservation that it must not lead to residential mixing or under use of trading facilities in new group areas."

Earlier, the MP for Von Brandis, Mr B. Durrant, had accused "pressure groups" of pushing for the opening of Johannesburg's central business area to all races.

"If that is allowed, it will not stop at Johannesburg, it will extend to other metropolitan areas," he said. — PS.

Mix the curry powder, flour with a little water. Mix well, so that no lumps form, and then add the sugar and vinegar, boil up and stir all the time, then add the cooked beans and onions, bring to boil again. Bottle.

APPLE TUNA TOSS SALAD
1 medium head lettuce, torn in bite-size pieces (4 cups)
2 cups diced apple
1 11 oz can (1 1/3 cups) mandarin oranges
1/3 cup coarsely chopped walnuts
1/2 cup mayonnaise or salad dressing

Mrs Futter, East London
1 d salt, level
2 cups water
salt and onions till cooked, then
1 heaped T flour
1/2 bottle vinegar

SPRING GREEN SALAD
1 medium size lettuce
2 onions
parsley
Wash and shred the lettuce; chop onions finely and parsley; keep a few pieces for garnishing. Wash cucumber peel and cube. Wash scallions, and cut tops off leaving a short piece of the green left on. Toss the lettuce, parsley, cucumber, onion and scallions together, salt and pepper. Pour over a little french dressing and serve in a glass bowl. Garnish with a few sprigs

1 cucumber
mint (fresh)
scallions

May Bennett, Ridgeworth

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Black housing market

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THE housing market in Soweto and other urban black areas would collapse into "frightening chaos" unless the Government allowed white estate agents to practise in those areas, Mr Basil Elk, chairman of the Southern Transvaal branch of the Institute of Estate Agents, said yesterday.

Mr Elk was opening a trade exhibition at the Specialist Residential Property Marketing Programme sponsored by the South African Property Owners Association (SAPOA) and the Institute.

He told a gathering of more than 200 leading estate agents in the Carlton Hotel: "In the coloured areas such as Bosmont and Claremont, which average 100 property transactions per annum each, the law of the jungle prevails in the property market.

"There is no free market mechanism. Individuals are exploiting each other in a market where there are insufficient houses and total ignorance of property values."

IGNORANCE

Mr Elk said there were no property agents operating in those areas. Transactions are concluded privately in an atmosphere of ignorance.

This ignorance often leads to corruption and exploitation. The people in those areas just simply don't know the value of property," he said.

"Without the guidance of estate agents, there is no way they will ever get to know what property is really worth. The role of the estate agent in such a society is an important one. Apart from his business role, he and his colleagues and competitors must perform the func-

'Only white agents can avert chaos'

tion of educating the buyers and sellers. This is the only way the price of property will ever find its free market level."

Mr Elk said if such chaotic conditions already existed in Claremont and Bosmont, "the prospect for Soweto, once houses can be bought and sold, is frightening."

"If we are to avoid complete chaos in the housing market with peo-

ple exploiting each other, the Government must amend the regulations of the Urban Areas Consolidation Act and allow estate agents to train blacks to operate on their behalf in black areas. I would like to see it amended to the extent where we would be allowed to have joint ventures between white and black estate agents."

He said black aspira-

tions had been raised by the announcement of the 99 year leasehold scheme.

"It is important that the speed of the implementation be increased. If there are bureaucratic reasons delaying it then they must be swept away. This is a matter of great emotional impact in the townships and the people there are judging us by the speed with which it is implemented." — Sapa.

Millions needed to house poorer groups

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27/9/79

Own Correspondent

About R2 000-million a year will soon have to be spent to house the poorer population groups, according to bulletins from the Department of Community Development.

Not only must a huge backlog of 237 000 low-cost units be eliminated but at least 103 000 new homes a year will be needed to overcome the effects of population growth and urbanisation.

If the problem is tackled in earnest from next year onwards, it could mean construction of 120 000 of these homes a year, costing as much as R550-million. Escalating building costs of 20 percent a year could push this figure to above R1 000-million by 1985 and to R2 000-million five years later.

It is an enormous task, but Department of Community Development officials are adamant it can be done provided the funds are forthcoming and the job is tackled with the same dedication displayed during the last years of the 1970s.

DILEMMA

They say it is one sure way of overcoming the country's unemployment dilemma because every R100-million spent on low-cost housing would ensure jobs for 25 000 breadwinners.

The Department of Community Development, which is responsible for most of these housing schemes, may soon be landed with an additional task — caring for the needs of 90 percent of the blacks in urban areas.

So far, its main concerns have been housing for whites, coloured people and Indians. It may have to double or treble its present output to meet this new challenge. But the Department is already experiencing

Last year it set a record by completing 43 500 homes at a cost of R293-million. This year, however, it is already way behind schedule because of a lack of funds.

FINANCING

The department, through The National Housing Fund (NHF), provides financing for 14 percent of the low-cost requirements of the country's whites; 80 percent of the needs of coloured people and 65 percent of that of Indians. Blacks will shortly be added to the list, and it will have to look after 90 percent of their housing needs.

Professor J L Sadie, of the Bureau of Economic Research at Stellenbosch University, estimates that at least 103 000 additional units a year will be needed until the turn of the century to cope with the population growth.

COMBINED

This is 8 500 units a month for the public and private sector combined, but Community Development will have to bear the lion's share of this burden as private developers cannot hope to build at the extremely low interest rate of the department. It charges one percent for sub-economic loans (income R250 a month) and 9,25 percent for economic units, where incomes are between R250 and R540.

The department will have to build about 6 300 units monthly to reach the annual figure of 2 660 for coloureds, 2 600 for Indians and 56 700 for blacks.

Estimated backlogs for the different racial groups come to 163 000 for blacks, 52 000 for coloureds and 22 000 for Indians.

RECORD

During last year's record run, Community Development managed 2 770 units for whites, 24 180 for coloured people, 4 320 for Indians but only 12 235 for blacks in the urban areas.

Funds available in the NHF this year amount to only R280-million, which is R13-million less than the money spent on low-cost housing a year ago. It will enable the department to finance and build about 30 000 units which is a long way from the target set for the early 1980s.

'Low-cost housing helped recession'

CAPE TOWN. — Investment in low-cost housing in South Africa was competing for scarce capital and in this sense could be said to have a negative on the economy, the chief economist of the Bureau for Economic Research at Stellenbosch University, Mr W F Kilian, said in Cape Town yesterday.

Addressing a housing congress at the Good Hope Centre, Mr Kilian said, however, that the positive effects of such investment far outweighed the negative effects.

The congress was organised by the South African Institute of Housing Management and is being attended by about 200 delegates including Cabinet Ministers.

Mr Kilian said investment in low-cost housing had played a significant role in the economy during the recent recession.

"By providing job opportunities for many workers with few skills, unemployment was combatted to a certain extent.

"Its greatest virtue was that public expenditure could be increased with little negative effect on the country's sensitive balance of payments." — Sapa.

Dr Koornhof said this could be an important factor in the creation of a middle class in the black residential areas, and could be both a stabilising influence and an encouragement to further development. — Sapa.

Koornhof to enlist help on homes

CAPE TOWN. — The Government intended introducing legislation enabling the private sector to undertake township development for black people outside the national states, the Minister of Co-operation and Development, Dr Piet Koornhof, said in Cape Town yesterday.

Dr Koornhof was speaking at the International Housing Conference of the SA Institute of Housing Management in the Good Hope Centre.

Dr Koornhof said it would be necessary to build another 4,1-million housing units for black people in the cities before the end of the century.

South Africa had tried to contain the forces of urbanisation by preventing the uncontrolled influx of unemployed people into metropolitan areas.

"The Government has recently accepted the recommendations of the Riekert Commission that influx control measures should largely rely on the availability of housing and employment.

"However, in both these

fields there has been a tendency to fall behind the rate of urban growth, with the result that the volume of unemployment and inadequate housing has increased in our cities.

"We have, in recent years, seen the culmination of this process in a number of informal settlements on the edges of our metropolitan areas."

Given the dimensions of the problem, it was no wonder the State had not been able to provide the necessary housing.

It would be impossible for the Government to continue to undertake more in the field of housing without increasing taxes to the extent where it could harm the enterprising spirit of the individual.

"It is therefore to this enterprise that we wish to turn to provide the necessary housing for the people."

Another factor which had a considerable effect on the State's ability to provide housing at the required rate was the exceptionally high standards laid down for housing.

"These standards are not so high, given the environments of a developed Western economy, but when we take into consideration that South Africa is, for a large part, still experiencing Third World conditions, it becomes obvious that it is folly to impose the unaltered standards of the developed world on our situation.

"Furthermore, cultural factors such as our black people's dislike of high-rise developments cannot be ignored.

"What we want to develop in South Africa is differentiated housing — housing which is attuned to the needs and the resources of every community and every individual.

"To a large degree, this has been achieved as far as the White community is concerned.

"Unfortunately the generally lower levels of income of our black people have not yet allowed such a development in the black cities.

"Until recently, there were also restrictions on the acquisition of housing in the urban residential areas of the black peoples.

"I believe the recent introduction of the 99-year leasehold system, which has followed a decade of rapid economic advancement by black people, may lead to the erection of many houses by the private sector and that this may contribute to greater differentiation in housing on social and economic lines."

Cont.

Backlog in housing will be 'wiped out'

CAPE TOWN. — The coloured housing backlog in Cape Town should be wiped out in the next five years, Mr Louis Fouche, Secretary for the Department of Community Development, said at an international housing conference yesterday.

The Department of Community Development and the local authorities had the knowledge, experience, machinery and the will to eliminate chronic housing problems and provide sufficient housing for all those who qualified for State assistance.

"This can happen because the close contact between the Department of Community Development and the local authorities has resulted in integrated action. In this way it is possible to achieve the most effective planning and best utilisation of existing and new services and to procure new sources and materials."

Mr Fouche said housing agencies had to ensure that the planning and provision of housing was carried out under control of local authorities.

"With the exception of rented accommodation the private sector is providing sufficient housing to meet the demand from the higher income groups as far as the white group is concerned in certain centres.

"The position in respect of the other population groups is that the private sector has still not come into its own and the Minister of Community Development has already invited deposit-receiving institutions to participate in providing housing, particularly in coloured and Indian areas.

"The growing success of the past few years and an unshakable confidence in the future offers the assurance that the important task of providing

housing, affecting as it does everyone from cradle to grave, is an ideal which is not unattainable."

He added: "One of the things that the partnership between the Department and local authorities cannot countenance, however, is the various instant solutions offered or proposed for housing the growing population of South Africa."

Mr Fouche said loans for the purchase of building materials in these schemes had inherent problems relating to the standard of dwellings and the use to which the loan funds were put. These dwellings were not very durable and slum conditions occurred within a short time.

"Similarly, the upgrading of squatter camps around cities is unacceptable because of the costs involved, the temporary nature of such action and, above all, because no improvement really results." — Sapa.

Horwood appeal for black housing

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Political Correspondent

The Minister of Finance, Senator Owen Horwood, appealed to building societies today to actively and urgently promote home-ownership in black townships.

Addressing a symposium of the Association of Building Societies he said the societies should extend the full range of their services, including those of their development companies, to the townships.

"We have a positive commitment to enhance the living standards of all our people and to expedite the training and education of the emerging black nations," he said.

By improving living conditions through home ownership building societies could make a contribution.

The Minister said he could not quantify the country's future capital needs for housing, especially in view of the upward adjustment which the 99-year leasehold scheme could bring about, but there was no doubt it would be high.

Senator Horwood said since his return from Belgrade much of the earlier gloom and hesitation in business circles had given way to a new mood of optimism.

Previous methods, most of the value judgements have to be made explicitly in advance. Some points on the spectrum between these two extremes are analysed below.

2.3 Looking at Expenditure

Basically, one is looking for inconsistencies. It was noted that a logical axiom, basic to economics, is that a rand should yield approximately the same value in whichever programme it is spent. If the net social benefit from the marginal expenditure on one programme much exceeds that on another, one can do better by withdrawing funds from the second programme and increasing expenditure on the first. By simply looking at a breakdown of the budget between programmes, the amounts spent on each may be compared with our intuitive notions of how much 'ought' to be spent on these things. Our judgement will depend on what we consider the benefits of expenditure under each programme to be, a process which cost-benefit analysis seeks to formalise (see below). For example, if it can be shown that expenditure on preventive medicine constitutes approximately 2% of all expenditure on health, it may be felt that the benefits from this kind of provision warrant an increase in the share of the budget allocated to it.

Unfortunately, such intuitive processes can pick out only the grossest incongruities which are recognised by all, whatever criteria of 'value' are used. The optimum level of expenditure on a particular objective is, from the point of view of intuitive judgement, highly uncertain, because of the wide variation in benefits attributable to a particular type of spend-

due to a deficiency in information on the results of can be resolved by recourse to appropriate data. It also be differences of judgement which cannot prior agreement on the relative valuation of different be fed into the analysis; and in the intuitive errors may not be differentiated. n of decisions are now taken with no further analysis er steps involve a way of systematically valuing the programmes to render them comparable to one another. :hod for Setting Objectives

The following method for guiding the choice of priorities has been described by John Bryant. It has been used by medical and nursing students in Thailand, and one of its advantages is that it can be used where no numerical data is available. It, therefore, lends itself to discussion, to draw on the experience of a group of people.

Potential health problems are first listed, and then given a score (from one to four pluses) under each of four headings:

Diagram 1: A method of ranking health problems

Problem	Prevalence	Severity	Community concern	Vulnerability to management	Total
Large & poorly spaced families	++++	++++	+++	++	96
Inadequate antenatal & obstetric care	++++	++	++	+++	48
Malnutrition	+++	+++	++	++	36
Need for medical care	++	++	++++	++	32
Specific diseases:					
V.D.	++	++	++	++	16
Dental problems	++++	+	++	++	16
TB	+++	+++	+++	++	54
Common cold*	++++	+	+	-	0
Yaws*	-	++	+++	++++	0

* Added to test scoring method

Housing loans for black women soon

P W Botha

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It was the Government's intention to ensure orderly development, the creation of the necessary homes and elimination of slum areas, the Prime Minister said.

Addressing the conference, President Lucas Mangope, of BophuthaTswana, said a constellation of States could play a tremendous role in facilitating solutions for housing problems, not only of individual members, but also on a greater regional scale.

He said the Winterveld squatter problem was "a South African heritage".

"In fairness though, I must say that South Africa has duly accepted full financial responsibility for the proper settlement of the Winterveld squatters.

"The last hitches have apparently been ironed out recently and we can now look forward to massive action designed to upgrade the entire Winterveld into a town with modern services," he said.

The Director of the National Building Research Institute at the CSIR, Dr T L Webb, told the conference that in the foreseeable future, one of man's biggest problems would be to achieve reasonable health and living standards and ultimately, to survive in the face of rapidly decreasing, non-renewable energy sources.

Government.

The Prime Minister said that through force of circumstance, black communities, outside the black states, had not reaped the same benefits as coloured and Indian communities. This was now being corrected and, where necessary, legislation and regulations would be amended to increase the pace.

Mr Botha said important guidelines would have to be kept in sight.

Housing would have to be provided in accordance with the needs and the means of the community concerned.

Not only would people earning low incomes have to be subsidised, but research to find cheaper designs, building methods and materials would have to be expanded.

Amending legislation would also enable building societies and private developers to undertake township development outside the black states.

It was also absolutely imperative that development proceeded in consultation with and on the advice of, the leaders of the communities concerned.

Low-income housing was also sole responsibility of employers and the private sector.

"Employers would do well to make themselves aware of whether or not their workers are properly housed."

CAPE TOWN. — Legislation has been prepared to enable black women to qualify for housing loans, the Prime Minister, Mr P W Botha told the International Congress of the SA Institute of Housing Management, yesterday.

He said the Government would do everything possible to see that the 99-year leasehold system for blacks was made as economical as possible.

The provision of adequate housing and proper community development remained an incomplete task, he said.

What still had to be done in those fields could place an even heavier burden on the State than in the past.

"I believe this is an investment in the future of South Africa," he said.

It would have to be realised that not only was housing of paramount importance in determining the standard of living, it was also a prerequisite to improving the way of life.

"The state is fully aware of this and consequently is not prepared to condone shacks of squatter conditions.

"A few scraps of tin nailed to pieces of wood may be a shelter for some people, but it can never be considered as proper housing."

Controlled squatting simply could not be condoned by the

fits of expenditure under each programme to be, a process which cost-benefit analysis seeks to formalise (see below). For example, if it can be shown that expenditure on preventive medicine constitutes approximately 2% of all expenditure on health, it may be felt that the benefits from this kind of provision warrant an increase in the share of the budget allocated to it.

Unfortunately, such intuitive processes can pick out only the grossest incongruities which are recognised by all, whatever criteria of 'value' are used. The optimum level of expenditure on a particular objective is, from the point of view of intuitive judgement, highly uncertain, because of the wide variation in benefits attributable to a particular type of spend-

	Prevalence	Severity	Community concern	Vulnerability to management	Total
Large & poorly spaced families	++++	++++	+++	++	96
Inadequate antenatal & obstetric care	++++	++	++	+++	48
Malnutrition	+++	+++	++	++	36
Need for medical care	++	++	++++	++	32
Specific diseases:					
V.D.	++	++	++	++	16
Dental problems	+++	+	++	++	16
TB	+++	+++	+++	++	54
Common cold *	++++	+	+	-	0
Yaws *	-	++	+++	++++	0

* Added to test scoring method

A method of ranking health problems

Health problems are first listed, and then given a score (from pluses) under each of four headings:

Method for Setting Objectives
 Any further steps involve a way of systematically valuing the different programmes to render them comparable to one another.

Method for guiding the choice of priorities has been used by John Bryant.¹² It has been used by medical and nursing Thailand, and one of its advantages is that it can be used wherever data is available. It, therefore, lends itself to draw on the experience of a group of people.

is partly due to a deficiency in information on the results of programmes which can be resolved by recourse to appropriate data. Without prior agreement on the relative valuation of different health problems to be fed into the analysis; and in the intuitive sense two factors may not be differentiated.

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PW HINT: HOUSING WILL BE PLANNED TOGETHER

IN spite of what had already been achieved, the provision of adequate housing and property community development remained an uncompleted task, the Prime Minister, Mr P W Botha, said in Cape Town yesterday.

Mr Botha, who was addressing the international congress of the SA Institute of Housing Management, said that what still had to be done in those fields would conceivably place an even heavier burden on the State than in the past.

He did not, however, see this as a liability but rather as a challenge.

"I believe this is an investment in the future

of South Africa.

The Prime Minister said that through force of circumstance, black communities outside the black states had not reaped the same benefits as had coloured and Indian communities. This was now, however, being put right at an increased tempo and, where necessary, legislation and regulations would be amended in order to further increase the tempo.

The Government would do everything possible to see that the 99-year leasehold system for blacks was made as economical as possible.

Legislation had been prepared to enable black women to qualify for housing loans.

Amending legislation would also make it possi-

ble for building societies and private developments to undertake township development outside the black states.

Housing would have to be provided in accordance with the needs and the means of the community concerned.

This had nothing to do with colour.

It would have to be realised that not only was housing of paramount importance in determining the standard of living, it was also a prerequisite to improving the way of life.

"The State is fully aware of this and consequently is not prepared to condone shacks of squatter conditions.

"A few scraps of tin nailed to pieces of wood

may be a shelter for some people, but it can never be considered as proper housing."

Controlled squatting simply could not be condoned by the Government.

Another guideline would have to be the provision of proper services and amenities such as schools, community halls, clinics, post offices, sports complexes and planned landscaping.

It was also absolutely imperative that development proceeded in consultation with and on the advice of leaders of the communities concerned.

In order to attain this ideal it was essential that there was effective local government for every citizen and for every community.

a) deferral method

b) liability method

(assume there are no other items causing timing differences)

3. How will the answer to 2. be affected by the existence of an extraordinary gain on disposal of a division of the company, amounting to R70 000, all of which was taxable, in the 19.7 financial year?
4. How does the answer to 3. change if the R70 000 is now a deductible loss, which can be set off against the taxable income from other sources of R50 000? Draw up the income statement assuming the deferral method is used.
5. Further to Note 4, assume now that the company has a set profit before depreciation of R60 000 in 19.8.

Draw up the income statement for the 19.8 financial year under a) liability method

b) deferral method

Assume the tax rate remains 42%

F. M. M/10/79
BLACK HOUSING (123) (329)
Opening more doors

Co-operation and Development Minister Piet Koornhof's announcement that Pretoria has considered introducing legislation to lift restrictive measures on the private sector's role in black housing development has received an enthusiastic response from business.

Koornhof spoke on Monday in Cape Town at the international housing conference of the SA Institute of Housing Management; and further details and other policy statements are expected when he addresses the Free Market Foundation's conference in Johannesburg on Friday.

His speech marks another step in government's involvement of the private sector in urban black affairs. The reasons are not hard to find. "It would be impossible for the government to continue to undertake more in the field of housing without increasing taxes to the extent (of harming) the enterprising spirit of the individual," he told the delegates.

There is also the vast scale of the task. About 4,1m units are required by the year 2000. And the changed emphasis on the quality of housing to be provided. Koornhof said that the standards laid down "were exceptionally high." Small wonder business is being asked to lend its capital and expertise.

There have been problems, however, with the 99-year leasehold scheme. David Alston, director of the Association of Building Societies, tells the *FM* that the major drawbacks have been those of surveying and land proclamation. This is now being overcome largely due to a R500 000 interest-free loan made available to the Department of Co-operation and Development by the Urban Foundation.

The building societies are currently gearing up to embark on black housing schemes in conjunction with property development and construction companies. But there is some concern that the amount of available space might soon be exhausted. One building society says that it has had 500 interviews in the past two months and, it adds, "that is good by any standard." Pat Dempster, managing director of the Urban Foundation's Transvaal region, tells the *FM* that there have been more people interested in buying houses under the 99-year scheme in Pimville — the Urban Foundation's housing project in Soweto — than available sites.

The economic aspects of the proposed legislation are expected to have wider implications. Raymond Parsons, executive director of Assocom, says that the announcement came at an ideal time for maximising the long-term benefit for business and blacks — presumably, referring to the social and political situations.

Now that the government appears to have realised the need to accelerate devel-

opment of urban black areas — a giant leap away from the overriding focus on the homelands — some of the problems that have been affecting the financial administration of the townships might be alleviated. White capital for black housing development could well be a far less thorny issue than the current controversy over proposed black-white partnerships in trading ventures in black areas.

The Star

Friday October 19 1979

Cut that costly housing red tape

THREE years ago the announcement of leasehold housing terms for urban blacks was hailed as a breakthrough for compassion. Dr Connie Mulder, who was then the Minister concerned, called it "permanence in inverted commas." Urban blacks were at last given a sense of belonging: great numbers of them were expected to buy their own homes. Rosy images came to mind of contented communities enjoying pride of ownership.

But, as so often happens when the Government makes a gesture, the scheme has been frustrated by the enormous gulf between theory and practice. Delegates to the Assocom congress in Bloemfontein yesterday ascribed the failure of the scheme to red tape. There are other reasons such as doubts about whether a house could be legally bequeathed to heirs—and the major obstacle of money. Congress delegates also heard that only 14 families have registered titles so far. Fourteen

out of the tens of thousands of potential buyers: something is obviously very wrong. The Government should need no prompting to look for ways of smoothing the path to home ownership.

For instance, the red tape complained of at the Assocom conference not only slows procedures but adds greatly to the cost of houses. It has been argued that there is no need to survey the sites except in the rare cases where disputes arise. And is it necessary to recover the book value on houses? It is all very well to balance the rands and cents, but surely more profit is to be gained by being able to chalk up "contentment" on the credit side.

A formula must be devised now if homes are to be placed within reach of the average black family. Assocom and other concerned representatives of business and industry should give the Government the push urged by the Krugersdorp chamber.

VII DISEASES OF THE CIRCULATORY SYSTEM

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,51	0,33	1,10	0,21	1,80	1,59	0,13	0,10
1-4	0,05	0,06	0,02	0,10	0,15	0,17	0,02	0,04
5-24	0,07	0,06	0,09	0,10	0,14	0,17	0,11	0,13
25-44	1,09	0,44	1,31	0,70	1,54	1,27	0,73	0,78
45-64	<u>9,75</u>	4,44	<u>14,76</u>	<u>10,70</u>	<u>10,33</u>	<u>8,25</u>	4,61	<u>5,01</u>
65	<u>42,19</u>	<u>32,93</u>	<u>55,30</u>	<u>47,72</u>	<u>43,12</u>	<u>40,90</u>	<u>13,55</u>	<u>14,21</u>
ALL	4,70	3,81	3,22	2,25	2,74	2,69	1,14	1,20
NO.	9752	7926	1135	804	3114	3140	2390	1921

VIII DISEASES OF THE RESPIRATORY SYSTEM

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	2,90	2,22	<u>7,81</u>	<u>4,85</u>	<u>32,20</u>	<u>28,78</u>	<u>13,54</u>	<u>14,15</u>
1-4	0,22	0,28	0,90	0,69	<u>5,32</u>	<u>5,45</u>	2,46	2,13
5-24	0,05	0,06	0,17	0,11	0,21	0,23	0,18	0,16
25-44	0,20	0,12	0,37	0,33	0,94	0,72	0,66	0,52
45-64	1,46	0,92	3,33	1,85	4,88	2,14	2,75	1,72
65+	<u>11,52</u>	<u>7,89</u>	<u>16,51</u>	<u>13,42</u>	<u>20,07</u>	<u>10,49</u>	9,32	6,19
ALL	1,12	0,97	1,22	0,79	2,87	2,22	1,37	1,24
NO.	2336	2019	430	282	3270	2588	2858	1951

IV DISEASES OF BLOOD AND BLOOD-FORMING ORGANS

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,02	0,03	0,20	0,21	0,06	0,16	0,06	0,06
1-4	0,01	0,01	0,02	0,00	0,02	0,04	0,01	0,01
5-24	0,00	0,00	0,01	0,01	0,01	0,01	0,01	0,01
25-44	0,01	0,01	0,01	0,02	0,00	0,01	0,01	0,01
45-64	0,02	0,02	0,03	0,03	0,06	0,04	0,01	0,03
ALL	0,11	0,11	0,13	0,15	0,03	0,03	0,03	0,03

Call for a bigger role

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RPM
23/6/29

ALTHOUGH the State would continue to play an important role in providing housing for the lower income groups, it was of the greatest importance that the private sector play a greater role in housing the black population, the State President, Mr Marais Viljoen, said in Johannesburg yesterday.

Speaking at the anniversary celebration of the Federation of Building Industries of South Africa, (Bifsa), he said it was pleasing to note that both building societies and individual employers were keen to make a greater contribution in this respect.

This trend could be further enhanced in two ways - firstly, through the possibilities opened by the introduction of the 99-year leasehold scheme for blacks and, secondly, by the degree in which blacks were able to play a greater part in the economic development of the country, President Viljoen said.

The contribution of the private sector towards housing for blacks would largely be deter-

mined by the rate at which blacks moved into the middle and higher income groups.

"This in turn will depend on the degree to which we succeed in increasingly getting the blacks involved in the more advanced kind of work and other opportunities which our economic system offers.

"Experience has proved to us that the white population group alone cannot provide the skilled workers, the middle management group and the business leaders that are necessary in the long term to maintain an economic growth rate which will enable us to realise our national objectives.

"For that reason it is, economically speaking, essential that we increasingly get the other population groups involved in the economic development of South Africa.

"It is, however, essential, not only from an economic viewpoint, but also from the viewpoint of social fairness, political stability and the security of the country, that the benefits of our economic system accrue to all the population groups."

ALL	0,06	0,04	0,07	0,06	0,25	0,14	0,17	0,12
NO.	128	85	26	23	289	164	366	187

(123) File 2/11/79

Houses not homes

Ten to 15 people living in a "matchbox" in a black township; others paying as much as R25 a month for a room in a garage; rumours that greasing the palms of officials is one way to move up the waiting list for a house. All this points to the appalling state of urban black housing.

Officials put the housing backlog outside the homelands at around 200 000. Just to get rid of this would cost over R1 billion.

Government appears to have recognised its inability to cope with the acute shortage, and is showing signs of slightly loosening its stranglehold on black housing. Officials are now full of talk about more private sector involvement. The reason is clear. Claimed Minister of Co-operation and Development Dr Piet Koornhof at the International Congress of the SA Institute of Housing two weeks ago: "It would be

impossible for government to continue undertake more in the field of housing without increasing taxes to the extent of harming the enterprising spirit of the individual."

But Pretoria seems set on keeping private sector involvement within the framework of the 99-year leasehold scheme. Leasehold rights have been extended to all black townships in so-called white areas, but those in border towns and the Western Cape. Legislation is being prepared to enable black women to qualify for housing loans. And CAD is looking at ways of cutting the costs of leasing.

Government has accepted the principle of building societies moving into townships to build their own homes. These will be sold to blacks under leasehold. Lou Kok, deputy secretary of CAD, says that the necessary amendment to the Black (Urban Areas) Consolidation Act will be put before Parliament next session.

Adds Kok: "You mustn't see this as solving the whole problem." Building societies are already free to give loans to blacks. All this amendment will do is provide the opportunity for "private concerns to develop housing on their own if they want to," he argues.

Nonetheless, government still holds a strong grip on black housing. Those trying to get leasehold rights have to grapple with a mass of red tape. The extent to which building societies will be able to construct houses, will depend on the authorities willingness to provide land.

Wits University's Bruce Roaden argues that the way out of the housing shortage is to adopt a more *laissez-faire* approach, which would give blacks far more "control over decisions on their housing". There are two alternatives — a formal market system or self-help schemes.

There is no justification for the State



Black homes . . . an appalling backlog

David Dewar and George Ellis, in their book *Low Income Housing Policy in South Africa*, give more startling figures.

For instance, it is estimated that in Durban there are 350 000 black squatters; in Pietermaritzburg 265 000 blacks live in sub-standard conditions; and, in the Winterveld area near Pretoria, there are at least 250 000 squatters.

"The public sector's attitude towards tenure, although changing, is still far from adequate in stimulating investment in new housing among non-whites."

Niels Jorgensen, an international authority on low-cost housing

P. T. O.

Snags hit black housing scheme

SUN. Tribune

4/11/79

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By COLIN VINEALL
Property Editor



Mr Jimmy Dodds,
President of the
Association of
Building Societies

MR JIMMY DODDS, newly elected president of the Association of Building Societies, spoke frankly in Johannesburg just after his appointment of the snags that have hit the 99-year leasehold scheme for blacks' housing — and what can be done to put matters right.

Mr Dodds told me in an interview:

"As far as the 99-year leasehold for urban blacks in 'white South Africa' is concerned we have an umbrella committee which was sponsored by the ABS. This holds meetings attended by representatives of the Department of Co-operation and Development, the Department of Community Development, Com-administrations boards, the Soweto Council, the Urban Foundation — everybody interested in black housing," he said.

"At the last meeting it was announced that an official of the Department of Co-operation has been appointed specifically to make sure the scheme gets off the ground — it

financial security so that they could have a larger loan.

"They would also have to pay certain transfer costs and so on. It is a lot of money for a black man. I can only see this getting off the ground if the employers co-operate to the full.

"Employers could, for example, pledge money with building societies as collateral security to enable those blacks they consider qualify in terms of service and status, to raise a loan with a building society in excess of 80 percent," said Mr Dodds.

has been dragging its feet, largely because of regulations and to sort out a system of survey which will give the black man as good a title to his land as the white man enjoys and at the same time will keep the cost as low as possible and within his means.

"With the 99-year leasehold scheme, blacks would normally raise their money through a building society and would either have to find a minimum deposit of 20 percent unless they can get their employer or someone else to provide extra fi-

unit contributors," said Mr Dodds.

"Another problem that is going to demand attention is the provision of home loan finance for the black urban areas situated in homelands, as opposed to white South Africa. This applies particularly in Durban with areas such as KwaMashu, which is in Kwazulu.

"The problem there is that the 99-year leasehold system does not apply to those areas. We could shut our eyes and ignore the problem but I think in the interests of this part of the sub-continent, and in pursuance of the Prime Minister's philosophy of a constellation of states, we have to assist with housing in those states.

"There are various ways of doing this. For instance, we could assist them as we are doing with the Transkei Building Society with technical expertise; we could assist them with finance, subject to certain safeguards because we have always got to be conscious of the fact that the money we handle is trust money and we mustn't take any risks with it.

"Another alternative would be for us to operate in the territories but when one hears in mind that in the past we have not had branches there because the

volume of business did not make it feasible and we operated through the agencies.

"We would have to have safeguards. Initially these people will take over our laws as they have done, but there is nothing to stop them in their wisdom changing the law, and although this is far fetched there is nothing to stop them changing the currency.

"They could in the extreme even nationalise their industries or land . . . and however remote that might seem at the moment we cannot ignore that possibility. We would have to have assurances that people have proper title to land, a proper system registration and survey.

"A possible solution would be to lend with certain guarantees from our Government and then governments concerned against the political risk I mentioned. I'm not suggesting for a moment that we should be guaranteed against our own mistakes but we should have some indemnity against losses from risks over which we have no control."

Summing up his views of the 99-year leasehold scheme, Mr Dodds said: "By this time next year we should see quite a few black home owners," he said.

pidm] See

96 The Myth of the Great Depression, 1873-1896

Economic Development of France and Germany

The Industrial Revolution on the Continent

Vols. III and IV

The Fontana Economic History of Europe,

Economic Development in the 19th Century

Industrial and Commercial Revolutions

Atlas of World Population History

* S.B. Saul:

J.H. Clapham:

W.O. Henderson:

C.M. Cipolla (ed.):

" " " "

L.C.A. Knowles:

Section III

McEvedy & Jones:

sius. "Bifsa is willing to act as a catalyst to get the scheme off the ground on a co-ordinated basis." However, the key issues are not the mammoth number of houses to be produced or the cost to government or the private sector. They are rather whether blacks can afford the type of housing envisaged, and whether government can impose high and unrealistic housing standards for the masses.

Take the type of housing envisaged for the residents of the new Crossroads. Reliable sources say that the housing planned will mean more than a 100% increase in monthly rentals. The cheapest one-bedroom house will rent for nearly R25, compared with a previous rental of R7 a month.

Government's 99-year leasehold scheme will not help alleviate the situation. As David Alston, director of the Association of Building Societies, points out: "99-year leasehold is not the alpha and omega. Many people cannot afford building society loans -- nor would they want them. Unless government can rationalise the cost structure, it will appeal to only a limited number of people."

In fact 60% of prospective black homeowners will find the scheme far too expensive. Over 80% of SA's urban blacks earn less than R200 a month and will have difficulty securing building society loans. A recent survey in Alexandra, by Unisa's sociology department, showed that nearly 22% of households had average incomes of less than R100 a month, and 50% earned below R150.

According to a senior UBS official, "even those who can afford loans through conventional channels often cannot afford the required 20% deposit." It is in this area that employers could usefully step in by providing collateral for loans. Rick Granelli, Transvaal regional manager of the Urban Foundation, adds: "Under present circumstances the criteria imposed by financial institutions on loans for housing are not appropriate to low-income groups, and it will be necessary to develop revised criteria to make it possible for small loans to be provided for self-help builders."

Piet Gienis, Wrab's chief housing officer, estimates that 367 applications for leasehold have been lodged to date. However, only 35 leasehold rights have actually been issued.

Is government trying to market the unmarketable? The cost to a tenant of converting a conventional 51/9 dwelling unit to leasehold status is nearly double that of continuing to rent or taking a 30-year lease. The jump from a possible R15/month in rental to R36/month in ownership repayments is obviously too much for many.

And just where is the money going to come from? Over the past 25 years R1 341m has been spent on housing using Treasury funds -- and this is for all races

Only a portion has been for black housing. To solve the problem now nearly R1 000m must be spent every year.

However, according to Bifsa president Bob Stevenson, "We have the ability and the know how. We can assist the government in ways of finding money which is expected to come from the private sector and building societies".

It will be interesting to see just how, when, and where this will be done.

M. 23/11/79 (22) (23) (339)
BLACK HOUSING
Bifsa's brainwave

Prime Minister PW Botha is certainly aware of the magnitude of SA's black housing problem. At an international conference on housing, in Cape Town last month, he announced that 4.1m houses would be required by the end of the century. This was such a mammoth task that private enterprise had to become involved.

The Building Industries Federation of SA (Bifsa) announced last week that it had written to Minister of Co-operation and Development, Piet Koornhof, asking for clarification. Putting its cards on the table, Bifsa has also announced that it will call a national conference next year to plan the launching of a grandiose scheme to build the equivalent of 40 new cities the size of Johannesburg.

According to Bifsa director Johan Grot-

Teachers to get housing loans

By MALOSE MATSEMELA

BLACK teachers and employees of the Department of Education and Training will take part in the housing loan scheme announced by the Department of Community Development earlier this year.

This was said this week by the Secretary for Education and Training, Mr G J Rousseau, who further

said there are conditions to be met before applications can be sent in.

He said the scheme will enable employees to obtain from financial institutions participating in the scheme, a loan for the purchase of a building stand and the erection of a dwelling in the country.

As security for the loan, applicants will be required to enter into an agreement with the Government.

Application forms are

obtained from the regional offices of the Department of Community Development or the Department of Education and Training.

Mr Rousseau said: "A person may apply provided he or she is married or is an unmarried person with dependants who are permanently resident with him or her, or a married female who is the breadwinner and who has dependants permanently resident with her, provided she or he is not over the age of 50."

DISCUSSION

The crude death rates and the standardised mortality rates for whites, Asians and 'coloureds' and urban Africans are presented in Fig. 1. The interpretation of these figures is confounded by the differences in the underlying structure of the population. The population pyramids of the various groups were pictured in Part I with the exception of the urban Africans, which appears in Fig. 2. This population shows an excess of healthy working males and lack of elderly persons as a result of the migratory labour situation.

The standardised mortality rate provides a single figure for the mortality experience of a population which can only be fully expressed in terms of a series of age specific death rates. The SMR is calculated by multiplying all the age specific mortality rates in the observed population by the corresponding numbers in the standard population, adding the number of deaths so obtained and dividing the total standard population. While this figure is independent of the age structure of the observed population, the choice of the standard population will affect the weighting given to the deaths in the various age groups. The choice of an urban population as a standard will give great weight to infant weight to deaths among the elderly, while a developed standard will reverse the position. The choice of standard population ranking of the mortality between the observed groups. The answer. As the Duke of Wellington said: 'There are lies, and statistics':

Infant mortality rates are summarised in Fig. 3. Once age is experienced in obtaining data for Africans. Birth statistics for Africans are not published by the central government. The health officers of health⁹ have estimated the infant mortality rates for their urban areas. These show considerable variation. (See also ref.15). A mean figure and the range are given in Fig. 2. These de facto figures should be interpreted with caution as sick infants are often brought to the cities from rural areas. An indication of the situation in the rural areas is given by a sample survey carried out in Cape Town and Transkei among Xhosa-speaking Africans.¹² An increase in infant mortality was observed with decreasing urbanisation, the figure for the completely rural areas being of the same magnitude as those parts of the world devoid of medical services. Fig. 4 summarises the age specific mortality rates of

rural areas or cause of deaths' according to the Bantu Reference Bureau (Personal Communication). At least 50 000 deaths among Africans were not registered. These occur mainly in the rural areas. It is estimated that about 10% of the deaths in the main urban districts are not registered for Africans.

METHODS

The following indices were calculated:

1. Crude Mortality Rates.
2. Standardised Mortality Rates. Two standard populations were used: England and Wales representing a developed population and Mexico 1960 for a developing one.
3. Age and Cause Specific Death Rates. Calculated mainly in five year age groups for the seventeen major divisions of the eighth revision of the International Classification of Diseases (ICD).
4. Proportions of Causes of Death.

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Banks pledge support

A CONSORTIUM of major South African banks yesterday pledged R300-million for large-scale black housing relief schemes throughout the country.

The large cash injection was confirmed by the Building Industries Federation, which now wants to work out with the Cabinet a masterplan to build more than four million new houses for black families over the next 20 years.

According to Bifsa, the first move would be to hold talks with the Minister of Co-operation and development, Dr Piet Koornhof, to seek Government commitment to a short and long-term timetable to keep the programme on schedule.

Mr Bob Stevenson, president of Bifsa, said yesterday he was totally confident the treasury would guarantee the R300-million offered by the private sector so that the first drawings could be made immediately.

"The building industry has the resources to make a start," he said.

group. Allowance was made for migration.

For Africans, a different procedure was adopted as a population figure for only part of the country was required. The 1970 age distribution¹⁰ by magisterial district was used, the numbers being adjusted by the 1974 gross population estimates by economic region.¹¹

Flat tenants face big rent increases

RDM
6/12/79

123

By BRUCE STEPHENSON
TENANTS in thousands of rent-controlled flats face the threat of a minimum 10% rent increase in April when the two-year "breather period" for many tenants expires.

The two-year period during which the Minister of Community Development, Mr Marais Steyn, asked landlords of buildings decontrolled in April 1978 to keep increases to a ceiling of 10%, ends then.

With the chronic shortage of flats in the better areas — particularly northern Johannesburg, Cape Town's Sea Point and Durban's Berea — there seems little doubt that landlords will again be asking for more rent.

Mr Alf Widman, PFP MP for Hillbrow, has called for a "complete investigation" into flat accommodation in relation to the proposed abolition of rent control.

Flat agents have very little to offer in the way of two-bedroomed and three-bed-

roomed apartments. Most of their empty flats — and there are plenty of them — are bachelor and one-bedroomed flats in unpopular areas.

Curries-L K Jacobs, which forecasts rent increases of between 5% in cheap flats and 20% in the more expensive areas, are agents for 8 000 flats in the Johannesburg area. Of these 2 400 are rent-controlled and about 2 000 are bachelor or one-bedroom units.

On Monday 800 of their flats in the City-Joubert Park-Hospital Hill area were empty, which the company attributes to the unpopularity of the area. But new blocks of flats are not being built.

"The cost of building today is so high that a man thinks twice before building a new block of flats. What is happening today is that when a new block is built, the owner sells flats under sectional title," said Mr John Croeser, deputy chairman of the agency.

The directors believe that the Government should have decontrolled the older blocks first. Buildings less than 20 years old were freed of rent control in April 1978, and this April buildings less than 25 years old had restrictions lifted on them.

"If the old blocks had been decontrolled first, the owner would have been able to afford to improve those buildings. There are some nice old buildings which, with a small facelift, would be reasonable places to live," they said this week.

Mr Alf Widman, PFP Member of Parliament for Hillbrow, disagrees strongly.

"Landlords are by law entitled to a return of 8½% on the municipal valuation of the building, property and improvements. This is based on the valuation, however recently it is done, not on the value at the time of construction.

"A block built 30 years ago has a much greater value today than then, so in reality the landlord is getting a return of

50% or 60% on the original investment, not 8½%," Mr Widman said.

"I call on the Minister to have a complete investigation into flat accommodation in relation to the proposed abolition of rent control.

The Government should favour people in need, he said.

Low-income families are protected from unscrupulous landlords by the Housing Act, which stipulates that the flat occupied by that family may remain rent-controlled when the building itself is de-controlled.

The onus is on the family to prove to their landlord that they fall into these categories. Should the rent be increased, they may appeal to the Rent Board for a reversal.

Families with no children and an income of R380 month or less, families with one or two children earning R440 a month or less, and families with three or more children earning R540 a month or less qualify for protection.

suspicion surrounding the document.

F.M. 7/12/79

BLACK HOUSING

Big deal

123



Some curious things are happening on the black housing front. For one, reports of a "guaranteed" R300m loan for black housing from an alleged consortium of the big banks appear to be premature, to say the least.

The story, which created front-page headlines last week, originated from a Building Industries Federation of SA press release headed "Building industry already assured of first R300m for Koornhof's R20 billion black housing project from private sector."

The first paragraph read: "The building industry is sure of obtaining an initial R300m right away from a consortium of banks, as the first instalment towards the R20 billion required to build Dr Koornhof's grand design of 4.1m homes for blacks by 2000 AD."

Bifsa president Bob Stevenson was quoted as follows: "All we need is a government guarantee and this we feel certain of getting following the positive attitude to long-term socio-economic development shown by the Prime Minister at his summit meeting with leaders of the private sector in Johannesburg."

Stevenson tells the FM that the reference to the fact that Bifsa was "sure of obtaining" the loan was made on the basis of a previous precedent set by a consortium of banks in providing a loan which government then guaranteed. He was convinced that, because the banks were "flush with money", the action would be

Financial Mail December 7 1979

repeated.

Bill Hamilton, Bifsa's delegate to the PM's summit explained further. He said: "Two years ago, the Minister of Finance granted an additional R250m for housing above the usual vote. This was private sector money which the government had guaranteed. As this money will be ex-

hausted by April 1980, Bifsa wants the government to again guarantee a further R300m." He is certain the banks will provide this.

At present, the situation appears to be that Bifsa is merely talking to some banks about loan facilities on the strength of their understanding that government is

sincere in its wish to solve the black housing backlog. Bifsa has also written to Minister of Co-operation and Development Piet Koornhof asking for details of how he proposes to solve the backlog. Bifsa has not drawn up any plans, but, taking Koornhof at his word, has passed a resolution to call a national housing conference next

in my opinion

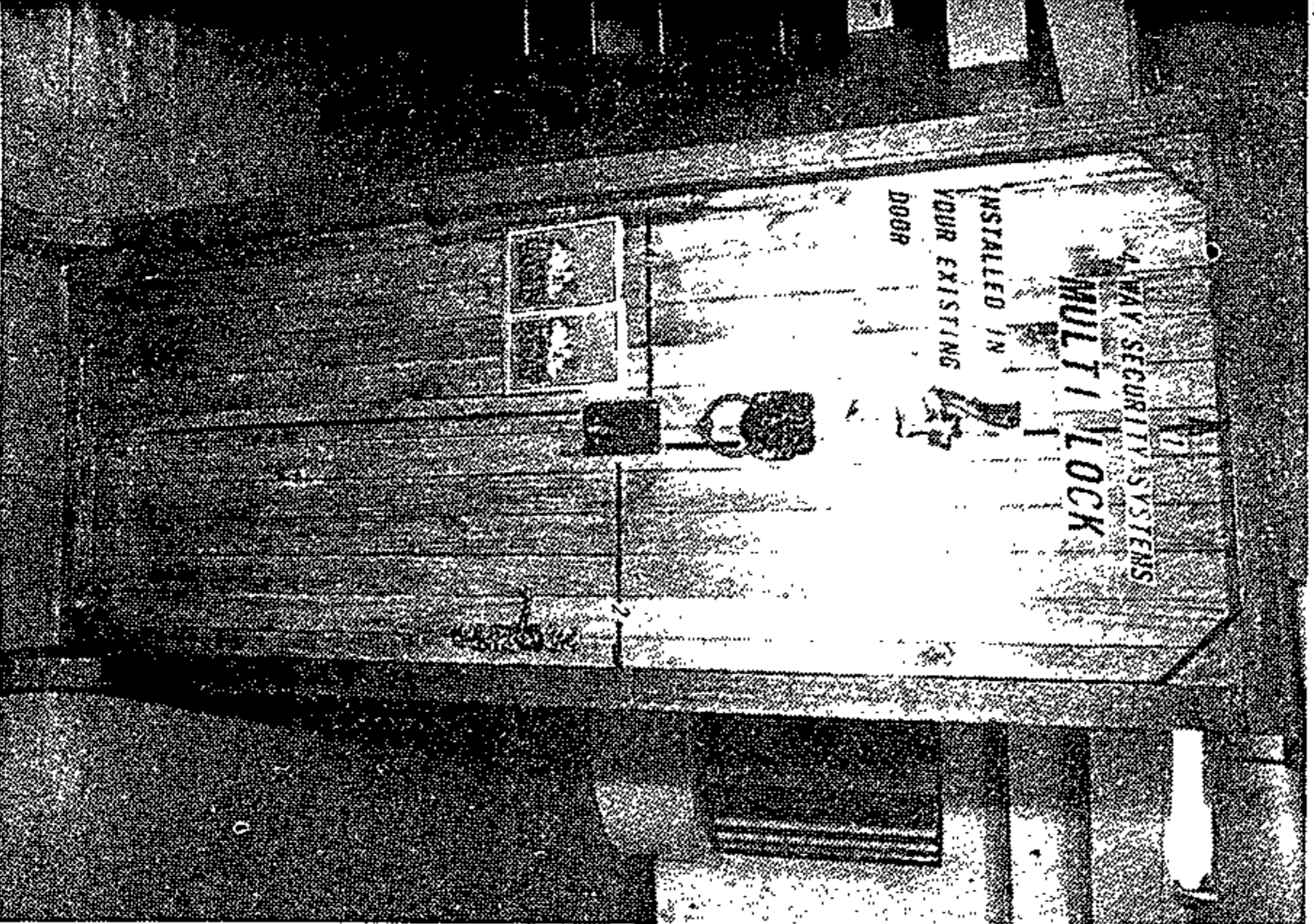
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HOUSING

Solutions in self-help

12/12/79

123
337



This door, made locally, locks top and bottom as well as left and right. These locks give your door additional protection.

ECONOMISTS have estimated that the demand for black housing in South Africa up to the 2 000 will be more than four million units. At an average cost of R3 000 a unit, this means an amount of R12 000-million will have to be spent over the

period. Labour constitutes approximately 40 per cent of the cost of the conventional building and here lies the greatest potential saving.

A well-known roofing company claims to have developed a self-help housing scheme which could provide one solution to black housing problems, particularly in rural areas and on farms.

Canalite roofing is then put in position and the whole operation takes as little as 24 man-hours to build the basic unit. (Timber structure and roof + — 55mm² of floor area.

Depending on the finance available the self-help candidate can thus limit the amount of brought-out items to an absolute minimum.

It is estimated that money spent on buildings in the agricultural sector from July '78 totalled R162 million. Residential housing for farm-workers alone totalled some R36,5 million and non-residential R62,8 million.

Although the Everite unit was not specifically designed for agricultural use, it is an ideal form of housing for farm-workers and possibly one of the cheapest, most practical since use can be made of local labour during off-season periods.

COST

An important requirement of low cost housing is that the designs should make use of materials that are standard and available locally. Also the designs should be simple and effective and thus lend themselves to construction by means of self-help; the houses must be expandable when required and when economics allow it, and the units should be capable of improvement through the provision of ceilings, solar heating, inside ablutions as finances improve.

The designs are based on the provision of a basic timber structure and a roof, with walling infill following by means of self-help, utilising brick, block or locally available material, such as sun-dried clay blocks, wattle-and-daub, corrugated iron, etc, the basic determinant being the finances available.

MATERIALS

Even if built initially of temporary materials, these can later be replaced by permanent walling, such as blocks, without sacrificing any of the initial capital input (structure and roof).

The use of a timber structure ensures that even if the unit is to be erected on a slope the

F.M. 14/12/79
WORK SEEKERS

The Vaal magnet

Although their exact numbers are not known, the migration of Indian and coloured people from Natal and the Cape to the Vaal Triangle has been brought into focus by the acute housing shortage.

It also reflects serious unemployment and lower wage levels in the regions. A study conducted by the economic research unit of Natal University (NU) has revealed, for example, that 14% of Tongaat's economically active population is unemployed. Similar figures apply for the largest Indian township, Chatsworth.

According to the Department of Indian Affairs, fewer than 4 713 Indians (less than 2% of the economically active population) throughout SA were registered as unemployed in September, a figure researchers do not regard as an accurate reflection of the real position.

Migrations from Natal are not new. A study made by NU's Gavin Maasdorp 10 years ago found that many Indians had moved to the East Rand despite the prohibition on their freedom of movement.

With the lifting of provincial barriers to such movement in 1975, some feared the Transvaal would be "swamped" by Indians in search of better prospects. This has not happened. Apart from the fact that SA Indians number no more than some 800 000, the housing shortage has stemmed — though not stopped — the natural drift to centres of economic activity, according to NU's Nesen Pillay.

"We are aware of the movement to the extent that there is a large number of persons from Natal and the Western Cape on the files of Actstop" (the action committee to stop evictions of illegals living

in "white" Johannesburg), says its chairman, Cassim Saloojee.

He reckons there are many more who haven't yet fallen foul of the Group Areas Act. The housing waiting lists in townships like Lenasia and Actonville, which run into thousands, have been further swollen by out-of-towners.

Says Saloojee: "Government has lifted the restriction on travel but doesn't recognise the need for housing mobility."

Blacks' (coloured and Indian) mobility in SA is therefore being hampered by Group Areas restrictions and the serious lack of housing.

Africans without Section 10 rights are, of course, the most stringently controlled race group, and are being increasingly endorsed out.

Self-build project could mean houses for thousands

BLACK HOUSING REVOLUTION

Argus
15/12/79

123

A QUIET revolution is taking place in the Government's approach to the crucial housing question which could completely change the face of black housing and usher in a new era of stability in South Africa.

The new trend to give encouragement to a variety of self-build projects could put home ownership within the reach of tens of thousands of blacks who could otherwise have spent the rest of their lives on a waiting list with only a remote hope of being allocated a township house.

The first official hint that a drastic rethink on low-income housing is well advanced came from Dr. George Morrison, deputy Minister of Co-operation and Development, when he opened a

R500 000 housing scheme at Umhazi, near Durban, recently.

Dr Morrison said that unrealistically high building standards would have to be looked at and the question of informal housing would have to be considered in order to better the housing backlog for blacks.

Meanwhile, developments in four provinces indicate that self-help building schemes could soon become the Government's chief weapon again at the looming black housing crisis.

● In Graaff-Reinet a decision to move the black township 10 km out of town has been reversed in favour of a plan to upgrade the area over a number of years.

● In Carletonville the Urban Foundation is piloting a self-build

By John Battersby

scheme in the Khutsong development.

● At Kroonstad in the Free State a progressive township manager has master-minded a highly successful controlled self-build project based on a site-and-service scheme which has already been in progress for two years.

● In Nelspruit a highly successful core housing development, where a basic house is erected which can be expanded at a later stage, is being carried out at the Nkwinazanye township. The project, which was begun two years ago, was initiated by private enterprise and is being carried out in close co-operation with the Department of Co-operation and Development and the National Building

123

EXPRESSSCOPE THE ACCOMMODATION CRISIS

Flat rents could be doubled next year

NEXT YEAR could bring the shock of a lifetime for at least 250 000 people who live in rent-controlled flats in South Africa.

Their monthly rent bills could double — and this will leave thousands who already barely survive on paltry old age pensions helpless and destitute.

This applies to Johannesburg in particular, where agents say an accommodation shortage is reaching crisis proportions.

One agent told the Sunday Express rent for three-bedroom rent-controlled flats in Hillbrow could go up from R150 to R300 a month.

In Killarney, in the Northern suburbs, flat-dwellers could pay as much as R800 a month for three-bedroom apartments.

Rents are expected to rise as steeply in Pretoria, the Witwatersrand, Cape Town and Durban.

Expressscope set out this week to establish the reasons behind the sudden move to increase rents — a move that will give millions of extra rands to the landlords.

The rent rise, say estate and flat agents, will come about as a result of the two-year breathing space (when rent raises were pegged at 10% a year) expiring in April.

Expressscope established that:

- Developers are looking for a return of at least 14% on new flat buildings, and rents of previously controlled flats will rise accordingly because of the shortage of accommodation.



- Protection given to low-income tenants under the Housing Act has been cancelled out by rent boards.

- Property experts agree that most existing blocks will be converted to sectional title within the next few years. Even now, many entrepreneurs are buying up blocks of previously rent-controlled flats for sale by sectional title — which means tenants who cannot get bonds will be forced out.

- Sapoa (South African Property Owners' Association) considers people who can no longer afford to keep their flats should "go to Triomf or somewhere else — they can't expect to be subsidised in Killarney".

- Sapoa also recommends that landlords ask ALL tenants applying for previously rent-controlled flats to sign a declaration giving income details — a move described by a consumer spokesman as an intolerable invasion of privacy.

- Some landlords of rent-controlled blocks built in the early Fifties are making a gross return of 30% on their original investment.

- The Progressive Federal Party is putting pressure on the Government to subsidise rents for pensioners and low-income workers and to allow tax benefits to off-set inflation for retired people who have a fixed income.

The property expert, a quantity surveyor who asked not to be named for professional reasons, told Expressscope that developers considering building blocks of flats in middle-income areas of Johannesburg and Pretoria were working on rentals of R200 for a one-bedroom flat, R250 for two bedrooms and R300 for three bedrooms.

Rentals of previously controlled flats will in all likelihood reach the same levels, he said.

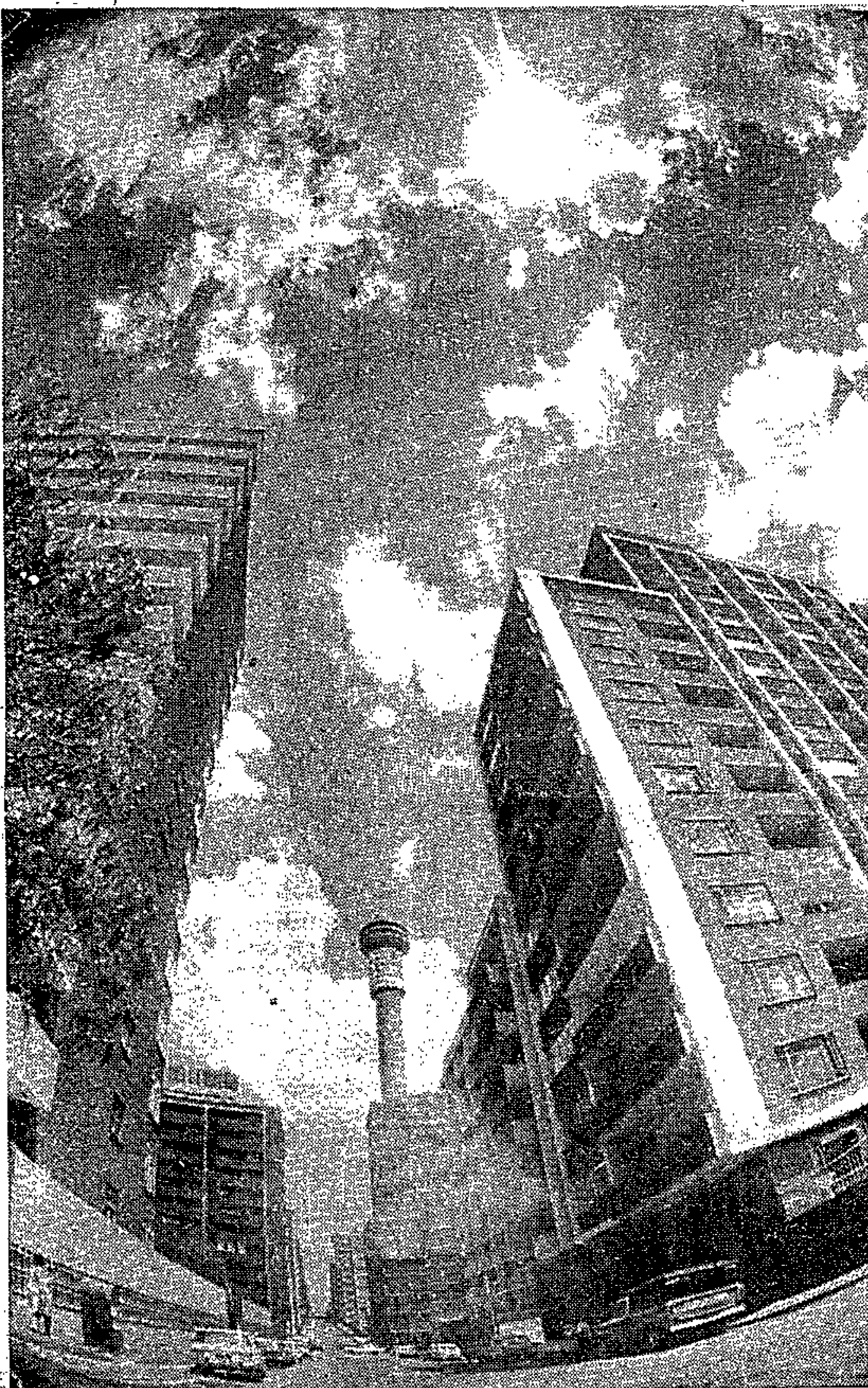
"The problem is to decide whether there is going to be

hood reach the same levels, he said.

"Rents are going high — we just have to accept that or no new blocks will be built because developers will not otherwise get an adequate return of at least 14% on their investments," he added.

Hardly any new flat blocks had been built in the last decade and none were being built now, but there had been many inquiries from developers who were considering building, he said.

"The problem is to decide whether there is going to be



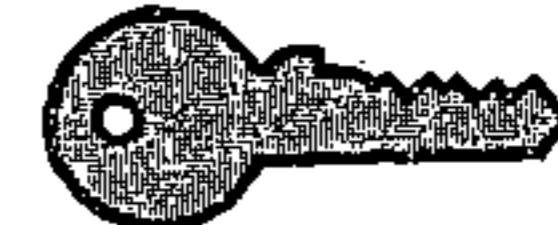
● Hillbrow's flatland... old people will be hit hardest.

By JEAN LE MAY

sued to members last year, recommended that all tenants applying to rent previously rent-controlled flats should be asked to sign a declaration giving details of their income and that "notices should be sent at regular intervals to tenants asking whether they claim protected tenancy and asking for details of earnings".

Mr Eugene Roelofse, ombudsman for the South African Council of Churches, said Sapoa's suggestion was "an intolerable invasion of privacy — tenants who receive such notices should send them immediately to the Minister and tell him to solve the problem".

Another aspect is that many entrepreneurs are buying up blocks of previously rent-controlled flats for conversion and sale by sectional title.



Sapoa is advising its members to offer tenants their own flats in blocks bought and later sold under sectional title. This could cause serious problems to older people, says Sunday Express Property Editor TERRY MEYER, because building societies are unlikely to give bonds to people over a certain age.

These people may not be able to afford the deposit — in some cases as high R5 000 and more.

Even if they can scrape enough out of their savings for the deposit, they may be unable to afford the considerably higher monthly bond instalments, plus the monthly levy (to cover rates, taxes and maintenance) required when anyone buys under sectional title.

a tenant is displeased with his landlord he will avoid the company like the plague when buying insurance.

Mr Nigel Mandy, spokesman for Sapoa, said the association had been pressing for the abolition of rent control since 1966.

Sapoa's attitude was that investors are entitled to a fair return on their investments — which the 8,5% allowed by the Rents Act did not give them — and that tenants who cannot afford to pay high rents should be subsidised by the State and not by landlords.

Sapoa has reams of documents to prove its point.

However, it appears to be over-defensive about the rights of landlords and is inclined to ignore the situation in which tenants will find themselves when faced by substantial rent increases.

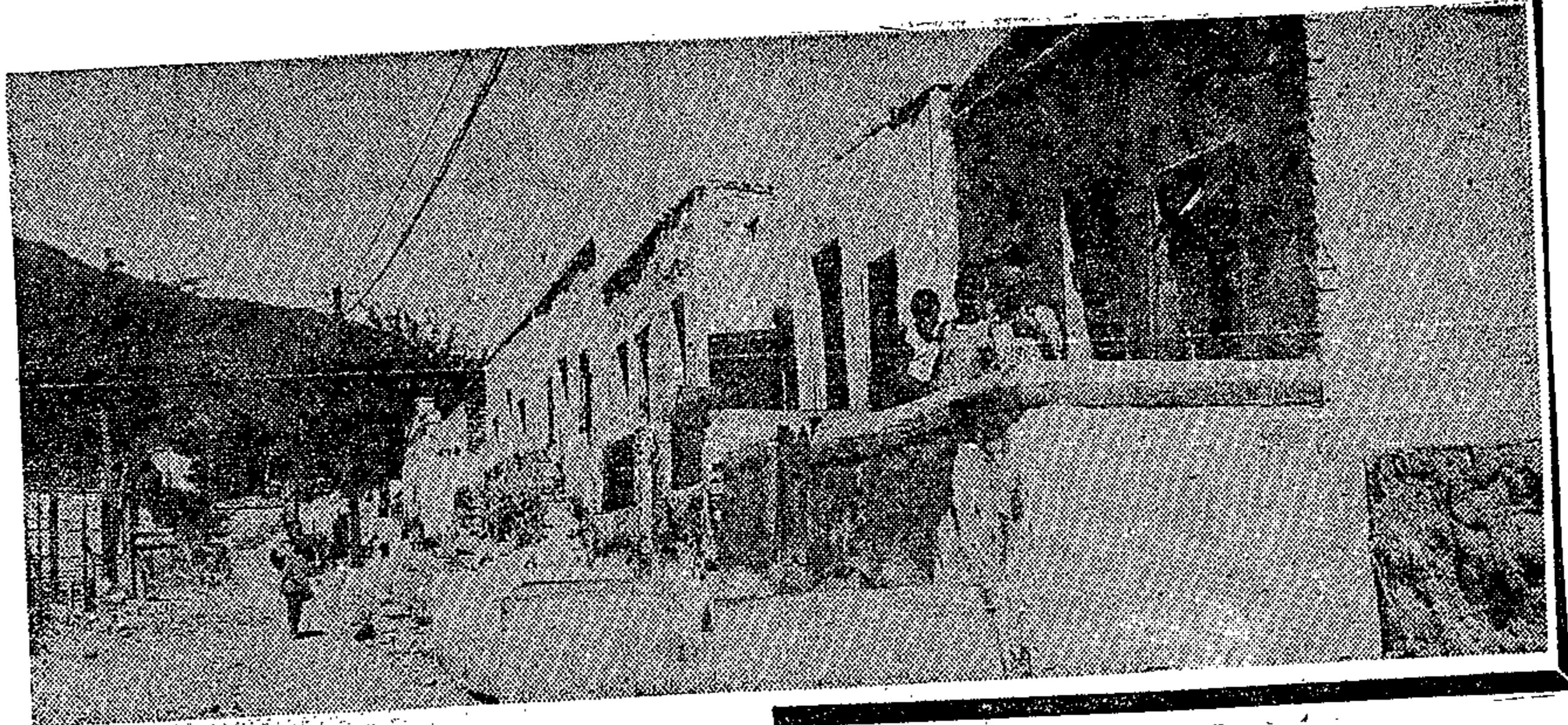
"If tenants can no longer afford to pay the rent of their flats they should go to Triomf or somewhere — they can't expect to be subsidised in Killarney," said Mr Mandy.

"You're always hearing about exploited tenants — what about exploited landlords?" he added, giving the case of a Rolls-Royce owner living in a rent-controlled Killarney flat.

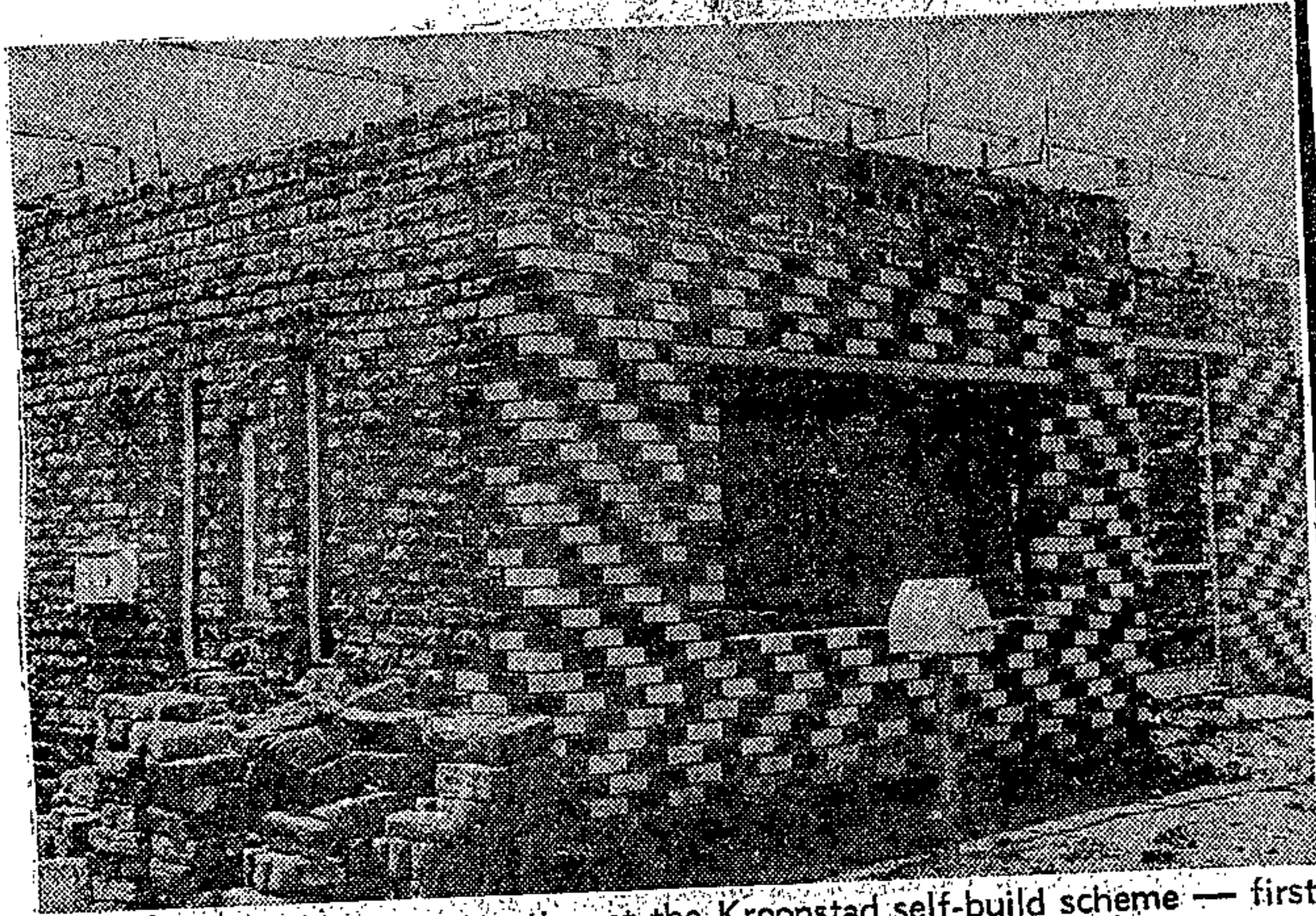
Sapoa's documentation in support of landlords is silent on owners of flat buildings more than 30 years old.



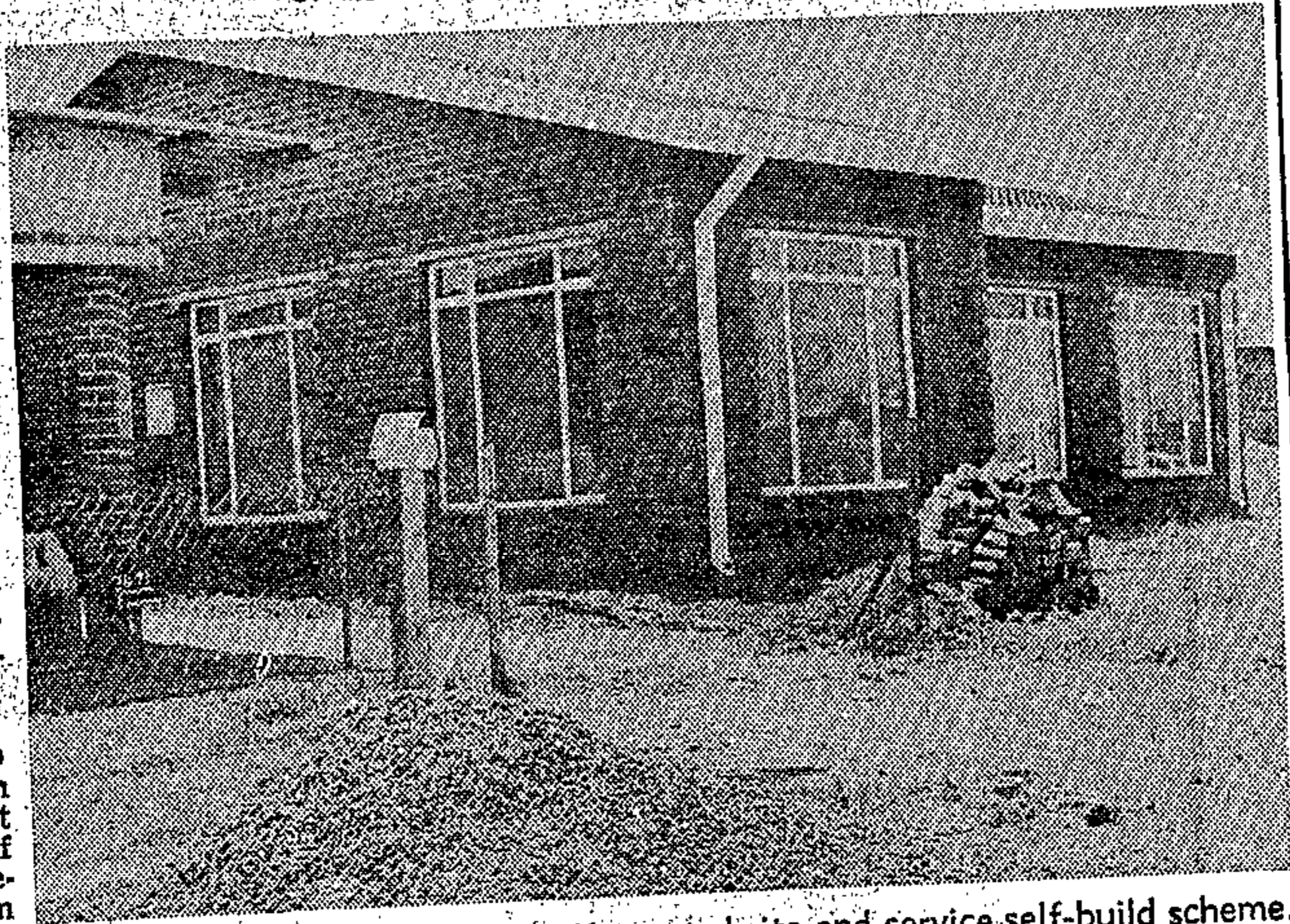
Cont.



A ROW of houses in the African township of Craaff-Reinet... doomed to die — now it will be restored.



A HOUSE under construction at the Kroonstad self-build scheme — first of its kind to be carried out in South Africa.



A COMPLETED house in the Kroonstad site-and-service self-build scheme.

SQUATTER

● A major breakthrough is on the cards for the Malakazi squatter area outside Durban.

While top Government officials in the departments of Co-operation and Development and Community Development were reluctant to discuss the matter this week housing experts who are intimately involved with Government planners confirmed that the new direction was well under way and that a breakthrough was imminent.

ENGINEERED

The new approach to housing has been engineered by Dr Piet Koornhof, Minister of Co-operation and Development, working in close co-operation with the CSIR's National Building Research Institute in Pretoria.

Housing experts have been urging the Government for years to adopt a more realistic approach to low-income housing by lowering the standards of sub-economic housing from the present trend of building drab stereotyped houses in townships which carried exorbitant rentals.

It seems that the message has finally penetrated and that the size

of the problem has forced the Government to reconsider its housing policy.

The Department of Community Development, which controls the financing of all housing projects through the National Housing Fund, has in the past dogmatically resisted pressure to sanction a self-build and site-and-service approach to the housing problem.

Recently, however, the department has been falling in line with the progressive thinking on the subject.

Dr Pluto Webb, director of the NBRI, confirmed this week that the institute was working in close co-operation with the departments of Co-operation and Development and Community Development to investigate alternatives to the traditional pattern of providing low-income housing.

He said that aspects being investigated included:

● The rehabilitation of existing areas.

● Community participation.

● And the whole concept of sweat equity — based on the principle that labour constituted half of the cost of building a house and that participation by the home-owner and his friends would mean substantial savings.

He said that the institute was also "looking very closely" at ways of reducing the costs of services.

Breakthroughs had been made in reducing the costs of electrical wiring systems by 25 to 30 percent and the use of solar water heating was being encouraged.

sufficient growth in the economy to support a 14% discounted cash flow return on the life span of his property — this is the minimum return investors expect today.

"If more flats are not built we shall have an untenable situation — there will be a serious shortage of housing. But rentals must be equated with what it costs to build."

The Fouche Commission found in 1976 that rent control had a harmful effect on the country's housing position and on the long-term interests of tenants themselves, and recommended that it should be gradually abolished.

This is being done in three phases. Buildings first occupied since 1966 have never been subject to rent control.

The first phase, which took effect in April 1978, removed control from buildings first occupied between May 31, 1966 and January 1, 1960.



This year it was extended to buildings first occupied between that date and the last day of 1954. Next April it will be applied to buildings first occupied before October, 1949.

Removing control from buildings first occupied before 1949 will need a special Act of Parliament, which Sapoa hopes will be passed in 1980.

But to protect tenants, the Minister of Community Development, Mr Marais Steyn, asked landlords not to increase rentals on decontrolled buildings by more than 10% a year for the first two years.

This breathing space will expire in April and property men consulted by the Sunday Express agree that with the flat shortage rapidly building up in Johannesburg, Pretoria, Cape Town and Durban, landlords will put up their rentals to give them the returns on investment they want — at least 14% but,

in some cases, even higher.

This could mean flat rents could increase by 50% immediately and could double by the end of next year, Mr Marc Wainer of Citiplan told the Sunday Express this week.

When the Minister announced the first phase in April, 1978 he gave specific protection to certain low-income tenants. As the law stands, people who earn less than R540 a month may not have their rents increased as long as they remain in their previously rent-controlled flats.

The Minister also warned that he would not hesitate to reintroduce rent control in buildings where he found any evidence of exploitation.

However Mr Simon Chilchik, PFP MPC and city councillor for Hillbrow, told the Sunday Express he knew of cases where tenants had appealed for protection under the Housing Act and landlords had successfully applied to the Rent Board for increases.

The Sunday Express spoke to a Hillbrow woman, recently widowed, who said she earned R265 a month.

Her flat rental had recently been increased to R167.

It had doubled — with the approval of the Rent Board — in the last five years, in spite of her having opposed the applications.

She was trying to find another flat, as she was forced to leave the home she had shared with her husband for 26 years.

Mr Wainer told the Sunday Express that of the 6 000 flats administered by his company only two tenants had asked for protection under the Act.

Sapoa, in a memorandum is-

Mr David Price, managing director of Manprop, which handles many sectional title projects, confirmed the bleak prospect for flat renters.

Most existing flat blocks would be sold under sectional title in the next few years, he told the Sunday Express, and this could cause enormous problems.

He gave the example of a flat block in the Northern suburbs recently converted to sectional title; controlled flats previously renting at R360 were sold for R57 000.

Minimum deposit was 10% or R5 700, and monthly bond repayments about R500. Adding on the monthly levy of R75, former tenants now pay R575 — for the same flats they rented at R360.



This is an extremely dangerous time to phase out rent control as there are no new blocks of flats, writes Meyer. We shall go through a very critical period in the next few years after flats are de-controlled and before there are enough new flats to rent.

Most developers today are not even thinking of putting up flats to rent. Instead, they are covering or putting up townhouses for sale under sectional title.

Some insurance companies, which today are the major property investors, are reluctant to put up flats because their sales staff have encountered resistance from tenants in blocks owned by their companies.

This is because gripes against landlords are carried over into insurance-buying — if

These blocks were paid for years ago and, in many cases, are used as "piggy banks" by their owners, who take out mortgages on them to finance further investment.

The Sunday Express has details of one such block in Hillbrow which was built in 1952. The initial valuation was R630 000 and rental income was R96 000.

Today the valuation is R1,1-million — and gross rental income last year was close on R185 000, giving a gross return of 30% on the original investment and a net return of about 20%.

Maintenance in the block has been minimal, according to tenants, who point to peeling paint, leaking ceilings and faulty wiring.

But several estate agents said many landlords had not applied for the rent increases to which they were entitled.

"I feel sure most landlords will take a compassionate view of the plight of their less well-off tenants," said Mr Maurice Goudre, president of the SA Institute of Estate Agents.

"It is pure conjecture that flat rents will rise astronomically next year."

Mr Harry Schwarz, PFP MP for Yeoville and spokesman on finance, told the Sunday Express the PFP's view was that housing should be subsidised by the State, not by landlords.

The PFP had approached the Deputy Minister of Community Development, Mr S F Kotze, with the suggestion that this could be done by:

- Giving subsidies to service organisations and charities to enable them to buy blocks of flats for letting at low rentals.
- Giving pensioners a housing allowance in approved premises.
- Allowing tax benefits to people who have provided for their own retirement but whose fixed incomes have been devalued by inflation.

**'Let them live in
Triomp if they can't
afford Killarney'**

123

HOUSING - General

1-2-80 - 31-12-80

123

Hansards 1980

15(811) 28/5/80 Housing for Blacks (123) (A)
647. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

- (1) What was the total amount spent on housing for Blacks in the 1979-'80 financial year;
- (2) what amount of this total was spent on the provision of housing for persons removed to resettlement areas?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) R100 481 200 from State funds.
- (2) The information requested is not readily available and can only be obtained at unwarranted expense.

29/4/80

123

Sectional Titles Amendment Bill -
(2nd Reading)

See S. Hansard 6 Col. ~~123~~ 1237-1238

23/4/80.

123

Sectional Titles Amendment Bill

See S. Hansard 5 Col 1131 - 1150

47(526) Rent boards

530. Mr. S. S. VAN DER MERWE asked
the Minister of Community Development:

(a) How many rent boards were operating
as at 1 January 1980 and (b) in what
areas?

The MINISTER OF COMMUNITY DE-
VELOPMENT:

(a) 35 (11 full-time and 24 part-time rent
boards)

(b) Full-time
Rent Boards

- Bellville
- Cape Town
- Durban
- Port Elizabeth
- Pretoria
- Johannesburg—Eastern
- Johannesburg—Western
- Johannesburg—Southern
- Johannesburg—Central
- East Rand
- West Rand

Part-time
Rent Boards

- Beaufort West
- Bloemfontein
- Brits
- Caledon
- George
- Kimberley
- King William's Town
- Kroonstad
- Lichtenburg
- Mafeking

- Mossel Bay
- East London
- Oudtshoorn
- Pietermaritzburg
- Piet Retief
- Riversdale
- Robertson
- Springbok
- Standerton
- Upington
- Witbank
- Worcester
- Welkom
- Virginia

9(576) Rent control 16/4/80 (123)
529. Mr. S. S. VAN DER MERWE asked
the Minister of Community Development:

- (1) How many dwellings in the area of each rent board were subject to rent control as at 1 April 1978;
- (2) how many of these dwellings in each area were freed from control during (a) 1978 and (b) 1979?

The MINISTER OF COMMUNITY DEVELOPMENT:

(1) and (2) The information asked is not readily available and to obtain it literally thousands of files will have to be perused. In view of the manpower shortage, heavy work burden and the time it would take, the compilation of the information cannot be justified. The honourable member's attention is nevertheless directed to the estimates made by the Commission of

Inquiry into Housing Matters as given in paragraph 142 of its report (RP 74/1977).

MONDAY, 14 APRIL 1980

†Indicates translated version.

For written reply:

Economic/sub-economic housing

14/4/80 9(549) (123)
222. Mr. T. ARONSON asked the Minister of Community Development:

- (1) What funds were available to his Department as at 31 December 1979 for the construction of (a) economic and (b) sub-economic housing;
- (2) what amount was (a) spent and (b) allocated by his Department for the building of economic and sub-

economic housing, respectively, for the period 1 April 1979 to 31 December 1979 in respect of each race group in (i) Cape Town, (ii) Durban, (iii) Pietermaritzburg, (iv) Pretoria, (v) Port Elizabeth, (vi) Kimberley, (vii) East London, (viii) Bloemfontein and (ix) Johannesburg?

The MINISTER OF COMMUNITY DEVELOPMENT:

- (1) R67 million (including R30 million in respect of finance made available by a consortium of banks) for (a) and (b) together. Separate data in respect of economic and sub-economic housing are unfortunately not available because funds are spent according to the receipt of claims for services rendered.

(2) (a)

	White R	Coloured R	Indian R	Black R
		Economic		
(i)	1 764 620	63 679 027	1 030 461	
(ii)	2 298 923	776 656	21 513 200	1 352 420
(iii)	98 247	33 000	4 938 879	46 055
(iv)	5 432 049	335 492	176 592	254 039
(v)	80 990	2 569 871	—	3 942 094
(vi)	238 457	799	—	1 288 711
(vii)	9 437	575 349	63 107	—
(viii)	3 080 744	—	—	1 711 603
(ix)	1 068 414	9 994 677	123 378	5 215 070
		Sub-economic		
(i)	3 821 135	9 169 102	—	—
(ii)	1 222 524	94 624	5 176 305	—
(iii)	76 876	8 200	2 078 793	—
(iv)	2 399 999	—	—	—
(v)	605 472	108 133	—	1 712
(vi)	47 576	169 242	—	—
(vii)	220 619	380 872	—	—
(viii)	3 043	1 621 895	—	—
(ix)	4 495 417	4 115 167	—	590 410

- (b) The Honourable Member is referred to paragraph 2(b) of my reply dated 1978-04-11 to his Question 376.

Hansard
 8(499) 26/3/80 (123)

5. The fixed costs of a firm
- (a) are fixed only in the short period
 - (b) when expressed as an average, do not
 - (c) increase with the level of output

The MINISTER OF COMMUNITY DEVELOPMENT:

- (1) (a) 14 568
- (b) Cape Province 11 819
 Transvaal 2 387
 Orange Free State 296
 Natal 66
- (c) 10 000

- (2) (a) 41 300
- (b) As indicated in my reply dated 1978-04-05 to the hon. member's Question 377, by 1985 provided sufficient funds are placed at the disposal of the Department to maintain an average annual rate of provision of 18 000 completed dwelling units. During 1978 and 1979 a total of 37 978 dwelling units were completed giving an average of 18 989 dwelling units for the two years.

South End, Port Elizabeth

235. Mr. T. ARONSON asked the Minister of Community Development:

Housing units for Coloured persons
 197. Mr. T. ARONSON asked the Minister of Community Development:

- (1) (a) How many housing units for Coloured persons were built throughout the Republic during 1979 with the assistance of his Department, (b) where were they built and (c) what was the estimated number that will be built in 1980;

- (2) (a) what was the estimated shortage of houses for Coloured families as at 31 December 1979 and (b) when is it expected that the shortage will be eliminated?

6.

rate differently in the consumer's schedule of preferences

- (4) combinations of goods which yield a consumer equal amounts of

- (5) the amounts at given price

WEDNESDAY, consumer will buy

7. Assuming a two-consumer seeks to maximize his budget so that

- (1) $\frac{\text{marginal utility}}{\text{marginal utility}}$

- (2) marginal utility

- (3) $\frac{\text{marginal utility}}{\text{total utility}}$

- (4) $\frac{\text{marginal utility}}{\text{marginal utility}}$

- (5) either A or

- (1) What has the total expenditure been to date on (a) the acquisition of property and (b) demolition and development in respect of South End, Port Elizabeth;

- (2) (a) what is the number of properties sold and (b) the total purchase price received;

- (3) what are the projects planned?

The MINISTER OF COMMUNITY DEVELOPMENT:

- (1) (a) R6 657 492

- (b) R3 332 713

- (2) (a) 7

- (b) R314 250

- (3) None. The intention is to make serviced erven available for private development. A tender for the installation of services in the second development phase of South End was accepted recently.

mining the household will allocate its

utility of B

$\frac{\text{utility of B}}{\text{utility of B}}$

both

12. Income elasticity of demand is defined as

123

- (1) $\frac{Y}{Q} \times \frac{\Delta Q}{\Delta Y}$
- (2) $\frac{\Delta Q}{Y} \times \frac{\Delta Y}{Q}$
- (3) $\frac{Q}{\Delta Q} \times \frac{Y}{\Delta Y}$
- (4) $\frac{Q}{Y} \times \frac{\Delta Q}{\Delta Y}$
- (5) $\frac{\Delta Q}{\Delta P} \times \frac{P}{Q}$

Hansard
8(495) 26/3/80

13. If you were a government official and the price of barley, which of the following

- (1) Take barley from government stock and sell it on the open market.
- (2) Encourage farmers to use more growing land.
- (3) Try to lower the price of rye.
- (4) Try to lower average family income.
- (5) Encourage farmers to grow less barley.

26 MARCH 1980

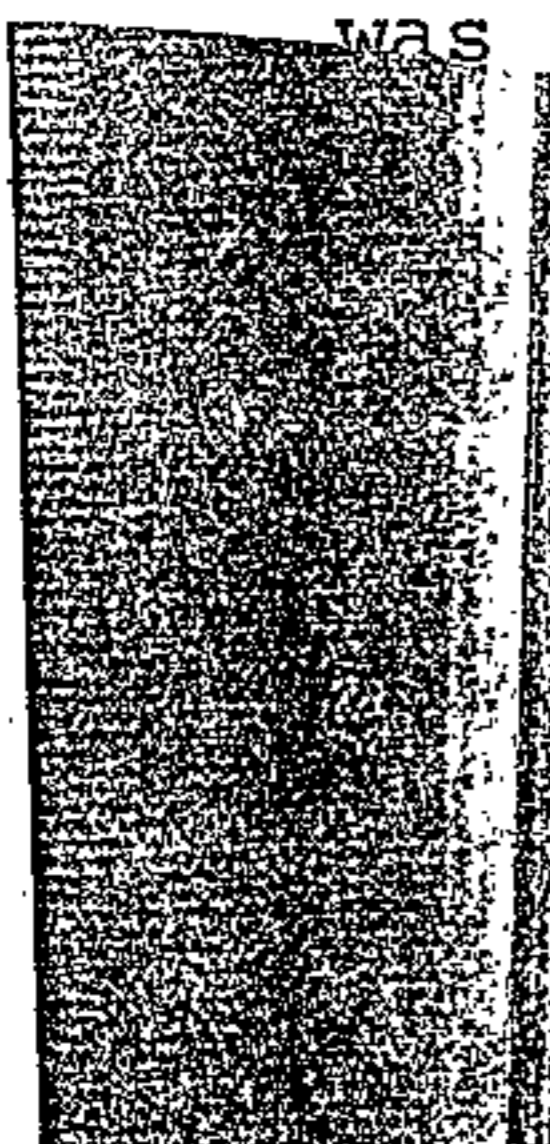
- (1) What was the estimated shortage of houses for White, Coloured and Asian persons, respectively, in each province as at 31 December 1979;
- (2) how many houses were made available for occupation by persons of each race group in each province during 1979 by (a) his Department and (b) local authorities?

The MINISTER OF COMMUNITY DEVELOPMENT:

(1)	White	Coloured	Indian
Cape Province	—	32 200	1 000
Transvaal	—	4 800	1 900
Orange Free State	—	1 000	—
Natal	—	3 300	12 400

In so far as Whites are concerned there is no general housing shortage but according to indications the demand for housing at certain centres is increasing rapidly. An urgent appeal was therefore made to the private sector to provide more housing for letting because it is especially in this respect that a bottle-neck may arise should the private sector not do its share in good time.

14. If the equilibrium market rent of land was 10 cents per square foot per annum and the landowner had a maximum price



Shortage of houses
8(495) 26/3/80
73. Mr. N. B. WOOD asked the Minister of Community Development:

(2)	(a)	(b)	(a)	(b)
Cape Province	500	129	—	—
Transvaal	1 146	11 690	168	—
Orange Free State	1 081	364	73	—
Natal	1 179	2 023	339	—
	223	—	—	—
	528	296	—	—
	437	—	—	14
	174	66	5 543	—

- (5) All three possibilities

15. If the income elasticity of demand for maize was known to be exactly 0,6 and if South Africans consume 80 million bags of maize per annum then the effect of South African real incomes rising by an average of 20% would be to:

- (1) Reduce the demand for maize by 8%.
- (2) Create a surplus of 16 m. bags of maize.
- (3) Increase South African consumption of maize by an indeterminate amount.

Some Hansard

3

Question Column 8

20/3/80

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THURSDAY, 20 MARCH 1980

†Indicates translated version.

For written reply:

3(8) 20/3/80 Dwelling units

7. Senator L. E. D. WINCHESTER asked the Minister of Statistics:

How many dwelling units were constructed in 1978-'79 by the private sector for each population group in (a) the Republic, (b) Durban, (c) the Witwatersrand complex, (d) the Cape Peninsula, (e) Port Elizabeth and (f) Pretoria?

The MINISTER OF STATISTICS:

(a) 1977-'78 0,80
1978-'79 0,80

(b)

	Whites, Coloureds and Asians	Blacks	Total
			R million
1977-'78	176	93	269
1978-'79	212	96	308

Figures for 1977-'78 exclude Transkei but include Bophuthatswana. Figures for 1978-'79 exclude Transkei and Bophuthatswana. Separate figures for Whites, Coloureds and Asians are not available. Data relate to capital expenditure only.

can only admit—in fact this is acknowledged by friend and foe—that we are making a sincere effort to bring about a dispensation which will guarantee everyone in South Africa a meaningful existence.

Senator L. E. D. WINCHESTER: Read the Clifé report.

*The DEPUTY MINISTER: The hon. the Prime Minister and my Government have committed themselves to that and are implementing that policy and carrying it out. I want to tell the Opposition that instead of trying to fish in troubled waters, they should rather abandon their wishful thinking and try to make a positive contribution, together with the Government, towards the solution of the difficult and delicate problems which South Africa is experiencing. The language used by that hon. Senator, and also by certain ultra-rightist elements in this country, is dangerous long term strategy of the enemies of this country, the communists, is that we should have polarization between White and Black and between White and Coloured in South Africa.

Senator L. E. D. WINCHESTER: You are the best communist they have ever had.

*The DEPUTY MINISTER: Mr. President, would the hon. Senator show me the courtesy of allowing me to speak alone just now and then?

Senator L. E. D. WINCHESTER: I cannot hear him very well.

The MINISTER OF FINANCE: Pipe down, anyway!

*The DEPUTY MINISTER: Mr. President, we know that the long term strategy of the enemies of this country is that race polarization must be brought about in South Africa. Race hatred must be generated. We must say to the various race groups: "You are not going to get your rightful share in the progress and prosperity of this country." We must say to the non-Whites: "But the Government deprives you of the good things in South Africa. You are not getting enough money, land or opportunities."

*Senate Hansard 3 Col 555 →
Ev Jul Act of debate see Hansard
MONDAY, 17 MARCH 1980 (123) 558*

On the other hand, a fear must be instilled into the White man to fear people of other colours in this country; a situation of fear and hatred must be created among the groups in this country, to such an extent that it only needs a spark to set our country ablaze. That is why everyone in this country—even a member of the Opposition—despite the privilege he has to act irresponsibly as a member of the Opposition—has a patriotic duty and a lasting duty to do in all we say and do to foster good relations among the races of this country. Even a gesture of goodwill is a supporting pillar which the walls of South Africa are built on. It must not play with race feelings. We cannot play off relations among people in an irresponsible way as the hon. Senator Winchester has tried to do here today. If that happens, we are acting irresponsibly towards South Africa and we will not be showing our love for South Africa or be doing our duty by South Africa.

I just want to say this to the Opposition today: "Your hopes for a split in the NP are doomed." Each time they allege the NP is going to split, their party splits. Now Mr. Malcomness has broken away.

Senator L. E. D. WINCHESTER: Amen! Question agreed to.

Bill read a Third Time.

HOUSING AMENDMENT BILL

(Second Reading)

*The DEPUTY MINISTER OF COMMUNITY DEVELOPMENT: Mr. President, I move—

That the Bill be now read a Second Time.

May I say at the outset that it is pleasant for me to make my first appearance this year in this honoured House under your esteemed chairmanship. I hope that the few pieces of very good and uncontroversial legislation that I shall submit to this House will result in a calmer atmosphere prevailing than has just been the case. The proposed amendments

in the Housing Amendment Bill, are aimed at increasing efficiency and bringing about uniformity.

The first place it is being requested that be made for the Secretary for Community Development, instead of the General Housing Commission, to decide that can be taken against tenants who are in arrears. Naturally, the head of the department is more readily available to make a decision of this kind than the commission, or one of its committees, which do not meet so regularly. Swift rapid action will prevent overdue arrears and losses from mounting up too high, and since the Secretary may already exercise this power in regard to tenants, no principle is at issue here either.

Secondly, amendments are being proposed in order to facilitate delivering notices to tenants and borrowers by local authorities and the department. Often postal delivery is not effective and personal delivery may not be successful either. This results in repeated visits, with the concomitant wasted expenditure and time, without achieving the objective. The solution is that the Act provides for notices to be affixed to the outer or principal door of the dwelling, as is already the position with some legal documents.

The final amendment is aimed at providing for the extension of the field of activity of officers who are appointed to look after the interests of the commission. The Act already grants certain powers to such officers, for instance right of entry. However, it is also essential for officers to be able to negotiate with the occupants in cases where properties are not being maintained neatly or decently so that scheme dwellings do not compare unfavourably with the rest of the area. Any signs of deterioration or poor upkeep can be remedied timeously.

Senator Dr. A. E. P. SCHEEPERS: Mr. President, it is the first time that the hon. the Deputy Minister appears in this House in his new office, and I should like to take the opportunity of congratulating him and wishing him well as he is in charge of a very, very important department.

This is a short Bill consisting of only four clauses and dealing with two matters. It is quite obvious that the Department must have had a great deal of difficulty in respect of evictions or the collection of rents from

people who are in arrears over the past 14 years. The first matter that the Bill deals with, is that certain powers which were previously solely in the hands of the Commission are now placed in the hands of the Secretary. In my opinion the Secretary is a suitable person to because he will be a responsible person to give effect to the decisions of the Committee and of this House. The other matters deal with the question of evictions. It is quite obvious that for a long time evictions could not be served on people, as they are sometimes not at home. The new Bill is now seeking redress by affixing the notice of eviction onto the front door. The proposed amendment reads as follows—

... if that letter cannot be so delivered, by letter affixed to the outer or principal door of the dwelling . . .

It is obvious that the Bill seeks to save money by preventing the continuous sending out of people and wasting their time which today is costly. I hope that the Secretary will ensure that the people who are doing this work will exercise their powers judiciously. I am, however, worried about one matter, i.e. that a letter may be affixed to a door while children may be playing in the street, and seeing it they may remove it and the tenant may never receive it. I hope therefore that when certain people raise a very reasonable explanation in respect of this matter, notice will be taken thereof. We are supporting this short Bill and I will not take up the time of the House any longer with regard to this matter.

*Senator M. P. PRINSLOO: Mr. President, I want to associate myself with the hon. Senator Dr. Scheepers and extend a hearty welcome to the hon. the Deputy Minister, not only as far as the affairs of the Department of Community Development are concerned but also on his appointment to this portfolio that he holds.

Mr. President, I am very pleased to be able to say a few words in support of this legislation. The Opposition supports this legislation just as we on this side of the House do. The hon. Senator Dr. Scheepers made one remark in regard to which I can give her the assurance from this side of the House that the Department acts impartially and objectively at all times. I do not believe

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17/3/80

**SECTIONAL TITLES AMENDMENT
BILL**

(Third Reading resumed)

Mr. H. H. SCHWARZ: Mr. Speaker, the first matter I should like to deal with today in regard to this Bill is the question of the availability of accommodation for hire.

See full text on Hansard.

Howard S. Coy 2107

2107

WEDNESDAY, 5 MARCH 1980

SECTIONAL TITLES AMENDMENT BILL

(Third Reading)

The MINISTER OF JUSTICE: Mr. Speaker, I move—

That the Bill be now read a Third Time.

Mr. A. B. WIDMANN: Mr. Speaker, we shall oppose the Third Reading of the Bill. Permit me therefore to motivate our reasons for that. In doing so, may I just take stock of the position of the Bill as it now stands? The hon. the Minister of Justice is unfortunately charged with dealing with this legislation, something for which he is normally not responsible and which really befits another hon. Minister. We appreciate the difficulty of this hon. Minister, especially where he himself says: "Bases moet ek instaan vir onder Minister tuislaer". Unfortunately this is so in this case, but is there any reason, any strict tradition of the House, why the Minister of Community Development's voice has not been heard in this particular debate about an issue which affects him so directly? It has been necessary for us to advance arguments which affect not only the hon. the Minister of Justice, who is piloting this legislation, but also the hon. the Minister of Community Development.

Let us look at how the Bill stands at present. Three amendments were moved in the Committee Stage. Firstly, the hon. member for Sea Point moved an amendment by means of which he wanted to afford protection to all those people who under the Rents Act presently enjoy the sort of protection that they do under the Act as it stands at present. The second amendment, the one moved by myself, was to ask that this Bill be held over by way of a moratorium for a period of one year, but on the basis that only after 1 April 1981 would the Minister have the power to enforce, if he so wishes, by proclamation in the Gazette, the section we are amending at this stage. Then, of course, there was the amendment of the hon. member for Durban Central who wanted to provide for an appeal. It is interesting to note that the hon. the Minister of Justice rejected the amendment of the hon. member for Sea Point. He said: "Sy

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Jim Full text of debate see above

WEDNESDAY, 5 MARCH 1980

amendment can be...
poog om sekere...
skema". It is rather...
this side of the House...
category of people...
reason why the hon...
reject an amendment...
If this measure is...
present it will mean...
thousands of people...
under section 21(1)(a)...
they timeously paid...
be deprived of that...
entitled. The hon...
us what he proposed...
the Committee Stage...
would debate the Bill...
Reading. His premier...
quoted to the House...
moment 89 760 units...
in the phasing out...
the hon. the Minister...
he required and will...
how many of the 89 760...
sectional title. If he...
determine precisely...
going to be affected...
comes into force...
1981. We have stressed...
been accepted, that...
bly bound up with...
control. This measure...
tion, as this is clearly...
phasing out of the...
Act. It is necessary...
of this House of what...
policy was, of the...
and of the undertakings...
time. I have with me...
was issued at 12h00...
1978 by the hon. S. J. M. Steyn...
of Community Development...
the relevant portions...
House and the Government...
and of its obligations—

of Justice referred just now...
he said—
of the commission...
Commission—
may, for two years, be...
more than 10% per annum...
The exemption, as...
The proclamation is, although...
therein, subject to this...
any cases coming to light...
condition has not been met, or...
provision comes to light at any...
two years, will similarly be...
to the rent control.

When the Minister also said—
I trust that this proof of...
way from rent control will be...
government needed for the erection...
steps.

back to that point in a moment...
further on the promises and...
given by the Government, how...
from Hansard of 28 April 1978...
the hon. the Minister said—

At that point that I want to make is...
of the process of phasing out...
control—it is not an abolition—we...
come to consider what its impact...
then as we go along. We will...
to adapt our policies and our...
to the needs as they develop and...
themselves.

the stage we are at now, that...
the impact of the measure that...
expressing here at the moment. I must...
what weight we and members...
I should then attach to statements...
responsible hon. Cabinet Ministers...
of the Government. Do we ignore...
take them as gospel, do we hold...
the hon. the Minister, the...
to them, or should this just be...
of the window and forgotten...
at a particular time? At that time...
phasing out of rent control came

about, on 6 April 1978, there were admittedly...
hundreds of flats standing empty in most of...
the metropolitan areas of South Africa such...
as Hillbrow or Durban, for instance.

I have stated that, on 25 April 1978, in a...
newspaper which mostly carries advertise-...
ments on Friday nights, I counted 185 vacant...
flats. In the same newspaper, as recently as...
22 February 1980, also on a Friday night, I...
counted only 37 vacant flats. [Interjections.]

The Government acted on the recommenda-...
tions of the Feuché Commission at that...
time, but I must ask whether the recommen-...
dations of the Feuché Commission are not...
out of date at this point in time. What has...
happened since 6 April 1978? Let us see...
Firstly the rent control on buildings erected...
from January 1960 to May 1966 was comple-...
tely phased out. In April of the following year...
the rent control on buildings erected from...
January 1955 to January 1960 was phased out...
completely. On 1 April 1980 the two 10-year...
periods, for which the 10% limit was valid in...
respect of the category I first mentioned, will...
have expired, and on that date landlords will...
be able to charge exactly what they like.

Other hon. members on this side of the...
House, the newspapers and I have warned the...
House that increases of 60% or more, as of 1...
April 1980, are being contemplated by the...
landlords. They are just waiting to impose...
these increases. If the hon. the Minister goes...
ahead on 1 April 1980 with his next announ-...
cement, another category of buildings erected...
from 20 October 1949 to 31 December 1954...
will also be decontrolled.

I want to illustrate how the position has...
changed further. In the first place fewer flats...
and houses are being built at the moment...
The demand has outstripped the supply...
According to *The Star*...

AN HON. MEMBER: Why?

Mr. A. B. WIDMANN: I shall tell the hon...
member why. *The Star* of 1 March 1980, only...
the other day, supplied certain statistics...
obtained from the Department of Statistics, to...
which I want to draw the hon. the Minister's...
attention. In 1977 only 20 469 units were...
completed. In 1978 4 000 fewer units were...
completed, and I am talking about the private...
sector. In 1978 12 405 units were erected in...
metropolitan areas. In 1978 the lowest num-...
ber of houses in 10 years were erected. There

mand," says Tim Hart, regional manager of the Natal Building Society. But he says the home ownership scheme is gradually picking up. The NBS gets about 10 enquiries a day in its Johannesburg office, leading to about 10 firm commitments a week.

As a result, the West Rand Administration Board has granted the society the right to build and develop 120 stands in Soweto's Parkville. Hart suggests that black home ownership could be speeded up by middlemen like estate agents.

At least one building society man is not at all happy about the scheme, especially

the part played by commerce and industry. He laments: "We are not happy about employers. Response has been very slow from them."

Creighton Wilson, assistant secretary of the SA Permanent Building Society's bond office, disagrees. He tells the FA: "We find most employers enthusiastic, even the small employers." Wilson says the FA has so far granted 14 loans totalling R113 000.

Thip McGee, loans interviewer of the Allied Building Society, says: "It is still premature to gauge employer response. Although he cannot supply figures, McGee says the Allied has received enquiries about the scheme from interested employers."

The building societies are agreed on one thing: right now the black home ownership scheme is the biggest challenge facing them. At the same time they will not be drawn into discussing how they have got round the problem of surveying sites in the townships. Actual property boundaries do not always correspond with the original plans.

Others hint that the committee representing the government, surveyors, the Urban Foundation and building societies, has traced out many of the obstacles for employers and prospective black home owners.

(123)
Fm/2/30
BLACK HOME OWNERSHIP
'Biggest challenge'

Black home ownership through building society loans presents a mixed picture. Some societies report favourable responses while others tell of abounding problems.

Jim Dodds, president of the Association of Building Societies, argues that black home ownership would soon get off to a flying start if better class suburbs were opened up in the townships. "When people see tangible results of better class houses they will begin to appreciate the 99 year leasehold scheme."

"It is a problem of supply and de-



Building Societies Association's
Jim Dodds ... tangible results
first

Hansard

No. 1 col 14
8/21/80

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99-year leasehold scheme

*4. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

- (a) What progress has been made in the implementation of the 99-year leasehold scheme and (b) how many such leases have been registered?

†The DEPUTY MINISTER OF CO-OPERATION:

- (a) Amongst others the following progress has been made:
— Regulations for the registration of rights of leasehold have been promulgated.

(b) 100

- Staff has been trained and registration offices set up at the offices of the various chief commissioners.
 - A liaison committee was set up between the Department and the various building societies to iron out problems.
 - Special tariffs were negotiated with conveyancers for their services regarding the registration of rights of leasehold.
 - Notice has been given by me to introduce amending legislation in connection with the approval of general plans. This will further speed up the approval of such plans.
 - Up to the end of January 1980 general plans comprising 43 000 stands were approved for participation in the 99-year leasehold scheme.
- (b) 100 rights of leasehold have been registered and a further 395 applications are on hand and in the process of registration.

Hansard 2, col 5524

for full text see Hansard

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→ 12/2/80

In the first place it is being requested that provision be made for the Secretary to the Community Housing Commission, instead of the National Housing Commission, to decide the action can be taken against tenants who are in arrears. Naturally, the head of the department is more readily available to make a decision of this kind than the commission, or one of its committees, which do not meet so regularly. More rapid action will prevent over-accumulation of moneys and losses from mounting up too high, and since the Secretary may already exercise this power in regard to tenants, a new principle is at issue here either.

Secondly, amendments are being proposed in order to facilitate delivering notices to tenants and borrowers by local authorities to the department. Often postal delivery is ineffective and personal delivery may not be successful either. This results in repeat visits, with the concomitant wasted expense and time, without achieving the objective. The solution is that the Act provides notices to be affixed to the outer or principal door of the dwelling, as is already in position with some legal documents.

The final amendment is aimed at providing for the extension of the field of activity to officers who are appointed to look after the interests of the commission. The Act already grants certain powers to such officers, in the instance right of entry. However, it is essential for officers to be able to negotiate with the occupants in cases where properties are not being maintained neatly or decently, that scheme dwellings do not compare unfavourably with the rest of the area. Any signs of deterioration or poor upkeep can be remedied timeously.

Mr. C. W. EGLIN: Mr. Speaker, the Deputy Minister has outlined the implications of this Bill, though he has not given us any specific indication why this new procedure has become necessary after 14 years. He has not indicated why the attaching of a notice to the door has suddenly become necessary. I therefore hope that in his reply he will indicate the incidence of the problem which the department has had in serving notices in a more orthodox way.

As the hon. the Deputy Minister pointed out, this Bill falls into two distinct parts. There are clauses 1 and 4 which deal with the designation of the Secretary as the function-

as far as the implementation of the Act is concerned, and also for carrying out certain specific functions on behalf of the commission. The second part of the Bill deals with the additional procedure for serving notice, i.e. that of putting a notice on the outer or principal door of a dwelling. We in the official Opposition have no objection, in principle, to clauses 1 and 4 dealing with the designation of the Secretary as the functionary. In fact, possibly this has been the procedure in any case and the Bill is merely reflecting the practical normality of a situation in which the Secretary has to act on behalf of the commission. He should be able to carry out these functions, in terms of clause 4, being given certain discretionary powers, and therefore we have no objection to that concept, as contained in the Bill.

The second part, however, deals with the question of the method of serving notice, which is ordinarily by post or by registered letter. In the event of this not being possible, provision is now being made for notice to be affixed to the outer principal door of a dwelling. Once again we cannot object to this principle in relation to this Bill. This is not a unique way of serving notice since it is contained in certain other measures. It is not, however, a desirable way, and even in terms of this Bill it should only be used as a last resort. I think there are problems connected with it, but we cannot argue that it does introduce a new principle in so far as serving notice or summons is concerned.

What is important to us in the Opposition, however, is what the message and purpose of the summons or notice is. We have checked the Housing Act, and in terms of section 20 notice is only in respect of arrear rentals, to face either issued by the local authority or the department itself. So in so far as this legislation deals solely with serving notice in relation to the lapse in fulfilling a contractual financial obligation to pay rental, we can see no objection to this form of notice. We should, however, like the assurance that this notice will be used sparingly, will only be used in exceptional circumstances and will not become the standard form of serving notice.

Having said this, I think I must give the Deputy Minister advance warning of the fact that if this had been a device to make it easier to evict people from their homes for various reasons, we would not have supported

this measure. In so far as this particular measure is, however, a non-racial measure, dealing as it does with financial or contractual obligations and merely facilitating the collection of moneys due to either a local department, authority or board, we shall support the measure. We do so, though, with advance notice of our reservations had there been any racial connotation.

*Mr. A. T. VAN DER WALT: Mr. Speaker, before I react to some of the arguments of the hon. member for Sea Point, I just want to avail myself of the opportunity to congratulate the hon. the Deputy Minister on the increased responsibility resting upon his shoulders, since he is now Deputy Minister of Community Development too. We want to wish him everything of the best. This is also the first opportunity which the hon. the Deputy Minister has of presenting legislation to the House on behalf of the Executive. We congratulate him wholeheartedly on that as well. The hon. the Deputy Minister and myself are neighbours and I am proud of my neighbour. I hope that the hon. the Deputy Minister can say the same.

Mr. Speaker, the hon. member for Sea Point did not actually say very much which we could disagree with. He advanced two arguments in regard to the way in which a notice is served. He also asked to be assured that notices that are served, will not be used for racial instigation. I shall come back to these matters later on in my speech.

The measure before the House amends some provisions of the principal Act. The first amendment pertains to section 20 of the principal Act which deals with the legal remedies at the disposal of the National Housing Commission, *vis-à-vis* those of borrowers. What it amounts to in effect is that the National Housing Commission is able to take certain steps in connection with rents which have fallen in arrears. In practice, it has proved to be a cumbersome, long drawn-out method of recovering payments in arrears. It simply does not work in practice. All that this amendment proposes, is that instead of the National Housing Commission taking the decisions and activating the legal machinery for recovering rent that has fallen into arrears, this power is now being transferred to the Secretary. The principle in the measure before the House, is not a new one. If we

RENT CONTROL

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PM 15/12/80
Powder stays dry

Admirable though the phased removal of rent control may be, it is now perfectly clear that Government has no intention of

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doing what it should do -- repeal the Act. The crying need in the residential sector is for rented accommodation. But will developers supply it while they still have the knife at their throats?

To their credit, Minister Marais Steyn and his predecessors have resisted pressures to extend control since mid-1966. And Steyn is on record as saying that Government is committed to the phase-out.

But it's also a matter of record that he will use the Act again if he believes rents rise inordinately. Steyn says landlords shouldn't be asking more than the market rate. Good business practice will ensure that anyway.

So, to some extent, developers of new rental stock will be taking a chance. Yet Sapo'a's Nigel Mandy believes the hidden stick needn't be a strong deterrent. Housing is politically sensitive anywhere and South Africa, he says, will be the only country to have introduced it and then phased it out -- albeit without burning its bridges.

Government, he adds, is committed to de-control and even the official opposition appears to have accepted the idea. A proposed motion by finance spokesman Harry Schwarz, for example, asks merely that housing should be made available at reasonable cost so that de-control causes minimum hardship.

Lower income groups, of course, continue to be protected. That's another sore point with the property owners. They continue to insist, quite correctly, that subsidising the poor is the job of Government and not the private sector.

By April, the penultimate phase of the de-control process will be complete. Dwellings occupied between October 20, 1949 and December, 1954, will then be freed -- with the usual "understanding" that increases should be restricted to 10% pa for the ensuing two years.

At the same time, the 10% restriction will fall away on flats first decontrolled two years before. The market will bear substantial increases and landlords will want them. Inevitably rents will soar and it will be interesting to see official reaction. It will provide the vital clue to what is considered acceptable.

But decontrolling the pre-1949 stock will be the major hassle. Steyn isn't empowered to move on that because the controls are written into the Act. Amending legislation will have to be passed.

It's now clear that the amendment will merely allow the Minister to decontrol the older blocks and he will maintain the right to re-control at will. That hardly provides the kind of incentive needed to encourage building.

Yet there's an even more compelling factor against building from scratch. With building costs the way they are, investment in established blocks remains a better bet -- low returns notwithstanding.

more than six times that of urban Africans, ²¹ and this is in itself a cause of different patterns of disease. An example of the effects of the higher consumption of whites is given by examining the commonest causes of death amongst whites and Africans in Durban. These were, in order of importance:

Whites	Africans
Heart Diseases	Certain causes of perinatal morbidity and mortality
Neoplasms	Infective parasitic diseases
Diseases of the respiratory system (excluding Pulmonary Tuberculosis)	Diseases of the circulatory system
	Diseases of the digestive system

tion under the Rent Control Act.
 ● It would result in insecurity and hardship among many older people, pensioners and others who deserve protection and assistance in respect of their housing.
 Previously tenants of rent-controlled flats could not be evicted if a flat was sold under sectional title.

tional Titles Amendment Bill in Parliament, Mr Eglin moved that the House should decline to pass the measure because:
 ● It constituted a flagrant breach of faith on the part of the Government with many thousands of tenants who had repeatedly been assured that they would continue to have protec-

Bill 'fails to protect tenants'

Political Correspondent

MR. Colin Eglin, MP for Sea Point, today spoke out against a provision in a new Bill which will allow the eviction of tenants from rent-controlled flats held under separate title.

Speaking in the second reading debate on the Sec-

tioned health sector's selected urban areas the table are the coloured expenditure, for whites and e directed to patent diture on patent medi- n of the difficulties ospitals or clinics. are subsidised, ervices actually per cent of their and African ly. e and education ean found to be e, and in South

Table 9 Personal Expenditures on Health Care by Race in Selected Areas, 1975

Item	White (a)		Coloured (b)		Asian (c)		African (d) Urban	
	R	Per Cent	R	Per Cent	R	Per Cent	R	Per Cent
Medical Aid & Insurance	100,83	33	13,49	29	19,44	16	2,26	1,2
Doctors & Dentists	97,11	31	7,15	15	37,23	31	2,55	9
Witch Doctors & Herbalists	-	-	,01	-	,24	-	1,33	5
Nurses & Hospitals	28,49	9	4,95	11	11,53	10	1,89	7
Medicines on Prescription	44,08	14	,47	1	1,19	1	0,11	-
Other Medicines	19,83	6	14,53	31	21,0	18	13,17	49
Dentures & (e) Spectacles etc.	21,10	7	6,22	13	28,33	24	5,66	21
Total Expenditure	311,44	100	44,82	100	119,46	100	26,97	100
Expenditure as a Percentage of Income	3,0		1,5		3,1		1,2	

- Notes:
- (a) White households in major urban areas : Survey of Household Expenditure 1975 Department of Statistics, Report No. 11-06-05.
 - (b) Coloured households in the Cape Peninsula : Income and Expenditure Patterns of Urban Coloured Households in Cape Town, Bureau of Market Research, (B.M.R.) Research Report No.80.5.
 - (c) Asian households in Durban : Income and Expenditure Patterns of Urban Indian Households in Durban, B.M.R. Research Report No.50.7.
 - (d) African Multiple Households in Johannesburg, B.M.R. Research Report No.50.3.
 - (e) Expenditure of the three Black groups include the purchase of sunglasses.

Hansard No 3 of 1061 →

20/2/80

For full text of debate see Hansard 3

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WEDNESDAY, 20 FEBRUARY 1980

1062

SECTIONAL TITLES AMENDMENT BILL

(Second Reading)

*The MINISTER OF JUSTICE: Mr Speaker, I move—

That the Bill be now read a Second Time.

Section 6(2)(a) of the Sectional Titles Act, 1971, provides that a sectional plan shall delineate the external surface boundaries of the land to which it relates and the location of the building or buildings in relation thereto. An architect or land surveyor has to accept responsibility for this. Clause 1 of this Bill provides that this task shall be done by a land surveyor under the supervision of a land surveyor. The professions concerned are of the opinion that a land surveyor, owing to his training, is the most suitable person to determine the location of the boundaries of the land, and the location of buildings in relation to such boundaries. To ensure security of title it is essential that the boundaries of the land be correctly delineated so that the location of the buildings in relation to such boundaries may be determined.

†In terms of section 11(1)(c) of the Sectional Titles Act, 1971, a Registrar of Deeds need not register any modification of conditions annexed to a sectional mortgage bond. Section 3(1)(s) of the Deeds Registries Act, 1937, however, compels a Registrar of Deeds to register against any registered mortgage bond any agreement entered into between the mortgagor and the holder of that bond whereby any terms of that bond have been varied. Clause 2 brings the Sectional Titles

Act, 1971, in line with the Deeds Registries Act, 1937, and will help to obviate any possibility that a sectional mortgage bond is an inferior form of security compared with a conventional mortgage bond.

Section 39(1) of the Sectional Titles Act, 1971, provides lessees of rent-controlled properties with protection against ejectment when such units are sold. The purchaser must take occupation of the dwelling unit if the purchaser is subject to the provisions of the Rent Control Act, 1976. The Commission of Enquiry into Housing Matters arrived at the conclusion that although there may have been some support when this measure was justified, the Commission was unable to recommend, in the light of its recommendations in connection with rent control, that the protection of section 39(1) be retained any longer. The Housing Matters Advisory Committee, established in terms of section 2 of the Co-ordination of Housing Matters Act, 1978, is also in favour of the deletion of section 39(1). The section has the disadvantage that financial institutions are not prepared to grant mortgage loans to purchasers. In any case, the operation of the section is being nullified in that purchasers of flats are making representations in terms of section 51(g) of the Rent Control Act, 1976, for their flats to be exempted from rent control. Consequently, the section in question is being repealed.

Mr C W. EGLIN: Mr. Speaker, I have referred to the introductory speech of the hon. Minister of Justice, and in so far as clauses 1 and 2 are concerned, we in these Houses have no objection to them. Clause 1 is in a more formal way the prerequisites for registering sectional titles where a project is divided between sections and common property. To include a plan signed by a land surveyor prepared under the direction of a land surveyor is, we think, entirely appropriate, as is clause 2, which is merely an administrative amendment. We take no exception to these clauses and we will support them also in Committee Stage.

Having gone so far, I must say that we in the PFP, the official Opposition, take a very different approach to clause 3 to that taken in the House by the hon. the Minister. In my view it is a pity that that hon. Minister and the hon. the Minister of Community

Development is responsible for that provision, because it has a direct bearing on rent control and the abolition of rent control. It has a special bearing on that, because many of the problems arising out of the abolition of rent control undertaken by the present Government are being exacerbated by the fact that properties are being sold under sectional title at the same time. We believe that a very serious situation has already arisen. Hon. members on my side of the House, including myself, have made representations to the hon. the Minister of Community Development and have tried to point out to him the seriousness of the situation that is developing and which, in our opinion, is going to be aggravated if this particular provision should become part of the Statute.

Clause 3 deals with section 39 of the principal Act, and it deletes subsection (1). It is important to realize that the relevant Acts, which are the Rents Act of 1950 and the subsequent Rent Control Act of 1976, gave tenants protection in two very special ways. The first of these was that tenants were given protection as far as their rentals were concerned. The rentals were going to have to be determined by a rent board which had to work on a formula in the sense of preconditions laid down in the Rents Act. Secondly it gave to every tenant in a rent-controlled flat or accommodation security of tenure, and not just protection concerning the rental. The Act of 1970, which this clause seeks to amend, was very specific on the point that one could not evict a tenant, provided he paid his rental, if he was living in rent-controlled premises. There was the proviso that, if that accommodation was required for oneself or for one's family, that condition would fall away. That was common to both the Rents Act of 1970 and the Rent Control Act of 1976. What is important to realize, however, is that, because this clause deals with sectional titles, in other words the carving up of blocks of flats into individual units, this provision that one could evict people if one wanted the accommodation for one's own purposes, never applied to multi-unit buildings. It did not apply to blocks of flats and, in fact, the Sectional Titles Act of 1971, which this clause now seeks to amend, included the specific provision that if one purchased a flat under sectional title, this did not entitle one to evict the tenants, even if one wanted it for one's

Rent 'shocker'

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Parliamentary Staff

Tenants exposed to summary evictions

THE official Opposition yesterday launched a scathing attack on the Sectional Titles Amendment Bill, claiming that it would remove the last vestiges of protection for the hundreds of thousands of people living in rent-controlled flats and expose them to summary eviction.

All three opposition parties in the Assembly opposed the measure when it was introduced in the Assembly yesterday by the Minister of Justice, Mr A L Schabusch.

'This Bill will send shockwaves throughout South Africa's community of flat-dwellers,' said Mr Colin Eglin (PFP, Sea Point), who spearheaded the opposition attack on the Bill.

The Bill provides, among other things, for the repeal of section 39 of the Sectional Titles Act which protects needy tenants — individuals earning less than R300 a month and families earning

less than R540 a month — from eviction as a result of the abolition of rent control.

Mr Eglin said that the Government was jumping ahead of its own plan for the phasing out of rent control and with a single measure was destroying the security of tenure of all people living in rent-controlled flats.

'But if this Bill goes through, it will affect the poor and the needy much more than it will affect the needy and well-to-do,' he said.

He said that the PFP rejected the Bill because it provided that a flat-dweller could be evicted once the flat had been sold under sectional title deed. 'The fact is that there is a whole

generation of people — largely older and less well-to-do people — who live in older buildings under the protection of the Rent Control Act.

'With one fell swoop, the protection which they have had for 30 years — and which has repeatedly been written into the law — is to go,' Mr Eglin said.

'For the Government to let these people down is quite disgraceful.'

'It is an act of extreme insensitivity which shows a callous disregard for an acute social problem and for personal feelings,' he said.

Mr Eglin said that many older tenants were living in constant fear of the registered letter and the knock on the door by an estate agent wanting to

show their flat to a prospective purchaser.

'This Government is creating a disgraceful sense of insecurity — even panic and fear — among these people by taking away the protection to which they are entitled and putting nothing in its place,' he said.

Mr Eglin moved an amendment declining to pass the second reading of the Bill because it constituted a flagrant breach of faith on the part of the Government with many thousands of tenants who have repeatedly been assured that they would continue to have protection under the Rent Control Act.

Thousands living in flats 'could face eviction'

Political Staff

HOUSE OF ASSEMBLY. — Tens of thousands of flat-dwellers could face eviction from rent-controlled buildings in terms of the Sectional Titles Amendment bill, which was read for the second time yesterday.

This charge was made by the Opposition as they fought the bill and accused the government of being "a bunch of fat cats" who were no longer concerned with the needy.

In terms of the bill, tenants of rent-controlled flats will in future face eviction if the flats are sold under sectional title.

Previously, tenants in rent-controlled flats had lifelong security of tenure — even if the flat was sold — as long as they paid their rents.

Opposition spokesmen representing flatland constituencies — including Mr Colin Egin (Sea Point), Mr Harry Schwarz (Yeoville), Mr Alf Widman (Hiffbrow) and Mr Tiaan van der Merwe (Green Point) — said the measure would in particular hit pensioners, who could find

themselves homeless if they were unable to find alternative accommodation at rentals they could afford.

They called for a moratorium on the phasing-out of rent control.

Mr Schwarz noted that the Minister of Community Development, Mr Marais Steyn, was "notable by his absence" from the House during the debate.

His deputy minister, Mr Pen Kotze, interjected to say that Mr Steyn was attending a function "in the country".

Standing in for Mr Steyn, Mr Alwyn Schlebusch, Minister of Justice, said he found it difficult to debate the issue as it did not fall in his department.

He rejected most Opposition speeches as "over-emotional and made for political gain".

"I will therefore not take them seriously," he said.

Mr Schlebusch said that according to information from the Department of Community Develop-

ment, few flats would be effected by the measure. The main purpose of the amendment was to enable people living in rent-controlled flats to buy them under sectional title.

Leading the Opposition attack on the measure, Mr Egin accused the government of breaking its promise to tens of thousands of needy people in rent-controlled flats that they would be protected from eviction despite the phasing-out of rent control.

"If this bill becomes law it means that flats can now be sold over a tenant's head and he can summarily be evicted.

"This bill will send shock waves of despair and insecurity through tens of thousands of people who have been living under the protection of rent control for over 30 years."

Mr Schwarz criticized a statement by Mr Frans Conradie (NP Algoa) that progress would go on — even if hundreds faced hardship in the process.

Thirty years in power had turned the govern-

ment into a bunch of fat cats who no longer cared about the needy, Mr Schwarz said.

The government had committed itself to free enterprise at the Carlton conference "and one of the first concrete results is that hundreds of needy people have to go to the wall and become homeless".

The bill would benefit property speculators who would buy up old buildings, renovate them and sell them at a tremendous profit. It would not encourage the building of new units, Mr Schwarz said.

Mr Widman called for a freeze on the phasing-out of rent control which is due to enter its next stage on April 1, when 44 000 additional buildings will be exempt from rent control.

SA home loans to be cheaper

By GORDON KLING

SOUTH AFRICAN home-owners' mortgage bond repayments are to be reduced from today in a new boost to the burgeoning economic recovery which comes only weeks before the handouts expected in the national Budget.

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or Springfield, and the training received at Medical School was not really adequate for the specific circumstances of Health-Centre practice.

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fect on inflation.
 Building society sources said that the other side of the coin was that savers, generally older people with largely fixed incomes, would receive less interest. The interest rate on the societies' special savings accounts would be reduced by 0,5 percent to 5,5 percent a year. Interest on the maximum special savings account investment of R25 000 would drop from R1 500 a year to R1 375.
 With inflation still well into double digits, this meant that savings were being eroded faster than before. It was hoped that the Minister of Finance, Senator Owen Horwood, would provide further concessions to pensioners and others who had to rely on their savings.
 The mortgage rate cut is expected to provide a substantial boost to the booming property market. The general manager of the Natal Building Society, Mr Malcolm Mitchell, said it should inspire confidence in the erection of new homes. Other sources said the move could be seen as factor which should reverse the standstill in the building of flats and avert huge rent increases.
 The 0,5 percent mortgage reduction means home loan rates in South Africa are among the cheapest in the world. On loans of up to R10 000 the interest rate is now 9 percent; R10 001 to R15 000, 9,25 percent; R15 001 to 20 000, 9,5; R20,001 to R25 000, 9,75; R25 001 to R30 000, 10; R30 001 to R40 000, 10,5; and over R40 000, 11 percent.
 The national Budget, likely to be delivered in Parliament on March 26, is widely expected to provide substantial concessions, including lower personal and company taxes.

The 0,5 percent home loan cut, recommended yesterday by the Association of Building Societies, amounts to a saving of about R8,33 a month, or R100 a year, on a R20 000 bond, but it will also mean lower interest rates for many savers.

New housing loans qualify for the lower rates with immediate effect, while at least one major building society has announced that existing loans will reflect the drop on April 1, and others are likely to follow. Interest rates on most commercial building loans are to be reduced by one percent in a multi-million-rand saving for South African businesses.

The move, however, does not necessarily herald another reduction in the bank rate, which would mean cheaper overdraft and hire purchase rates. The consensus among reliable financial sources last night was that the reduction should be seen as a reflection of the previous bank rate cut to seven percent, one of the lowest in the Western world, rather than a signpost of further reductions.

The Deputy Governor of the Reserve Bank, Dr Gerhard de Kock, told the Cape Times last night that the home loans reduction reflected the high state of liquidity in the economy.

It would provide a further boost to economic growth which could readily be accommodated by the country's substantial balance of payments surplus from international trade, particularly gold sales. On the other hand, there was a dilemma in that exceptionally low domestic interest rates meant increased use of the rand for trade finance, which resulted in a substantial capital outflow and a weaker rand.

Dr De Kock conceded that the bank rate, and accordingly other key interest rates in the economy, were higher than the demand for funds here would normally dictate, but he would not be drawn on which way these were likely to move. He pointed out that a strong rand kept the price of imports down, having a depressing af-



Dr Gerhard de Kock ... boost to economic growth

programme of area.
 There is little organised of fields of research the health staff enthusiasm and
THE OTHER HEALTH
 There was a favourable vote after the vote favourable response to the Government
 The location of geographically
 with the recommendations of the NHS Commission to provide health

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RIGHT OF OCCUPATION

IN THEIR fulminations against anomalies and possible cases of hardship resulting from the Sectional Titles Amendment Bill, opposition MPs and others should be careful not to lose sight of the sound principles of equity and free enterprise behind the Bill and the phased removal of rent control.

Judging from the impassioned tones of Wednesday's debate in Parliament it would seem that some politicians, perhaps with one eye on their high-density urban constituencies, are intent on throwing out the baby with the bathwater.

The anomaly is that in giving purchasers of rent-controlled flats sold under sectional title the right to evict tenants, the Bill appears to cut across specific provisions of the Rent Control Act of 1976 and the Sectional Titles Act. These provisions protect pensioners and others who qualify for assistance under the Housing Act against eviction and rent increases, and people who have planned their future on the strength of the Government's repeated assurances should not be put at a disadvantage as a result of the amendment.

Mr Colin Eglin (PFP) says 'tens of thousands' of people will be affected. The Minister of Justice, Mr Schlebusch, says that very few flats would be affected and that the number of people qualifying for State assistance would be small.

If that number could be established

it would help to put the matter in perspective, for there is no reason why others who can afford to pay economic rents should be entitled to 'protection' at the expense of people who have invested their money in property.

This arbitrary redistribution of real income in favour of tenants and against landlords was one of the arguments advanced by the Fouche Commission for the abolition of rent control.

Rent control is ultimately self-defeating because it distorts the forces of supply and demand, leading simultaneously to overcrowding and under-occupation at opposite ends of the market. It reduces the useful life of buildings, encourages slums, deters the development of new buildings and impedes the mobility of labour.

Its abolition has been widely welcomed and has not been abused, and it is astonishing to see MPs who supposedly support free enterprise calling for a freeze on the next stage of phasing out control.

Buying a flat under sectional title gives many families an opportunity to acquire a home and a reasonably inflation-resistant investment. The amending Bill will give them the right to occupy their property.

It is surely the responsibility of all taxpayers, not just landlords, to protect the interests of the poor and the Government must see that this is done.

	W		A		
	M	F	M	F	
0-1	0,51	0,33	1,10	0,21	
1-4	0,05	0,06	0,02	0,10	
5-24	0,07	0,06	0,09	0,10	
25-44	1,09	0,44	1,31	0,70	
45-64	9,75	4,44	14,76	10,70	
65	42,19	32,93	55,30	47,72	
ALL	4,70	3,81	3,22	2,25	
NO.	9752	7926	1135	804	

	W		A		
	M	F	M	F	
0-1	2,90	2,22	7,81	4,85	
1-4	0,22	0,28	0,90	0,69	
5-24	0,05	0,06	0,17	0,11	
25-44	0,20	0,12	0,37	0,33	
45-64	1,46	0,92	3,33	1,85	
65+	11,52	7,89	16,51	13,42	
ALL	1,12	0,97	1,22	0,79	
NO.	2336	2019	430	282	

	W		A		
	M	F	M	F	
0-1	0,00	0,15	0,18	0,13	
1-4	0,07	0,06	0,06	0,04	
5-24	0,00	0,00	0,00	0,00	
25-44	0,00	0,00	0,00	0,00	
45-64	0,00	0,00	0,00	0,00	
65+	0,00	0,00	0,00	0,00	
ALL	0,07	0,06	0,06	0,04	
NO.	26	23	128	85	
	289	164	289	164	
	366	187	366	187	

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Income levels above which persons do not qualify for assistance under Housing Act

*12. Mr. C. W. EGLIN asked the Minister of Community Development:

(1) (a) What are the income levels above which persons do not qualify for assistance under the Housing Act and (b) when were these levels laid down.

(2) whether consideration has been given to raising these levels; if so, with what result; if not, why not?

(103)

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The MINISTER OF COMMUNITY DEVELOPMENT:

(1) (a) R540 per month in respect of persons with one or more dependants and R300 per month in respect of persons without dependants;

(b) the levels were adjusted during August 1978.

(2) Yes, the possible raising of income limits is under consideration and, together with the conditions in terms of which National Housing is provided, is being investigated in depth by my Department as well as the National Housing Commission. Determination of limits is related to the demand for housing, cost of living and the availability of funds. These limits are naturally revised from time to time.

Mr. C. W. EGLIN: Mr. Speaker, arising out of the reply given by the hon. the Minister, in view of the increase of over 20% in the cost of living since last these levels have been laid down, is he satisfied that they are adequate at the present time?

The MINISTER: Mr. Speaker, I have told the hon. member that the matter is being considered.

Tenants fear eviction after new title Bill

(123)

RDM 22/2/50.

By JAYNE LAMONT

ALTHOUGH estate agents predict there will be "very few" evictions in terms of the Sectional Titles Amendment Bill, tenants of rent-controlled flats yesterday called the bill an "executioner's axe".

In terms of the Bill, which had its second reading in Parliament on Wednesday, tenants of rent-controlled flats will in future face eviction if their flats are sold under sectional title.

This will affect tens of thousands of people throughout the country — there are an estimated 8 000 rent controlled flats in the Johannesburg area alone — and will hit old age pensioners and the poor especially hard.

An estate agent described

rent-controlled flats as those built before 1950.

The Department of Community Development claims that the main purpose of the amendment is to enable people living in rent-controlled flats to buy them under sectional title.

But residents feel it will make it possible for landlords to make a quick sale of flats, and leave needy people homeless.

Mrs Grace Anderson, 68, a tenant of a rent-controlled flat in central Johannesburg, said yesterday the Bill was "the final blow; an executioner's axe as far as old people are concerned".

"I have lived in my present flat for almost 10 years. It is in a very quiet, clean building. Although the place is not new it is kept nicely and I am sure

that once this Bill is passed somebody will offer to buy it," she said.

"I will be out on the street. I only get an old age pension and could never afford to pay for a flat without rent control, let alone even consider buying one," she said.

Mrs Diane Grant of Berea said she viewed the Bill as "just another way for the rich to get richer while the poor suffer".

"I am divorced with two children. All my money goes on paying the rent and keeping us alive. My flat is old but neat and the location is perfect for anybody working in the city.

"If, when the Bill comes into operation, an offer is made to buy it under sectional title, I will be out on the street. Where can we go? Promises by the Government that this Bill will be good for rent-controlled tenants is not enough; we need proof that we will still have homes," she said.

But estate agents contacted yesterday felt that the situation was being over-dramatised and that few people would face the reality of being evicted.

Mr K F J van Rensburg, general manager of one of the largest estate agents in Johannesburg, said the Bill heralded a "period of awakening when flat rents will come into line with every other commodity".

"We have received panic calls from tenants today, but I feel the whole thing has been blown out of proportion.

"Of course there will be flats sold under sectional title, but most of the rent-controlled flats are old and not something people will want to invest in," he said.

Mr Van Rensburg said he predicted flats in popular areas, regardless of age, would be popular buys, "but these form about 1 000 of the more than 3 000 rent controlled flats on our books."

He said that there was a tremendous demand for flats at the moment. The lifting of rent control would boost the economy and encourage the building of more flats.

"I do, however, foresee that rents in these flats will rise quite dramatically when the control is lifted. But that stands to reason. Most rent controlled flats are rented for such a low price it does not even pay the landlord," Mr Van Rensburg said.

A spokesman for another large estate agency felt that there would be a steady rise in rents over the next five years.

"In terms of the Bill, the landlord can only raise the rent by 10% over the first two years. After that I am sure rents will still continue to rise, but this will be for the owner to recover the replacement cost in the building," the spokesman said.

The spokesman said he doubted very many rent controlled flats would be sold under sectional title. He said they were not "hot property buys" as they were mostly located in older areas.

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Foundation is to build more houses

not housing developers, but were merely catalysts showing what options are open.



THE URBAN FOUNDATION is to spend R20.5 million this year with R7.5-million for housing and R4.7-million to education.

BY JOE THLOLOE

This was announced yesterday by Mr Justice Steyn at a Press conference where he announced that the foundation had already raised R30-m in the three years of its existence. The ori-

ginal target was to raise R25-m in five years. At the time it appeared to be a highly ambitious target but it was achieved after only three years, Mr Justice Steyn, executive director of the foundation, said. "This was made possible by a further dona-

tion of R600 000 by Barlow-Rand for the specific purpose of building a technical high school in Diepkloof, Soweto. "Since the R25-m target has been reached Anglo American/De Beers/E Oppenheimer and son have repeated their original donation of R5-m which

now promotes the fund raising figure past the R30-m mark.

"This donation is the catalytic start of a new cycle to generate another R25-m towards a new goal of R50-m which the foundation has now set for itself."

Of the R20.5-m expenditure budget for 1980-1981, housing and home improvements have been allocated 37 percent;

Mr Justice Steyn said education, 23 percent; business development and employment, 13 percent; community facilities and projects, 13 percent; health services, 6 percent; regional development, 2 percent; responsive and discretionary, 5 percent and investigation and research, 1 percent.

In answer to questions about the housing allocation, Mr Justice Steyn said the foundation were

MONEY

"The building society movement has also matched the R30-m we raised abroad with another R30-m. This money is available at one percent less than ordinary loans from the building societies.

"We also provide bridging finance for housing projects."

Mr Justice Steyn said he was disappointed by the rate at which the 99-year-leasehold scheme was implemented, but he believed it will accelerate during the year or two.

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For full text of debate see Hansard

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procedure and it was accepted that the Sectional Titles Act had to be applied in such a way that it entailed, as a new method of acquiring ownership, the least possible disruption for lessees of then existing flat units. In addition the demand for dwelling units in an exceptionally favourable economic climate far exceeded the supply. So as not to cause the situation in respect of flats to undergo a sudden and dramatic change, section 39(1) was inserted into that Act, *inter alia*, to prevent the selling prices of sectional title units from skyrocketing.

The hon. the Minister of Community Development has informed me that the Fouché Commission of inquiry threw a completely new light on the system of rent control. *Inter alia*, the recommendation that rent control be abolished gradually was accepted, and the stage has now been reached where only dwelling units which were in general occupied prior to 1955 are subject to rent control. This means that buildings which by now are 25 years old are no longer subject to rent control and that their lessees, except those in certain lower income groups, are at this stage no longer being protected. The Consumer Council was represented on the Commission and even its representative supported the abolition of rent control and the deletion of section 39(1) of the Sectional Titles Act. Consequently this Bill is not creating any new principle, but merely forms a part of the process of phasing out rent control and is virtually an inseparable part of it. In any event, the old flat units which are still subject to rent control lend themselves with great difficulty to being sold under sectional title, and consequently the effect of this amendment will be relatively limited.

One factor in the process of phasing out rent control which is important in view of questions put by the hon. member for Sea Point is the fact that clause 3 of the Bill seeks to make a *de facto* position *de jure*. The hon. member for Sea Point asked how many notices had already been promulgated in this way. The hon. the Minister of Community Development has informed me that it is an impossible task to determine the number because the files will have to be gone through. Exemption is granted for a diversity of reasons and each case will have to be examined to determine whether section 39(1) of the Sectional Titles Act was in any way

SECTIONAL TITLES AMENDMENT BILL

(Committee Stage resumed)

Clause 3:

*The MINISTER OF JUSTICE: Mr. Chairman, the last time we discussed this clause the hon. member for Sea Point put certain questions to me. I should now like to react to those questions by way of a statement. Instead of replying to the questions of the hon. member for Sea Point separately, it is more to the purpose to adopt a general approach to the questions as a group. The principles involved provide the answers to the questions. When the Sectional Titles Act was passed in 1971, rent control was an accepted

ACCUSATION against Steyn over flats

2/12/80
Steyn
123

Parliamentary Staff
THE ASSEMBLY — The Minister of Community Development, Mr Marais Steyn, was accused yesterday of using administrative measures to break a Government promise that needy tenants in rent-controlled flats would continue to be protected from the ending of rent control.

The accusation came during a protracted committee-stage debate on the Sectional Titles Amendment Bill being vigorously opposed by the two main Opposition parties.

The Bill provides for the repeal of Section 39 of the Sectional Titles Act which protects needy tenants — defined accord-

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Mr Andrew Pyper (NRP, Durban Central) accused Mr Steyn, who at no stage has taken part in the debate, of breaking a Government promise to needy tenants by exempting blocks of flats from rent control through ministerial proclamations in the Government Gazette.

Mr Pyper hit angrily at Mr Steyn for refusing to take part in debate on a Bill which was primarily his responsibility.

The Bill is being piloted through the Assembly by the Minister of Justice, Mr A L Schlebusch.

Mr Schlebusch has conceded that it was an unsatisfactory situation in that he should have to handle legislation which was primarily the concern of another Minister.

He said he would do all he could as the Minister responsible for the rationalisation of the civil service and the rationalisation of legislation to see that the matter was put right.

Mr Schlebusch said that the Bill was merely seeking to give a de jure status to the exemption of blocks of flats from the restrictions of rent control, something which in certain instances had already been done on a de facto basis by the Depart-

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Mr Vause Raw (NRP, Durban Central) said he could see no reason for the Bill if the Minister of Community Development had been lifting rent control irrespective of whether tenants qualified for protection in terms of a Government promise which had been written into legislation.

Mr Steyn interjected angrily that all exemptions had been done in terms of proclamations in terms of the Act.

Mr Schlebusch earlier announced that he was prepared to amend the Bill to give the tenants of flats sold under sectional title another year before they could be asked to vacate their homes.

This would, in effect, mean that the protection offered to needy tenants in terms of the Sectional Titles Act would only be repealed on April 1, 1981.

This would mean that affected people would have more than a year in which to make alternative arrangements.

Mr Schlebusch, however, rejected amendments introduced by Mr Colin Eglin (PPP, Sea Point), Mr Alf Widman (PPP, Hillbrow) and Mr Pyper which sought, in various degrees, to retain the protection for needy tenants which had been written into previous legislation.

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4(269)

FRIDAY, 29 FEBRUARY 1930

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Housing loans for farm workers

302. Mr. P. A. MYBURGH asked the Minister of Agriculture:

- (1) How many farmers in (a) the Western Province, (b) the rest of the Cape Province, (c) the Orange Free State, (d) the Transvaal and (e) Natal applied

for housing loans for farm workers in 1929;

- (2) (a) how many of the applications in each area were granted and (b) what was the total amount granted in each area?

The MINISTER OF AGRICULTURE:

(1) (a) the Western Province	85
(b) the rest of the Cape Province	77
(c) the Orange Free State	39
(d) Transvaal	38
(e) Natal	1
(2) (a) the Western Province	81
the rest of the Cape Province	69
the Orange Free State	36
Transvaal	36
Natal	1
(b) the Western Province	R600 143
the rest of the Cape Province	R508 960
the Orange Free State	R332 310
Transvaal	R371 400
Natal	R 7 000

RENT CONTROL

Good riddance

Errol Friedmann is joint MD of J H Isaacs & Co.

A friend of mine who is a SA Property Owners' Association (Sapoa) councillor likes to quote Timothy Schaefer. I know nothing of Schaefer, but I'm told he is president of something called the National Apartment Association of the US, and that he apparently said:

"Rent control is a tool of government intervention detrimental to resident and owner alike. The evidence is overwhelming that it is the most devastating mechanism that man ever developed to shrink the supply of rental housing for lower income families."



I couldn't put it better. No question: the worst thing for the flat renting industry ever produced by our aged government was rent control . . . and the best thing is its current phased abolition.

Yet, last week, the media bathed us in continuing waves of indignation and hyperbole from parliamentarians protesting against the new Sectional Titles Amendment Bill. It amplifies the removal of controls by eliminating a legal anomaly which presently discriminates between house owner and flat owner. In simple terms, the proposed measure will permit owners of individual flats to give notice to their "protected" tenants, just as owners of houses are permitted to do.

"This Bill will send shockwaves throughout SA's community of flat-dwellers," declared one representative.

"Let's have a moratorium freezing the decontrol situation for a year," said another.

Surprise, surprise. These were not the cries of ambitious government backbenchers. Oh, no. These were the anguished voices of self-proclaimed exponents of the free enterprise system — members of the official opposition.

Somehow, with a wave of the magic-voters roll, they all turned briefly into socialists.

To avoid partiality, I must confess that the hearts of our opposition members are in the right place. Their expressed concern was categorically — but unfortunately exclusively — for the many thousands of flat tenants who could well find themselves affected.

Over a period of time, quite a number will find themselves confronted with the letter of notice obliging them to vacate flats merely to enable the *rightful* owners to occupy them. These tenants will now have no alternative but to seek other accommodation, just as thousands of other people do every month.

But, conversely, many of those thousands of tenants will *not* be affected. After all, not all flat buildings are suitable for sectional title conversion.

Incidentally, in none of the parliamentary press reports that I read was there any reference by the combined opposition to the plight of a certain category of landlords — mainly those holding CBD properties — and their particular miseries: low rental income; ever-escalating maintenance and other operational costs; fly-by-night tenants; negligible or nil returns on their investments.

Ah, but then there are certainly more tenant than landlord voters.

And then, of course, the dreaded selective amnesia struck the politicians. They all know about it but, somehow, they all forgot to raise the most fundamental issue during the parliamentary debate: why on earth should one small section of the business community be legally required to subsidise both the needy and the greedy?

Nobody suggested new legislation requiring Rembrandt, SA Breweries, Perskor, or any other sector of the commercial/industrial community, to build or buy flats and then rent them out at rentals which would ensure a lousy or nil return.

Of course, Colin Eglin was right. The Bill did send shockwaves through the country — but not because of the Bill

itself. Sections of our daily press did their usual thing. Big, black, banner headlines proclaimed rents would go up by 60%. This ensured maximum sensationalism and minimum fact . . . not to mention unnecessary hurt to any number of elderly folk by causing them sleepless nights.

Limited proper investigation, before rushing into print, would have presented a different picture. The cliché stands supreme: never let facts get in the way of a good (bad?) story.

An informal survey, conducted with some care and goodwill among the major flat rental agents in Johannesburg, reflects that landlords are actually behaving the way our parliamentarians would like them to act, and *not* how they, and sections of the press, contend they will act.

Generally, in the lower to middle income housing bracket, rents are likely to rise 12%-18% during the forthcoming year — certainly not out of line with the rate of inflation.

At the luxury level

In the upper income and luxury level, proposals of landlords range between 14% and 35%, and most tenants in these buildings certainly don't require legislative protection.

A rough, and by no means accurate, evaluation of the potential conversion to sectional title of currently controlled buildings indicates that, in Johannesburg, about 5 000 apartments of all types could become available for sale over the next 12 months.

The general prognosis for these apartments is that, in the lower income brackets, selling to either existing tenants or outsiders is unlikely to be brisk. In the middle to upper brackets, most flats will be sold, but primarily (up to 95%) to existing tenants.

So, things are not so bad down in flatland. If our public representatives truly want to help our low income earners and the elderly fixed-income folk, here are a couple of suggestions:

- Provision of immediate housing. There are hundreds of old blocks of flats in our cities available for immediate purchase at bargain prices. Let the State/Province snap them up and so provide subsidised housing for those who need it;
- Provision of new rental housing. Developers should be granted tax incentives through legislation enabling them to write-off the cost of their buildings over say 10-15 years.

Promise over rent 'broken'

ARGUS 29/3/80 123

Parliamentary Staff

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Parliamentary Staff

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RDM 1/3/80

Sectional title row goes on

123

By BRUCE STEPHENSON
POLITICIANS and property owners are deeply divided over the announcement that flat dwellers whose flats are sold under sectional title might be given a year's reprieve by the Government.

The Minister of the Interior and of Justice, Mr Alwyn Schibusch, announced in Parliament yesterday that he was willing to amend the Sectional Titles Amendment Bill to give tenants of flats sold under sectional title another year before they could be asked to vacate them.

The city councillor for Hillbrow, Mr Simon Chilchick, wel-

comed what he called a reprieve for flatdwellers, but stipulated one condition.

"Once the year is out the Government must have come up with a plan to relieve the hardships that will be caused by this move.

"Where are the pensioners in Hillbrow, where there is one of the largest concentrations of pensioners in this country, going to get the money to buy their own flats?

"Of course landlords are going to sell their flats if they can. What building society is going to give a 65-year-old a bond? So the Government must use this time to devise an alternative," he said.

The executive director of the South African Property Owners' Association (Sapoa), Mr Don Kennedy, said the number of people that might be affected by the clause was believed to be minimal.

He believed the issue was being "blown out of all proportion".

However, he said Sapoa might ask the Minister of Community Development, Mr Marais Steyn, for low-interest bonds for people affected by the legislation.

"The existence of this clause has been a deterrent to developers because it places a caveat on the property they have developed.

"It has placed a limitation on what you can do with your own property.

"It is the opinion of the Sapoa council that the number of people that might be affected is possibly minimal.

Owners had "shown great restraint" because for many years they had had to subsidise tenants under the Rent Control Act, and clause 39 (1) of the Sectional Titles Amendment Bill should be repealed as soon as possible.

Restrictions on the normal market supply of rented accommodation would then be removed, encouraging the market to operate more freely, he said.

Fewer flats and houses being built

Warnings by property experts of an imminent accommodation shortage have been confirmed by figures released by the Department of Statistics which show that fewer flats and houses are being built.

The number of flats completed for whites in the major cities in 1978 was 34 percent lower than the number completed the year before. Houses were also fewer by more than 19 percent.

In 1976, 20 469 dwelling units were completed, in 1977 4 000 fewer were completed. Latest figures show that only 12 405 units were built in metropolitan areas in 1978.

The number of houses built in 1978 was the lowest in 10 years. On the Witwatersrand alone, the

number decreased by 22 percent.

Only 2 500 flats were built in 1978 in South Africa's cities — between a third and a quarter of the number built in the years 1970 and 1974.

There are fewer rented flats because of the Sectional Titles Act which allows landlords to sell individual flats, the report states. Latest figures show that sectional title flats now comprise a higher percentage of all flats.

Statistics show that flats in Pretoria and on the Witwatersrand have the highest rents in South Africa (R108 and R111 for a three-roomed flat respectively) and the highest increases since 1970 — more than 75 percent.

- 89.) Personal communication from J. C. B. Mbandauro, 10 Dec. 1977.
- 90.) Cf. Levy Mballo Mtongca, Euthini village, Mzimba district, 15 Sept. 1971.
- 91.) National Archives of Malawi, Charles Chinula Papers, Nombora Native Association Minute Book, Entry for 26/27 Sept. 1921.
- 92.) SI/1182/24, 'Famine Relief in Nkhosha', Provincial Commissioner, Northern Province to the Chief Secretary, 29 Nov. 1924.
- 93.) See Obituary of Charles Chinula, The Times (of Blantyre), 19 Nov. 1970.
- 94.) SI/210/20, 'Minutes of Nombora Native Association', meeting of 1/2 Sept. 1920.
- 95.) For a contrary view, see Tangati, 'Inter-War "Native Associations" and the Formation of the African National Congress', 87, and 'Colonial and Settler Pressures', 291, where he describes the associations as 'non-tribal in purpose and outlook'.
- 102.) See Yaseya Chikumbo, My Story of Nyasaland (London, n.d.); also J. D. Ozer-Cooper, The Zulu Aftermath (London, 1966), 64-85, for an account of the basic outline of Tzoni history.
- 103.) SI/112/34, 'Annual Report, Northern Province, 1933'.
- 104.) B. Pachai, 'African Initiatives in the Local Administration in Colonial Malawi: the case of Nyshelwa African Administrative Council of Mzimba District', in Rodrick J. MacDonald, ed. From Nyasaland to Malawi: Studies in Colonial History (Nairobi, 1975), 196.
- 105.) SI/89/35, 'Annual Report, Mzimba District, 1934'. See also National Archives of Zambia, ZA 7/1/17/1, 'Annual Report, Eastern Province: Lundazi District, 1934'; Cf. Chief Magodi and councillors, Egihekani village, Lundazi district, Zambia, 29 Apr. 1974, during which the chief asserted that 'Nbelwa has always remained our chief.'
- 106.) Pachai, 'African Initiatives in the Local Administration', 209.
- 107.) Swazie Agnew and Michael Stubbs, eds., Malawi in Perspective (London, 1972), 72. Cf. Census, xiii.
- 108.) 'Lowe was not an official language, even though it is the country's second most widely used language, because its users are migrants from Mozambique who have settled in Malawi during the twentieth century.'
- 109.) National Library of Scotland, MS 7896, Elselie to Lwms, 22 Oct. 1892.
- 110.) National Library of Scotland, MS 7879, Minutes of Mission Council at Livingstonia, 12 Nov. 1896; The Handbook of Nyasaland (London, 1910), 106; James W. Jack, Daybreak in Livingstonia: The Story of the Livingstonia Mission, British Central Africa (London, 1901), 328-30.
- 111.) P.R.O. F.O. 84/2051, 'Report of the Nyasa-Tanganyika Expedition', by F.H. Johnston, 1 Feb. 1890, encl. In Johnston to F.O. 17 Mar. 1890.
- 112.) The Handbook of Nyasaland, 120.

Rent control and the ¹²³ ^{142A} ^{6/3/82} property owners' view

YOUR editorial "Pressing on the Poor" (Feb 25) correctly shows that the introduction of rent control was ill-advised. It then goes on to make intemperate and emotional accusations that the Government is now "bearing down mercilessly on the needy" while the Opposition "fights for the poor pensioners".

The editorial alleges that "the security of those pensioners is... threatened by the possible rocketing of rents in decontrolled buildings". That is simply not true.

If a person's income is below the limits set by the State for housing assistance — and that would include practically all pensioners — then a flat occupied by that person remains subject to rent control for so long as he occupies it personally. Thus the private sector landlord continues to subsidise such a tenant, even though social assistance should be the State's obligation.

Rent boards will of course be expected to grant increases in controlled rents too, to compensate landlords for spiralling costs.

You go on to say that the second threat to the security of pensioners is the "Sectional Titles Amendment Bill, in terms of which tenants of rent controlled flats face eviction if the flats are sold under sectional title. Previously tenants in such flats had lifelong security of tenure".

Here you are taking your cue

from Mr Colin Eglin MP, who moved unsuccessfully in the House of Assembly that the second reading of the Bill should not be passed because, so he alleged, "it constitutes a flagrant breach of faith on the part of the Government with many thousands of tenants who have repeatedly been assured by Government spokesmen that they will continue to have protection under the Rent Control Act." That allegation is also untrue and misleading.

The rent control legislation is expressly designed to keep rents lower than normal market levels. It has also removed the landlord's right to require a tenant to vacate on expiry of his lease, for so long as the tenant continues to pay the controlled rental promptly.

The legislation has always provided one important safety valve, viz that the owner of a dwelling may give the tenant three months' notice to obtain possession of his own property if he genuinely requires it for occupation personally or by his parent or child. Alternatively he may sell the house to someone else, who may then give notice on those grounds.

Until now this safety valve has not been available to the owners of rent-controlled flats. Sectional title legislation was first introduced in 1971, since when the ownership of individual flat units has been legally possible. However, section 39 (1) of the Sectional Titles Act specifically provided that the

abovementioned remedy contained in the rent control legislation should not be available to the owner of a flat.

The new Bill proposes to re-



NIGEL MANDY

move that anomaly, so that the owner of an individual flat will have the same rights as the owner of a house. The protection given to tenants by the Rent Control Act remains unchanged, including the provision that the owner may only take occupation of his own property by giving three months' notice.

What is the effect likely to be

in practice? Many blocks of flats are not suitable for advantageous sale under sectional title — those where the units are too small, too rundown because of the malign effects of rent control, or situated in unattractive neighbourhoods.

When the owner of a block of flats decides to open a sectional title register and to put the individual units up for sale, he is likely to approach the sitting tenant first. The South African Property owners' Association (SAPOA) has asked flat sellers to make a practice of this and to offer the most advantageous terms possible to sitting tenants.

If the sitting tenant does not purchase a flat, then the owner of the block will look for another purchaser. Concluding a sale and transferring the sectional title will take some considerable time. Only thereafter can the new owner give the sitting tenant three months' notice, and only if the premises are genuinely required by the purchaser for his own occupation or that of his parent or child. Thus the sitting tenant is likely to have at least four or six months' fore-knowledge of the fact that he will have to seek other accommodation.

During that time it will also be possible for him to approach the Government for assistance under the Housing Act.

Can you, or the Opposition, really expect the private sector's contribution to be greater than that?

The whole question of rent control was exhaustively examined by the Forche Commission, which held public sittings in all the main centres of the Republic. The people who are now trying to make capital out of the plight of some pensioners did not bother to give evidence at that time. They have ignored the accumulated evidence that rent control is a devastating mechanism to shink the supply of rental housing for lower income salaries.

It is necessary to examine not only the plight of individual pensioners (who would certainly be assisted in deserving cases) but also the national interest and the position of present pensioners in general, and also of people who will be going on pension in future.

Pension funds receive monthly contributions from employees and their employers. Those contributions must be invested prudently to assure a stream of future income from which pensions can be paid. Obviously it is desirable that the stream of income should increase to finance increases in pensions which might become necessary because of rises in the cost of living in future. The creation of new blocks of flats to rent would normally be an excellent vehicle for pension fund investment: a capital asset is created now, from which income will be received for along time into the future, at rents which should be related to price levels at those future times.

However, leading insurance companies (members of SAPOA) have testified that control has artificially depressed the income on their existing residential property investments, thereby reducing their ability to pay increased pensions or insurance benefits. They also point out that rent control (and even the threat of extension of control) have deterred them from creating new rental housing to reduce the housing shortage. Instead, their prudent duty to members and policy holders has led them to seek other more lucrative and safer investments than the creation of badly-needed housing.

The present shortage of rented accommodation is directly attributable to mistaken policies of the past. The demagogue may seek to perpetuate those mistakes for temporary and superficial political advantage. The statesman should seek to rectify those mistakes, while finding sensible ways of assisting genuine cases of hardship during the transitional period. — **S NIGEL MANDY**, councillor, S A Property Owners' Association, Johannesburg.

● In response to Opposition pleas, the Minister of Community Development last week amended the Sectional Titles Amendment Bill to give flat dwellers a year's grace, in terms of the amendment, no tenant of a rent-controlled flat sold under sectional title may be evicted before April 1981. **EDITOR.**

RENT DECONTROL

Easing the pain

123
7/13/80

Until recently, developers struggling against recession and rent-control have had very little succour from the official opposition. But now guess who's out there battling for landlord rights?

None other than ex-PFP leader Colin Eglin himself. And this is what he says of rent control: "The thing is wrong. If people need assistance it should be given by the State, not by the landlord."

The FM's said it scores of times. So has Sapo. So has the Institute of Estate Agents. But coming from the PFP, and in the light of government's commitment to final abolition in a couple of years, it's more than encouraging.

It means that decontrol — or this watered-down version of it — can be accomplished without a fight. But Eglin's concern now is for the needy. Rightly so. As he says, the phase-out is creating special social problems.

As government created them, so it should remove them — and as painlessly as possible. Eglin's Sea Point constituency with its plethora of flat-dwellers was used for a sample probe by Community Development Minister Marais Steyn. It showed that a half to two-thirds of residents are going to need help.

Eglin has run rent control clinics at Sea Point and extended the service as far afield as the Durban City Hall. Similar get-togethers could be held elsewhere and he will be briefing branch chairmen in the Johannesburg area next week.

The clinics showed, says Eglin, that flat tenants are running scared. Hardly surprising after the exaggerated, and often inaccurate, reports in the daily press.

Yet there's no denying that decontrol is going to prove traumatic for the poor. If they qualify under the income clause of

the Housing Act (R540 a month for couples, R300 for singles) their flats remain controlled and landlords will have to obtain rent board increases in the same old way.

More worrying is the proposed repeal of section 39 (1) of the Sectional Titles (ST) Act. This will allow purchasers to move into the flats they buy in the same way as buyers in the conventional housing market.

One of the worries among the Cape tenants is that their flats will be bought as holiday pads by people from up-country. But Sapo's Nigel Mandy points out that evictions are illegal unless buyers move in and stay for at least 12 months. An onerous restriction in a free market, but for the tenants it's one problem solved.

Yet the run on ST sales will lead to many evictions anyway. The idea is to allow a year's moratorium, and that year should be well used. Suitable alternative accommodation will have to be found somewhere for the lower-income tenants at least.

Eglin suggests that where they get less than the going market rate, landlords should be compensated by the State. That may help, but not much. Sellers are still going to take capital profits and sell; tenants will still have to go. But where?

Surely it's time for Community Development to act through the national housing fund. The next 12 months should be time enough for at least a start on more sub-economic stock.

Subsidies are far from ideal, but then the problem has been building up for over 30 years. Instant solutions just aren't available.



PFP's Eglin . . . what about the landlords?

Bill 'a callous breach of faith'

Eglin

Own Correspondent

JOHANNESBURG. — The Progressive Federal Party's Mr Colin Eglin yesterday accused the government of renegeing on guarantees protecting low income white flat dwellers, particularly old people, by introducing the Sectional Titles Amendment Bill.

He predicted that serious social problems would arise because of the insecurity of tenure created by the proposed new legislation which cut across rent control provisions for flats.

Mr Eglin, PFP spokesman on community development, said that many owners were selling blocks of flats to speculators who were threatening tenants with eviction unless they took up their options to buy flats under sectional title in a short space of time.

Addressing an informal meeting of PFP city councillors and members of provincial council in Johannesburg, Mr Eglin called on the Minister of Community Development, Mr Marais Steyn, to accept responsibility for protecting low

income groups.
People in need of special protection were currently defined as individuals with a monthly income of R300 or less, or couples or families with an income of R540 or less.

Mr Eglin described the proposed legislation as a callous breach of faith against the needy.

Under the Rent Control Act, he said, tenants were accorded two fundamental securities — the Rent Board acted

as arbiter limiting rent increases according to a formula, and tenants could not be unconditionally evicted even if their leases expired.

In phasing out rent control, Mr Steyn had said that in order to minimize social problems, rent increases would be limited to 10 percent annually for two years. Mr Eglin said that while the increase was pegged, security of tenure had disappeared. Many tenants did not have leases and could be evicted or the flat sold under sectional title.

Cape Times 12/3/80

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14780 (123)

'Disastrous effects' seen in new bill

Staff Reporter

THE Sectional Title Amendment Bill may well pressurize people into buying homes which they could not really afford, according to Mrs Eulalie Stott, chairman of the City Council's Housing Committee.

Mrs Stott was commenting on criticisms of the bill, made on Tuesday, by Mr Colin Eglin, the Progressive Federal Party's spokesman on community development.

"The pressure on people to buy is unfortunate because many people can't, or don't want to be, burdened with the responsibility of home ownership and the problems of selling if they have to move.

"The removal of rent board control, the fact that flats can be sold under sectional title and the general shortage of accommodation is definitely going to have disastrous effects on people who cannot afford to buy.

"In addition, low-income groups and pensioners often need what capital they have. They should not have to tie it up in housing," she said.

Mr Eglin, addressing a meeting of PFP city councillors in Johannesburg on Tuesday, said some flat tenants were threatened with eviction unless they took up their options to buy flats under sectional title within a short space of time.

He said serious social problems would arise

because of the insecurity of tenure created by the proposed new legislation which cut across rent control provisions for flats.

The government has been phasing out rent control for some time, largely because of the uneconomic returns it was causing to property owners. On April 1, another 44 000 buildings will be exempt from rent control.

"The removal of rent control ensures that owners get a better return on their money but the people with low incomes will have to pay beyond their means. It is a good example of how every solution creates new problems.

"Sectional title should not have been allowed in blocks of flats that were previously rent-

controlled," Mrs Stott said.

Mr F W Pohl, manager of the Citizen's Housing League, yesterday said he had applications for housing from people whose flats had been put up for sale or who were afraid that this would happen.

Mr D F Kerswill, director of the Cape Peninsula Welfare Organization for the Aged, said he thought it inevitable that old people would also be badly affected by the abolition of rent control.

"Where do these people go if they are evicted? If you're 70 years old why should you want to buy? I know how worried people are. Our new block of flats in Sea Point already had a waiting list when it opened in February."

EXAMINATION RESULTS IN FACULTY ARTS

STU13-9 BACHELOR OF ARTS

YEAR : 2

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PAGE 2

STUD NO SURNAME FIRST NAMES COURSE DESCRIPTION SYMBOL

133849N	PEARCE	CAREY SUSAN	114101	RELIGIOUS STUDIES I	3 (51)
140639U	PETERSEN	BERTRAND SYDNEY	102201 110201	AFRIKAANS FN NEDERLANDS II AFRICAN HISTORY I	F F
133499H	PLAATJIES	NANCY	101105	AFRICAN LANG INTENSIVE (SOT2-	(66)
137501H	PLAGIS	JOHN ACHILLES	601303	COMPANY LAW	ABS
139271G	REDMAN	BARRY GEORGE	105104	LATIN J	F
052892R	KOSS	SALLY MARY	103302 104201 110303	SOCIAL ANTHROPOLOGY II (PRE ANTHROPOLOGY II AFRICAN HISTORY II	2- 2- 2-
121461Y	SANDGROUND	DAVID LEON	106202	ECONOMICS II	3
133333C	SFAKIANOS	ALEXANDER GEORGE	107201	ENGLISH II	3
135034C	SHAPIRO	DEENA MERLE	107101	ENGLISH I (PRE-1980)	3NX
137998Y	SHAPIRO	LEONARD STEVEN	114101	RELIGIOUS STUDIES I	F
134302F	SOLOMON	IVOR DANIEL	004201	PSYCHOLOGY II	3
155878U	STIGLING	TERESA	004101 103302	PSYCHOLOGY I SOCIAL ANTHROPOLOGY II (PRE	2- ABS
111532F	VERBEK	DEVON CLARE	004101 101103 107101 110101	PSYCHOLOGY I AFR LANG INTENSIVE (XHOSA) ENGLISH I (PRE-1980) HISTORY I	2- F 2- 2-
121723H	VISAGIE	EUGENE FULTNER	102101	AFRIKAANS	ABS
102168C	WOLFFE	HENRIETTA ANNE	110202	HISTORY II	3

* TOTAL NUMBER OF STUDENTS : 37

DEAN
REGISTRAR (AC)

Promise broken

HOUSE OF ASSEMBLY. — The Minister of Community Development had broken his promise that elderly flat-dwellers would be protected against eviction and unreasonable rent increases. Mr Colin Eglin (PFP Sea Point) said. Speaking during the third reading debate on the Sectional Titles Amendment Bill, he said the measure would do nothing more than make thousands of

flat-dwellers vulnerable to eviction and give the elderly a sense of insecurity. The minister, he said, had given the undertaking that if brought to his attention, deserving tenants with problems would have their cases reviewed. "After making such a promise, he comes along with legislation like this — to evict them," he said. — Sapa

UCT

EXAMINATION RESULTS IN FACULTY ARTS

YEAR : 1

STU13-9

13010 BACHELOR OF ARTS

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13010

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL
160942M	FOLLETT	MARGARET JANE	143202	SOCIAL ANTHROPOLOGY I (PRE-1980)	(51)
157568V	FRIEDLANDER	RAE DEVORA	107101	ENGLISH I (PRE-1980)	3NX
1502960	GARISCH	SONYA IRENE	115102	FRENCH INTENSIVE	F (43)
158290E	GARNETT	DIANNE SYBELLE	905101 911101	CHEMISTRY IA CH, 102 MATHEMATICS I M102	ABS ABS
154026V	GEFFEN	HENITA	109102	HEBREW INTENSIVE	F
154362K	GIANNAKAKIS	ASPASIA	115101	FRENCH I	F (55)
153981W	GILL	CHRISTEL KAROLA	117101	POLITICAL SCIENCE	
155173R	GILL	JUDITH MARY	107101	ENGLISH I (PRE-1980)	
1591860	GUSS	JOANNE ATHERSTONE	115101	FRENCH I	
15R211U	GREEN	JANET FAY	004101	PSYCHOLOGY I	
153R55J	GRUSSE	KIRSTIN CHARLOTTE GERDA	106102	ECONOMIC HISTORY I	
1622R5X	HALLIER	SUZANNE COLLINGS	106103	ECONOMICS IA	
161662V	HANCOCK	EDWINA ANNE	107101	ENGLISH I (PRE-1980)	
162109F	HARRIS	GWYNETH JULIA MARY	114101 116120	RELIGIOUS STUDIES DRAMA I	
155641A	HART	TIMOTHY JAMES GRAHAM	004101 107101	PSYCHOLOGY I ENGLISH I (PRE-1980)	
115954M	HARVEY	MARGARET JOAINE	911101	MATHEMATICS I M102	
159604H	HEESE	SUSAN MARGARET	102101 114101	AFRIKAANS RELIGIOUS STUDIES I	
161491J	HENECK	TREVOR RONALD	117101	POLITICAL SCIENCE I	
152126E	HEWSON	RONALD ALAN	115101	FRENCH I	
155720L	HOPPEN	UTE	115101	FRENCH I	
152889J	HUDSON	SALLY	116120	DRAMA I	
155148P	JERVIS	JOSEPHINE ALEXANDRA	004101 107101 115101	PSYCHOLOGY I ENGLISH I (PRE-1980) FRENCH I	

Eviction threat to 'thousands'

HOUSE OF ASSEMBLY. — Thousands of elderly people, those who could least afford it, would be put out into the streets if the Sectional Titles Amendment Bill was passed into law. Mr Harry Schwarz (PFP Yeoville) said.

Speaking in the debate on the third reading of the bill, he said people would not be allowed to remain in rented flats if those were bought under sectional title for accommodation of the owners.

People who would lose their flats and have to give up the improvements they had made to them would be mainly elder-

ly people in the lower-income groups. As a result of the abolition of rent control they would find it very difficult to find alternative accommodation at rents they could afford.

"This is something we cannot accept. Considering the social consequences of what we are doing to aged people, one would expect that the more compassionate people in this House would not permit this to take place."

The PFP could not support legislation of that kind. "There are people in South Africa who believe in a caring society."

UCT

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R32 m (23)
spent on
18/3/80
housing

THE ASSEMBLY — The 14 administration boards spent R823 685 on the provision of liquor facilities during the 1978/80 financial year.

They also spent R32,4 million on housing during the same year. This was disclosed yesterday by the Minister of Co-operation and Development, Dr Piet Koornhof.

Five of the boards spent more than R100 000 on the provision of liquor facilities. They included the Eastern Cape Board (R100 000).

R3,2 million was spent on housing in the Eastern Cape. — PC.

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION
153982X	SIRACHAN	ANDREW KENNETH	105104	LATIN I
1565290	VISSER	VIVIEN ELIZABETH	117101	POLITICAL SCIENCE
1535477	WAINC	VINCENT CHARLES	004101 102101 107101	PSYCHOLOGY I AFRIKAANS ENGLISH I (PRE-1980)
156838B	ZACHERL	SARINE RUTH	004101	PSYCHOLOGY I
157915X	ZACKUN	JEFFREY	102101 107101	AFRIKAANS ENGLISH I (PRE-1980)

* TOTAL NUMBER OF STUDENTS 30

DEAN

REGISTRAR (ACADEMIC)

UP (50)
 SNX

UCT

'High rates are forcing us to sell' residents

By ZUBEIDA JAFFER

HIGH rates and a lack of amenities are forcing Grassy Park and Lotus River residents to sell their homes.

This emerged yesterday when two residents met an estate agent in an attempt to find alternative accommodation "anywhere outside the Divisional Council area".

Mr D de Klerk of 6th Avenue in Grassy Park has lived in the area for eight years and still has no road or street lights in front of his home.

He presently pays a rate of R290 for his three-bedroomed house and fears that the proposed increase in valuations may result in an effective increase in his rates.

"My brother in Elfindale pays R180 for the same size house and has better amenities there," he said.

Mr D Pretorius also of 6th Avenue has the same problem. "I pay R340 in rates and want to move anywhere outside the Divisional Council areas," he said last night.

EXAMINATION RESULTS IN FACULTY ARTS

YEAR : 1

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15016

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL	MARKS	GRADE	RESIDENCE
154230R	ARD	HANS-EMIL	105105	LATIN ELEMENTARY	ABS	154230R	1	154230R
15779SR	BAKREIT	MICHAEL CONRAN	117101	POLITICAL SCIENCE I	UP	15779SR	1	15779SR
153562Q	HUCHINSKY	CLENN BRUCE	102101	AFRIKAANS	UP	153562Q	1	153562Q
156581X	COHEN	PETER DAVID	117101	POLITICAL SCIENCE I	UP	156581X	1	156581X
155002F	CHUDDO	INDRA	105105	LATIN ELEMENTARY	ABS	155002F	1	155002F
		RODNEY JAMES	105105	LATIN ELEMENTARY	UP	157855G	1	157855G
		MADINE	117101	POLITICAL SCIENCE I	UP	154395M	1	154395M
		MICHAEL ALEX	102101	AFRIKAANS	F	155823Y	1	155823Y
		DEREK	117101	POLITICAL SCIENCE I	UP	150196G	1	150196G
		STEPHEN MICHAEL	105104	LATIN I	F	156314F	1	156314F
		JUSTIN ERANK	105105	LATIN ELEMENTARY	UP	156503L	1	156503L
		ROSEK EZRA PAUL	107101	ENGLISH I (PRE-1980)	2-	038176N	1	038176N
		ROBIN ARIMOR JUSTIN	105105	LATIN ELEMENTARY	ABS	145449N	1	145449N
		DIANA LOUISE STUART	117101	POLITICAL SCIENCE I	UP	159727K	1	159727K
		EDWARD WALLACE	117101	POLITICAL SCIENCE I	F	162529M	7	162529M
		HERVYN BERNARD CHARLES	105105	LATIN ELEMENTARY	ABS	161080M	1	161080M
		AZEK	105105	LATIN ELEMENTARY	UP	157638N	1	157638N
		TEPHEN	105105	LATIN ELEMENTARY	ABS	155155X	1	155155X
		LYNE BRADLEY	102101	AFRIKAANS	F	156583Z	1	156583Z
		LYNE MILES LUTHER	102101	AFRIKAANS	UP	153752X	1	153752X
		SE	002202	ROMAN LAW & JURISPRUDENCE I	F	156337F	1	156337F
		HAMED FAIR	105104	LATIN I	F	154745B	1	154745B
		VAIHAN GNANI	102101	AFRIKAANS	UP	156056B	1	156056B
		EDWARD BADOR PETER	105104	LATIN I	UP	154272M	1	154272M
		LAUREN RENEE	105104	LATIN I	UP	154933E	1	154933E

UJCT

Third reading of 'callous' bill

123
19/3/80
CT

HOUSE OF ASSEMBLY. — The Sectional Titles Amendment Bill was a "callous and insensitive measure", Mr Colin Eglin, the Progressive Federal Party's chief spokesman on community development, said.

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL	PAGE
1025211	PARHOLI	PIETER HARRY	603202	ROMAN LAW & JURISPRUDENCE IUP	(57)	4
13030	BACHELOR OF ARTS	DAVID BRIAN	107301	ENGLISH III	(56)	4
		MELANIE ANN	114101	RELIGIOUS STUDIES I	(54)	5
		PETER GRAHAM	004301	PSYCHOLOGY III	(52)	4
		JOHN GEORGE	400204	GENERAL PAPER IIA (HALF COURSE)UP	(51)	4
		ODILE ARLENE	101202	AFRICAN LANGUAGES XHOSA II UP	(50)	4
		RICHARD MARK	911201	MATHEMATICS IIA (204)	(55)	4
		LESLEY SHARON	911103	MATHEMATICS IB	(41)	5
		SUSAN	004301	PSYCHOLOGY III	(57)	4
		EUSTRATIUS JOHN	603301	ROMAN LAW II	(63)	4
		HELENA JANET	110201	AFRICAN HISTORY I	(50)	4
				ITALIAN INTENSIVE	(60)	4

At present, even before passage of the bill into law, some elderly flat tenants were receiving letters informing them the flats they rented had been sold under sectional title, and warning them of eviction, he said in the debate on the bill's third reading.

By introducing the measure the government was going back on an undertaking it had given that needy flat dwellers would receive the continued protection of rent control.

"Tens of thousands of people are going to feel the insecurity of the threat of eviction."

The measure would result in a drop in the number of flats available for rental and a corresponding increase in flat rentals.

"The government seems to be deliberately encouraging a wave of property speculation, in which some people are profiting out of the distress of others."

"This government has left in the lurch the ordinary person, the flat dweller, the needy person."

The Minister of Justice, Mr Alwyn Schibusch, said in reply to the debate that he rejected with contempt the allegation that the government was going back on its word.

There had never been any question of total exemption from the phasing out of rent control, and protection from sectional titles purchases had never been mentioned.

It was true that a flat tenant could be given three months notice to vacate if the flat had been bought under sectional title and the owner personally wanted occupancy, but the government had adopted another amendment by which the provision would only come into effect in April next year.

The Government was committed to free enterprise and this meant it could not discriminate against the owners of older flat blocks, who had to be given the same rights to sell units as owners of newer blocks.

The bill was read a third time after a division.

UJCT

EXAMINATION RESULTS IN FACULTY ARTS
YEAR : 3

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13030

FLATLAND FURORE

Rent Boards get the chop

The phase-out of rent control is taking a heavy, and inevitable, toll of the rent boards. They are being chopped countrywide as the work load grows ever lighter.

This month alone 13 have been dissolved and replaced with eight new consolidated bodies, two of them part-time. Community Development Secretary Louis Fouché says rationalisation has been going on for some time, but the cutback is being stepped up as more and more flats come off the restricted list.

It also means that many men are jobless. But Fouché assures the *FM* that the culling is being done as painlessly as possible. In some cases board members on contract are on, or over, the normal retiring age anyway. They are not reappointed.

Standing policy is to maintain a balance between the number of boards and the workload, says Fouché, so the casualty rate is mounting. The reduction is being accomplished in three ways — complete dissolution, cutting back on the number of members and substituting part-time boards for the old permanent bodies.

Latest changes

These are the latest changes gazetted this month:

- **Cape** — the Bellville, Goodwood, Peninsula and Cape Town boards have been dissolved. They have been replaced by two newly-constituted boards, Cape Town and Bellville.

- **Natal** — Durban North Coast, Durban South Coast and Pietermaritzburg boards have been dissolved and replaced with a new Durban Rent Board and a part-time Pietermaritzburg board.

- **Witwatersrand** — the East Rand, West Rand and Johannesburg Central, Eastern, Western and Southern boards have been dissolved. They have been replaced with part time boards on the east and west Rand and two full-time boards in Johannesburg, Central-East and South-West.

More will fall because the phase-out is barely halfway. But protected tenants are going to be around in one form or another for many years yet, which means that certain boards will continue to function. So will the central Rent Control Board, the appeal body which operates from Pretoria.

Despite all the publicity, queries coming into the *FM* suggest there are still landlords and tenants who are uncertain of how it all works. So here it is again.

Dwellings first occupied after June 30, 1966, are not, and never have been, con-

trolled.

Dwellings first occupied between January 1, 1960, and June 30, 1966, were decontrolled in April, 1978. The condition was that rent increases, other than statutory cost recoveries, would have to be confined to 10% a year. Next month this group is expected to be freed from the 10% clause.

The complication arises with low-income tenants protected by the Housing Act. In each case protection can be claimed only if the tenant was in occupation at the date of decontrol and has remained in the flat since. In the case of the 1960/66 batch, therefore, only tenants who have occupied the same flat since

straight R540 for couples, irrespective of number of children, and R300 for singles.

Dwellings occupied between October 20, 1949, and December 31, 1954, are expected to be decontrolled next month, again with the 10% restriction for two years. The income limit for tenants claiming protection in this batch of decontrolled flats will be set according to prevailing rates.

Dwellings first occupied before October 20, 1949, can be decontrolled only by an amendment to the Act. Government has promised to make it.

The last factor is the intended repeal of section 39 (1) of the Sectional Titles Act. This will enable buyers to move into the flats they purchase — which they can't do now. That will compel all tenants, including the protected, to make way for the owner, his parent or child.

But landlords won't be able to get tenants out by selling on deed-of-sale. Sapa's Nigel Mandy points out that conditional sales don't carry the right of ejection. Anyway, it's the buyer of the flat, and not the owner of the block, who has to do the evicting. Three months notice is statutory, and then only after transfer.

So there's no question of playing fast and loose with personal rights. It will be a foolish landlord who tries.



Louis Fouché . . . culling with compassion

April 6, 1978, can claim special protection.

To qualify they will have to earn not more than R300 or less (single), R380 (childless couple), R440 (couple with one or two dependant children), R500 (couples with three or four dependant children) or R540 (couples with more than four dependant children). These were the ruling rates at the time of decontrol. Onus of proof of income is on the tenant.

Dwellings first occupied between January 1955 and December 31 1959, were decontrolled in April, 1979. The same 10% rule applies and the idea is to remove that restriction in April next year. The income limit for tenants who will continue to be protected in this group of flats is a

DEVELOPERS

Losing interest

The property market is anticipating wide-ranging changes to the usury legislation. And so far it doesn't like what it hears.

It's well-known that government is working on a new Limitation and Disclosure of Finance Charges Bill which is going to lump all prescribed interest rates into one act. It could include everything from a deed of sale rate to credit card advances.

But it's the deed of sale aspect that's got the developers and investors worried. With the fall in the prescribed rate, developers have had to trim margins to cover the difference between the interest they charge and the interest they pay.

That gap is now about 1.5% on average. Developer bonds have tended to soften, but they borrow at anything from 10%-11.5% and are forced to charge their buyers only 9.5%. About 18 months ago there was no gap at all.

The answer on short-term deferred sales has been to charge sectional title buyers occupational rental and no interest. The buyer thus pays the full outstand-

guidelines

Jack Schaffer, co-founder with Alan Hellman of Game (now owned by Beares), is a master escapologist. In September, 1978, he bought the Hayne and Gibson "Press at Kingsmead" building for R600 000, spent R200 000 on improvements and opened a liquor store called Viva. It didn't work and was closed in January.

But instead of finding himself with an unlettable barn, Schaffer has let the 7 000 m² property to Game on a 10-year lease. The building, on a 3 000 m² site, has now been sold for an estimated R1,2m to a Johannesburg family trust which will be getting a 10% return. The lease carries a 5% escalation clause and there are two five-year renewal options. The deal was negotiated by J H Isaacs Geshen's Geoff Berman.

The same company has auctioned a block of 18 flats and five shops in the Albert Park area for R115 000 subject to confirmation. At that price return is 16,5%, and the building is due to be decontrolled next year.

to take payment before opening registers.

Not many companies can work without a cash flow and at this stage no-one knows whether the measure will be enforced. But now the building societies are also restless and making representations of their own.

The idea was to have the legislation through during this Parliamentary session. Now, with so much concern from affected parties, it looks like hanging fire for another year.

ing balance on transfer. Sellers of land aren't so lucky and, with building society rates down again, the danger of a further cut to as little as 9% was on the cards.

While the developer charges rental and not interest it doesn't matter. But there's a danger that the new legislation will change that and enforce a return based on the prescribed rate.

Even at 9,5%, Sapoa has been making waves. President Gert Hugo tells the *FM* that representations to up the rate again have been in for some time. The association suggests a rate of 10,75% and rests its case on the widening gap between borrowings and recoupment. The hint of change came in the early draft of the Sale of Land Act. At first glance it looked like good news because the Minister's power to lay down the rate was omitted.

"For a moment," says Hugo, "we thought our representations had been successful and the Minister was allowing the rate to be established by market forces."

The elation was short-lived. Sapoa has since learnt of the intention to include all statutory interest restrictions in the new usury legislation and is trying to get more information.

If the deed of sale interest rate is included in the new Bill, Sapoa will redirect its representations when comments on the draft are eventually called for.

There's still a long way to go. The first version of the Sale of Land Bill, which supersedes the old, unwanted Development Schemes Bill, left Sapoa reasonably satisfied. But one major worry remains — the early drafts proposed to restrict payments on deed of sale transactions. Only in certain cases would developers be able

ARGUS 24/3/77

Black housing: UBS examines 400 applicants

~~58~~
123
~~127~~
377
~~215~~

VEREENIGING. — The United Building Society was examining over 400 applications for black houses which would cost more than R7-million, its chairman, Mr Philip Sceales, has said.

Inaugurating the UBS's first black housing project at Sebokeng near here last week, he said of the 48 houses nine had been completed and 13 were

almost complete. The completed houses had all been sold from R10 000 to R13 250.

Mr Sceales said there was much misunderstanding about black housing. Most blacks accommodated in Administration Board houses were tenants on a monthly basis and paid rentals of only R15 a month.

MIS LEADING

'This is very good basic accommodation at a very low cost and there can be no criticism of it,' he said.

'Others have acquired rights of occupation under the 30-year scheme which is frequently referred to as the 30-year home ownership scheme. This is totally misleading.

'It is a right of occupation granted for 30 years and is subject to so many disadvantages. It is cheaper than the 99-year leasehold scheme but it is not true home ownership.

As far as he knew, 153 leases had so far been registered in Soweto. Of this number, 64 were mortgaged to the UBS and another 19 were in the pipeline. — Sapa.

JUST

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL
1000601	HENDRICK	HENRY-CAERON	116317	116317	AUG
* TOTAL NUMBER OF STUDENTS 1					
DEAN					
REGISTRAR (ACADEMIC)					

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GENERAL NEWS

Insults fly as flat lords face tenants

STAR 25/3/80

123

Insults and challenges flew last night as tenants and property owners confronted each other in Rosebank, Johannesburg, over the abolition of rent control.

There was no mistaking the anguished concern of residents — mostly elderly women — who feared rent increases beyond their means and possible eviction from flats being converted to Sectional Title.

Property owners, outnumbered as they were, spoke out strongly against rent control and the lack of adequate financial returns on their buildings.

Eventually the meeting ended with the adoption of a resolution by 71 votes to 18 expressing grave concern at the prospect of the further phasing out of rent control.

The resolution also

called for a moratorium on the next five-year phase and the repeal of Section 39 of the Sectional Titles Act.

It also called for a survey into the application of the abolition of rent control.

INCREASES

The motion was proposed by Mr Alf Widman (PEP, Hillbrow).

At the suggestion of a rent consultant, Mr W Horabeger, it was suggested that as an interim measure, landlords should only increase rentals by 10 percent a year after the initial two-year period of 10 percent increases.

The meeting had been arranged by the PEP city councillor for Rosebank, Mr Christopher Newton Thompson.

As the debate wore on, it became clear that the

main problem in Rosebank was that pensioners with fixed incomes would not be able to pay increased rentals and did not want to buy flats under Sectional Title.

Mr Dave Price, a property owner, said he appreciated the social problem, but claimed that rent control had cost property owners more than R100-million, and that pensioners benefited from this.

He asked why property owners were being forced to solve a social problem.

But the tenants made it clear that they had moved into flats in the area because they wanted to maintain a certain standard of living.

Mrs Muriel Preller, who served on the Rent Board for 10 years, took Mr Nigel Mandy, CRDA chairman, and Sapoa councillor, to task for his support of the abolition of rent control.

She said the Government had not listened to valid consumer representation on the issue.

She said old blocks of flats should never have been brought under Sectional Titles.

ENGLISH I (PRE-1980)	3	(59)	1	1322106
ROMAN LAW & JURISPRUDENCE I	12	(62)	1	1190103
AFRIKAANS EN NEDERLANDS II	ABS		7	139814X
PUBLIC INTERNATIONAL LAW	3	(53)	1	110281W
ROMAN DUTCH LAW I	2	(60)		
ROMAN DUTCH LAW I	2	(62)	1	139856W
COMP AFR GOVT AND LAW I	3	(51)	1	1305390
ROMAN LAW & JURISPRUDENCE I	3	(52)		
ROMAN DUTCH LAW I	3	(56)		
ROMAN LAW & JURISPRUDENCE IUP		(54)	1	137806P
LATIN DUTCH LAW I	ABS		3	137243C
STRUCT & INTERP OF ACCIS	F	(42)	1	117171K
LATIN I	ABS		3	135970U
ENGLISH II	ABS			
ROMAN LAW & JURISPRUDENCE IARS	ABS			
ROMAN DUTCH LAW I	ABS			
ROMAN LAW & JURISPRUDENCE IUP		(52)	1	133096V
COMP AFR GOVT AND LAW I	3	(56)	7	134385W
COMP AFR GOVT AND LAW I	3	(52)	1	131836A
ROMAN LAW & JURISPRUDENCE I		(49)	1	132011G

UCPT

STUD NO 15026 B.A./LL.B.

SURNAME EXAMINATION RESULTS IN FACULTY ARTS

YEAR : 2

AS AT 29.02.80

PAGE 1

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ION	SYMBOL	
3	(52)	111062V
ABS		116983F
2	(68)	137001P
13	(55)	
2	(65)	
F	(36)	137345W
ABS		133987N
ABS		110635F

PROPERTY MAIL

Flat dwellers get a reprieve: but what about the investors?

123

RDM 26/3/80

A MINOR furore was created through the proposed amendment to the Sectional Titles Act in Parliament last month. The Government very rationally proposed that the Sectional Titles Act be brought into line with the Rent Control Act by allowing owners of dwellings to occupy their homes. In what can only be construed as a myopic political manoeuvre, the official opposition yelled "foul" and accused the Government of going back on its word to protect pensioners and the poor albeit through the forced provision by landlords of low rental apartments achieved by rent control.

Fortunately the Government stuck to its guns but laid down a time horizon — April 1, 1980 — for the implementation of the amendment. In line with its trend towards a freer market, rent control over blocks completed between October 20, 1949, and December 31, 1954, should be lifted by ministerial proclamation in April 1980, and

control on the remaining buildings still subject to the Rent Control Act should be lifted in April 1981. It is assumed that the minister had this date in mind in establishing April 1, 1980, as the effective date of the Sectional Titles Act amendment.

The arguments against rent control have been widely reported in the financial Press.

Most importantly, development of apartment buildings has been and still is inhibited. Rent control was cited by institutional and private developers as being the main reason why they would not contemplate residential block development or extend their ownership of such properties during the past decade.

And where they already owned such investments, returns were inhibited and below those which could be achieved through investment in other forms of property — commercial buildings, shopping cen-

Abolition of rent control is the most controversial property issue today. LES WEIL, joint managing director of J H Isaacs, sets out the case for abolition.

tres, industrial premises, etc.

The figures speak for themselves. The current cost of developing a block of reasonable two-bedroom units would be about R30 000 a unit. Allowing a 11% return and after expenses of running the building, rentals would have to be R350 a month. Even now, most two-bedroom units rent at half this figure.

Compared with other forms of "growth" investments, where the objective is to retain the purchasing power of capital and yield a reasonable return, landlords running apartment blocks have generally lost out. One could even say that they have made bad investment decisions.

Taking a number of rent-controlled buildings in the northern

suburbs of Johannesburg, which would provide a better than average sample than if the buildings were in central areas, an investor purchasing a property in 1970 at an 8% return would now be obtaining a yield of 12,4%. Had the investor purchased listed industrial equities, the comparative yield on cost would be 17,8%. During the decade, the cost of living index increased by 230% so that in real terms the apartment property investor is considerably worse off than at the start of the period, while the equity investor kept pace with inflation.

Valuing the properties on an 8% yield for purposes of disposal the property investor would realise 1,46 times the investment made in 1970 whereas the equity investor would realise 2,94 times. If, however, the blocks were sold under sectional title schemes, the property investors' realisation would come up to 2,9 times the 1970 investment. With rentals having fallen so far behind the rate of inflation and costs having kept up with it, can anyone blame a landlord for endeavouring to realise his investment through a sale of individual units — that is, assuming sectionalisation is possible, since not all apartment buildings lend themselves to this process?

Rentals in South Africa are considerably out of line with those prevailing overseas. For example, two bedroomed Gramerey Park apartments in Manhattan rent for R1 300 a month, though a similar apartment in San Francisco only fetches R600. Rentals in America have been rising at an average of 17,5% for the past three years. In South Africa, until very recently, they have been virtually static or have in-

creased at less than 10% a year. The other feature of overseas trends is that the proportion of rentals to earnings is tending towards 50% rather than the 25% norm that is generally applied in South Africa.

Whereas conversion of units previously available for renting is a relatively new phenomenon in the Republic, the trend towards fewer units available for renting is well established overseas. The National Association of Homebuilders in America estimates that 2% of multi-family rental inventory is disappearing each year and that the share of housing units occupied by renters has fallen to 35% today, compared to 45% in 1950.

It is clear that rentals must rise substantially before developers will commence building apartments for renting. Such rental adjustments will take time during a period when building costs are increasing at about 20% a year. It is therefore doubtful whether equilibrium will be reached in the foreseeable future. It seems more likely that we will continue to follow overseas trends with reductions on the stock of units for renting.

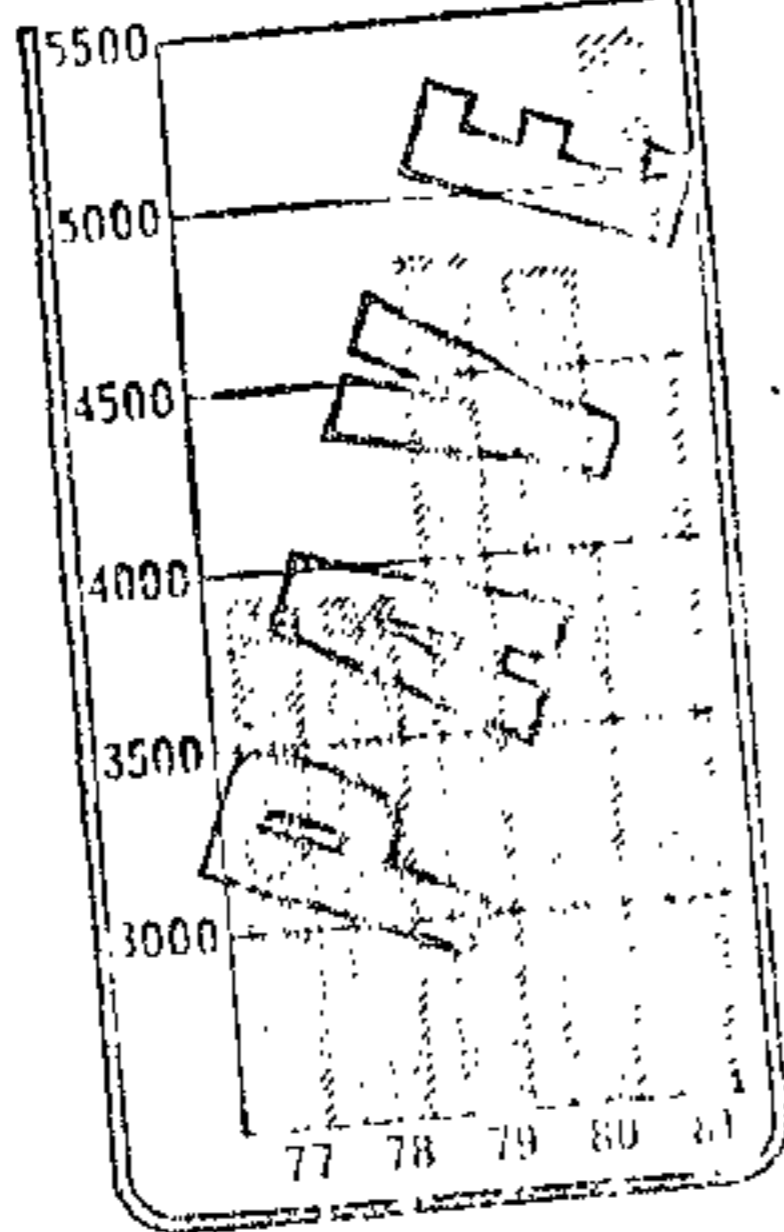
Oddly enough, it may be that the antithesis of rent control — subsidised development incentives from Government or local authority — that constitutes the necessary catalyst to increase the volume of rental units. These could either take the form of low-interest-rate, long term loans to developers or incentives related to taxation such as investment or initial allowances, coupled with benefit of being able to write off the building over say years.

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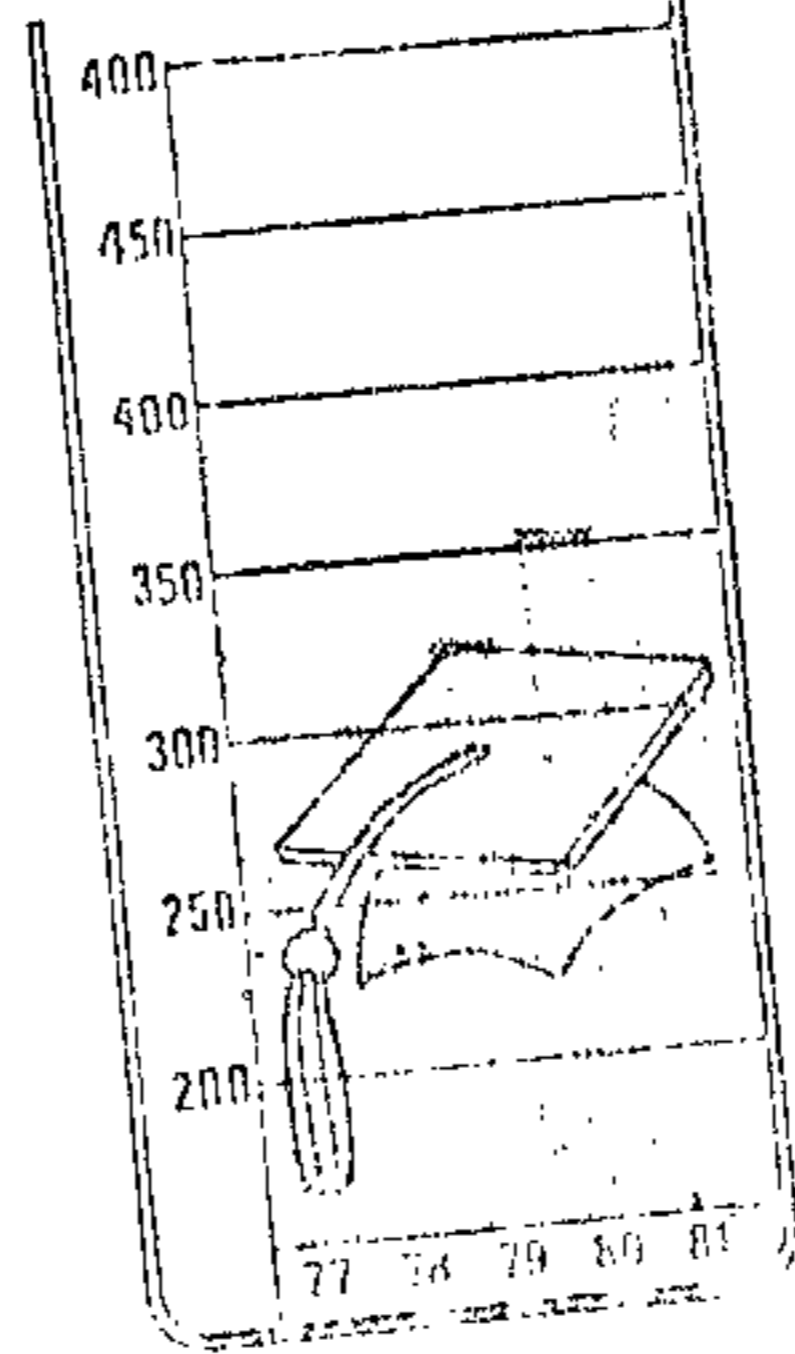
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BUDGET

Income tax



Education



Police



Home ownership will be encouraged

STAR 27/3/80 (223)

Political Staff
THE ASSEMBLY — Transfer duties on the sale of houses and flats are being adjusted and the capital of the National Housing Fund is being increased by R225-million, Senator Horwood said in the Budget yesterday afternoon.

He said it had been considered advisable to encourage home ownership by raising the present exemption from liability for transfer duty from the existing R20 000 to R30 000 in respect of a property with a dwelling on it or a flat under sectional title, and from R8 000 to R12 000 in respect of unimproved land required for the purpose of erecting a dwelling.

The rates of transfer duty for more expensive properties will be adjusted accordingly to

percent on so much of the value which does not exceed R30 000 and three percent on the excess over R30 000.

These reductions will start on April 1.

The concessions will cost R21.5 million in a full financial year.

Senator Horwood said housing remained one of the highest priorities and the increase in the National Housing Fund capital had been decided on because a special R250-million scheme instituted in November 1977 to stimulate the building industry had come to an end.

It also had to be accepted that the exceptional pace at which housing had recently been provided could not easily be maintained.

The Department of Community Development

was investigating methods by which a part of the mortgage of the Housing Fund could be transferred to the building society movement so as to enhance the return flow of capital to the fund itself.

The Minister also announced concessions for employers providing housing for their employees.

The ceiling on the deduction for tax purposes of the building costs of a dwelling for a farmer's employee will be increased from R4 000 to R6 000.

For other employees it is proposed that the existing allowance of 25 percent of the expenditure incurred be increased to 50 percent, with a maximum of R4 000 instead of the present R3 000.

This will apply from April 1.

EXAMINATION RESULTS IN FACULTY ARTS

STU13-9 17000 BACHELOR OF ARTS (HONOURS)

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FIRST NAMES

SHEILA JOSEPHINE HOWARD
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COURSE

LATIN

DESCRIPTION

AS AT 29 02 80

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Spending on black housing will double

Political Staff
THE ASSEMBLY. — Government spending on black housing will more than double this year, with a total of R73-million set aside for low-interest loans.

The Department of Community Development's R61-million allocation to black housing is R37-million more than last year. An additional R12-million has been thrown in by Senator Horwood from of the R296-million surplus carried over by the Exchequer during 1979/80.

The National Housing Fund, which finances the Department's housing projects, swelled from R187-million last year to R225-million this year.

The NHF will receive R225-million, 20.2% more than in 1979/80, reports Sapa.

Senator Owen Horwood said the Department of Community Development was investigating

methods by which part of the mortgage burden of the fund could be transferred to building societies in order to enhance the return flow of capital to the fund itself.

It was in the national interest that the building society movement fully support the initiative in order to channel a portion of their available housing funds to the lower income groups in this way.

He had made provision in the estimates for R215 000 000 to supplement NHF capital.

Because of the large scale redemption of capital to banks, building and financial concerns, and because the special R250-million scheme last November to stimulate the building industry had come to an end, he proposed that a further R10-million be included in the supplementary estimates to sustain the pace at which housing

was being provided.

Apart from the direct State assistance in the provision of housing, the Minister proposed that the present ceiling for deduction for tax purposes of the building costs of any one dwelling for farmers' employees be increased from R4 000 to R5 000.

For other employers he proposed that the existing allowance of 25% of the expenditure incurred be increased to 50%, with a R4 000 ceiling instead of the present R3 000. The revised allowances would apply to buildings started on or after April 1.

To further encourage home ownership, Sen Horwood proposed that the present exemption from liability for transfer duty be raised from the R20 000 limit to R30 000 on improved land and from R8 000 to R12 000 for unimproved land.

EXAMINATION RESULTS IN FACULTY ARTS

STU13-9

YEAR : 3

BACHELOR OF ARTS

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIF
10252110	BARROTT	PETER HARRY KATH D	603202	ROMAN LAW
0772010	ANDREWS	DAVID BRIAN	107301	ENGLISH I
1011480	BASKIN	MELANIE ANN	114101	RELIGIOUS
1018750	BUSSE	PETER GRAHAM	004301	PSYCHOLOG
1146940	COOKE	JOHN GEORGE	408204	GENGRAPHY
1154180	CUPIDO	ODILE ARLENE	101202	AFRICAN L
1114050	GURTIS	RICHARD MARK	911201	MATHEMATI
1009970	FABER	LESLEY SHARON	911103	MATHEMATI
0980970	FEKANE	SUSAN	004301	PSYCHOLOG
1136120	GATZOURIS	EUSTRATIOS JOHN	603301	ROMAN LAW
1010530	KLIJN	HELENA JANE J	110201	AFRICAN L
1023810	KRAUSE	INGRID GERTLINDE	115103	ITALIAN I
0978590	LEVELAN	LAURA JEAN	902201	ASTROLOGI
1011580	OOSTERBAAN	WILLEM DINANT	106301	ECONOMIC
0948350	ORRILL	ANALIESE LYNETTE	116317	ORAMA II
1113310	PLUTKIN	NADINE BETTY	107301	ENGLISH
1035190	SHUMAN	ANTHONY	117301	POLITICAL
1027190	SMALLHURNE	AMANDA JANE	802151	HISI & AP
1022570	TAYLOR	COLLEEN JANE	105103	GREEK & R
0339090	VALLEY-O-MAR	FAROUK ISMAIL	102302	AFRIKAANS
1011640	VAN DER ELST	JEAN-MARIE RICHARD	106301	ECONOMIC
			910101	STATISTIC
			910108	STATISTIC
1121050	VAN WYNGAARDT	AGNE-MAKEE	911201	MATHEMATI
1166060	VENIER	GILDA MARIA	102101	AFRIKAANS
1331000	VILJOEN	ADELE	107301	ENGLISH I

AS AT 20.02.80

PAGE 1

27/3/80

UJES

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Bifsa hoped for more

STAR 28/3/80

relief for home-buyers

By Frank Jeans

While the Minister of Finance is applauded for his Budget initiative for growth through the private sector and the man in the street, there is inevitably the disappointment somewhere along the line.

And while the Building Industries Federation (Bifsa) in common with all other sec-

tors of the economy is praiseworthy over Senator Horwood's expansionary measures, particularly with regard to low-cost housing, the federation had been hoping for even further tax concession for home-buyers.

Nevertheless, Bifsa welcomes the Minister's "stated intention" for the standing commission on taxation to thoroughly investigate the entire question of

tax incentives."

Says a Bifsa spokesman: "What we missed particularly (in the Budget speech) was no reference whatever to tax concessions to first-time home buyers, on property taxes, or a positive assurance that housing benefits would not be taxed, all of which were proposals submitted recently to the Minister by Bifsa."

The federation views with some trepidation

the Minister's remarks on interest rates, and says: "Contractors and the public alike should heed the implied warning of the Minister that present rates are abnormally low."

"The implication is clear — build now."

The allocation of an additional R225m for the National Housing Fund, as well as the transfer of funds from building societies to the funds, all of which will help to alleviate the housing shortage among the lower income groups, come as a "shot in the arm" for the building industry.

Says Bifsa: "The whole housing situation must receive a shot in the arm from increased earnings for Government servants, civil servants and decisive across-the-board income tax reductions."

"This will put more money into the pockets of potential home buyers."

In the area of private housing, which represents about 30 percent of the industry's output, the federation welcomes the reduction of transfer duty which was "in line with a recent submission to the Minister."

Housing injection welcomed

South Africa's building societies are grateful for the role which has been handed to them from the Minister in the battle to ease the housing shortage among the lower income groups, writes Frank Jeans.

By injecting mortgage loan funds from the Department of Community Development — thus re-channelling money to the department for further loans, a spurt will be given to the provision of homes for the non-white groups.

Building society circles point out that this will give the movement

money in the long-term to make a repeat operation feasible."

Mr Dodds said the increased allocation of money to the National Housing Fund was greatly welcomed because of the "crying need for more housing for the lower income groups."

The president, however, referring to the fact that in all Budgets, there were items "that some would have wished were different," said the decision to reduce the permissible maximum investment in building society tax-free subscription shares from R150,000

to R50,000 was viewed "with some dismay."

Says Mr Dodds: "In the long-term, this could add significantly to the difficulty building societies face in attracting sufficient funds to meet the ever-growing demand for housing loans."

"Furthermore, the possible resulting drain of funds, which will have to be replaced by more expensive money, could exert an upward pressure on the mortgage rate."

Mr Dodds also pointed out that the present high level of liquidity in the movement was exceptional, and unlikely to continue indefinitely.

Housing vote will fall far short of black backlog

STAR 28/3/80

123

Own Correspondent

The R73-million voted for low-cost housing for blacks in the Budget is enough to build only 12 500 new living units at today's construction costs.

This is a far cry from the 34 000 homes required yearly to accommodate the natural increase in the number of blacks — and an even further cry from solving the group's housing backlog, estimated at 163 000 units.

BACKLOG

The money voted for the same type of accommodation for the white, coloured and Indian communities is equally inadequate and it could lead to the shelving of projects worth almost R300-million.

The R225-million allotted for low-cost projects for all groups will be boosted by R35-million in repayments due to the National Housing Fund, giving a total of only R260-million.

This will not even pay

for the various schemes under construction at the end of last year. A further R331-million will be needed to complete them all.

Plans for new schemes approved this year will cost an estimated R317-million, but it now seems unlikely that these houses will materialise.

In September last year figures were released which showed the country would have to spend about R550-million annually to eliminate a backlog for all groups of 237 000 units and to overcome the effects of population growth.

● The Star's political staff in Cape Town reports that Government spending on non-independent homelands is to go up by about 30 percent this year to R421,7-million. This does not include the R89-million to be spent on the further consolidation of the homelands.

Blocks take the place of bricks

STAR 28/3/80
75
123

Manufacturers are to double their production of cement blocks to 1,4-million a month to meet a soaring demand that has been increased by the Budget announcement this week on subsidised black housing loans.

The Minister of Finance, Senator Owen Horwood, said this week that R12-million is being set aside for low interest loans for housing and infrastructure in urban residential areas.

With a severe shortage in the clay brick industry and a six-month delay for cement bricks, cement marketing manager Mr Tony Barron said "the block industry can cater for the demand, and a little bit more, even."

He said at double capacity they would be producing the equivalent of 7,2-million stock bricks from one factory alone.

At R38 for a thousand blocks this will mean a monthly turnover of over R27-million.

By Frank Jeans

MANY urban blacks might well be unfamiliar with the broad principles of the 99-year lease system which brings home ownership to them.

And spelling out the vital differences between 99-year-lease and the present 30-year right of occupation is Mr Philip Sceales, chairman of the United Building Society.

Introducing the UBS's first black housing project at Sebokeng Zone 14, near Vereeniging, Mr Sceales said: "For more than 10 years we have fought and battled to bring about black home ownership.

"We have still not got to the point of freehold title for urban blacks, but today you see nine houses which have been built and sold under the 99-year leasehold scheme."

The 99 year lease is tantamount to freehold ownership said the United chairman, and he had no doubt that within a few years that is what it would become.

Mr Sceales then went on to spell out the advantages of 99-year lease compared with 30-year occupation, which, he said, was frequently referred to as the 30-year home ownership scheme.

"This is totally misleading, and I think it is important that the difference between both schemes should be spelt out," said Mr Sceales.

A 99-year lease:

- Cannot be cancelled even for non-payment of rental or levies and even if the holder ceases to be a qualified person.

- Can be mortgaged.

Black homes schemes spelled out

SUN. TRIB
30/3/80

537
123

- Vests land and improvements in the owner who can resell at a profit to any qualified person of his choice for whatever price he can get.

- Can be bequeathed and if the heir is not a qualified person the heir can sell it for his own benefit.

- Can be insured by the owner.

- Can be altered provided the plans approved by the competent authority (community council).

- Denies board officials right to entry and inspection.

- Makes initial cost of grant more expensive and finance must be obtained at building society rates.

A 30-year right of occupation agreement

- Can be cancelled in terms of Government Notice R1036 for a variety of reasons.

- Cannot be mortgaged, or pledged, except with consent of the Board and then only by notarial bond.

- Only improvements belong to owner and he can sell only to a person approved by the Board at a price determined by the Board in the case of disagreement.

- Cannot be bequeathed and must be disposed of to a person approved by the Board at a price approved by

the Board.

- Is insured by the Board.

- Can be altered only with consent of township manager.

- Allows Board officials to enter and inspect at any time.

- Cost of grant is less and financed at Community Development rates.

Mr Sceales said the UBS had more than 400 black developments under examination for this year at a cost of R7-million, and these projects would spread throughout the country in black urban areas from the Cape to the Transvaal.

STAR 54
31/3/80 (123)

GENE

90 pc loan limit now up to R35 000

By Frank Jeans

The Natal Building Society has brought home-ownership within reach of many more people with the announcement that it is now granting 90 percent loans on homes valued up to R35 000.

Previously, the limit on 90 percent loans was R28 000.

On NBS-developed properties, the percent level will apply to homes valued at up to R40 000.

This raising of the NBS lending limit will also help to counteract the current boom in home prices.

The R7 000 increase has been made possible through the operations of the NBS's insurance company which will provide the guarantee required in terms of the Building Societies Act.

"The guarantee is obtainable by the payment of a modest single premium to the NBS Insurance Company," says a spokesman for the society.

South Africa's other major building societies are also looking at the 90 percent bond level.

20 percent rise in some flat rents expected

123
Star
5/4/80

By Josie Brouard
Tenants of flats in buildings inhabited after 1960 and before 1965 can expect rent increases of at least 20 percent with the expiry this month of the two-year moratorium, on rent control.

A proclamation by the Minister of Community Development, Mr Steyn, is expected this month on the termination of the two-year "breather" period for flats inhabited during this period.

These will be the first flats previously under rent control which will have restrictions on rents lifted. Rent rises were previously pegged during the moratorium at 10 percent a year.

Mr L. Bouche, secretary of the department, said an official date had not been set for the proclamation as the matter was still under consideration.

PROPERTY

He said the 10 percent restriction on the raising of rents during the phase-out period has been more of a brake on rent increases than rent control itself.

"Flats which now become decontrolled will become subject to supply and demand — and rents can be expected to go up. But people coming in after 1965 are still protected in terms of the Act," Mr Bouche said.

He said Mr Steyn's proclamation would not only decontrol flats inhabited between 1960 and 1965, but was expected to nullify the beginning of the two-year moratorium for flats inhabited after 1960 and before 1965.

Flats inhabited between 1965 and 1970 will enter the second year of the 10 percent restriction period, Mr Bouche said.

Flats inhabited after 1965 have never been subject to rent control, but cases of landlords exploiting tenants can mean that rent control be instituted or reinstated, the Minister has warned.



123

REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

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Vol. 178]

CAPE TOWN, 9 APRIL 1980

[No. 6920

KAAPSTAD, 9 APRIL 1980

DEPARTMENT OF THE PRIME MINISTER

DEPARTEMENT VAN DIE EERSTE MINISTER

No. 654.

9 April 1980.

No. 654.

9 April 1980.

It is hereby notified that the State President has assented to the following Act which is hereby published for general information:—

No. 11 of 1980: Housing Amendment Act, 1980.

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 11 van 1980: Behuisingswysigingswet, 1980.

PM's council

plans new housing probe

STAR

11/4/80

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Own Correspondent

The Prime Minister's Economic Advisory Council is to take an in-depth look at South Africa's housing problem, it has been announced in a statement in Pretoria on the council's last meeting.

many, so called, mysteries of the African

Dr Hromnik's research has taken him to Zaire, Angola and Portugal. He is at present in Harare, Shona and Bantu expansion in eastern Africa.

8. YOUR CHILD'S CAREER AND YOURS 28 January - 1 February

In this series of five lectures presented by the U.C.T., and Edwin de Broize, Careers' Information Centre, Claremont, will address persons concerned with guidance, e.g. parents, teachers, officers, etc. Their aim will be to co-ordinate guidance. Mid-career change will also be discussed.

9. THE CHURCH STRUGGLE IN SOUTH AFRICA 28 January - 1 February

Since the 17th century, the Church has played a significant role in shaping the life and ways the Church continues to fulfil this role in the most dominant institutions within the English-speaking communities, and is facing crucial issues facing our society. Perhaps in our contemporary world, the Church today!

At the same time, the Church in South Africa is a divided institution, but a house that is divided against itself. The tension between Black Christians and White Christians, English and Afrikaans, and more recent dynamic movements such as the Black Consciousness movement, indicate the tension. But the tension is nowherelse more acute than in the political issues, resulting in considerable

This series of lectures is designed to probe the contemporary situation, to examine the role of the Church in South Africa today, and the Church in our country.

It said that for various reasons relatively few blocks of flats were erected for letting last year, resulting in a shortage of housing for whites in the middle-income groups.

The council also took note at the meeting of the backlog in housing for "persons of colour, especially blacks."

It was emphasised that the State could not simply act as an entrepreneur in these spheres, particularly in the light of the Government's declared intention to leave economic activities to private entrepreneurs.

PROBLEM

The council decided to have an in-depth discussion on the housing problem at its August meeting to provide an opportunity to investigate the problem "within the broad perspective of the economic capacity and priorities of South Africa."

The discussion would be based on background papers prepared by the secretariat of the council in co-operation with the Department of Community Development.

The council also decided to take a "searching" look at the problem of inflation at its next meeting in May.

Inflation remained a serious problem and was given more attention than usual in the council's discussions, the statement said.

The council believed the training of the domestic labour force should continue to be a top priority but in the short term, "and purely as a tide-over measure," immigration could play a valuable role.

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Govt trembles on the brink

HOUSE OF ASSEMBLY. — The quickest and most efficient way to a realistic sharing of wealth in South Africa was immediate black involvement in the free-enterprise system, Mr Bill Sutton (NRP Mooi River) said.

Mr Sutton said one of the greatest problems was that the government was not prepared to take the first step towards changes that were necessary.

"Decisions need to be taken if there is to be real progress. Government policy so often stands in the way or has stood in the way and still trembles on the brink of change.

"One of the greatest of all problems is rural poverty in the homelands — the show window of government policy.

"Consolidation into real political entities is an impossible myth, even in terms of current thinking.

"As an alternative, why not complete the 1936 purchases and recognize the failure of the homeland experiment of Dr Verwoerd as a solution to the black-white problem?

"Use the money spent on purchasing white farms to fund real agricultural development in the homelands."

Churlish

As far as the Budget was concerned, it would be churlish not to recognize the Minister of Finance's achievement in holding state expenditure to "zero" in real terms. The Budget gave welcome evidence of strict discipline and also the minister's realization of the importance of the private sector to the national economy.

He suggested the abolition of all fringe benefits and tax-free investments and felt that tax should be levied at a realistic rate "which will not overburden the upper tax group who are seeking these benefits".

The gold-tax formula should also

be reviewed. The tax had been designed for a specific purpose, which was fair to all parties at a certain gold price level. It should be cut off at a certain level above which the money could be used for other purposes.

Bread, maize

The full amounts of the increased bread and maize prices should be subsidized. How the minister could cut the maize subsidy by R10 million was "unthinkable".

"The minister is cutting taxes to put more money in the pockets of the public. Why not cut input costs and put more money in the pockets of the farmer and at the same time reduce food prices?

"I would like to ask the minister to try to identify input costs which can be abolished or reduced."

Mr Sutton moved an amendment on behalf of the NRP that the House decline to approve the second reading "because the government has failed to identify and take appropriate action to remedy areas of great need in our economy and has accordingly failed to:

- Involve private enterprise in solving the black housing problem.
- Adopt a realistic approach to the consolidation of the homelands.
- Provide real incentives for training black manpower.
- Provide a comprehensive programme for the adequate care of the aged.
- Provide a real foundation for a total strategy designed to safeguard all South Africans from communist aggression." — Sapa

TODAY

HOUSE OF ASSEMBLY. — Today's business: Resumption, Budget debate. — Sapa

share of whatever is caught on his boat. Suppose each still gets an equal board. In effect, the fishing crew must rent space to collect a fee from those fishing on owner stays on shore shore while the boat is low four (or five) per charge each a fee of person will pay from obtained from the day each person with just the total payment to the fish times 4 people equal the entire social gain. A fifth person (still on shore) could be more profitable to total catch is divided ermen, each would get more than the four shore. So they would for the right to be on again gives the owner a marginal product o could catch on shore increase by adding the value of the boat is exactly the maximum caught through use of it is paid to the boat part of society. Review again Fig gains in output on be are added. The consi four fish indicates

ght to determine how the boat that is achievable only if: (a) is the number that maximizes in this example is that five

om shore [995] or on board member there are 1000 people to get on board. The social the boat owner by people's of fish is maximized, with most are allowed on board; present private-property ar-

owner would refuse six on 14 with four (or five) people six people is 12 (= 6 x 2). That difference—the fee he on board minus what could be at most 2 (= 6 - 4, the social loss of two fish. The but four fish from shore are board, the marginal on-board

ard just equal to the mar- fishermen on board gives a the owner is at a maximum arginal products are equal. er, is the shaded area out product on shore. The gain, final product on the boat boat. When five people are ster essentially all that ex- to fish on board would bid ght to fish on board. Com- marginal product over his

the boat owner some part of excess of the four he could catch on shore, he ber would yield a marginal product on the boat in earned on shore. As long as another crew mem-

Rethink

123

340

on black

133

housing

17/4/80

Asys

is urged

THE Government must rethink their black housing policy and this must be linked to community development with the emphasis on creating jobs, the SA Federated Chamber of Industries has said.

Following a recent tour by senior industrialists of low cost black housing areas in South Africa, including the Western Cape, the FCI said that a new approach was needed.

In its news bulletin, the FCI lists several points which must be considered in the new approach.

Adequate tenure should be granted on land adjacent to areas that offer

employment opportunities.

Housing should be regarded as 'an organic and dynamic process, subject to gradual and sustained improvement as time and circumstances permit.'

The FCI felt the various communities would have to participate 'to some extent or other' in providing for their own housing needs.

'This may well imply a change in the Government's housing subsidy system where ability to pay does not at present play a role so that high and low income earners are all subsidised to the same extent.'

HOUSING

Shelter and tax

123. Fm 18/4/80

Senator Horwood's concessions to employers who assist their workers with housing are aimed at overcoming the national housing shortage through involving the private sector.

The effect of the scheme is that when company erects houses for employees, or gives funds towards erection costs, 50% is now deductible from tax incurred in the year the money is spent. This is up to a maximum of R4 000 for ordinary employers, and R5 000 for farmers who may deduct the full amount.

According to Sharon Manfred, of the Urban Foundation: "This is in line with the Riekerk recommendations which place an increasing onus on the employer to assist with housing."

The concessions represent an increase of almost a third over last year's provision. But not all are satisfied. Says Mahmood Hassan, senior lecturer in taxation at UCT's accounting department: "Much more could be done. The concessions are not terribly significant in the face of the chronic housing shortage for low income groups, and in view of significant building cost increases."

Adds Nic Olivier, the PFP's research director: "I'm not happy with the R4 000 limitation. Private enterprise could have been involved to a greater extent by raising the limit and making it possible to build in areas where land belongs to government; and by giving employers the necessary security in black townships. Employers are basically acting as agents of the administration boards at present."

In addition, the concessions only apply to the costs of erecting new buildings.

This will only scratch the surface of potential demand, as black home ownership now appears limited to an affluent minority. To really work, the benefits should be extended to include improvements to, or purchase of, existing dwelling units.

To what extent are employers actually becoming involved in employee housing? In SA the mines, Iscor, and Escom have built entire towns for their employees. And a survey last year of 36 Cape Town firms showed that 34 were assisting employees with housing in one way or another. However, group housing policy was often on an *ad hoc* basis.

One clear trend is emerging. Increasingly, employers are offering employees financial assistance, rather than actually building towns or houses. The reason is simple. As Dave Dewar, associate professor of planning at UCT, says: "It is not so much a housing problem, as a money problem; if people were paid adequate wages they could satisfy their housing needs independently. The vast majority of urban blacks earn under R200 a month, so rely on their employers for assistance."

In the long term, employers benefit by employee loyalty and a stable work force. However, in the short term, there are more obvious returns. According to Hassan: "If the housing benefits are written into the employee's contract, they are tax



Olivier . . . not happy with the R4 000 limitation

deductible. If the housing allowance is made a compulsory part of the service agreement and is legally binding and not a gratuitous outlay, the full amount may be deducted — although it will be taxed to a certain extent in the hands of the employee."

However, for low income employees the affect on personal income is insignificant. For example, since the Budget, a man with four children earning up to R7 000 will not pay tax.

Your R30 000 home could cost R70 000 by 1987

INFLATION—AND HOW HOUSE COSTS WILL SOAR

SUN. TRIB
20/4/80
(123)

SMALLER HOUSES, SMALLER PLOTS AHEAD TO KEEP PRICES DOWN

By COLIN VINEALL Property Editor

A FRIGHTENING forecast of the cost of homes in just a few years time was made this week by the chairman of a homebuilding company in Natal.

Deryck van Rij, who with his brother Reg, heads up the construction company Derreg of Pinetown, said if inflation continued in the building industry at only 12 percent, a house costing R40 000 now could cost R95 000 in seven years' time.

But, he said, if costs kept rising at around the 20 percent mark as indicated by the Bureau of Economic Research at the University of Stellenbosch, that same R40 000 house would cost R143 000 in 1987.

Van Rij's own feeling — through experience, he says — puts the annual rate of increased costs lower. Yet he points out that even at his reduced estimate, a house costing R30 000 now would cost R45 000 in three years time; R55 000 in five years and R70 000 in seven years.

Even then, says Van Rij, South Africa will still have cheap housing compared with Britain, the rest of Europe and America. Houses at the prices he forecast were being sold elsewhere in the world, even in Britain, with a 15 percent mortgage rate.

"People are queuing up for them," he said. While Van Rij feels the 12 percent inflation rate over a long term is more realistic, he added that the 20 percent rate was not impossible.

He said his company had experienced a remarkable increase in business with contracts for home building worth R2 million signed in the

first two months of the year. Business was so much in excess of the first quarter of 1979 as to be dramatic.

"People are buying houses and in view of the forecast increase in costs it makes sense to do it as quickly as possible."

Asked how people are able to afford houses at such high prices, he said that they "make it somehow".

And he added the following points:

- Interest rates were the most important aspect of inflation in the property market. An increase of one percent was equal to 10 or 12 percent inflation by affecting what a person could afford.

For example, if the rate was nine percent borrowing then a man earning R1 080 could afford a R30 000 house with repayments of R270 a month — meeting the requirement that repayments must not be more than 25 percent of salary.

If it were R10 per R1 000, the man, earning the same R1 080 would still only be able to repay at R270 a month but could only borrow R27 000 — three thousand less.

- The country had an abundance of labour which is grossly under-utilised. And the reason was that there is an abundance of legislation inhibiting the productive use of the labour.

Rationalisation of the labour market would bring about an easing of costs slightly, because of the bigger supply, and would put more money into the hands of the black people. This would

WHAT HOUSES WILL COST TO BUILD

IF R40 000 NOW

IF R30 000 NOW

At 20%	At 12%	At 20%	At 12%
1 year R48 000		R36 000	
2 yrs R57 000		R43 000	
3 yrs R69 000	3 yrs R60 000	R51 000	R45 000
4 yrs R82 000		R62 000	
5 yrs R99 000	5 yrs R75 000	R74 000	R55 000
6 yrs R119 400		R89 000	
7 yrs R143 300	7 yrs R95 000	R107 400	R70 000

boost the economy which means more houses.

Van Rij forecast South Africans would have to get used to the idea of the smaller urban plot and less pretentious homes.

"The South African sees more value, however, in bigger houses and will tend to cling to them for as long as possible."

Blair Ewing, group communications director of homebuilders Schachat Cullum, believes the BER forecasts of building costs are if anything under the figure that exists.

Both the land element



Deryck van Rij

and building material costs are rising and, he says, there is nothing

home builders can do.

"Materials are mostly price controlled and yet it has been the price-controlled materials that have increased most, even during the lean years," he said.

"The other element, of cost, labour, has been pegged fairly low during the bad years but is now feeling its muscles.

"The only control can come from the buyers who must be prepared to cut out some of the fancy finishes."

On second-hand homes, Ewing thinks prices could be checked if the finance from building societies for large loans dries up.



'Do not always condemn slums'

100M 22/4/80
 EAST LONDON. — People were accustomed to condemning slums outright, but in many cases it was an attempt by the new urban dweller to provide shelter for himself, Professor F D Wallace van Zyl, head of the Department of Urban and Regional Planning at the University of the Orange Free State, told the 46th conference of the National Council of Women of South Africa in East London last night.

Prof Van Zyl said that rather than fight the tendency of people wanting to provide shelter, the authorities might provide sites and services as a first phase in a mass housing programme.

"We have an inevitable drift of population to the cities. Within South Africa we have both the developed and developing nations."

He said the second phase in mass housing programmes was

the so-called "upgrade phase". In this there is a permanent construction, with the service core of kitchen, bathroom and living-room provided. People then added rooms when means were available. It was important to encourage the informal economic base as soon as possible. This created community and a sense of economic purpose.

The conference was told that the new city dweller had problems, but they were worldwide. Whether in Rio de Janeiro, Hong Kong or Soweto, the same basic social drives were in operation. People were seeking to improve themselves.

Whether this involved home ownership, leasehold of land, or other devices was a technical matter. The important point was that the citizen should have a say in some of these administrative decisions.

A revised budget (if you think revisions are called for), adhering as far as possible to the same order as that used for the data above, showing which job you (as a director) prefer, with short notes explaining your guiding principles and any calculations. Both jobs would last 12 months; no other jobs are being done or are likely to be offered.

Required:

- (b) Manual labour is hired locally from week to week.
- (d) All the plant needed for Southampton has been owned for some years. £1,600 is the year's depreciation (straight-line) in the financial accounts. If the Hull job is taken, less plant will be required, and the surplus items will be hired out for the year on similar work at a rental of £750. Interest is based on a memorandum entry, at 5% of original cost, in the cost records.
- (f) Office and general expenses amount to about £1,800 every year.



The president of the National Council of Women, Mrs Sheila Mackenzie (right), with the guest speaker at the opening of the NCW conference in East London yesterday, Prof W. van Zyl of Free State University, and Mrs Molly Enslin of Durban, incoming national adviser for environment and habitat.

Housing problem outlined

EAST LONDON — People were accustomed to condemning slums outright, but in many cases it was an attempt by the new urban dweller to provide shelter for himself. Prof F. D. Wallace van Zyl, head of the department of urban and regional planning at the University of the Orange Free State, told the conference of the National Council of Women here last night.

Prof Van Zyl said that rather than fight the tendency of people wanting to provide shelter, the authorities might provide minimum sites and services as a first phase in a mass housing programme.

Such basic services as water supply, rubbish collection, rudimentary roads and communal washing facilities were essential.

The second phase in mass housing programmes was the so-called upgrade phase. Here the first permanent construction made its appearance. The service cor consisting of kitchen, bathroom and living room was provided.

The inhabitants then added extra rooms when the means were available. It was extremely important to encourage the informal economic base in housing settlements as soon as possible. This created community and a sense of economic purpose, Prof Van Zyl said.

The new city dweller had unique problems, yet they were world wide. People were seeking to improve themselves with a roof over their heads, he said. — SAPA.

Get rid of prejudices says NCW president

EAST LONDON — South Africa needed good race relations and members of the National Council of Women should continue their steps towards a better understanding among the peoples of the country, Mrs Sheila MacKenzie, the council's president, said at the NCW conference here last night.

Mrs MacKenzie urged members to rid themselves of old prejudices and take a fresh look at the role they had to play as individuals in South Africa and the world of the future.

"More than ever we need to see people as people and not merely the colour of their skins," she said.

Listing the priorities of women in the new decade, she mentioned adequate housing in a secure community and education of all children. The NCW must press not only for compulsory education for all but also for the provision of text books and the

re-introduction of feeding schemes to ensure that children were able to derive the maximum benefit from the school provided.

She said several of South Africa's laws inflicted hurt and hardship on many of the country's people.

The organisation should continue to press for the removal of all hurtful legislation, she added.

Cognisance would have to be taken of the four pressing needs listed by moderate blacks who told of bitterness, anger and frustration among their people — the repeal of pass laws, cessation of the mass removal of black people from one area to another, the replacement of black education by a system of national education and a national convention at which the place of the people of colour in South Africa would be discussed.

It was necessary that women should continue to be conscious of their

duties in the home — good wives and mothers would ever be the mainstay of the country, Mrs MacKenzie said.

Employment was the main problem facing East London, the Mayor, Mr Donald Card, said when he officially opened the congress.

Mr Card said one of the reasons leading to this huge problem had been

the failure of decentralisation.

He hoped the conference could make some contribution in sorting out some of the problems faced by the area.

The president of the local council of the NCW, Mrs Betty Small, also welcomed the guests who comprise members from all over South Africa and Botswana. — DDR-SAPA

No to abortion changes

EAST LONDON — The board of officers of the National Council of Women of South Africa believes the organisation can play a positive, educative role towards a situation where no woman should need an abortion, except for therapeutic reasons.

The NCW last year conducted a free vote of its members and affiliated societies on whether certain clauses in the Abortion and Sterilisation Act, 1975, should be amended.

From a report released here yesterday, it is evident only a minority of NCW members favour the proposed changes.

Pro-life, an affiliate of the Cape Town branch council, recorded a national

vote of its total voting strength of 13 469 — all against.

The report stated the claim was often heard that women should have the right to decide what use was made of their bodies, and asked whether this right should not be exercised at all times and not merely demanded when a woman was faced with an unwanted pregnancy.

"Women should be aware of the facts of life and their rights, duties and responsibilities," the report said. Human nature being what it was, the situation where the only pregnancies would be wanted ones was probably an unattainable Utopia. — SAPA.

Plenty of benefits will be the result

123
23/4/80
URM

ANOTHER property leader has lashed out at criticism surrounding the lifting of rent control as being totally uninformed and failing to present the very real positive social benefits that it will bring about.

The attack comes from Mr Boet van Straten, managing director of Urban Management Company, an operation that provides a professional management service on behalf of owners of some 4 000 flats and townhouse units on the reef.

Van Straten argues that very real social benefits will result from the lifting of rent control.

He cites a survey to establish trends in the wake of lifted rent control and the rush to convert flats for sale under sectional title legislation.

The flats in the survey were drawn from among Urban's own Johannesburg portfolio of managed blocks, and were sited in Bellvue, Berea, Norwood and Killarney. He believes the trends that emerged in the survey will be repeated, with some variations, countrywide.

Mr Van Straten's conclusion is that there are plenty of benefits to be had from dismantling rent control and the spin off in conversions.

Chiefly, he says, property ownership is now within reach of a broader section of the population "and that can't be bad".

Secondly, existing flat accommodation is being given a new lease of life as a result of up-grading by developers, prior to sales under sectional title.

Thirdly, he argues, returns on flats are not far off the point where developers will once again find them an attractive investment.

Thus, he believes the lifting of rent control may create a temporary shortage of flats, but will lead, in a year or two, to new blocks coming onto the market, with natural supply

PROPERTY REPORTER

and demand factors re-asserting themselves.

Specifically, Van Straten's survey showed that of the 250 flats involved, 47% had been sold to their previous rental tenants, 21% were sold to buyers who came from other formerly rented flats, 24% were sold to investors, and only 8% were sold to buyers who previously owned a house or a flat.

In other words, points out Van Straten, only 20 of the flats were effectively removed from the letting market.

The flats surveyed were all 20 years old or more, and were all multi-storeyed blocks, ie: typical rent control blocks.

In 90% of the instances, the buildings were run down, and more than a little sleazy. The opportunity to sell them, however, caused owners to invest an average R27,80 m² sprucing them up.

"Their useful life has therefore been extended in all cases," comments Van Straten.

Moreover, the new owners have become property owners at a bargain, since the survey showed that, taking into account land values and replacement costs, the units are worth R268 m² while the purchase prices averaged R198 m² — an effective 24% discount.

Adds Van Straten: "All the blocks are close to the city centre, where suitable development land for flat blocks is simply unobtainable. The net result is an improvement of the overall environment with the owners and developers realising a fair profit for their investment and the buyers gaining possession of a valuable stake in bricks and mortar.

And what of the little old ladies syndrome? says Van Straten. "In all the hullballoo over lifting rent control, one vital point has been overlooked. And that is that sub-economic earners with an income of less than R350 per month if single, and R500 per month with a family of four are protected under the Rent Acts from eviction anyway. So what is all the fuss about?"

(123) RDM 25/4/80

'SA needs 40 new towns in 20 years'

Pretoria Bureau

FORTY new towns costing R1 000-million a year to maintain will be needed by the end of the century to house the urbanised population — at present growing at the rate of 500 000 a year.

This is the forecast of Pretoria town planner, M. A. E. van der Spuy.

And he advocated taking a leaf out of the squatters' manual to beat the problems of providing low income housing — encouraging a "do-it-yourself" approach among residents to improve housing standards in this group.

Mr Van der Spuy told the conference of the SA Institute of Town and Regional Planners in Pretoria yesterday: "Where

low income housing schemes go wrong is when unrealistically high standards are demanded.

"There is evidence that squatters construct dwellings which may appear ramshackle, but which are actually larger in area and cost them a lot less than the official minimum shelter.

"In the long run it may prove wise to build accommodation which is in keeping with the socio-economic circumstances of the residents.

"In many instances, people with low incomes are actively discouraged or prevented by legal and administrative procedures from improving their homes. Excessive public expenditure on management and maintenance could be avoided if these constraints were

removed.

"It should be possible for occupants to extend, improve and maintain their homes, which they may prefer to do themselves. This is probably the most important single factor in raising standards generally in residential areas," he said.

Another speaker, Dr C. F. Swart, a senior researcher at the Institute for Urban Studies at the Rand Afrikaans University, said: "Although Africa is the least urbanised continent, the tempo of urbanisation is fastest here, bringing about conditions of unbelievable overcrowding, grossly inadequate construction and shanty towns in nearly all urban areas, and conditions are worsening in bigger cities."

Dr Swart told the conference a survey in Soweto by his institute found:

○ That although the average household consists of 7,14 people, 75% of the households have only two bedrooms, 20% have only one bedroom, only 5,8% have bathrooms and 12,8% have indoor lavatories.

○ Six out of 10 occupants are dissatisfied with the management and administration of the area.

○ A total of 90,2% of respondents to the survey prefer separate, single residences. Not one indicated a preference for living in a flat block.

○ The electrification of Soweto is rated as an even higher priority than the provision of water.

Rising

(123)
home

CDM 25/9/80
costs

worry State

CAPE TOWN. — The question of housing — especially for the middle-income group — had become a matter of growing concern to the Government, the Minister of Community Development, Mr Marais Steyn, said yesterday.

"More than a year ago, when it became apparent that an upswing in the building industry was at hand, I warned all interested parties that they would have to do everything in their power to keep the unit cost of housing within limits, or else it would spiral out of the range of the average aspirant owner," he said at the official opening of the "Houses for the Eighties" homes exhibition at Parow.

With building costs rising by approximately 20% last year, and with the possibility that the 1980 cost increases could equal those of 1979, it has become apparent that South Africans cannot continue to enjoy homes of the highest standard in the world at a cost, which until recently, was among the lowest in the world.

"If we wish to maintain a good standard of housing in the future, and promote homeownership as far as possible to the advantage of all South Africans and everyone who has connections with the housing industry, we will have to reflect seriously on our responsibility to keep the cost of housing as low as possible."

Mr Steyn said sight should not be lost of the fact that the provision of housing involved expenditure which would have a negative effect elsewhere in the economy.

He warned that unless housing costs were kept within the means of prospective owners, and the country could afford the costs involved, the Government would have no choice "but to look again at the role of housing subsidies and to consider ways to convince prospective owners to adjust their sights."

Labour took an estimated 37% of total building costs, and this cost could be reduced by better planning and more effective use of labour. A streamlining of the "paperwork" and red tape involved in the building process could also help to cut costs.

The Government was working hard to streamline township development, and an investigation was being undertaken into the standardisation of local services on a national level.

Yesterday the Minister also criticised the Black Sash for speaking to the Press about a confidential meeting on Wednesday, and said its action was a "publicity stunt".

The meeting between the Minister and three Black Sash delegates was to discuss the coloured housing situation in the Western Cape. A detailed memorandum by the Black Sash was used as a basis for discussion.

The memorandum, which was released to the Press after the meeting, said there was a worsening situation and gave illustrations.

Mr Marais Steyn said yesterday: "We had a long talk and exchanged views frankly. I don't agree with what they said. We agreed not to make a statement to the Press on this meeting. It now appears to be a publicity stunt on their party. I have no other comment."

The memorandum said the work of the Black Sash as a "contact" organisation had exposed them to the attitudes and reactions of a "wide range of the victims" of the Government policy on coloured housing.

The report said the people were aware that the housing shortage was "artificial, unnecessary and a direct product of the discriminatory policy of a white minority Government".

"They (people) know that former 'slums' which were their humble but cherished homes in Newlands, Kenilworth and Constantia are now trendy 'Chelsea' developments sold to middle-class whites."

The notoriously high rate of violent crime on the Cape Flats was grim evidence of the destructive effects of uprooting and removing more than 25 000 families in the Peninsula during the past 25 years, the report said.

BLACK HOUSING FM 25/4/80
Third World answers

123 127
While ministers plough doggedly on, propounding the fiction that all blacks can be housed in the foreseeable future without lowering standards, those closer to the problem know differently.

One is KwaZulu's Development Corporation housing manager Dries Venter, who has come up with some suggestions for solving, or at least alleviating the problem.

It is, as he points out, primarily a cash problem. On the basis of 1975 KwaZulu development plan figures, and using 1975 prices, now hopelessly below reality, R480m would be needed to wipe out the housing backlog in KwaZulu, and another R3 627m to supply current needs to the end of the century.

Venter's approach is primarily to cut the coat according to the cloth available. "Is it really necessary," he asks, "for the infrastructure of KwaZulu towns to match the very best standards in any town and any country? Should we not differentiate? The very low income groups could still have rudimentary services with minimum health standards."

Like others, he questions the validity of minimum housing standards, and suggests one might even go as far as allowing a suburb of traditional huts if necessary.

He also takes a swipe at rigid adherence to the grid system of town planning, and suggests topography might "make it easier to service clusters of sites instead of doing so by way of a grid."

Venter believes "squatting should be accepted as a fact of life and squatter areas should be condoned, providing they are organised in an orderly fashion, even if no services could be provided, beyond the bare essentials preventing them becoming health hazards to neighbouring communities."

However: "Any effort to alleviate the housing shortage is doomed to failure if other facets of development are ignored. No man can afford a house if he is not suitably employed."

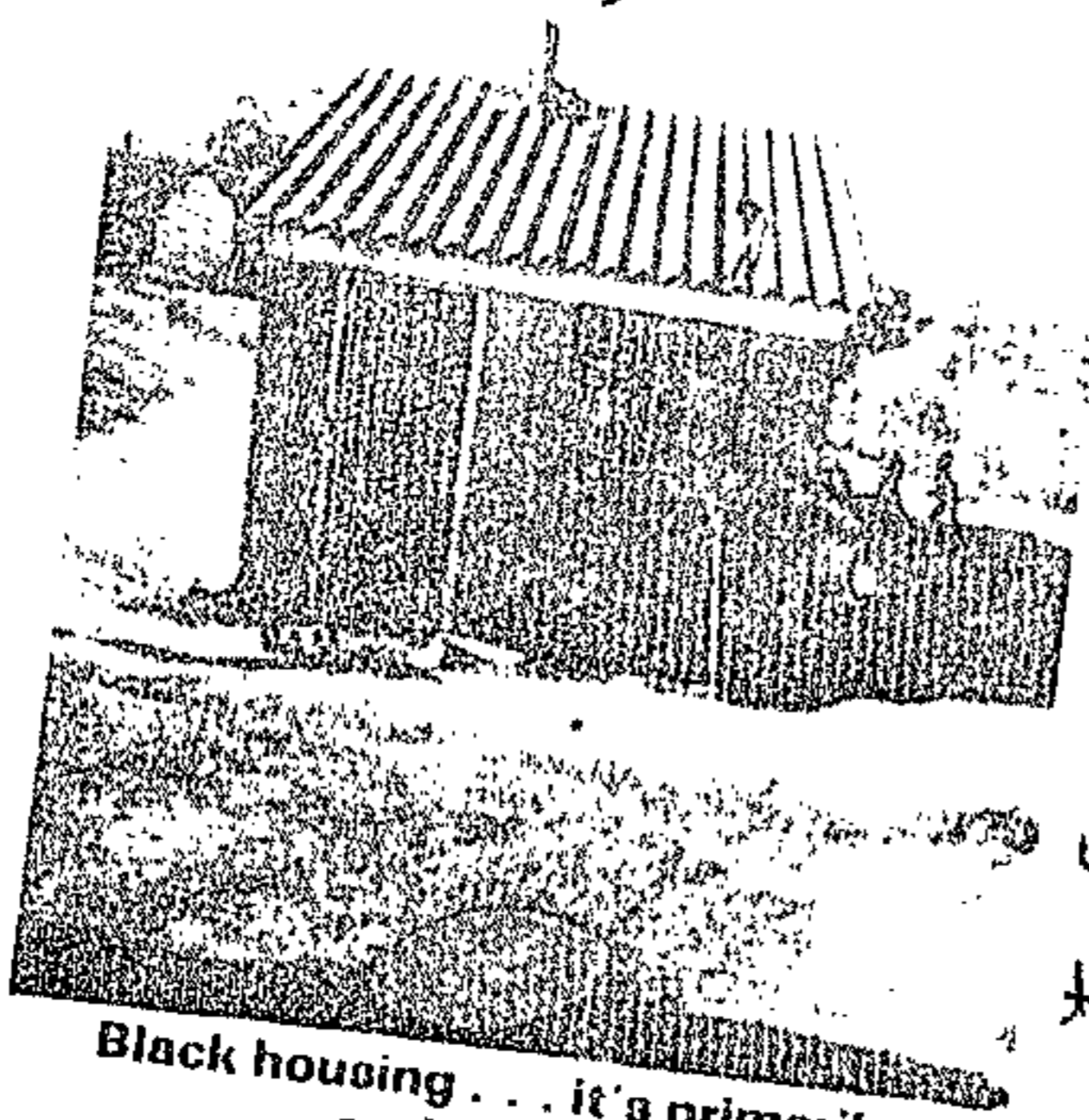
This implies providing an economic base for the "dormitory towns", without which there is no tax base to provide

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future services and maintain present facilities.

The KDC's housing budget for 1980-91 is R8.5m (R3.15m), of which R4.9m is earmarked for schemes with employers for their employees. The balance will be devoted to private loans.

Among the firms involved in employee housing schemes with the KDC are: Sa-pref (40 houses), Smith & Nephew (18), Unicorn Lines (70), Caltex (17), Grinaker Precast (5), and the KDC itself (18).



Black housing . . . it's primarily a cash problem

Financial Mail April 25 1980

also a heavy 15
and
are dramatic.

"Our only limitation," Venter tells the F.M., "is the shortage of serviced sites. However we have made some progress and have appointed consultants to provide 259 serviced sites at KwaMashu with an infrastructure, and we are going to build houses there."

In the Durban area alone, 376 personal loans have been granted at a cost of R4.5m.

Current projects include 200 houses at KwaNdengezi near Pinetown, and another 150 at Edendale, Pietermaritzburg, where black contractors are doing most of the work including the provision of services. Commendable though the effort is, it looks minute when measured against actual requirements.

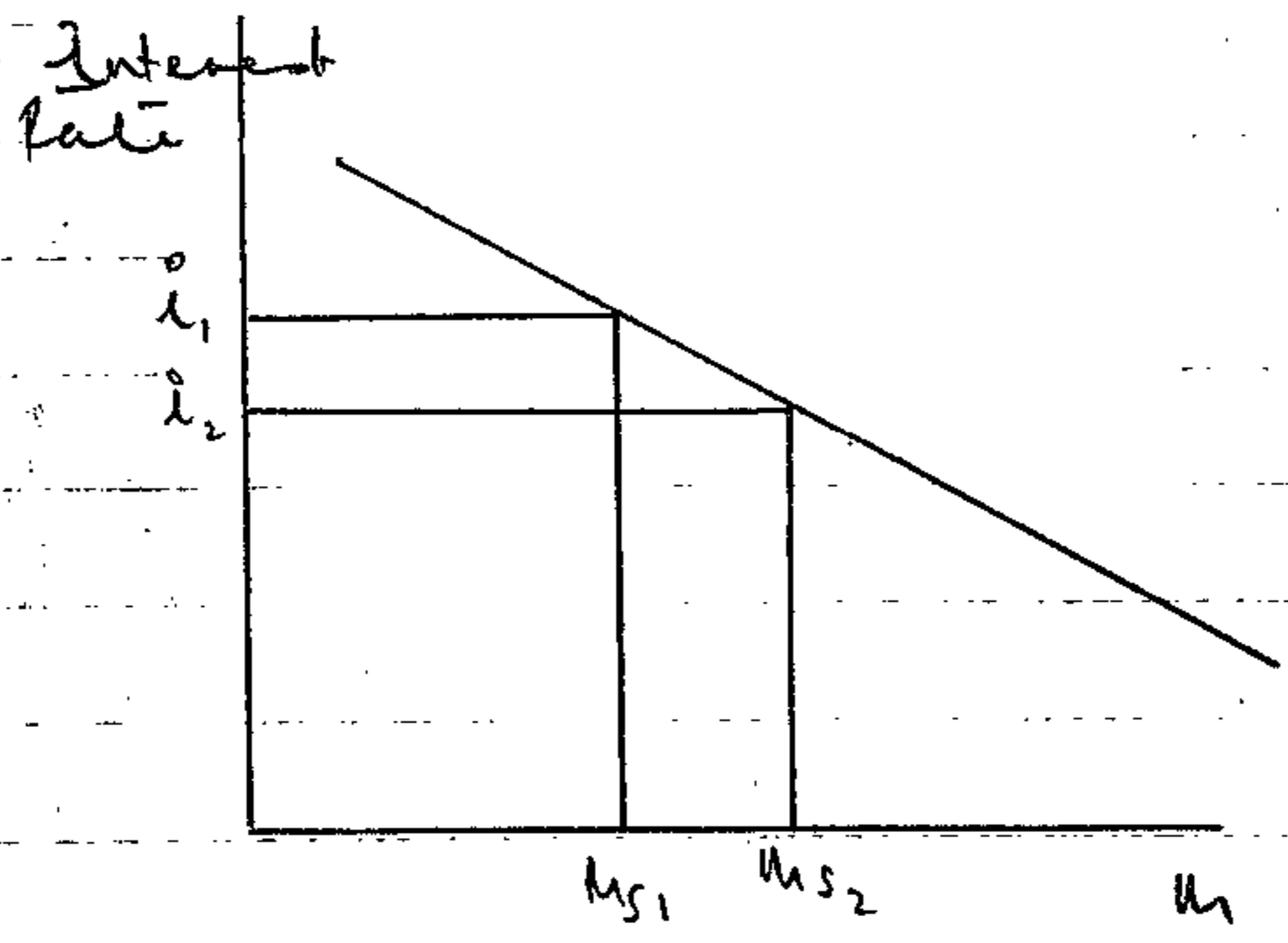
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on the rate of interest as less important.

Keynes thus believed the change in
money supply to be interest elastic.



The monetarists believe however that the
money supply is interest inelastic. Thus

Govt 'concerned' by housing costs

CT 25/4/80 (123)

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"More than a year ago, when it became apparent that an upswing in the building industry was at hand, I warned all interested parties that they would have to do everything in their power to keep the unit cost of housing within limits, or else it would spiral out of the range of the average aspirant owner," he said at the official opening of the "Houses for the Eighties" homes exhibition at Parow.

"With building costs having risen by approximately 20 percent last year and with the possibility that the 1980 cost increases could equal those of 1979, it has become apparent that South Africans cannot continue to enjoy homes of the highest standard in the world at a cost which until recently was among the lowest in the world.

"If we wish to maintain a good standard of housing in the future and promote home-ownership as far as possible to the advantage of all South Africans and everyone who has connections with the housing industry, we will have to reflect seriously on our responsibility to keep the cost of housing as low as possible."

Mr Steyn said sight should not be lost of the fact that the provision of housing involved expenditure which would have a negative effect elsewhere in the economy.

He warned that unless housing costs were kept within the means of prospective owners and the country could afford the costs involved, the government would have no choice "but to look again at the role of housing subsidies with regard to housing costs and to consider ways to convince prospective owners to adjust their sights".

The "dream houses" of prospective owners were the greatest factor in determining housing costs and the private sector would supply these until there was definite consumer resistance to the high costs.

There were, however, factors other than the aspirant owner's self-control, which played important roles in determining costs.

Labour took an estimated 37 percent of total building costs and this cost could be reduced by better planning and more effective use of labour. A streamlining of the "paperwork" and red tape involved in the building process would also help to cut costs.

The government was working hard to streamline township development and an investigation was being undertaken into the standardization of local services on a national level. — Sapa

Black township contracts set for a big push

By BILL CAIN

UPGRADING of black housing will be a boom industry of the Eighties.

Value of potential work looms as a nationwide bonanza for contractors willing to tackle run down townships.

Figures for schemes already started are staggering as politicians and businessmen put financial slide rules over communities ripe for re-development.

Sprawling Sebekeng, Evaton and Katlehong seem next on the list for rejuvenation now that a start has been made on Soweto.

Big electrical contracts for Soweto reticulation work — worth around R40-million — will be awarded any time after tomorrow morning's final meeting between the black suburb's councillors and Eco-plan consortium representatives overseeing the vast power supply scheme.

An imminent announcement on surprise changes in plans is virtually sure to mean a speed up of Soweto's redevelopment.

Enthusiasm for a new deal in the townships is being helped along by political nods of agreement along with a realisation by black community leaders that finance can be found if they look hard enough.

Sharpeville's official plunge into modernisation tomorrow gives a conservative indication of what black housing's new era will cost.

Basic electricity, road and

sewerage amenities for each of the 5 500 homes outside Vereeniging is estimated at R900.

With the economic boom now rolling, Sharpeville's upgrading must come, however, at a bargain price when compared with costs being calculated for Greater Soweto.

Postmaster General Louis Rive — preparing to oversee the project full-time — tells me electrification of the one-million population township abutting Johannesburg will be held at R188-million and possibly reduced.

At this price the cost of bringing power to 101 000 dwellings — in Soweto and neighbouring Meadowlands, Diepkloof and Dobsonville — averages R1 861 per house.

Eliminate the estimated 20% that already have electricity (though a lot of work is also likely to be needed on these) and the unit price rockets to R2 350. After that comes sewerage and roadwork.

Latest estimates show that the total electrification bill will be split between R35-million for house installation and R153-million for external reticulation involving such work as trenching, sub-stations and heavy cable laying.

Co-operation and Development Minister, Piet Koornhof, has already endorsed a long-term R705-million development plan for Greater Soweto to whet the enthusiasm of businessmen assessing black housing work.

Countrywide urban township dwellings total 525 000 with an estimated 19 000 additions annually.

Industrial electrical manager, Vernon Raath, says plans are already being made to move on to other black township modernisation work when his Sharpeville installation contract is completed.

"Everybody has Soweto in mind but there are big townships all around the country," he says.

"We are training 18 black conduit installers now and hope to have 40 by the time we move to the next scheme."

Mr Raath's estimate for electrical work at Sharpeville, giving each family four light fittings and two power points, works out at around R120 a dwelling with installation supplied in kit form.

Johannesburg-based Industrial Electrical, an LTA subsidiary, is wiring 4 000 units with local contractors sharing the other 1 500.

Bigger schemes — such as Greater Soweto — will probably be much more fragmented as politicians and planners push through modernisation as fast as possible.

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Blueprint for black housing is needed

STAR 28/4/80

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By Frank Jeans

Leasehold for the urban black lasting 99 years is THERE... so is a massive waiting list for homes, conservatively estimated at 30 000 in Soweto alone.

It is claimed that no plots have been made available for homes since October 1979, and only about 200 have been registered since that date.

And while there are laudable overtures about what has to be done to meet the housing demands of South Africa's growing population by the year 2000, the question remains — have we, indeed, really got to grips with the problem with the formation of a master plan — and what is even more important — a plan which places its priorities on what the black man himself wants, in fact, has come to expect?

There are spasmodic, and albeit, creditable thrusts at the black housing problem by individual bodies and employer groups, but what still appears to be lacking are acceptable parameters for developers and planners to provide the

right home at the best price.

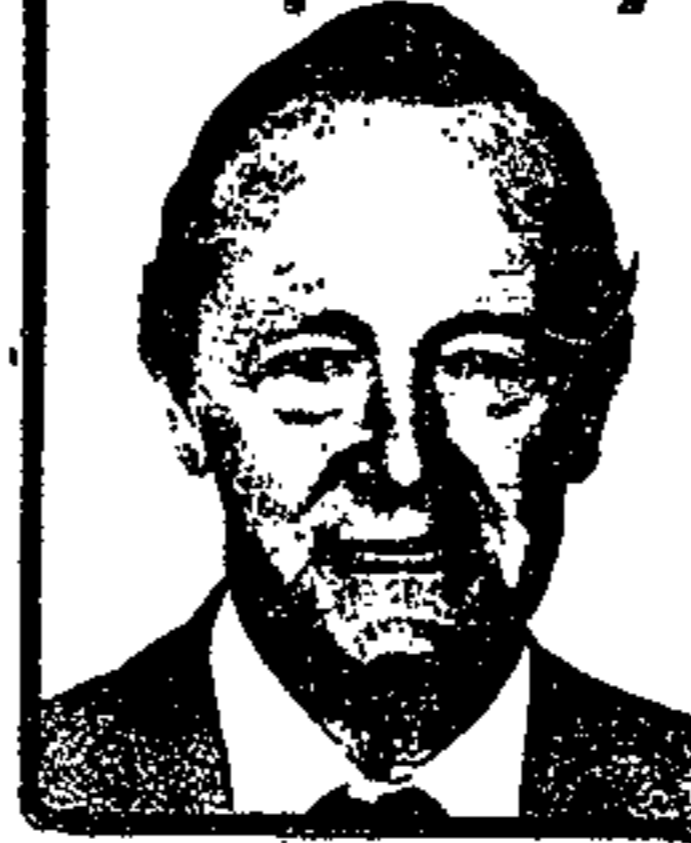
For unless there is analysis of what the black man sees in his mind's eye concerning his home, and a Soweto blueprint prepared and acted upon, many townplanners believe blacks will see the white paternalism under the banner of 99-year leasehold as just another rip-off resulting in ghetto-like situations with fresh paint.

Without a clearly defined mandate from authority on proper housing norms, the opportunity arises for "so-called professional townplanners" to move into areas where anything new is readily acceptable, regardless of the blacks' views and aspirations.

According to Mr Mark Guthrie, director of Impact Homes, which has built 40 homes in Soweto and about 200 more in Pretoria townships, plans outlining one group's black housing project revealed that only 12 sites of 300 sq m were considered satisfactory for homes with character and environment.

The remaining stands were "postage stamps" with little road frontage in de-

Frank Jeans Property



sign and could result in generally cramped living conditions.

Town-planners point out that this type of development is totally unacceptable, and the community councils are probably committed to a contract, and as the blacks are unfamiliar with proper planning aspects they are stuck with a project and feel morally obliged to go along with the "so-called professional town-planners."

Mr Guthrie believes the authorities have a duty to ensure that the councils are not "bamboozled" and that the West Rand Administration Board, for instance, should say: "Stop — we are not creating a situation

which the black man will be happy with."

"If the Government is honest in its endeavours," says Mr Guthrie, "it must analyse all factors relating to the provision of a black home."

Impact claims to be providing homes in the R8 00 to R11 000 range which can still cater, too, for the black man's values and aspirations.

Security of tenure under 99-year leasehold is fine, but a man's home "square on his property" is just as important.

Utilisation of black entrepreneurs and artisans under European control and supervision is the major factor behind Impact's homes price range.

While an R8 000 home certainly falls within the R300-a-month-black worker's ability to pay, the infrastructure charge, stand cost, water and sewerage charge to the black, estimated at about R1 600, is set to rise, thus putting home purchase a little further beyond his reach.

Mr Guthrie says the Government would then have to subsidise by bringing interest rates down, so as to increase the black's borrowing capacity, or through direct subsidy of the infrastructure charges.

Mr Guthrie, who was one of the architects of the Land Tenure Act in Bophuthatswana, which allows the traditional land of the chiefs to be made available for home and business development — the only homeland with such an Act — believes similar representation by Pretoria in the other homelands would do much to alleviate the homes shortage and stimulate development in the homelands.

And the chiefs? "They would be delighted," says Mr Guthrie, "for their land would become a viable commodity within the economy, as people with homes and businesses there would be paying their way all to the common good."

Presumably, these homeowners would be the backbone of South Africa's mining workforce, and Mr Guthrie foresees the mines spending some of those extra gold millions on a transport system to the new homes which could spring up in the homelands.

It's a revolutionary plan, and certainly the use of dormant homeland would go a long way to ease the housing burden of Soweto and the townships, and people themselves would be a lot happier.

Rent rise notices 'illegal'

Argus 29/4/80

(123)

Property Editor

SOME landlords have anticipated the third phase of rent decontrol and issued notices of increases in contravention of the Rent Act, a spokesman for the Rent Control Board said today.

These notices were illegal and should be ignored, he said.

The third phase of decontrol — on flats first occupied between 1950 and 1954 — was enacted to be promulgated in April, as were the first two phases, said Mr Joel Abel, head of a leading property administration group in Cape Town.

NO GUARANTEE

But the Minister gave no guarantee this would be done and I cannot see why landlords are getting edgy.

I have told my owners not to get excited about the delay. Perhaps the Minister, Mr Marais Steyn, has other things on his mind.

An owner whose blocks were due to be decontrolled said he was in a quandry about whether to issue increase notices now or await the Minister's announcement.

THREE MONTHS

Normally I like to give tenants three months' notice of increases, but if the announcement is not made this month, it means increases will not take effect until September.

When de-control began in 1978 the Minister appealed to landlords to make only a 10 percent increase in the first year after de-controlled and 10 percent the following year. After that, market forces should apply.

Rent hike talks with government

AD 29/4/80 T23

EAST LONDON — The City Council is to discuss recent rental increases announced for Coloured housing schemes with the Secretary of the Department of Community Development.

The chairman of the Coloured Management Committee, Mr Dody Nash, will attend the discussions.

The council embarked on the rental increases recently in order to reduce a current housing deficit of about R130 000 in the Coloured areas.

If approved by the Department of Community Development, the increased rentals will come into effect on June 1.

Mr Nash has stated on several occasions that the increased rentals would serve no useful purpose as such a move would only increase the current amount of arrear rentals in Coloured areas.

At a recent meeting with the council's action committee, Mr Nash suggested that commerce and industry in East London should be taxed in order to meet the deficit on the council's Coloured housing schemes.

The council resolved at its monthly meeting last night to invite Mr Nash to attend the discussions with the Secretary of the Department of Community Development. — DDR

1980 29/4/80

Housing needs ^{STAR} will double by ^{1/5/80} 2010, says Steyn ⁽¹²³⁾

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Political Correspondent
BLOEMFONTEIN — It was expected that in 30 years South Africa would have to house double the current population besides making up the present housing shortage, the Minister of Community Development, Mr Steyn, said in Bloemfontein today.

Addressing a congress of municipal engineers, he said if the population grew by 25-million and 80 percent of these lived in urban areas, 20-million more people would have to be housed in the cities.

With four people for each living unit, that meant that five-million dwellings would be needed by the year 2010 without taking into account today's backlog or the replacement of existing houses.

The building tempo would have to be increased. Municipal

engineers had an essential role as partners of town and regional planners.

"Urban growth is not an evil in itself, but rules for urban growth must be drawn up and adhered to.

"It is in this respect that you, as engineers of the local authorities, have an important role.

"On a land area that does not expand and a population that is increasing, it is your responsibility, with well-thought out planning and vision, to be co-planners of communities which will secure a healthy, attractive, functional and aesthetic life setting for their inhabitants," the Minister said.

Town engineers, he said, would have to review standards in respect of street surfaces, widths of streets and pavements, provision of kerbstones, and norms for water supply, sewerage, electricity and stormwater drainage.

R100 000

STAR 1/5/80
boost

for urban
plans (123)

By Sieg Hannig

An internationally renowned expert in the financing of low-cost housing, Dr N Jorgenson, is to begin two years of research in South Africa later this year.

He will work with the Urban Problems Research Unit of the University of Cape Town on ways and means to improve home ownership among low-income groups in South Africa.

Dr Jorgenson has implemented low-cost housing schemes in other African states.

He has been working in Kenya in recent years, but has also visited South Africa several times.

Last year he spent some time in South Africa as recipient of a grant from the Natal Building Society.

These plans involving Dr Jorgenson were announced in Johannesburg this week when the W & A Investment Corporation handed over the first instalment of R100 000 pledged to the Urban Foundation. The full amount will be paid out over five years.

Part of the money will be used to help finance Dr Jorgenson's stay in South Africa.

Another portion will go towards a research project by the University of Port Elizabeth into black retailing.

The Urban Foundation recently passed the R32-million mark in terms of money donated and pledged to it.

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HOUSING

Providing a core

SA's enormous black housing backlog could be alleviated if government accepted the principle of site-and-service facilities for urban black communities. But that would mean accepting their permanence in areas that are sometimes inconvenient.

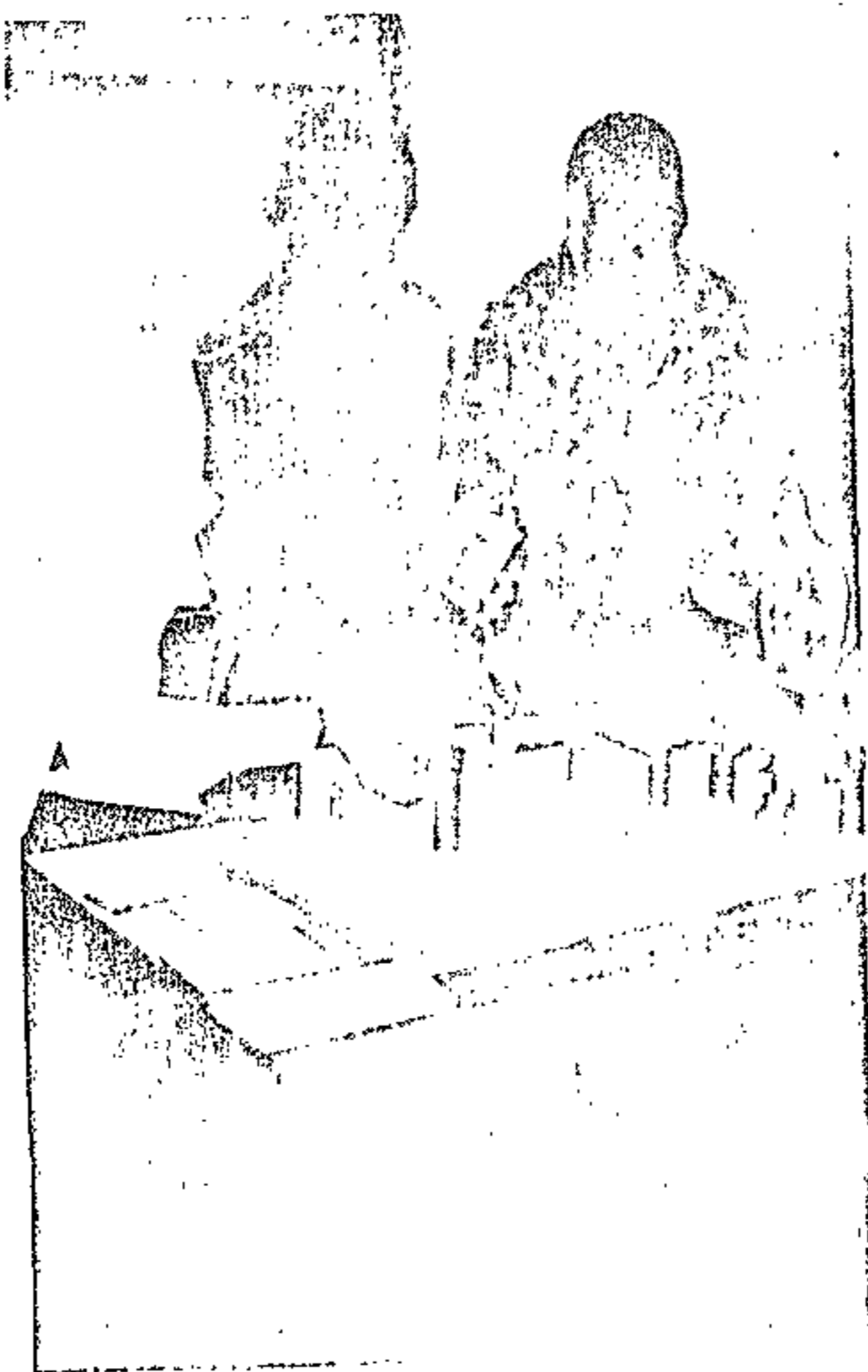
In the latest report of the secretary of Community Development (July, 1979), Louis Fouche, writes: "The riots that took place as recently as 1976 serve as a reminder of the dangers inherent in poor housing conditions."

Even so, it is widely believed that government's current housing programmes, recently stepped up, will not meet its own requirements. The Urban Foundation's executive director, Justice Jan Steyn, said earlier this month that the private sector's help was necessary if the state were to overcome the shortage. Officially estimated to be 400 000 units, the housing shortfall would cost R200m to accommodate some 32 500 families.

Site-and-service and core housing have gained support in many Third World countries. Some feel the same concept should be applied in SA.

Stands are made available to prospective occupants who then erect their own, initially rudimentary, dwellings which are later improved and extended according to the individual's means and needs. The State provides only basic services such as drainage and sewerage and access roads.

In core housing, the State provides only



Self help . . . slums or solutions

the "wet section" of the house — bathroom, toilet and kitchen, plus one room — on a serviced site. The occupant later enlarges his home around this core and at his own expense.

However, the Department of Community Development says it is "extremely doubtful whether any savings can be effected by providing only rudimentary services." Such schemes soon develop into slums, the department maintains, thus costing more in the long run.

Fouche claims the Prime Minister supported his view that "informal housing" was a proven failure. Yet, in his address to the Institute of Housing Managers last October, P W Botha expressed support for certain elements of self-help. For instance, that housing be provided "in accordance with the means and needs of the people to be accommodated."

Self-built savings

The savings afforded by self-built homes can be seen at a scheme in Kroonstad. People who could not afford rented houses at R32 a month sought permission to build their own on the serviced stands. Typical is a man earning R125 a month, who, unsubsidised, built a five-room house and now pays only R14 in rates.

There have also been good results with similar schemes in Graaff Reinet and Transkei.

According to UCT's David Dewar, housing policy direction should be switched "away from preoccupation with very high levels of shelter to the attainment of a high incidence of secure tenure, generous space standards, and reasonable levels of shelter which people can afford."

Independent planners see housing policy as "an instrument to foster human development, not merely as a means to create housing stock."

An essential component of this "ideology of self-help" is that these communities establish their own local organisations (like that formed in Crossroads) to negotiate with central government on issues affecting them, such as services and secure tenure.

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Trouble is
to double

BLOEMFONTEIN. — It was estimated that 30 years from now South Africa would have to house double its current population, the Minister of Community Development, Mr. Marais Steyn, said yesterday.

Addressing a congress of municipal engineers, he said if 80% of this population increase lived in the cities in the year 2010, it would mean that between now and then five million new living units would have to be built in South Africa's urban areas.

If the population increased by 25-million and 80% lived in urban areas, provision would have to be made for 20-million.

"Urban growth is not an evil in itself, but rules for urban growth must be drawn up and adhered to." — Sapa.

THE CO-OPERATION VOTE

'We'll need 7 Sowetos by 2000'

rdm 7/5/80

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THE ASSEMBLY. — By the year 2000, seven cities as big as Soweto would be needed to meet the demand for black housing, the Deputy Minister of Co-operation, Dr G de V Morrison, said yesterday.

At present there were 18-million blacks in South Africa and it was estimated that the figure would double within the next 20 years.

"The backlog in the provision of housing is presently 200 000 units, and it has become clear that the role of the authorities in meeting this backlog can no

longer be left to the State alone.

"With the economic revival presently being experienced in the economy, employers will have to start doing more for their workers.

"The private sector must be made to realise that it has a very important role to play in the provision of black housing.

"There are more blacks than one realises who are in a financial position to build their own houses if the necessary infrastructure was provided for them.

"In future State funds will have to be used to an increasing degree for the provision of essential services, such as roads, sewage and electricity.

"Many blacks earn enough to raise housing loans, and the 99-year leasehold scheme in Soweto must be promoted," Dr Morrison said.

He spoke out in favour of instituting site-and-service schemes at townships on the platteland where residents had a low income. He said they were often necessary to prevent the establishment of squatter communities. — Sapa.



DR KOORNHOF

PARLIAMENT

Stop mouthing, start moving, Suzman urges

HOUSE OF ASSEMBLY

The impact of influx control had become infinitely worse since the Minister of Co-operation and Development, Dr Piet Koornhof, "declared war on the 'dompas'". Mrs Helen Suzman (PFP Houghton) said yesterday.

Influx control and the pass laws were the greatest single cause of racial hostility among blacks, and people did not need the belated report of the Cillie Commission to know that discrimination and separate development, plus inequality of opportunity and hopelessly inadequate facilities in urban townships had created the climate in which the Soweto unrest had come to the boil in 1976, she said.

Mrs Suzman was opening the debate on the Department of Co-operation and Development's Budget allocation.

"Since the unrest there have been all those rosy promises made abroad and at home about change, but giving effect to those promises has proved very much more difficult than merely mouthing them.

"I want to urge the Minister to move with more than all deliberate speed to implement those promises.

"The war the Minister declared on the pass laws in Washington appears to have been lost in Bloemfontein and Pretoria when the experiment to suspend the 72-hour provision that makes up the core of the pass laws was stillborn."

The Riekert Commission had recommended the repeal of the 72-hour limitation on the presence in urban areas of blacks who did not qualify, and that influx control for blacks should be based exclusively on the availability of work and housing.

The Government, in a White Paper, had "taken note" of evidence to the commission that the 72-hour provision "expressly discriminates against blacks,

leads to large-scale arrests and short-term imprisonment, creates considerable human relations problems and comes nowhere near completely effective control of the unlawful entry of blacks into the urban areas".

The Government had rejected the idea of repealing the provision, but had immediately seized on a recommendation by the commission that penalties on employers who illegally employed blacks should be considerably increased.

"It is my contention that Riekert never intended that the punitive provision of harsh penalties on employers should be introduced without the pari-passu implementation of the positive provision of scrapping the 72-hour limitation."

Mrs Suzman said some 84 000 illegal black workers had been saved from instant dismissal from their jobs in white areas by the moratorium last year, but asked what would happen when the one-year contract they entered during the moratorium expired in a few months time.

"As far as I know, many of those 84 000 who lost or left their jobs since then have been endorsed out."

Domestic workers were especially vulnerable as they did not have fixed hours, minimum wages or other protection normally given to all workers.

"Meanwhile, pass arrests go on ad nauseum," Mrs Suzman said.

Last year, 99 660 black men and 20 290 black women were arrested for offences relating to reference books and influx control in the 11 main urban areas.

"The casualties in the Minister's war against the 'dompas' are very high indeed. The Minister is committed to getting rid of the 'dompas'. If he wants to make a name for himself in the history of South Africa, let him get on with the job of abolishing these laws."

New documents embodying the same restrictions on mobility would be worthless.

"There is only one humane way in which control can be exercised over influx control

and that is to improve standards of living in the rural areas by providing job opportunities in the homelands, and to ensure that the wages paid to labourers on the 'white' farms bear the same relationship to wages in the industrial areas."

Other recommendations of the Riekert Commission had also not been implemented, despite the Government's broad acceptance of the commission's report and Ministerial promises.

High on the list of priorities to which the Government should give urgent attention was the "monumental" housing shortage in black urban areas.

The commission had estimated this at about 141 000 houses and 126 000 hostel beds, and the Urban Foundation estimated the shortage in Soweto alone as 32 000.

The cost of providing those houses would amount to R764-million, but only R89-million had been allocated since 1979.

Last year only 220 houses had been built in Soweto and only

3 620 were planned for year.

The main problem seems to be the lack of serviced land. Some R200-million in private finance could be obtained for housing if serviced land were available.

"Someone has to provide infrastructure, and it is my contention that it is the State which should do this."

Mrs Suzman asked the Government to write off the R63-million owed by the West Rand Administration Board to the Department of Community Development, saying this would free thousands of homes for purchase under the 99-year leasehold scheme.

So far only 221 leaseholds had been registered and 825 were in the pipeline. The home ownership scheme would be given much greater impetus if replaced by freehold title.

"Much valuable time has already been lost that should have been used in the last two or three years to offset the intense dissatisfaction that is felt by urban blacks with their lot," Mrs Suzman said. — Sapa.

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Housing: plea for loan probe

THE ASSEMBLY — The Minister of Co-operation and Development, Dr Piet Koornhof, should investigate and report back to Parliament on the possibility of raising foreign and local loans to meet the housing backlog for blacks, Mr Theo Aronson (SAP, Walmer) said yesterday during the debate on Dr Koornhof's budget vote.

Mr Aronson said enough money would never be appropriated in the budget to provide for all the things the Minister had to do. He should consider raising local and overseas loans to meet his needs.

Building societies and banks should "move heaven and earth to see that blacks become homeowners. Perhaps the Government can guarantee part of the deposit needed by black lessees to obtain a bond."

He stressed the need for the electrification of black townships. — Sapa.

Govt pressed to grant freehold to urban blacks

STAR 7/5/80

Political Staff

THE ASSEMBLY — The two main opposition parties yesterday called on the Government to introduce as a matter of priority a system of freehold for urban blacks.

Other issues which emerged as major issues during the first day of the budget debate on the Co-operation and Development Vote were influx control, the backlog in black housing and the pass laws.

The Progressive Federal Party and the New Republic Party clashed on the issue of influx control, with the PFP calling for its abolition and the NRP emphasising the need to retain some form of control.

The Government and the NRP agreed that unless the Government could control the growing tide of blacks to the cities

there would be no chance of overcoming the immense housing backlog for blacks.

The Government indicated an important change in direction with the acceptance of the site-and-service scheme solution to the black housing crisis as a controlled self-help alternative to random squatting.

Mrs Helen Suzman (PFP, Houghton) said the 99-year leasehold scheme for blacks had been bedevilled by high costs and an obstructive bureaucracy.

She said real impetus to the home-ownership scheme for blacks would be given if freehold replaced the 99-year leasehold scheme.

"And I was glad to see that Mr Louis Rive, recently appointed to the 'improve Soweto' campaign, supports this," she said.

"Freehold would not only be a significant gesture of goodwill, it would also give a feeling of stability to urban blacks and encourage them to participate in the community council elections," Mrs Suzman said.

HUMANE WAY

Although the housing shortage in black urban townships had reached "monumental proportions," little was being done to remedy the problem.

Dealing with influx control Mrs Suzman called on the Minister of Co-operation and Development, Dr Koornhof, to honour his promises and get rid of the dross, the greatest source of racial hostility among blacks.

The only humane way to exercise influx control was to improve standards of living and job opportunities in the homelands and ensure that farm labourers' wages bore some relation to wages in industry.

Mr Bill Sutton (NRP, Mooi River) said influx control was a universal problem and he did not believe it could be phased out completely.

"With influx control at least some measure of control has been exercised although it has not solved the problem," he said.



Mr Colin Eglin

Parliamentary Staff

THE Minister of Indian Affairs, Mr Marais Steyn, came under fire in the Assembly yesterday over Group Areas removals and housing conditions of Indian communities in Johannesburg and Durban.

Mr Colin Eglin (PFP, Sea Point) called on the Government to halt immediately the 'inhumane' removal of Indian families from Pageview in Johannesburg and the demolition of their homes and business premises. Speaking in the budget debate on the Indian Affairs Vote, he said he had 20 pictures of good homes that were being 'bulldozed' in Pageview.

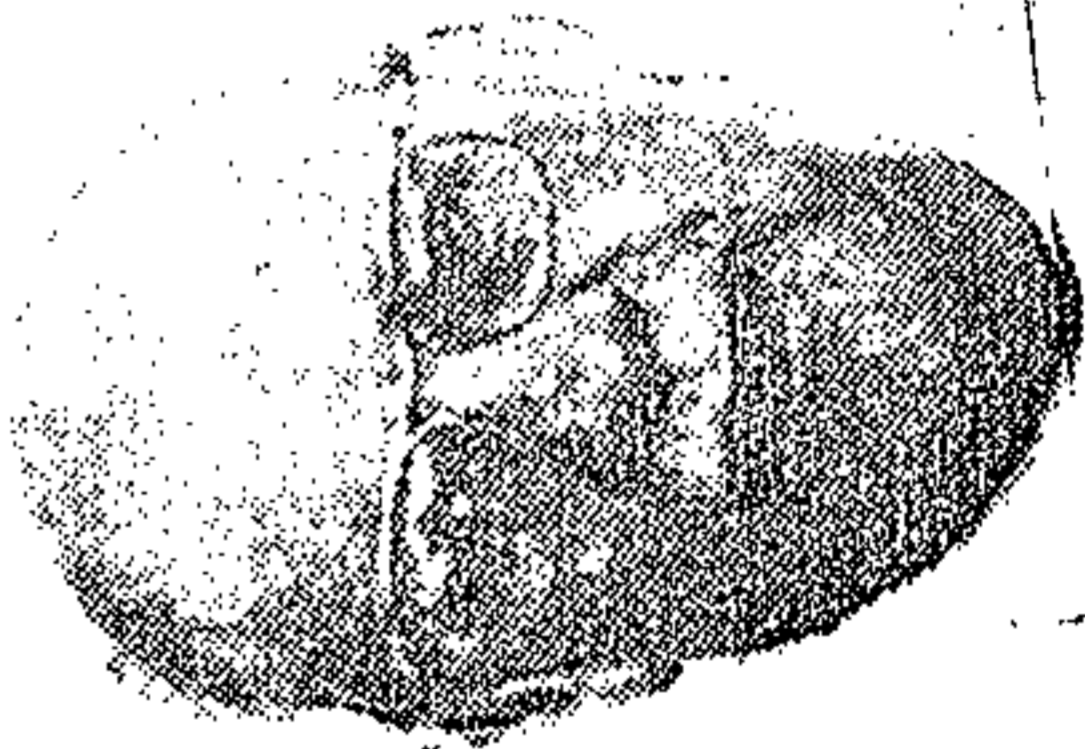
Decent homes were being demolished and the occupants were being sent 40 km away from their place of employment.

There could be no reason other than racist reasons for the destruction of Pageview, Mr Eglin said.

The Indian town of Lenasia to which people had been moved was already overcrowded and its schools were 'bursting at the seams'.

Mr Eglin said he had seen nothing anywhere in Africa that could compare with the slum conditions under which some Indian families were living.

Mr Ray Swart (PFP Musgrave) said that while he appreciated what the Government and the private sector were doing to overcome the housing problem, there was still a tremendous backlog to be



Mr Marais Steyn

DESTROY ARGUMENTS RACISTS - EGLIN

Replying to the debate, Mr Steyn accused Mr Swart of 'recklessly' entering the debate without checking his information. Many more houses were being built to relieve the shortage, Mr Steyn said.

Referring to the situation in Johannesburg, Mr Steyn said Mr Eglin did not know what he was talking about. Mr Eglin was coming with his complaints after some 4 000 families had been rehoused from a 'deplorable' slum in Pageview. The occupants were now housed in much better conditions.

Many more housing units were being built in Lenasia. With the resettlement of Pageview's people the housing shortage for Indians in Johannesburg would be finally eliminated in two years' time, Mr Steyn said.

'ARTIFICIAL'

The situation had to be seen against the background of the Group Areas Act under which the unnecessary removal of people in many instances had created an artificial housing backlog.

The Durban City Council had estimated that 25 000 Indians were in need of homes and the housing problem was becoming more acute because of the community's socio-economic situation.

In Phoenix township, the local action committee had estimated that between 70 and 80 percent of residents would have to return to squatting if a proposed 15 percent rent increase was implemented.

The root causes of the Indian community's hardships could be found very largely in the discriminatory laws which operated against them.

HOUSE OF ASSEMBLY.

The Minister of Community Development yesterday introduced regulations governing township development.

Speaking during the debate on his Vote, he said the Housing Development Council — of which he was chairman — had reached consensus on a wide range of subjects after considering recommendations made by the Housing Advisory Committee.

It had been decided that township development, as an industry, would be limited to the State and statutory bodies, to local management and provincial administrations and to financial organisations considered capable of such development by the Administrator and who are in possession of a licence for such development.

Measures would be introduced to control the progress of township development projects and to see to the licensing of such developers.

Provincial administrations would draw up a uniform instruction manual for local authorities with regard to development plans.

A uniform procedure would be adopted to deal with applications for township development, and these would have to be submitted in the first instance to the Director of Local Management.

In order to ensure uniformity in the provinces, the principle of discretion was to be applied with regard to the advertising

Steyn lays down township rules

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RDH 14/5/80.

of township development applications.

In future, provincial administrations would base endowment contributions on the approach that the township developer would have to compensate local management for actual additional expenditure incurred in serving and administering the township.

The developer would also have to make a contribution in terms of land or cash for the development of certain areas and facilities which were to the benefit of the residents there.

Instruction manuals would be made available to all prospective township developers.

Mr Steyn said he had also decided that:

● There was no need for a housing guarantee scheme in South Africa;

● An appeal be made to the private sector to provide more flats and conventional homes for whites in the upper income bracket;

● The need for cheaper housing should be brought to the attention of developers;

● The question of delegating township approval rights to larger local managements be

held in abeyance until investigations with a view to laying down uniform service standards for townships had been completed and until development plans had been finalised.

● To prevent land speculation, local managements be encouraged to levy availability fees for trade services on all stands — vacant or developed — which at the request of the owner could be connected to the particular service.

Mr Steyn said the Building Research Institute was busy with a project in the Lowveld to determine the success of self-building schemes.

He said it was already clear that such schemes could only be tackled on a limited scale and on condition that they took place under strict supervision.

"I want to concede that self-building schemes can succeed for a selected group of people, but for the masses housing can only be supplied by means of conventional schemes," he said.

In order to build even more cheaply, his department was giving attention to the design of a still cheaper type of house

which would meet basic requirements.

"Together with this, my department is giving urgent attention to the reviewing of rent formulas in an attempt to rationalise rent money for housing schemes so as to spread the burden more evenly among persons in the different income categories who qualify for assistance in terms of the Housing Act."

Mr Colin Eglin (PFP Sea Point) said it was not possible for the Government to provide the housing the country required unless it resorted to some form of self-help core housing programme.

He said projections showed that 160 000 units would have to be built each year up to the turn of the century in order to catch up with the backlog and keep pace with population growth.

It was an impossible task unless the Government agreed to some form of self-build schemes such as the one developed in Lusaka.

This could be done by providing a stockpile of materials of an acceptable standard at a central point, providing plans

for simple homes, laying out building lines and offering manuals and courses to would-be homebuilders.

Such a scheme could provide the necessary controls and guarantee a minimum standard for the buildings and materials used.

The problem was no longer one of housing availability only but one of housing costs. Mr Eglin said, citing examples where rentals had increased by 60% over the past two years.

He asked Mr Steyn what positive steps would be taken to ease the plight of the thousands of needy people he had left in the lurch by lifting rent control and by the implementation of the sectional title ownership scheme.

Elderly people were being harassed out of flats and given ultimatums to buy or move out.

The State could not provide sufficient old age homes or economic housing to house those people and a way would have to be found to draw private enterprise into building flats.

Tax concessions and subsidised rentals could make such buildings financially feasible for the private sector. — Sapa.

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Allied raises limit on middle-income homes

STAR 14/5/80 (123)

By Frank Jeans

The Allied Building Society has opened up the middle-income home market by raising its lending limit on 90 percent loans from R28 000 to R45 000.

This has been made possible through the use of the Allied's insurance company which provides the guarantee in terms of the Building Societies Act.

The guarantee is obtainable by the payment of a single premium of 10 percent — where the repayment term exceeds 20 years, and 8.5 percent if it is less than 20 years.

People will now qualify for larger loans in the areas where housing within the R28 000 limit is unobtainable.

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STARLINE

STAR 14/5/80

53 123

WATKINS' OVER HOME COSTS BUILDING

By June Bearl

Unscrupulous building contractors have used soaring building costs to grossly load prices after contracts containing price escalation clauses have been signed, several prospective homeowners claim.

But there is a scientifically compiled, nationally acceptable formula which can protect the man in the street from being exploit-

ed in the current building boom, Star Line was told. The Haylett formula is a list of indices drawn up and published monthly by the Department of Statistics in Pretoria which shows all aspects of price increases in the building of a house.

When a builder submits claims for increased labour and material costs he should define them clearly and produce the Haylett Index to substantiate these increases, unless the contract states otherwise, Star Line was told.

"As more and more builders will be including escalation clauses in their contracts because it is almost impossible to gauge price increases in the present climate, the buyer should safeguard himself by checking the increases against the formula," Mr A Goede, owner of a large building firm told Star Line.

Members of the Master Builders' and Allied Trades Association are compelled to abide by the Haylett formula, Mr Z L Pretorius, managing director of the association, told Star Line.

Non-members, however, would have to be tackled through legal channels, he said.

LITERATURE BUREAU,

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STAR 14/5/80 (123)

'Another R1 000-m needed to end houses backlog'

THE ASSEMBLY — At least R1 000-million was needed in addition to the present appropriation to eliminate the backlog of white, black, coloured and Indian housing, Mr Theo Aronson (SAP Walmer) said yesterday.

Speaking in committee on the Community Development Vote, he said a consortium could be formed to raise the necessary finance to eliminate the

backlog.

"The quality of life will take on a different turn if we can eliminate the backlog of housing. This is not the responsibility of the Government alone, but also that of all South Africans who can make a contribution."

The creation of stability was largely dependent on how the country solved its housing problems. — Sapa.

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Rent control (123) RDM 15/5/80 moves into third phase

HOUSE OF ASSEMBLY. — The Deputy Minister of Community Development, Mr Pen Kotze, yesterday announced the third phase in the Government's programme to lift rent control.

The first two phases had exempted from rent control housing units which were occupied for the first time during the period January 1, 1955, to May 31, 1966.

A third proclamation would in due course be issued to lift rent control on units occupied for the first time between October 21, 1949, and December 31, 1954.

Mr Kotze, speaking during discussion of the Community Development Vote, said exemption from rent control would not apply to housing units rented by tenants earning less than R300 per month if they were

single and R540 per month for families.

For the first two years after rent control had been abolished rentals could not be increased by more than 10% per year.

Mr Kotze warned landlords that breaches of that provision or any form of exploitation coming to light even after two years would summarily subject their properties to rent control.

Landlords no longer having to comply with the 10% limits should act with restraint and increase their rents only to the extent necessary to afford them a reasonable return.

"Lessors who ignore this appeal will have only themselves to blame for the unpleasant consequences which ill-considered action on their part will inevitably bring," he said.

The Minister expressed concern at the increasing tenden-

cy to convert old blocks of flats for sale under the Sectional Titles Act.

Should this persist, the Government would take steps either to exclude certain old blocks of flats from the provisions of the Sectional Titles Act or to protect tenants in terms of the Rent Control Act.

Landlords who had unilaterally lifted rent control from April this year in anticipation of the third phase had acted illegally.

Complaints in this regard would be thoroughly investigated.

Mr Kotze gave the assurance that rent boards would not be abolished.

They would be retained to guard against exploitation and victimisation of the less-privileged and pensioners.

The phasing out of rent control could no longer be delayed as it would create a credibility crisis between the Government and the private sector.

The Government had given its assurance that rent control would be gradually lifted to stimulate the provision of more housing.

It was in the interests of the country, as the Government on its own could not provide in all the housing needs. — Sapa.

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(123) 15/5/80
housing plan

THE ASSEMBLY. — The Gov-
ernment should appoint a com-
mittee which, in consultation
with the private sector, would
work out a housing strategy for
blacks in the 80s, Mr A T van
der Walt (NP Bellville) said
yesterday.

A prime task of the commit-
tee would be to decide on black
home ownership in urban
areas, he said during the Com-
munity Development Vote.

"The basis for healthy com-
munity development and self-
respect are symbolised by
home ownership and a fixed
job."

An action programme should
be initiated to involve the pri-
vate sector by way of tax com-
cessions, he said. — Sapa.

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TAS

(123)

How to help the squatters



by Professor
Wallace van Zyl,
architect and town
planner, Free State
University.

In South Africa we have an inevitable drift of population from rural areas to our cities in search of fortune, employment and education. This is because in our dualistic country we have both developing and developed economies, the latter largely based in cities, which act as irresistible magnets. In the past, stringent influx and pass laws have done little to curb the flow of immigrants.

Our urbanisation process is like an enormous numbers game. A greater density of the poorer black population is attracted to those areas where there is a scarcity of land on the fringes of our white cities. This resultant intensity of land use heightens the scramble for scarce resources, and challenges the capacity of our cities to absorb this immigration.

The new city dweller encounters worldwide problems whether in Rio, Hong Kong, or Soweto. The same basic needs of food and shelter are in operation, and immigrants are seeking to improve themselves economically. Migrants are often called "squatters" because they have been forced by the housing shortage to build on land to which they have no legal right. But they are looking for a reception point, or transit camp, on the long, hard road of adjustment to an urban economy.

In this adjustment process it is extremely important to get economic activity going as soon as possible among squatters. This can motivate individuals and bind the community together. Of great assistance is the fact that not all squatters are strange to a money economy, as illustrated by the flourishing markets which spring up in informal settlements. They are not all nec-

essarily poor either.

Squatters are usually exponents of the informal economic sector in which home industries flourish and people "take in each other's washing" so to speak. This is an important economic incubator for trade and earnings based on the home. Revision of any rules and regulations that stifle such initiative and service industries such as car repair, dry cleaning, tailoring, weaving and pottery is long overdue.

As I hinted before, the squatter is concerned about the legality of his shelter. It therefore follows that the more secure he feels, the more permanent the structure he will build and hence the more money, material and effort he will put into it. If squatters are expected to finance substantial housing themselves, then security of tenure must be a feature in a form such as freehold title.

Parallel with the issue of legal shelter we have the creation of job opportunities, which is no easy feat. Temporary facilities are needed for work seekers, and this could be in the form of transit camps where squatters could lease sites or temporary buildings. What I am suggesting is that we should not condemn squatting outright because these temporary camps have a general economic message for us, and particularly in the matter of low-cost housing. Squatters can show self-help and private initiative by providing a roof over their heads.

Many readers will be familiar with the two low-cost housing strategies "site and service" and "core housing." All I wish to add is that for reasons of hygiene, basic services such as water, sewers and rubbish collection must be supplied as soon as possible. The fact that the quality of the housing environment is being controlled at "grass-roots" level prevents a permanent slum from developing. Even if the housing is temporary, motivation of and co-operation with the inhabitants is important. The low-income family builds its house in phases, as and when it can afford to, and according to need. Very adaptable housing can be produced.

Often official housing policy insists on minimum space standards and solid

construction, in fact a scaled-down type of Western housing. The results of official policies are often high rents or purchase prices coupled with long waiting lists. In contrast, squatters can quickly put their sites to good use by the "spontaneous mobilisation" of manpower and materials. Official policy should capitalise on the initiative and involvement of squatters in the task of reducing the housing shortage. But then unrealistic standards must not be set in the first place.

Funds for low-cost housing are always inadequate, because of the priority in our country given to defence and transport, so we must find other means. Just think of the surplus of semi-skilled labour and the greater use of traditional materials. A labour-intensive approach to low-cost housing



would involve many blacks unemployed at present.

Some closing thoughts:

□ Housing is part of comprehensive planning and must be coupled with education, health and employment programmes in urbanisation.

□ Credit, repayment and interest conditions should match the economic realities of low-income housing. Partnership between private enterprise and government is essential to achieve successful financing.

□ Local management of low-cost housing must be developed among the black population. The sooner blacks have a say in their own affairs, the less pressure there will be for a black political "takeover" in South Africa.

release : 00h01 on 1980-05-16

123

16/5/80

PRESS STATEMENT BY THE HONOURABLE S J M STEYN, M P, MINISTER OF
COMMUNITY DEVELOPMENT : PHASING-OUT OF RENT CONTROL

After very careful consideration I have decided to implement the third step of the process to gradually phase-out rent control which was recommended by the Commission of Inquiry into Housing Matters. The first two steps in the gradual phasing-out process were effected by means of the promulgation of Proclamation 83 of 1978-04-06 and Proclamation 87 of 1979-04-26 in terms of which dwellings occupied for the first time during the period 1955-01-01 to 1966-05-31 were exempted from rent control. Dwellings which were occupied on the dates on which the proclamations were promulgated, by tenants qualifying for national housing were, however, not affected by the proclamations.

The third step embraces the publication of a further proclamation in terms of which the provisions of the Rent Control Act, 1976, will no longer apply to dwellings occupied for the first time during the period 1949-10-21 up to and including 1954-12-31, as is the case at present with most dwellings occupied for the first time after the last mentioned date. Dwellings naturally include flats, group housing units and all other dwelling units.

To ensure that this measure does not detrimentally affect the existing less - affluent tenants of the group of dwellings now being exempted, those dwellings occupied on the date of promulgation of the proclamation in question by tenants falling within the income categories as determined in terms of the Housing Act No. 4 of 1966 are excluded from the exemption from rent control. These dwellings remain excluded for as long as they are occupied by the same tenants and as long as the tenants' incomes do not exceed the limit mentioned by me. The limit is at present R300 per month in the case of single persons without dependents and R540 per month in the case of families.

The recommendation of the Commission that for the first two years rentals may not be increased by more than 10% per annum is also applicable to dwellings exempted from rent control under the third step of the process for the phasing-out of rent control, although the proclamation makes no mention of this condition. Any cases coming to light where this condition has not been complied with, or where attention is drawn to exploitation at any time, even after two years will summarily be made subject to rent control.

It is trusted that lessors will seriously heed this warning, especially now that dwelling units, which were exempted in terms of the first phasing-out step, are no longer subject to the guideline which limits rent increases to 10% per annum for the first two years following exemption. Although the guideline is with effect from 1980-04-06 no longer applicable to uncontrolled dwelling units which were occupied for the first time during the period 1960-01-01 to 1966-05-31, I should like to warn lessors of flats falling in this group, as well as all other lessors, to act with circumspection and due deliberation and to increase rentals only to the extent necessary to afford them a reasonable return. Lessors who ignore this appeal will have only themselves to blame for the unpleasant consequences which ill-considered action on their part will inevitably bring.

An aspect causing concern is the increasing tendency to convert blocks of flats, and especially old buildings, for sale under the Sectional Titles Act, 1971. This tendency creates enormous uncertainty amongst tenants, especially in view of the proposed deletion of section 39 of the Act to make it possible for the registered owner of a sectional title dwelling unit which is rent controlled to evict the tenant in order to be able to occupy the unit personally.

It has always been taken for granted that the older blocks of flats would not be converted in large numbers into sectional title units, because such buildings are generally not suited to this purpose. But should this unhealthy tendency persist, measures will have to be considered to curb the indiscriminate conversion of blocks of flats to enable the sale of individual units.

Finally I wish to thank all lessors who have assisted in enabling the phasing-out process to run smoothly and without hardship to their tenants. It is significant that in respect of the first two steps in the phasing-out process not a single case of exploitation could be proved and I trust that this will continue to be the case now that the third step in the phasing-out of rent control has been embarked upon.

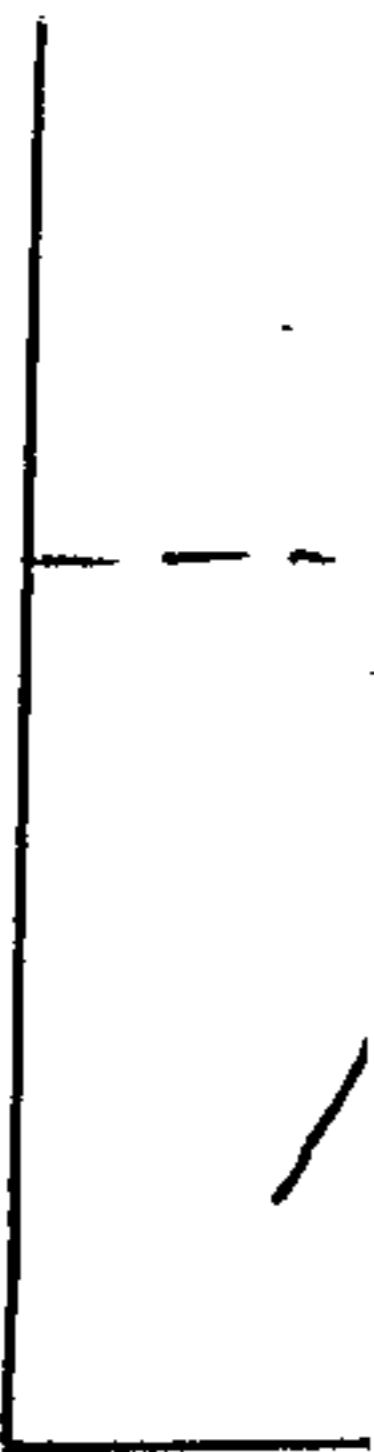
Issued by the Department of Foreign Affairs and Information
at the request of the Department of Community Development.

CAPE TOWN

DATE : 1980 -5- 14

Question 7.

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SECTIONAL TITLE

New boys cash in

PM 14/5/80
 (23)

A new generation of entrepreneurs is predictably emerging from the improved property market. But few can match the spectacular success of John Ferrans and his PICA group which has notched up deals worth R10m in only four months.

PICA (Property and Industrial Consultants and Administrators) specialises in sectional title consultancy and project management. And already it has bitten off as much as it can chew for the moment.

The company is intent on consolidating. "We don't want to get ahead of ourselves," he says, "but that doesn't mean we are against growth. It's merely a case of bedding down the business we have before we grow further."

By year's end Ferrans anticipates a turnover of R15m and already there are five substantial sectional title schemes in the bag. They are:

- R2.5m for Goldfields Props in Strathaven;
- R1.25m for Kings Parking, also in Strathaven;
- R850 000 for private investors in Gallo Manor;
- R1.8m, also for private investors, in Morningside; and
- R1.5m for unnamed investors in Rivonia.

All were handled on a turnkey, project management basis, PICA's speciality.

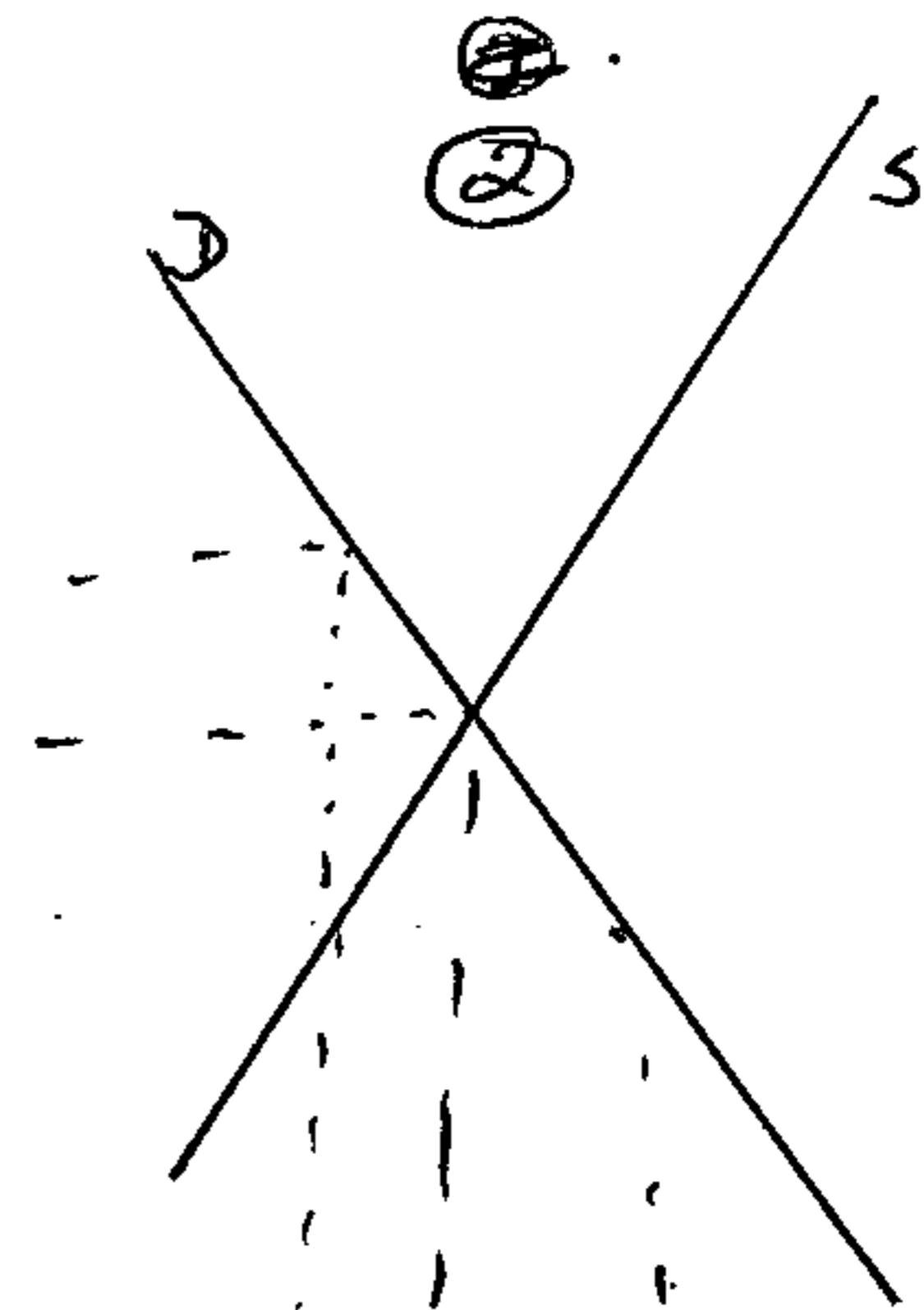
At the same time the company has been coming on strongly on the sales side. It has handled the sale of several blocks for sectional title conversion. Among them is Houghton Gardens, a Yeoville building which it purchased and re-sold for Gallic.

Other selling jobs on hand include Corriemoor Park in Northcliffe, Crystal Gardens in Hillbrow; and Saddlebrooks, a joint Anglo/Kirchmann Hurry development in Morningside Valley.

But glamour job for the moment is a planned 31-unit Camps Bay project which is being developed in conjunction with a large building society.

The R2.5m Cape scheme is designed to take advantage of the shortage of good townhouse accommodation in the Cape, and construction will begin shortly.

Ferrans sees sectional title opportuni-



ties further afield. For example, he's looking at the prospect of sectionalising industrial buildings. Good operators have looked at that one before. For several reasons, very few have tried it.

Still, Ferrans believes it is the "growth sector of the property market in the Eighties," and he will be looking to overcome the difficulties.

For all that, PICA has turned down three times as many sectional title propositions as it has accepted because, says Ferrans, they wouldn't have worked.

Fair warning for the many who regard sectional title as the route to easy money. Even in a buoyant market, there's still a right and wrong way of putting it all together.

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Steyn under fire for ignoring rents plea

(123) 17/5/80

Political Reporter

THE Minister of Community Development, Mr Marais Steyn, was accused yesterday of being totally insensitive to a plea on behalf of thousands of flat dwellers who will be affected by the further relaxation of rent control.

Mr Alf Widman, Progressive Federal Party MP for Hillbrow, issued a statement strongly critical of Mr Steyn and his department, and said Mr Steyn had failed to tell Parliament about some of the effects of his move.

In Parliament this week, the Deputy Minister of Community Development, Mr Pen Kotze, announced the third phase of the programme to lift rent control, this time on units occupied for the first time between October 21, 1949 and December 31, 1954.

The first two phases exempted from rent control units first occupied between January 1, 1955 and May 31, 1966.

Mr Widman said yesterday: "Mr Steyn's response to the appeal made by me and PFP members in Parliament to hold back the proclamation announcing the phasing out of the third phase of rent control has left me disappointed, disillusioned and frustrated.

"The Minister has shown complete insensitivity to the earnest appeal made on behalf of thousands of flat dwellers in South Africa.

"He failed to respond to the appeal after being told that so far, 9 400 people have signed a petition requesting a moratorium for one year in order to reassess the whole question of rent control," he added.

Mr Widman claimed Mr Steyn had failed to tell Parliament:

- Whether in fact a reassessment was made, and if so, what the findings were;
- How many of the remaining 80 240 individual flats were now to be de-controlled;
- How landlords who charge

more than the 10% rent increase after a two-year period could be controlled;

- How increases imposed thereafter could be repaid to tenants;

- How "tenants will fare when they have lost the other benefits of the Rent Act, which protects them in their right to have children in flats, the right not to be harassed and the right not to be ejected when the rent is not paid precisely on the due date".

Mr Widman said the National Party MP for Maitland, Mr Kent Durr, had had the audacity and temerity to tell Parliament "that this department was a compassionate department".

"It is clear therefore that Minister Steyn and his department have come out clearly in favour of the landlords and have deserted their obligations to the small man, the flat dweller, the aged, and those looking for security," Mr Widman said.

FINANCE

21/05/80 ARGUS

**SA must build
103 000 ~~100~~ new
houses a year**

123



MR Harvey Havenga has been appointed regional manager for the Western Cape of Barclays Insurance Brokers SA. He was previously manager of the Cape Town short term branch.



MR D MOFFAT has been appointed managing director of Mitchell Cots Projects SA (Pty).

— ECONOMIST

PROPERTY men have been left in no doubt about the immense challenge facing their industry in the eighties and beyond.

The critical issues of spiralling costs, unemployment, and housing demand, all of which will be dictated by the political changes taking place, were the opening shots at the South African Property Owners' Association's two-day congress which opened in Cape Town today.

Firing the first salvo on housing and jobs, Mr A J de Vries, deputy director of the Bureau of Economic Research at the University of Stellenbosch, told delegates an estimated 103 000 houses a year for the next 20 years would have to be built — even if a low rate of urbanisation of blacks of only 45 percent were assumed.

UNEMPLOYMENT

With the South African population projected to increase by more than 1.2-million a year in the next two decades, 600 jobs would have to be created every working day.

'Unemployment of the present magnitudes and the possibility that this

will increase even further, carries within itself the seeds of possible social and political unrest.'

Not only did the property industry have a vital role to play in training and education, but it must also provide the base for the new generations — the schoolhouse.

'There is a severe shortage of school facilities for blacks.

BACKLOGS

'Apart from backlogs, it will be necessary to build up to seven schools — for 500 children each — each working day in the nineties.

'About 50 percent of all black children are leaving school at present with, at most, four years of education.

'It is vital that they will have to stay for a longer period at school, but this will compound the backlog in accommodation.'

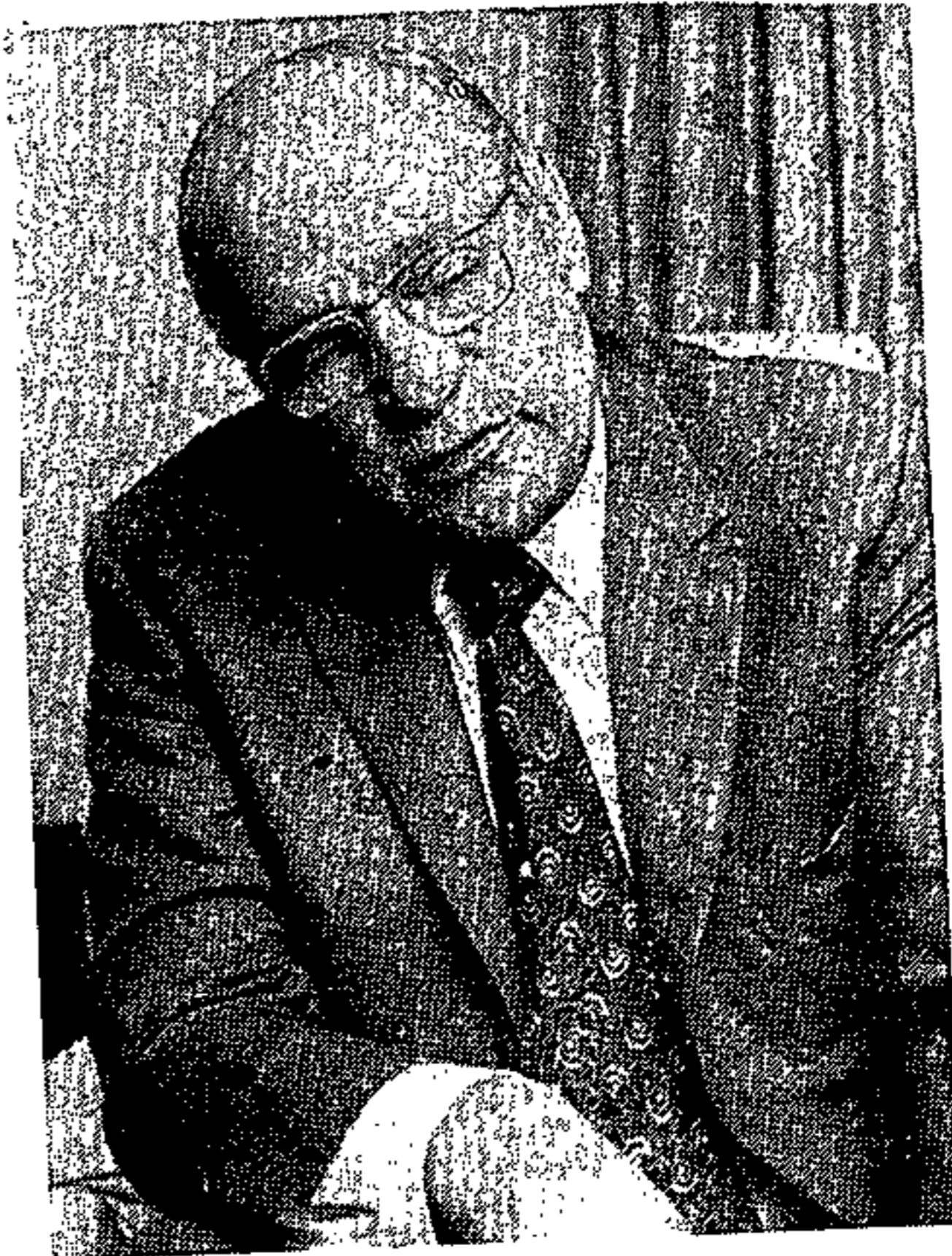
RISE IN RATES

While emphasising that the property industry, in line with the rest of the economy, had good prospects for the next 18 months, Mr de Vries warned against planning acti-

vities without taking into account the possibility of a 'fairly sharp' rise in interest rates.

The continued discipline in government spending, as well as the rationalisation of the public sector, would cause a further decline in demand for office accommodation.

'The already high prices for properties and rents, and the expected further escalation in building costs must, in the medium term, have a negative influence on the demand for your product,' Mr de Vries said.



Marais Steyn . . . the worst of both worlds

RENT CONTROL ^{FM}
23/5/80 (123)
Pleasing no-one

A nervous few thought Government might just renege on its promise to continue with the rent decontrol programme. They need't have worried.

The announcement — better late than never — has duly come. As usual there are accompanying warnings to landlords not to exceed the 10% limitation on rental increases for two years.

More than this, though, Minister Marais Steyn is telling landlords how to behave after the end of the two-year moratorium as well. He says they must restrict themselves to "equitable" returns but doesn't say what he considers equitable.

He also threatens summary recontrol and unpleasant results if landlords over-

step the mark, whatever it is. In doing so he is getting the worst of both worlds.

The Nats are already under political pressure for introducing a form of decontrol at all. But the argument — and the right one — was that it was the only way to encourage production of new rental stock from the private sector.

It doesn't look as if that's going to happen either. The *FM* knows of one developer of note planning new flats-to-rent. Otherwise there are no starters. Small wonder.

While Pretoria maintains the tough line on the rents issue most developers aren't going to build. True, flats occupied since mid-1966 have never been subject to control anyway. But the fear was that they might be, and that's discouragement enough.

The latest announcement rolls back the programme to 1949. Flats occupied between then and 1955 are now decontrolled but subject to the 10% restriction for two years. Flats occupied between 1955 and 1961 are decontrolled with a year's restriction to go, and flats occupied between 1961 and 1966 are freed of controls completely.

They, of course, are expected to seek no more than "equitable" returns, so it will be interesting to see what happens.

The next step will be to decontrol the pre-1949 stock. That will entail a change to the Act. The sensible thing would be to

scrap it entirely, but that's not going to happen.

Indeed, there could be *more* restrictions on the way because Steyn sees the trend to sectionalise older blocks as "unhealthy." But that's been going on since the Chaim Wainer days so it's a bit late in the day to raise objections now.

The real reason, of course, is that owners are going for sectional title because they can't get decent returns any other way. And the problem for Govern-

ment is that it has repealed section 39 (1) of the Sectional Titles Act (effective next April) to allow flat buyers to move into their own properties.

Inevitably that means ejecting a number of sitting tenants, even if they are in the lower income group and protected under the Housing Act.

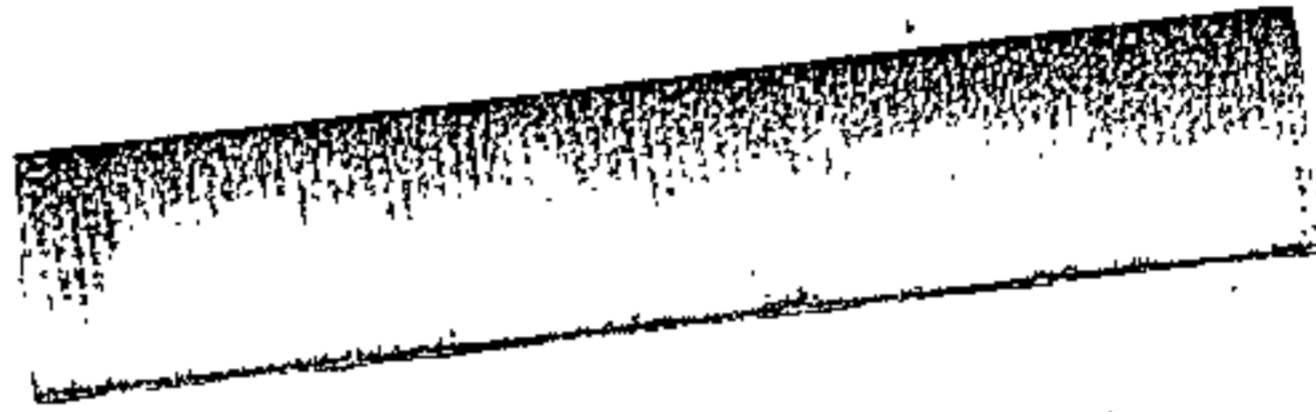
Which makes for a tricky political problem. But it's no use Steyn giving with one hand and taking with the other. That way he's going to please nobody.

FM 23/5/80 123 (3/8)
TOWNSHIP DEVELOPMENT

The bludgeon again

Two years ago the unwanted Development Schemes Bill was withdrawn for a facelift. Now it's reappeared, as ugly as ever, in quite as many words in Parliament last week, but the connection is unmistakable. Just for starters the only people who will be able to develop townships by right are the state, statutory bodies, provincial a

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ministrations, local authorities, and the institutions.

Private enterprise might just get a show in as well. But companies going into townships will have to convince the provincial Administrator that they are capable and will have to be licensed for each new project.

Just who makes the recommendations to the Administrator isn't clear. But applications for new developments will still go first to the directors of local government. Presumably they will now become the experts on corporate stability?

Steyn hasn't got down to details and the FM's efforts to clear up outstanding points have been unsuccessful. Will the new rules, for example, apply to industrial and commercial township developers as well? Will banks, with something like R100m of liquidation stock around their necks, be permitted to continue marketing as before? What about phased development? The questions are almost endless.

Part of the shakeout, it seems, will entail a uniform township application system throughout the country. Developers won't quarrel with that.

But there's also a suggestion that they will have to pay endowment based on actual expenditure by the local authorities. Just how that will apply to the provision of trading services, for example, isn't immediately clear.

Does the developer pay for water and

electricity (in Johannesburg) reticulation? If so who gets the income?

Clearly the authorities have a problem. They are understandably keen to avoid a repetition of the Glen Anil/Corlett Drive-type disasters which hit standholders in their thousands.

However, the new defences are taking a long time to go up. And the more convenient statute to use is the Sale of Land Act anyway. Attempts have been made to improve it, but the whole question of township development and buyer protection has already come under close scrutiny by the Van Tonder Commission.

The sensible thing will be to bring all aspects into a single Act. That way, at least, the onslaught will come from only one direction.

Rent control going ⁽¹²³⁾

57AR 24/5/80
Pretoria Bureau

The third stage of the abolition of rent control was gazetted yesterday and now applies to all buildings used since October 20 1949.

The two previous stages of abolishing rent control went back as far as buildings occupied since December 21 1954.

The abolition of rent control on buildings occupied between 1949 and 1954 is likely to mean higher rents for thousands of flat dwellers in older

flats in areas such as Hillbrow and Yeoville in Johannesburg.

However, tenants with very low incomes can be exempted from the increased rents.

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LA F Housing crisis (123) outlined

Staff Reporter

IF the South African black housing backlog is to be cleared, more than four million houses will have to be built by the end of the century.

And informal settlements or "squatter camps" near "white" urban areas will be a permanent feature of South African cities, despite the Government's influx control measures.

This emerged from a report on "squatter camps" in the Durban area, released yesterday by the South African Institute of Race Relations.

It strongly condemned the Government for not having formulated any "positive or realistic" policy to solve the acute housing shortage.

An estimated 300 000 to 750 000 squatters were in the Durban area alone, the report said.

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R100 m spent on black homes

HOUSE OF ASSEMBLY. — During the 1979/80 financial year the state spent R100 481 200 on housing for blacks, the Minister of Co-operation and Development, Dr Piet Koornhof, said yesterday.

This was disclosed in a written reply to a question by Mrs Helen Suzman (PFP Houghton). — Sapa

(To be boxed)

die skrywer van hierdie artikel,
Dr Piet Muller is Assistent Redakteur van Beeld in Pretoria. 'Die Afrikaner
in die Nuwe Afrika' is 'n uittreksel uit 'n artikel wat hy reeds in Buurman ^{September 1974} in
gepubliseer het. ^

FM 30/5/80

SECTIONAL TITLES

123

A new Act planned for 1982

All agree that the Sectional Titles (ST) Act has been an unqualified success. Yet, ironically, the legislation is to be rewritten and the Mark Two version should make the statute book by 1982.

Why the decision to change a winning combination? The nutshell answer is that nothing is beyond improvement. And there are several ways in which the ST laws can be smoothed out for the benefit of buyer and seller alike.

That was the message contained in replies to a searching questionnaire from the chairman of the Sectional Titles Advisory Committee, Dr Denis Cowen. The views of the various institutes and associations were unanimous: the Act is working well but there are areas in which it can be improved.

And because it is tightly drafted, piecemeal amendments aren't good enough. It will have to be a full rewrite.

A feature of the pioneering legislation has been its silence on several matters of practical importance. With discussion and goodwill, the problems have been overcome as they have cropped up. But now, says Cowen, it is desirable to incorporate these informal solutions in the law.

The Act is silent, for example, on the granting of "exclusive use areas" for the enjoyment of individual buyers. Private gardens are a popular case in point.

So far developers have got round the problem by using the accompanying rules. But in some cases, especially where major improvements are created in the exclusive use areas (like a private swimming pool), owners prefer to register garden servitudes.

But there are problems of definition to be sorted out. Other countries have managed to do it, Cowen says, and the position should be similarly spelt out in SA.

Expropriation is another factor on which the Act is mute. Yet local authorities have expropriated both land and buildings on occasion anyway. Sapon's model rules provide some guide, but the expropriation procedure, it is felt, should also be incorporated in the main legislation.

The powers of the bodies corporate and scheme management procedures aren't too clear either. Sapon's rules are more comprehensive than the brief schedules to the Act. But some developers are doing it their way and there's a lack of uniformity. Building societies, for example, won't grant bonds until they are satisfied that the scheme will be run properly. Again, common ground has been found informally but it's another area which could be cleaned up.

There has also been a tendency for the work of local authorities and the deeds registrars to overlap. That has meant time and money to the market, but even here problems have been overcome by talking things out in the advisory committee, and by the issue of registrar's circulars.

But Cowen agrees that it is far better to get it all down in one place - the main legislation. At the same time the new draft will deal with vexed questions like phased developments which have caused problems with sales. And the long-standing controversy over development of free-standing sectional units will be looked at as well.

The focus of interest in the housing market of the Eighties is going to be in the medium density field, predicts Cowen. That will include everything from ST to mini-subdivisions (group housing), share block occupation rights and leasehold.

It thus makes sense, he says, to ensure that the legislative framework for each option should be as simple, effective and secure as possible.

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LINES.

under sectional title can't have them.

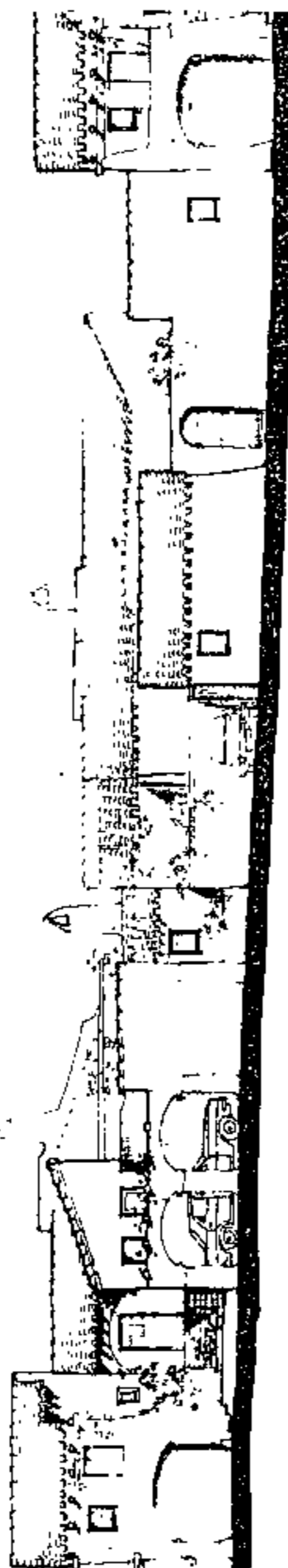
From the profit viewpoint, there's good and bad news. Edkins admits that optimum margins might well have been obtained from ST because development costs could have been kept lower. On the other hand, cash flow is better because transfers can go through immediately, whereas ST schemes have to be completed before the first deals can be registered.

Sectional developers are using lease agreements to get round that one, but it's still better to get in the cash as soon as possible.

Location alone demands that the Genmin scheme should be upmarket and few luxuries have been spared. Marble-topped vanities, carpeted living and sleeping areas, timber-framed windows and Cordoba tiles from Durban are standard. Outdoor living has also come in for a lot of attention and, at 164 m² to 176 m², the 20 first-phase units tend to be large.

Costs, including walling and roads, will work out below R300/m² — not bad in the light of recent horrific escalation estimates.

Prices will be pitched accordingly. Edkins is looking at figures around R70 000 to R80 000 (four-bedrooms) and will probably get them. After all, there may be many opinions on how long the market is going to hold up, but there's little chance that it will run out of steam in six months.



Genmin's Cherry Hill . . . a case for separate development

1979). Since then developers have moved quickly and group housing — as opposed to sectional title — schemes are coming off the drawing boards thick and fast.

Unlikely market leader on the Reef looks to be General Mining. Traditionally it has been strongest in shopping centres and residential/industrial land. Now it is stepping into commercial housing. The market, says Genmin's Noel Edkins, is ripe for it.

As a kick-off it plans to start selling the first phase of a R5m Sandton group scheme, Cherry Hill, by November. It is developing another R5m to R6m worth in Benoni and has a substantial sectional title (ST) holiday project planned for Plettenberg Bay.

But the Sandton scheme will effectively feel out the market. Apart from the older RM Props/Schachat Cullum scheme at Ormonde, Transvaalers have been slow to follow the Cape into group development.

Edkins doesn't see why. South Africans

by tradition prefer to be masters of their own households, he says, and by taking individual transfer that's what they'll become.

Yet the integrated nature of all higher density housing demands strict aesthetic control. Layout and design of the 69-house Cherry Hill spread has been carefully watched to create the required effect. Genmin wants to keep it that way. Edkins says there will be controls, at least on exterior alterations, by the Sandton council and, hopefully, through the deeds of sale.

Otherwise, no bodies corporate, no levies, no meetings. The units stand on separate (450 m² to 550 m²) stands and transfer goes through in the normal way. The municipality, and not a body corporate, will be responsible for public space and the parkland which forms part of the 5 ha site. And there are even fully-fitted servants' rooms attached to each house. By some crazy reasoning, similar projects

123 'Encourage' black home ownership

HOUSE OF ASSEMBLY. — Black home ownership in urban areas should be encouraged and developed to give residents a vested interest in the development of progressive residential areas and the accompanying facilities provided by local authorities, says the Browne Committee.

Blacks were paying more for the 99-year leasehold than ordinary rent was costing them. The leasehold system did not confer full ownership, and it contained an element of risk for bond creditors, the report said.

"There will have to be further refinements to the system before it will conform in all respects to the requirements of a system of property ownership which will best serve the needs of progressive local authorities."

Current estimates put the total income derived from rent and property taxation at only R37.2 million by 1990. An "acceptable" form of right of ownership had a motivating influence on owners, as well as a stabilizing influence on the community and its development. Property served as security for credit over the long term and the short-term and provided an "extremely" convenient basis for taxation.

Current expenses of the community councils by 1990 were estimated at about R500 million and a system of property taxation should be developed

which would raise a revenue of about R250 million.

Economic and administrative considerations made it desirable that policy be implemented to encourage and develop home ownership in black urban residential areas within white areas.

Residents should gain a vested interest in development and facilities supplied by local authorities for which they would be willing to pay in property taxation, the committee says.

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'R1 100-m
57MR
needed *1/5/80*
for black *(123)*
housing *(262)*

Political Reporter

CAPE TOWN — At least R1 100-million must be spent on housing for urban blacks in white areas over the next 12 years, an important Government inquiry has found.

The report also recommends a policy of encouraging homeownership in urban black townships.

The first section of the long-awaited report of the Browne committee of inquiry into the finances of local authorities was tabled in Parliament yesterday.

It points to the great need for housing among urban blacks and to the benefits which flow from low-cost housing.

The committee recommends that the authorities agree, as a matter of policy, to make available at least R1 100-million, calculated at 1977/78 prices, over the next 12 years for housing for urban black people in white areas.

"This will cover about 50 percent of the increase in the need for housing for urban black people."

About 75 percent of the funds should be spent on sub-economic schemes, unless investigations show otherwise. Areas where the housing needs are greatest must continually be determined by surveys and from other information available about the housing situation.

Private undertakings, building societies and other financial institutions must be informed of the extent of the housing problem faced by urban blacks and must be included, as far as possible, in schemes to provide housing for them.

The report draws attention to shortcomings of the present 99-year leasehold system in urban black residential areas.

It says further refinements will have to be made to this system before it can meet the demands of a system of home ownership needed for a prosperous local government.

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16 **PROPERTY MAIL**

Plenty of funds left for homes

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ADM
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123

PROPERTY REPORTER

THERE is no sign yet of any drying up of mortgage funds, judging by the R1 000-million plus that the United Building Society lent in the year to March 31.

That is more than R3 300 000 for each working day.

The UBS says in its annual report that share capital increased by R266,6-million to nearly R1 476-million, made up of R652,7-million in indefinite period shares, R366,3-million in tax-free shares, R253,6-million in fixed period shares and R204,3-million in subscription shares.

Deposits rose R208-million to R1 505-million, made up of R739-million in fixed deposits, R755,5-million in savings deposits and nearly R10-million in the recently introduced transmission deposits.

A total of 23 new branches and sub branches was opening during the year, bringing the number of United branches and agencies to more than 750.

Improved economic conditions are reflected in the results achieved by the UBS Development Corporation in the past financial year, during which sales of housing units totalled 477 (including 159 sectional title units), compared with 220 (including 57 sectional title units) during the previous year.

The directors say: "Notwithstanding substantial rises in building costs, the corporation is continuing with its policy of providing good quality housing at reasonable cost to meet the ever increasing demand for both conventional and sectional title dwelling units".

The corporation has also extended its operations into the field of housing for blacks, coloureds and Indians.

Short-term underwriting results of the UBS Insurance Company continued to be adversely affected by the incidence of storm claims which remained at a high level throughout the year.

Premium income amounted to R7 399 000, an increase of R729 000 over the previous year.

There was an underwriting loss of R52 000 for the year ended December 31, 1979, compared with a profit of R45 000 the previous year.

However, increased investment income resulted in an after-tax profit for the year of R975 000 compared with R800 000 in 1978.

An unchanged dividend of R500 000 was declared. The total assets of the company now exceed R28 500 000.

BROWNE COMMITTEE FM 6/6/80 (123) ~~507~~ ~~507~~

Planning a black middle class

The report and recommendations of the Browne Committee is more than a scholarly study of the financial problems of the country's 512 local authorities.

It is also an important socio-political document which creates a golden opportunity for the reconstruction of hundreds of

blighted urban black communities in the common area.

At the same time, however, consideration of Browne's (Chapter 11) recommendations on black local authority finance will bring the Cabinet face to face with awkward decisions about fundamen-

tal NP policy. Adoption of the recommendations will require some courage in view of right-wing gut opposition to policy adaptations which might make life for urban blacks a little more comfortable.

Yet by no stretch of the imagination can the Browne report be seen as a verligte



**Commissioner Browne . . .
planning for apartheid . . .**

document: it bases most of its assumptions on the expectation that the apartheid ethic will expand, not contract. For example, it expects that by 1990 there will be about 300 autonomous local authorities for coloureds and Asians, and that about 250 black community councils will have been established by the end of 1980.

But if apartheid is to remain the dominant factor in determining the life-style of tomorrow's SA, the Browne committee is adamant that government should stick scrupulously to its "separate but equal" ethic.

For this reason it concludes that nothing short of full freehold property ownership rights for urban Africans can provide the basis for sound local authority financing in black towns and cities.

If places like Soweto are to be viable they will have to develop along the lines of white local authority models, says the report, and the most important pillar of white municipal finance is a system of property taxation (rates).

It says that income from property tax will need to make up at least 50% of black local authorities' projected current income of R504m by 1990. This is about eight times more than the projected R37m the committee expects local authorities to derive from plot rentals plus property rates if there is no change in existing policy. This would be a mere 7% of projected current income in 10 years' time.

"As long as this situation exists it will be difficult to achieve the aims of sound public finance, particularly because a sound and vigorous system of local authority, capable of meeting modern demands and expectations, can essentially only be developed on the basis of sufficient housing and a healthy system of home owner-

ship"

The report concludes that the present system of 99-year leasehold has negative points. First, township dwellers will be more out of pocket under the new scheme, compared with the rental scheme. Second, 99-year leasehold does not confer full ownership rights, merely a right of occupancy which may be transferred. Thirdly, there is the element of risk in the system which lenders don't like.

While stressing that it confined its investigation to the financial, economic and administrative aspects of black local authority finance, the committee says its observations on full home ownership and freehold are based on the following factors:

- The strong motivating influence it exerts on owners;
- The stabilising influence on the community and its development;
- The importance of property ownership as collateral for mortgage finance; and
- Its convenience and effectiveness as a basis for taxation. (From a fiscal point of view this is most important because income from property rates must ultimately supplant the other two important pillars of black municipal finance, liquor and levy contributions from employers.)

A vital adjunct to the committee's observations on freehold property rights for blacks are recommendations urging government to embark on a massive housing programme, requiring expenditure of R1 000m over 12 years at 1977/78 prices.

According to the committee's survey of black population dynamics, the number of blacks in the common area seems set to rise from 8.1m in 1977 to 10.3m in 1990, based on an anticipated growth rate of about 2% a year. At least 50% of the housing requirement implied will have to be financed by government and most of the remainder by the private sector, in-

cluding own buildings by blacks. This assumption is based on the fact that in 1976 nearly 50% of economically active blacks in the common area were engaged outside mining, agriculture and domestic service (where the employer provides accommodation), as well as the assumption that government provides housing finance for the whole extent of the population increase in metropolitan areas and 22% of funds required to house the increase in the non-metropolitan areas. (The housing of "illegals" of whom there were an estimated 586 000 at March 31 1977, is obviously excluded from the committee's calculations).

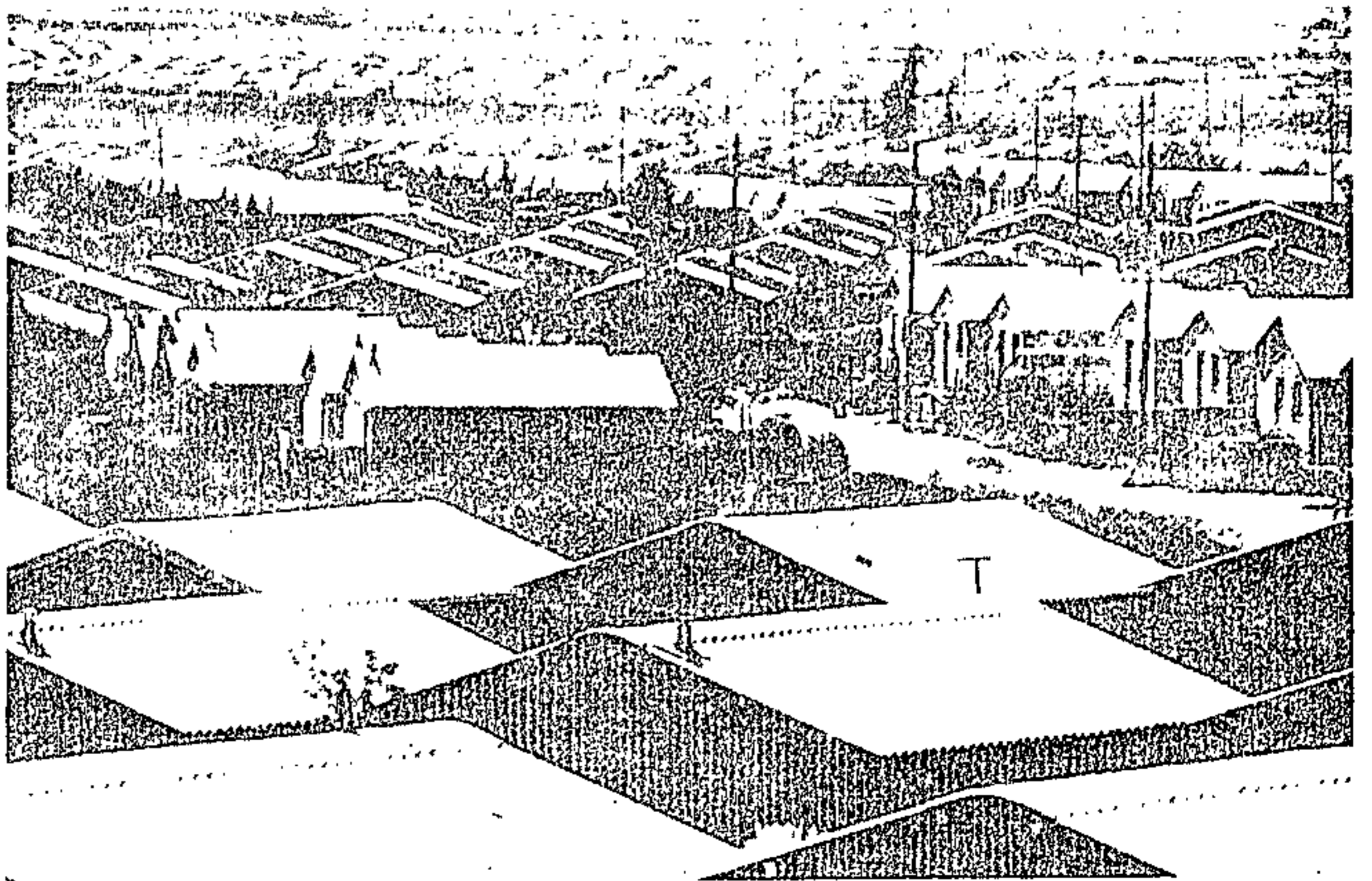
This means that homes will have to be found for more than 1m people up to 1990. At an occupation rate of 7 per comparable housing unit of R6 900 (including services) it seems government housing funds will have to provide more than R1 billion by 1990.

Housing backlog

However, this sum excludes capital sums required to upgrade/improve existing homes, nor does it provide for the elimination of housing backlogs, estimated by Rieker to be 162 000 family units at the end of 1977. This would require an additional R100m to be spent to 1990.

According to a survey carried out by the committee, R37,7m was spent on black housing in 1977/78. On an annuity calculation it is clear that this sum will have to be increased nearly 14% a year to R176,9m a year to reach the target figure of R1 billion, R385m a year to provide for up-grading and wiping out the estimated backlog.

Equally important is the amount of work such a construction programme would create. A 1976 study by the Department of Community Development showed that every R1m spent on low-cost housing



. . . on a grand scale . . . and with freehold

created 250 man-years of labour in the construction and allied industries, while a World Bank study shows that an income "multiplier" at a factor of two is created in home building (in Korea) and that 14 new jobs are created for every \$10 000

expended.

Construction has a higher job-generating propensity than most other areas of activity and is doubly desirable because it has a very low import content, if any.

"Moreover," says the committee, "a

healthy system of home ownership will foster a feeling of security, permanency, independence, self-pride and a spirit of progress and "congregation." And private property is, of course, the cornerstone of prosperity.

9/6/50 SUN 11/12

Five-year housing plan

(11)

(23)

By VERA BELJAKOVA

B. 7

A TOTAL of R760-million is to be invested in urban housing by the Government in the next five years.

Some R393-million has been earmarked for 60 000 houses for coloureds. Another R106-million will be spent on 17 500 houses for Asians and R69-million on 41 000 houses for blacks.

To help solve the housing shortage for whites, the Government has allocated a further R192-million.

Homes sell well despite riots

STAR 21/6/80

123

By Frank Jeans

Houses are still selling strongly despite the current wave of unrest.

And, while there is a good deal of buyer resistance to over-priced homes, demand is being maintained although market sources generally believe that it is "too early to say what further developments will be."

There is certainly cause for alarm in the Cape troubles but housing agents point out, rightly, that any downturn in the market because of a spread of the riots would not affect the property scene only but would fil-

ter through to all sectors of the economy.

Potential home-buyers might well be "sitting on the fence" over the unrest but it is also evident that zooming prices are deterring many buyers.

In recent months home prices have been levelling but there is no sign of a widespread drop in market values.

The trend has changed, however, and while it is still a sellers' market, the "greedy" owners who, not so long ago, were holding out at all costs for the price they wanted, are in many cases, just not getting that price.

And this, in itself, is certainly a stabilising factor in an overheated market.

Government urged to provide millions for low-cost housing

STAR
26/6/80
123

By Michael Chester,
Financial Editor

The Government was urged today to launch a multimillion-rand scheme to offer sweeping new subsidies to low-income home buyers — primarily black families.

The radical new deal was advocated by the influential Bureau for Economic Research at the University of Stellenbosch whose ideas are known to carry weight in Government circles.

The team suggested that the 99-year-lease rule should be scrapped and that black families be allowed full home ownership — the issue widely regarded as the main stumbling block in black home buying.

And the bureau urges

the Government to slash the interest rate on home bonds offered to low-income families to a mere 1

percent.

The Stellenbosch team estimates that house building costs will rise by

21 percent in 1980 — even steeper than the spiral in the consumer price index as a whole.

"There can be little doubt," says the study, "that expenditure on low-income housing must be considered of strategic importance and could be viewed as a weapon in the 'soft defence' category."

As the State already provided rented houses at 1 percent interest rates, it might be feasible also to provide houses for sale at an equally low rate in view of the sensitive nature of the problem, the study said.

● Soaring costs big threat to building trade
— Page 34.

SA Perm warns on house prices

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RDM
26/6/80

By SIMON WILLSON

THE ALARMING rise in house prices had been aggravated by the abundance of home loan finance, Dr Frans Cronje, chairman of the SA Permanent Building Society, said yesterday.

He said at the Perm's annual meeting in Johannesburg he was concerned at the rate of increase in house prices, and at the steep rise in building costs which had averaged 2% a month.

The building societies had played a significant part in stimulating the construction sector of the economy and thereby providing many job opportunities.

"However, an unchecked rise in prices will result in home ownership becoming beyond the means of many South Africans," Dr Cronje said.

Building societies had helped the authorities throughout the year under review to improve the 99-year leasehold scheme so that it could provide home ownership for as many blacks as possible.

"I wish to record my thanks and appreciation to all who worked relentlessly on this project because I believe it is our national duty to bring about a better lifestyle for all our peoples."

Dr Cronje said that the Perm's assets, at R2 433-million, had doubled over the past five years. Total assets had increased by a record R452-million, which was 50,8% more than last year's growth figure of R286-million.

The Perm lent R835-million in the year under review — R2 700 000 a working day. Lending reached an all-time high of R5-million a working day in February and March.

Seconding the motion at the meeting, Professor D J Du Plessis, principal of the University of the Witwatersrand, said a great deal more needed to be done before the 99-year leasehold scheme became a proposition for the average black family.

"I am quite certain that

blacks will not be totally satisfied until freehold home ownership becomes possible for them in urban areas. This, I believe, is going to be inevitable in the long run and the short step from the 99-year leasehold to freehold should be taken now.

"It will give potential home owners the additional incentive they require to make use of the scheme on a large scale, with the resultant benefits for all sections of the community."

'1% loans should be considered'

CAPE TIMES 27/6/80
Staff Reporter

(123)

THE GOVERNMENT should consider providing one percent interest loans to boost low income home-ownership, according to the University of Stellenbosch Bureau for Economic Research.

Noting that benefits of home ownership include improved socio-political stability and a shifting of the burden of maintaining property from local authorities to the owner, the bureau says in its latest building survey, compiled by the bureau economist, Mr G J J Snyman, that long term benefits could flow to the community from further subsidized interest rates on house purchases.

It could be argued, the bureau says, that finance at one percent interest could be provided by the State since it provides this for rented premises.

"It does not seem necessary to regard such interest rate subsidies provided for the purposes of low income housing as 'losses suffered by the State'. There is a case for viewing it like expenditure on health and defence which is regarded simply as current expenditure; that is as a cost item to cover essential services. The accent should thus be on the cost of providing home-ownership as opposed to the cost of providing rented dwellings and the maintenance thereof."

Although the State benefited from the provision of rented premises by accumulating assets over time, it could be asked if it would not be preferable if the citizens themselves were to acquire these assets.

Societies ready with 'big money' for black housing

A leading building society has appealed to the Government to open up major black townships for housing schemes which would effectively mean the end of the leasehold system and give blacks freehold rights.

The society wants serviced plots in townships such as Soweto, Sebokeng, in the Vaal Triangle, and in Port Elizabeth and elsewhere, to build homes for blacks in the same way as has been done for Indians and coloured people, who have freehold rights.

The plea was made last night by Mr Gordon Chapman, chairman of the Natal Building Society, at the society's annual general meeting.

Mr Chapman also said that building societies would be willing to inject big money for housing into black homelands provided the South African Government put up financial guarantees against losses through changes in legislation, legal processes

and monetary exchange rates after the homelands became independent.

Housing was a social necessity which satisfied one of man's deepest urges and in providing it, building societies had a vital role in South Africa's social structure, he said.

Building Societies' ability to provide finance for housing should never be impaired because if it was, "we run the risk of permitting people to become frustrated."

"If more land could be made available to us by the Department of Community Development and local authorities at reasonable prices for all race groups, as has been done on a few occasions in the past, we would be able to make even greater contributions to providing attractively priced housing," Mr Chapman said.

At present blacks can own homes in townships on 33 or 99-year leases but these have had few takers.

123

9/7/30.

NBS out to house all race groups

DURBAN — Building societies performed the vital function of marshalling the public's savings to provide essential finance for housing, said the Natal Building Society chairman, Mr Gordon Chapman, at the NBS annual meeting.

Mr Chapman believed these savings would have to go further in the future to meet the increasing demand for housing from all sectors of the population.

Mr Chapman said the provision of housing for the coloured and Indian communities was being actively pursued. There had been delays and difficulties in the past in obtaining permits from the Department of Community Development to acquire land for the development of housing for Indians and coloureds. This situation had now improved tremendously.

"If more land could be made available to us by the Department of Community Development and local authorities at reasonable prices for all race groups as has been done on a few occasions in the past, we

would be able to make an even greater contribution to providing attractively priced housing."

Mr Chapman reiterated an NBS appeal to the authorities to allow building societies and other private developers to play their part in the provision of housing in black townships like Soweto in the same way they had done for Indians and coloureds.

"We would like to be given the opportunity, after the necessary statutory amendments have been made, to acquire serviced plots in those parts of Soweto and Sebokeng and other townships on the Reef and Port Elizabeth in particular that have been zoned for housing for the middle and upper income blacks."

Mr Chapman said the NBS would readily grant loans to blacks in the black states like KwaZulu if the Government were prepared to guarantee repayment if the society should find itself with an asset in a foreign country once such a State became independent.

Expert says people in flats have been spoilt

STAR
9/7/80
123

By Josie Brouard

Tenants who do not want to buy their flats under sectional title have no cause to complain. Rent control has spoilt and lulled them into a sense of false security, a spokesman for the South African Property Owners' Association (SAPOA) said yesterday.

"South Africa's white population is generally overhoused. Tenants have enjoyed a good standard of living at low cost for a long time. But tenants can expect in future to pay more — or live to lower standards," Mr D Kennedy, executive director of SAPOA, said.

He and other property experts agreed that prices, and rents of flats are going up. This was "inevitable" with the move to a market of supply and demand.

EVICTED

The repeal in May this year of section 39 (1) of the Sectional Titles Act means tenants who were previously protected in rent-controlled flats, can now be evicted.

But tenants who earn less than R540 a month are still protected from eviction — until April 1981. A person can not be evicted until his lease expires, Mr Kennedy said.

Many tenants who are buying flats under sectional title are balking at the high prices, while others, who get out, find an increasing number of flats have been edged out of the rental market, leaving the choice of alternative accommodation frighteningly limited.

Mr Ian Fife, managing director of Property Marketing Services, said people would shortly be forced to buy flats under sectional title because of the lack of other accommodation.

In another survey undertaken by the largest managers of sectional title schemes in South Africa, the Urban Management Group, it was found that 29 percent of original flat tenants moved out of their flats when they were converted under sectional title, while eight percent of rental accommodation was taken off the market completely.

DELIGHTED

The survey, which covered 250 flats in the Hillbrow/Berea area, found 47 percent of flats were bought by original flat tenants, 21 percent by other flat tenants and 24 percent by investors, who rented to original tenants. The remaining eight percent were sold to former homeowners.

Mr J G van Straten, managing director of the company, said there were "traditional renters" who did not want to buy flats under sectional title. "But most are delighted. As many as 95 percent in the northern suburbs are buying," he said.

"Most do not want to move and are happy to own property at last after having paid rent for so long. Young people too are getting a boost. With low deposits, they can also afford to invest in property," he said.

Marais Steyn must resign, says Eglin

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123
RDM
12/7/80

Political Staff

THE Progressive Federal Party yesterday demanded the resignation of the Minister of Community Development, Mr Marais Steyn, for suggesting that there would be bloodshed if returning servicemen found coloured people living in "white" areas.

Mr Colin Eglin, PFP spokesman on community development, said Mr Steyn should bow out before "the damage he is doing to race relations becomes irreparable".

Mr Eglin made his attack as Mr Steyn came under increasing pressure for his attitude towards the growing number of coloured and Indian people forced to live illegally in "white" flats because of the shortage of accommodation in zones allocated to them under the Group Areas Act.

Two leading lawyers, Professor John Dugard, director of the Centre for Applied Legal Studies at the University of the Witwatersrand, and Mr Jules Browde, SC, have already referred to the Attorney-Gener-

al some of Mr Steyn's remarks which, they believe, may constitute contempt of court.

The Nationalist newspaper, Die Transvaler has also criticised Mr Steyn for other remarks he made at a meeting of white residents in Jeppe, Johannesburg, this week.

Mr Eglin said Mr Steyn's warning that there would be bloodshed if returning national servicemen found coloured and Indian people living in white areas was an insult to "every serviceman who has served SA on the border".

"In the operational areas, white, coloured and Indian — and, at times, black South Africans — have stood shoulder to shoulder," said Mr Eglin.

"For these young serving South Africans, there has been no apartheid. How dare Marais Steyn suggest that these young men share his prejudices and racial bigotry?"

"His statement is disgraceful. It is inflammatory. It reeks of racism."

Mr Eglin said Mr Steyn was not fit to be in charge of such a sensitive portfolio as Community Development. He should apo-

logise to national servicemen and bow out of public life.

Die Transvaler said in a leading article yesterday it was a "pity" that Mr Steyn had reinforced his requests for coloured people to leave Jeppe, with a threat that the Government could be forced to act against them "with full force".

The newspaper said coloured and Indian people had sought refuge in "white" areas because they were unable to find accommodation elsewhere.

Die Transvaler argued that until more accommodation was made available, threats should be withheld.

The decision by Prof Dugard and Mr Browde to seek a prosecution against Mr Steyn comes after his remarks at the same meeting that the Government would clamp down hard on illegal residents in "white" areas as soon as two Group Areas eviction cases before the Appellate Division had been handled.

Prof Dugard and Mr Browde are involved in the cases, and believe Mr Steyn's remarks constitute contempt of court.

R80-billion needed for black homes

RDM 25/7/80

123

By **DIAGO SEGOLA**

IT WOULD cost R80 000-million to provide the homes needed in the next 20 years for the ever-increasing black population in the urban areas.

About R165 000-million would also be needed by the turn of the century to create jobs for the increased population.

The estimated black population by the year 2000 will be 37 million — and about 75% will be living in urban areas.

These projections are made in a study on urbanisation by the Sandton-based research organisation, Syncom, established last year to "develop scenarios, policy alternatives and action programmes for all fields of business and related environments".

The managing-director, Mr Andre Spier, is a former consultant for the Unit for Futures Research at the University of Stellenbosch.

Other directors are Dr Nico Stutterheim, executive director of the Urban Foundation; Mr Charles Sheen, of Murray and Roberts Holdings; Dr Collin

Schlesinger, of African Explosives and Chemical Industries (AECI), who is also president of the SA Institute of Chemical Engineers; and Mr George Rhodes-Harrison, a senior partner in a firm of architects.

According to the authors of the report, their projections are supported by the Bureau for Economic Policy and Analysis of the University of Pretoria, by Cabinet Ministers, and by top business leaders.

Referring to the estimate of 75% of the black population being in urban areas by 2000, the report said:

"A very large number of these blacks might settle in present metropolitan areas. Considering this influx, one could agree that next to nuclear warfare and massive hunger, urbanisation is the third biggest threat.

"Against the backdrop of these figures, we must see and talk about 40 new cities — 20 cities the size of Johannesburg, seven new Sowetos, and so on."

A total of 6 150 000 housing units would have to be provided

by the year 2000 to cater for the increased population.

Of these, about 600 000 would be for the affluent blacks (income more than R6 000 a year); 2 500 000 economic units for people in the R2 000 — R6 000 income group; 2 500 000 sub-economic units for those earning an up to R2 000; and a total of 550 000 other units.

"If we take the average price per unit to be a very conservative R10 000, we are talking of a building programme requiring R80 000-million over the next 20 years."

In terms of jobs, "the closest rough estimate is that we (South Africa) have to create work for six million people over the next 20 years. In a predominantly urban setting, the total cost would be in the region of R166 000-million."

The report said that if the 27 million urban blacks in the year 2000 were evenly spread over 27 cities the size of present Soweto, they would require:

○ 27 000 doctors and dentists (one for every 1 000 people);

○ 250 000 teachers for 12,5-million pupils;

○ 18 000 pharmacists (one for every 1 500);

○ A total of 540 000 city engineering staff, hospital staff, town planners and administrators, professionals, and so on (20 000 for each city).

This would mean that about 817 000 people with higher education would be required to run the cities.

The Syncom report concludes by posing, among others, the questions: "What happens to these urban half-schooled masses during a recession? What happens to these conurbations in the years 2025-2030 when these numbers have risen to 70-million? Who feeds these masses if 50-60% of our best land is agriculturally neglected and energy prices pre-empt total mechanisation?"

"A rough but reliable conclusion is that it cannot be done with the means at our disposal, and given the tremendous backlogs in education, skills and infrastructure," the report says.

Degree/Diploma/Certificate/..... **D.C.M.**
you are registered (e.g. B.A., B.Sc.)

Subject..... **ECONOMICS**

Paper No..... **PAPER 1**

Examiners' Initials		

NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

2/8/80
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Black self-help housing gets builders' brickbat

THE Building Industries Federation of South Africa (Bifsa) says the urgent problem of providing housing for the black population should be left to the organised building industry.

An editorial in Bifsa's official journal, SA Builder, takes issue with the school of thought favouring do-it-yourself owner-builders being provided with minimally-serviced land and a supply of building materials.

It says the self-help concept for black housing is laudably "altruistic" — but charges that in practice the system "will degenerate into the erection of many dangerous, badly-constructed slum structures".

"The building industry should persuade any authorities bent on providing cheap housing by way of supplying all the components other than labour to see the dangers inherent in any misguided policy of this sort," the article says.

"Surely it would be better to ensure that any housing provided, at whatever economic level, should be constructed by skilled builders in accordance with fully acceptable aesthetic and technical standards."

Bifsa says South Africa should accept the economic principle of specialisation and division of labour.

"Why not let us build better

and quicker with our expertise, and let those who think they can save money do so in other ways — not by trying to show us how to operate an industry in which we are confident we can do better than they."

It adds: "If the building industry as a body is approached, we have no doubt that we will rise to the occasion and produce what is required of us, at the same time creating employment for the masses.

"The embryo do-it-yourself builder can then be released to earn a meaningful wage which will help the economy, the individual and the country." — Sapa.

Inside the compounds

3/8/80 SUN 71M

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A HIGH wall topped with barbed wire surrounds the Johannesburg municipality's Selby compound for migrant workers.

This lends it an unfortunate resemblance to some form of forced-labour camp and the impression is reinforced by the massive steel front gates that are flanked on one side by a permanent police guard post.

The only other entrance is through a well-guarded and easily controlled subway.

The compound, and others like it, belongs to the citizens of Johannesburg — but few whites know much about conditions there and none but officials and those with official business is allowed to set foot inside its gates.

On Thursday, with the compound the flash-centre of the municipal strike and swarming with camouflage-uniformed police, a Sunday Times reporter and photographer managed a brief inspection of compound conditions.

Discovered and ejected

It was brief because they were soon discovered and ejected — not on the grounds that the area was under police control, but because whites are not allowed into the compound without a permit.

The municipality now prefers to refer to its compounds as 'hostels' although the sign at Selby's gates still proclaims it a 'compound'.

Conditions in the municipality's compounds were central to this week's strike by 10 000 municipal workers.

They were described as "not medieval" by a spokesman for the city engineer's department and as "medieval" by city councillor Mrs Janet Levine.

Where Selby is concerned — more than 1 000 workers live here — "medieval" seems the more apt description although it would not be fair to judge all the municipal hostels by Selby's standards.

It was built in 1915 and the more modern hostels have better facilities.

However, conditions at the Van Breeck compound — also built in 1915 — are reported to be as bad and those at Norwood to be worse.

"Bleak" and "inadequate" are the words that best describe conditions at Selby. In some areas, particularly where toilet facilities are concerned, stronger words are needed — like "disgusting".

In one toilet area no privacy was provided and the squat-type lavatory bowls filthy, while in an adjoining washing area only one in a row of five showers still had a head.

Along one side of the compound, windows look on to a street but they have been permanently sealed and the

frames contain ripple-glass that has seldom seen soap and water.

Little natural light enters and in many of the rooms ventilation seems inadequate.

Workers told the Sunday Times they slept as many as 12 to a room (in rooms that had no doors) and paid R5 a month for the privilege.

Migrant workers

Dr Nthato Motlana, of Soweto's Committee of Ten, said he was delighted that conditions in the compounds had been exposed as a result of the strike.

If the Johannesburg City

Council wanted to employ migrant workers, Dr Motlana said, it had a duty to house them properly in family units.

The chairman of the city council's management committee, Mr J F Oberholzer, reacted angrily to criticisms of the compounds.

He accused Mrs Levine of criticising them for political purposes "as she knows very well what the true position is".

Mr Oberholzer agreed that conditions were not good at Selby and Norwood, but said tenders had already been called for to rebuild the Selby hostel and that negotiations were under way with the West Rand

Administration Board to the Norwood residents to a hostel.

Council employees ready been moved out of Crown Mines hostel.

Excellent facilities

Mr Oberholzer asked the Press did not go to City where, he said, both living recreation facilities excellent.

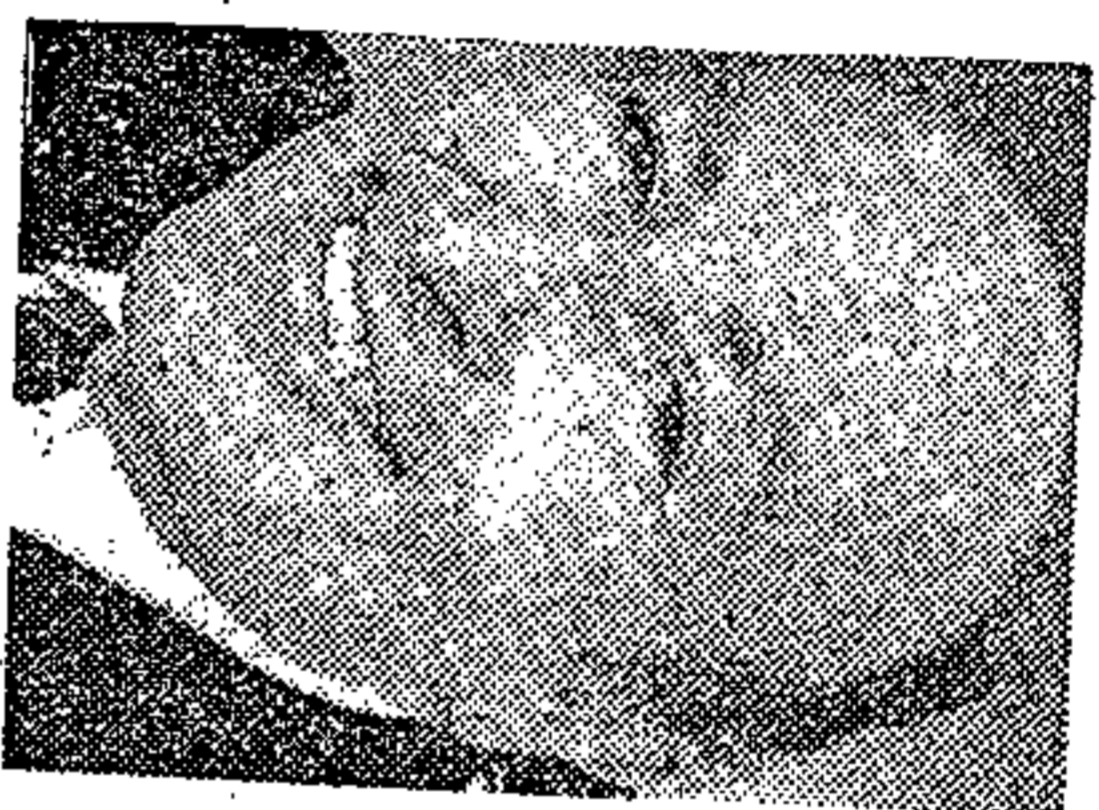
"If we are such bad areas why is it that our recreation in Transkei and Venda be protected by the police mobs of enthusiastic seekers who want to work us?" he asked.

14/8/80 Arcus

Ceilings needed on flat prices

Economist Isidore Goldberg discusses the dilemma posed by the Sectional Titles Act

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Mr Isidore Goldberg.

RENT control is rapidly hearing extinction. Its passing will be hailed by some (the landlords) and mourned by the vast masses of tenants who have lived subsidised and cocooned lives for the past many years.

The spectre of the Sectional Titles Act is now haunting the country. It is nothing new as far as concept is concerned, it is practised all over the world. Title to a portion of a building is a logical and very commendable situation. Sectional Titles Act took off very slowly at first, and orderly sales based on market demand followed at reasonable prices. Then came the lifting of rent control and the amendment to the Sectional Titles Act, giving the right to the purchaser of a flat to give notice to the protected tenant for self occupation. All the conditions for an explosive mixture were present, viz:

- (a) Shortage of accommodation.
 - (b) Virtually no new building.
 - (c) A galloping economy.
 - (d) An extension of the good life for some middle class.
- The long maligned and suffering landlord recognised on the horizon reprieve for his sectional title his building sell off the units and gain a large profit on his investment that would more than compensate

for his years of bondage. Many landlords jumped into action and opened Sectional Title Registers on their buildings. Then caution and hesitation set in to dilute their new-found exuberance. This delay was based on three major caveats.

(1) If the landlord were to sell his building after holding same as an income producing investment for many years, he would, most probably, not be taxed on the profit of the sale.

(2) If, however, he were to sell off the units separately under Sectional Title, it is more than likely profits on these units would be taxable.

(3) A minor consideration — the love-hate relationship between the landlord and his tenants over many years — would possibly prove embarrassing in view of the asking price.

Again, out of the horizon a new deliverance was offered to landlords' problems. A breed of business corporations,

recognising that all the nutrients for quick and perfectly lawful profits were available in the business of sale of flats and apartments, appeared. These corporations and their agents invaded the landlords and offered them immediate treatment — cash prices for blocks of apartments situated in ripe positions.

And so innumerable blocks of flats suddenly became the stock-in-trade of Sectional Title corporations. Within hours sitting tenants received communication that they were privileged to be given the first opportunity to purchase their flat from the new owners. A privilege indeed! The prices were very often in the realms of the unbelievable. For example, a bachelor flat which the rent board, in their wisdom, had recently ordained was worth a rental of R60 to R70 per month, was now being quoted at R12 000 to R15 000. A two-roomed flat, rental R100 per month, R20 000 to R25 000. In addition the pride of ownership was

linked to a monthly contribution from the tenant for rates, maintenance of the building, and so on, that often exceeded his erstwhile rental. The privileged offer by the new owners to the tenants was often open for only two weeks. Take it or leave it!

It must be mentioned that the Sectional Title corporations who pay landlords these tremendous sums for property have to sell units for ever higher sums to make profits. Doubtless these huge profits are taxable in the hands of these Sectional Title corporations. Therefore it is apparent that if the seller requires to make a profit of say, R5 000 per unit, it is necessary to increase the price by approximately R10 000 per unit to remain with an after-tax profit of R5 000 per unit.

I submit the following plan be given consideration:

- (1) A ceiling must be placed on the selling price of any unit under Sectional Title.
- (2) The burning question is — who is to determine the ceiling?
- (3) Certainly not any bureaucratic Government department.
- (4) Private business intimately connected with the dwelling and housing industry must be the logical choice for acting as the arbiters of true value.
- (5) The obvious answer — building societies — must be the judges of ceiling prices. Suggested mechanics of operation

(1) Building societies would be given statutory recognition as valuers of units offered under Sectional Title.

(2) Before a unit is offered under Sectional Title it would be incumbent in law on the seller to apply to a consortium of building societies to put a ceiling valuation on the particular unit.

(3) The ceiling price would, after inspection, be determined by a panel of building society valuation experts. The panel would, inter alia, take market forces into account in arriving at this ceiling price. This figure would represent a unit value on which the building society would consider granting their 70 percent to 75 percent bond to an approved applicant. If building society valuations in general are deemed to be too conservative, their valuations could be allowed to be increased by, say, 10 percent or 20 percent to arrive at a ceiling price. A certificate of the ceiling price would be provided by the building society panel, valid and renewable, say, every six or 12 months to keep pace with market fluctuations.

Right of appeal against the ceiling price could be made to a panel comprising representatives of Property Owners' Associations, Sectional Title developers and under the chairmanship of acknowledged experts from the private business sector. This determination of ceiling price would be recorded, and would constitute a top price at which the units could be sold. Any sale conducted above the ceiling could be invalid, dated and subject to the sanctions of the law.

It is further recommended that, in consort with the above, those properties that are still under control and due for apparent decontrol next year, should be left as is for a further two years. However, during this period the landlord should have the right, without application to Rent Board, to raise the tenants' rentals by a percentage equal to the cost of living index to be published from time to time.

What is to be attained, and how is the position to be ameliorated by the above 'ad hoc' proposals? Again, as an economist I cannot see any merit in postponing the evil day where no relief is in sight. Therefore, it is of fundamental importance that the building of flat accommodation and houses gather momentum to be excited? The Government must be involved. Not as a builder of houses, nor as a developer. Bureaucracy must, at all costs, be kept out of the situation.

I have canvassed the opinion of several substantial building companies. Without exception they agree that they could launch, and involve private investment, into a massive building campaign of apartment buildings creating reasonable, comfortable homes for masses of population at reasonable rentals, commensurate with the income of middle-class people, that is, rentals from R100 to R200 per month depending on the size of the accommodation, provided that the

- (a) Government to provide reasonable well situated, near transport, land at a fair, subsidised price.
 - (b) Government to provide incentives, namely tax concessions, low interest loans, similar to what is offered to border industries.
 - (c) The flats, though comfortable, would be without the doubt, full luxury of two, toilets, two bathrooms instead of one and other appropriate which have become part and parcel of South African middle-class living.
 - (d) The land would obviously not be in prime areas with expensive, full, aesthetic views.
 - (e) Shopping centres would be part of the complex built, and self-contained, communities created.
- The whole of the aforementioned plan of 'ceiling prices' and controls could be reviewed by the authorities, in con-

with building societies, property owners, Sectional Title developers, and so on, each year. The emphasis of this philosophy would be to bring more and more private sector entrepreneurs would be brought into basic housing decisions, and hopefully a time would come in the not too distant future where a balance of reasonable nature would eventually be supplied and demand of middle-class accommodation.

It must be crystal clear to everybody in both Government and private sector that immediate action is called for. It is suggested that the Government takes immediate action along the lines suggested in order to create a hiatus while schemes such as proposed here are submitted and examined. Public debate through the media, particularly through television, will coalesce public opinion and hopefully be listened to by Government.

Dependent on public reaction to this proposition, arrangements will be made to meet the Minister of Community Development and Housing with a view to discussing and implementing the possibilities of the whole philosophy contained herein. It is beyond comprehension that once the Government is put into the clear picture that it will

Flat sales threaten to dispossess residents

123
SINK
15/8/80

By Lynda Loxton

The removal of rent control and the introduction of sectional titles threaten to displace hundreds of Hillbrow residents, claimed its public representatives today.

Particularly hard hit by these developments in Johannesburg's high density flatland are the elderly — but the ordinary man in the street is also feeling the pinch.

Tenants were being forced out of their flats because of spiralling rents and because they could not afford to buy their flats, claimed Mr Alf Widman, MP, and Mr Simon Chilchik, MPC.

They pointed out that partly because of the in-

flux of people from Zimbabwe, flats were no longer in plentiful supply. Those people who were being forced out of their flats could not find accommodation anywhere else.

Mr Chilchik said rent control was being phased out to get the depressed property market out of the doldrums. But the Government had "put the cart before the horse" and not first ensured that there was enough housing for the people who would be affected.

"People are being given virtually no time at all to decide whether they want to buy their flats. Many, both young and old, do not have the money to put

down deposits for their flats," he said.

Where buildings had not been under rent control, tenants were being given two months' notice to leave their flats.

Mr Chilchik blamed the Government for not having provided these people with access to funds to buy their flats.

Where buildings had been de-controlled and flats were being sold, tenants were protected until April 1981.

Mr Widman said he had heard of cases where people who were entitled to the protection of the Rent Control Act had had their rents increased.

Mr Chilchik said the Government was totally to

blame for the situation. Once it had decided to remove rent control and allow sectional titles sales, it should have made sure there was sufficient housing for the people now facing an uncertain future.

He pointed out that there had been no major development of residential complexes in the area for about 10 years, mainly because of escalating costs, and a "housing crisis" was imminent.

He also blamed speculators for moving in and capitalising on the situation. They were putting up selling prices of flats beyond the means of the man in the street.

"I would have liked to have seen a development plan put into action five years ago to meet this.

"As a matter of urgency, the Government should now give the Johannesburg City Council enough money to provide the necessary housing over the next five years," he said.

Mr Chilchik said public representatives in the Hillbrow area had been inundated over the last few months by calls from people asking for help.

● See Page 10.

STAT
19/6/50 (123)
Housing
loans
double to
R1 318-m

Property Editor

Between April and June this year, building societies granted home loans for R1 318-million — twice as much as loans in the same period last year. This is a record.

This was a 106,4 percent increase on R638,8-million.

This new home loans bonanza is a clear indication of the strong advance which the economy is making. Another heartening sign of the boom times is the savings intake by societies over the three-month period.

Savings surged by a whopping 449,3 percent or nearly R80-million compared with R14-million for the same period last year.

Overall, the societies have attracted more than R10 460-million to the end of June in transmission accounts, savings fixed deposits and shares — a 51,2 percent rise over the previous figure.

In its latest newsletter, the Association of Building Societies says investment money is expected to remain in free supply for the rest of the year, spurred on by the gold price and greater ability to save.

But the societies warn against high property prices which mean that more money is needed to finance the same number of bonds. This is a tendency which is already evidenced by the increase in the average bond being granted.

Moratorium 26/8/80 protection 5/82 on flats (123)

Flat dwellers should not needlessly worry about evictions under the Sectional Titles Act, as they cannot be ejected before April 1, 1981 from buildings still under rent control, according to the MP for Hillbrow, Mr Alf Widman.

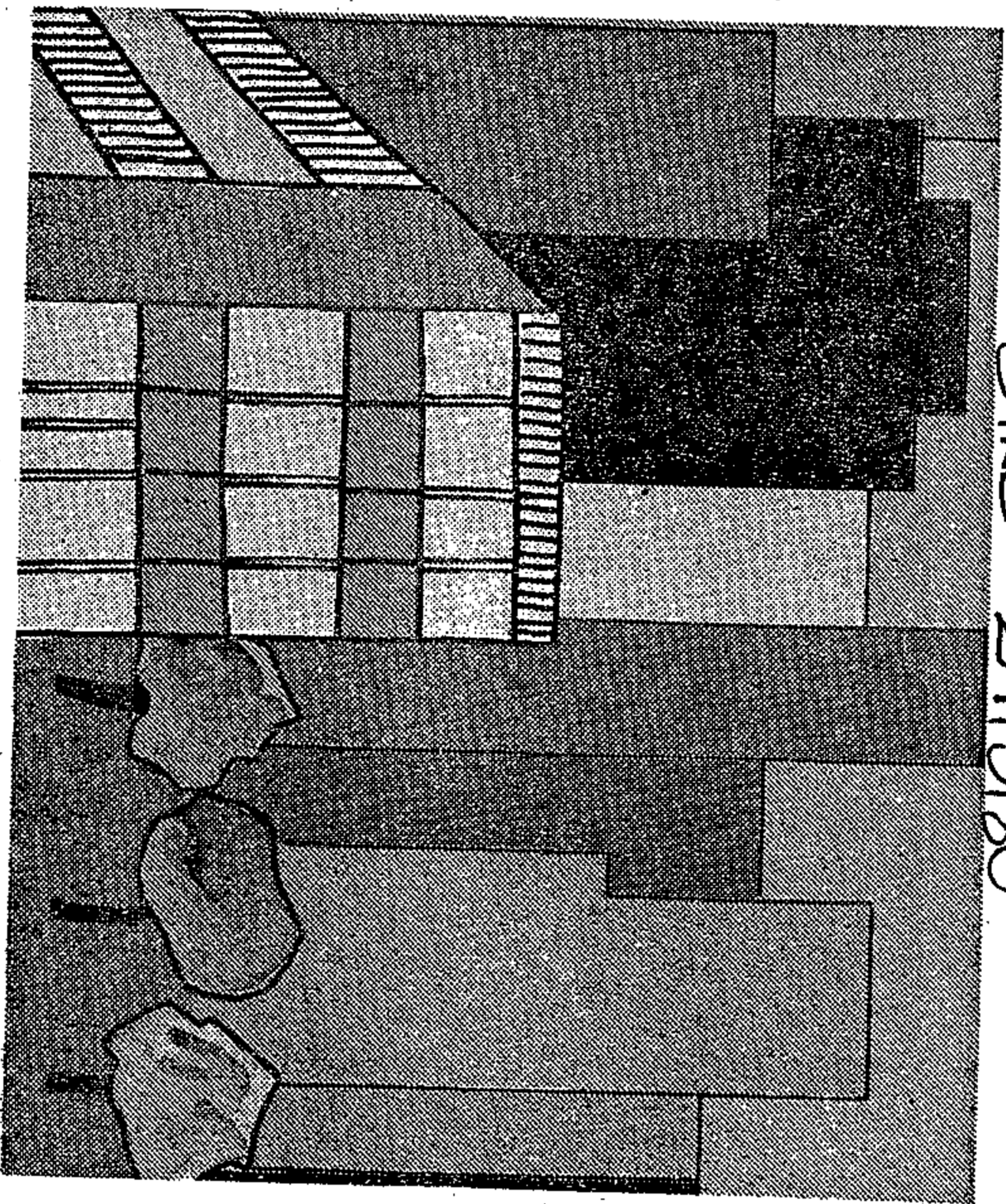
Mr Widman said he had been telephoned recently by several worried tenants of flats whose owners had converted to, or were about to convert to, the Sectional Titles Act.

"Buildings first occupied by tenants before October 20, 1949, are still protected by the Rents Act.

"An amendment to the Sectional Titles Act was passed in Parliament, giving tenants of these properties a moratorium. That is, they cannot be ejected before April 1, 1981, as long as they are in a building still under rent control.

"Many people have been worried about this situation, and I feel they should not worry needlessly about it," he said.

STAR 2915180



Considerable confusion surrounds the status of flat-dwellers as a result of the phasing out of rent control and the introduction of sectional titles. Hillbrow MP ALF WIDMAN receives a constant flow of inquiries about the problem. In these two articles, he outlines the position of the flatdweller today...



MR ALF WIDMAN

Rent control: what is the next move?

Protection for the tenant

The rent control act not only prevents the owner from increasing the rent without the rent board's consent, it also protects the tenant in many respects.

- Provided that the rent is paid within 7 days of due date the tenant cannot be ejected.
- An aggrieved person can take the complaint to the rent control.
- An owner cannot refuse a tenant accommodation on the grounds that there is a minor child in the family.
- Any false statements given by landlord is punishable in a court of law.
- The owner cannot embark upon

the reconstruction scheme without first satisfying the court that such a scheme is necessary and obtains an order.

- Specific protection is given should the landlord try to eject for matters of a trivial nature.
- The landlord cannot threaten or maintain that the tenant is a nuisance without adequate proof.
- The landlord cannot obstruct the tenant in his occupation and possession of the premises.
- The tenant is protected from the landlord claiming a bonus or premium over and above the rental or paying more than one month's rent in advance.
- No additional rental can be made when furniture is added.

Following the recommendations of the Fouché Commission of Inquiry (at which incidentally the tenants were not represented) the Government through its then Minister of Co-Operation and Development, Mr Marais Steyn, announced the phasing out of the Rent Control Act.

- This act however, only applied to buildings first occupied prior to May 31 1966, and not after that date.
- The phasing out was announced in three phases over a period of three successive years.

Three phrases

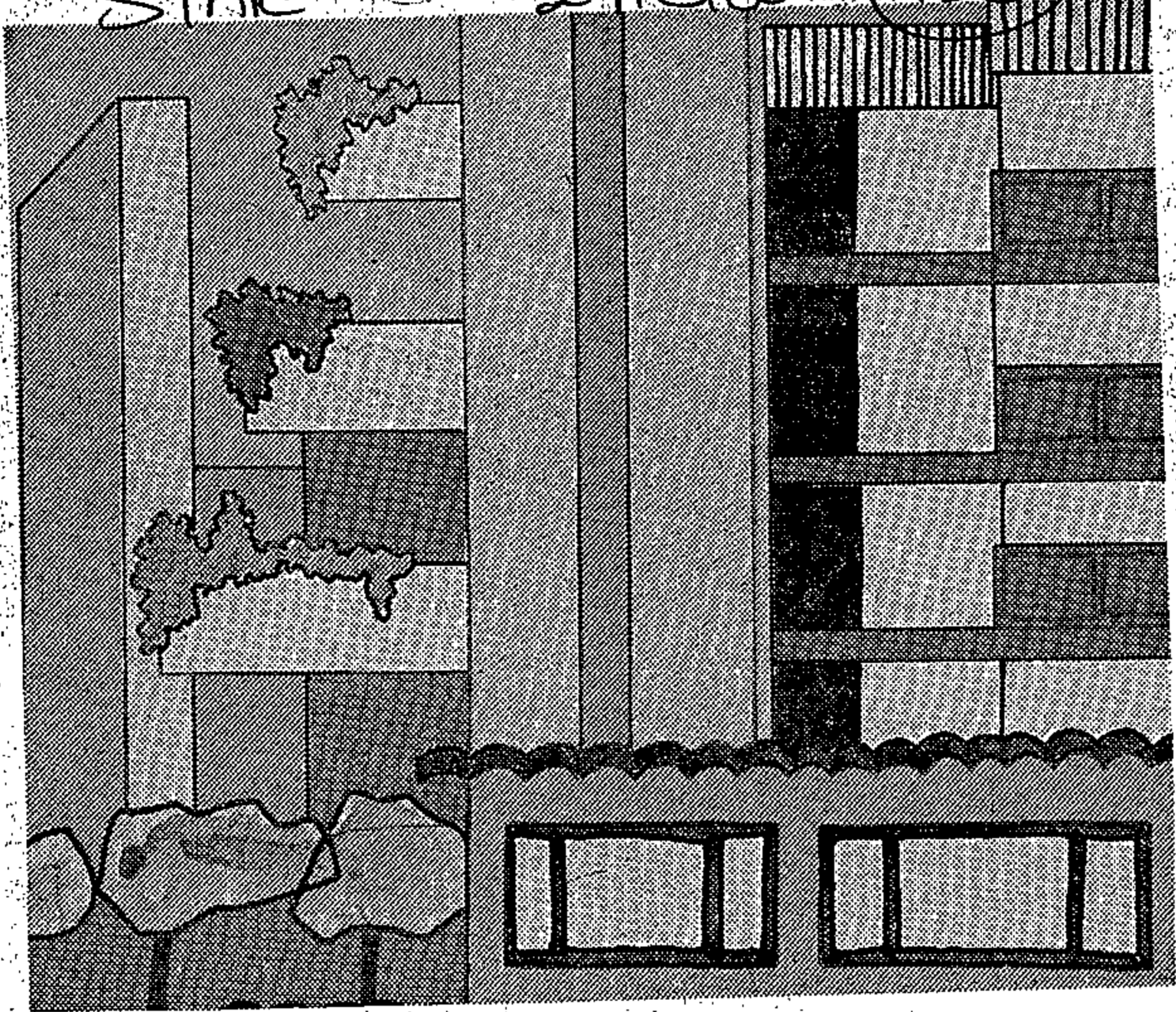
- The first period was from January 1 1960, to May 31 1966.
- The second period was from January 1 1960 to January 1 1955.
- The third period was from January 1 1955 to October 20 1949.

by proclamation in the Government Gazette the first of which appeared on April 6 1978, Gazette No 5970.

The conditions

- (1) The phasing out however, was subject to two conditions:
 - (1) the owner could not raise the rent by more than 10 percent for the first two years, after proclamation, thereafter there was no limit.
 - (2) people whose income falls within the limits laid down in terms of Section 19 (1) (a) of the Housing Act 1966, remain protected under the Rent Control Act for as long as the lessee remains in occupation of such dwelling which he occupied at the date of this proclamation and for as long as his income does not exceed the income as defined in the proclamation.
- These limits are as follows:
 - a family unit with an income of R540 per month or less; and

Ent



Sectional title a nightmare for some

In the past few years, there has been a tremendous move towards the conversion of flats to sectional title.

Whilst this is a blessing for people who can now own their own flats, with an inviolable legal right against allcomers, and can obtain a bond against the sectional title deed in order to help them pay the purchase price — at the same time, it has become a nightmare to tenants who cannot afford the price to purchase the flat, or because of advanced age they feel it would be a hardship to buy the flat.

Option to purchase

In some instances brought to my attention in the last few days, I have been advised that tenants were told they have six days to exercise an option to purchase the flat failing which a new owner will give them one month's notice and they would have to vacate the premises.

It would appear that in many of these cases the conversion to sectional title has not even taken place, wherefore there is no certainty that a sectional title register will in fact be opened.

Even before that is done, the local authority must approve the application, and this will only be done if the block of flats does not conflict with any town planning scheme in existence, or proposed — which often is the case however.

Furthermore, should the building conflict with the conditions of title, this will take a long time before application is made either to court or the Administrator to remove such condition of title.

The owner is obliged to obtain a certificate from an architect or a land surveyor certifying that the building does not encroach on to another stand or on to the pavement and should this happen the Deeds Registry would be

obliged to refuse the application for Sectional Title.

Should this happen, and in many cases the deposit has been paid for the purchase of the flat, there is still no guarantee given to the tenants that if sectional title is refused the money will be available for a refund.

Unfortunately, there is nothing in the law to prevent the owner from entering into a Deed of Sale and taking a deposit, long before the application for sectional title is made or approved.

I therefore believe that Parliament should consider prohibiting the payment of any money under a Deed of Sale for sectional title until the sectional title register has in fact been opened. Alternatively the return of the deposit should be guaranteed by a bank or building society or recognised institution.

Not all buildings can be converted to sectional title — there are some that will never be converted because they are erected on leasehold property (particularly in the Durban area), and in this case the Deeds Registry cannot entertain an application on leasehold property.

No loans obtainable

For this reason the Share Block Control Act has been passed and will bring into line owners of shares, in a share block scheme, entitling such person of a share to occupy a certain flat, to a measure of protection similar to that contained in the Sectional Title Act. However, it is not 100 percent proof and not as good as sectional title, nor can one obtain a loan in a share block company as one can in a sectional title deed.

I believe Parliament should also consider granting the Minister power to condone a contravention of the town planning scheme subject to certain compensation

and subject to the Local Authority's consent so that people who paid in to a share block company will in fact be able to obtain sectional title.

Cases have come to my notice whereby the directors of the company have taken large loans and in once case actually left the country leaving the tenants with a very large burden of the bond to pay off.

I must therefore make one thing perfectly clear, when a building has been decontrolled, that is rent control has been phased out and in such a building sectional title is obtained or an application made, there is nothing to stop the owner of a building or the person acquiring the sectional title flat from giving notice to such tenant.

In other words what I am saying is that only in buildings which are rent controlled, namely those occupied for the first time before the October 20 1949, will such tenants receive the protection of the Rents Act, insofar as the Sectional Title Act is concerned, in other words they cannot be ejected until April 1981.

Present circumstances

I believe in the light of present circumstances, the Minister should seriously consider extending this date once more.

The Minister should bear in mind that not all owners of sectional title flats occupy it personally. On the contrary, many are now buying for speculation or as an investment, and particularly in coastal towns have been buying as holiday flats. In those instances, tenants are being ejected.

I believe legislation should make provision for such distinction.

I believe the problem of acquiring accommodation is getting distinctly worse and out of hand and is creating insurmountable problems. I therefore would urge the Minister to give his attention to this matter at the next session of Parliament.

• a single person with an income of R300 per month or less;

This means that the owner can only raise such person's rent by order of the Rent Board.

Other benefits

It also means that the other benefits of the Rent Act set out above still apply to such persons for example, ejection harassment, etc.

The Minister also gave an assurance that in the case of hardship, or the landlord being unreasonable and taking advantage of the tenants he would reimpose rent control. This could be done over the entire building or even over that particular apartment.

In a letter to me dated June 11, 1980, the Honourable Minister, Mr Marais Steyn stated as follows:

"I am confident that landlords will continue to act in a responsible manner. Those few who show a flagrant disregard for the norms of reasonableness will be dealt with harshly, but I am not prepared to penalise all landlords for the undisciplined behaviour of the small minority."

The Minister went on to add that following investigations of certain complaints, in more than one instance the rents have been reduced. He advises that the investigations are continuing and if exploitation is proved and the landlord concerned is not prepared to reduce his rents to a reasonable level, rent control will be reimposed.

Act of Parliament

At the moment all buildings first occupied before October 20 1949 are still under the Rent Control Act, and only an Act of Parliament and not a proclamation can remove the protection given to this category of tenants.

At the close of the last session in June, 1980, I handed in to Parliament a petition signed by approximately 8 400 people in South Africa, asking the Minister not to proceed with the phasing out of rent control but to review the position in the vastly changed situation that has taken place over the last two years.

What will he do? This remains to be seen, but if cases of hardship are brought to his attention, and I am prepared to do this, I will request the Minister to reimpose rent control in such a case.

Europe to give SA a R190-m loan for housing

12/24
STAR 123
18/10

29/6/60

Pretoria Bureau

The director-general of finance, Dr Joop de Loor, today announced that a European loan of about R190-million which South Africa was seeking was earmarked for housing and education for coloured and

black people.

The loan of 250-million dollars is being arranged by a consortium of West European, United States and United Kingdom banks and marks a significant step towards the rehabilitation of South Africa as a respectable international borrower.

Dr de Loor said this was one of the biggest loans which the country had ventured on in the overseas money market.

He said it would take some weeks before his department knew if the loan would come through.

He confirmed that South Africa was approached about a month ago by the overseas bankers to place the loan.

RESPECTABILITY

The use to which the loan would be put had not yet been determined but that it would be mainly for black and coloured housing and education, he said.

The new credit is being handled more in the open than previous loans and indicates South Africa has gained new respectability in foreign money markets.

The Financial Times of London reports that banks are beginning to accept that South Africa is set on a gradual relaxation of apartheid.

Banks are also aware the rapid increase in the gold price over the past two years makes the country a first-class economic risk, the Financial Times writes.

For many years international opposition to South Africa's apartheid policies has forced it to resort to undercover arrangements which carried stiffer loan conditions than those of other borrowers.

SPOTLIGHT ON RENTS + SPOTLIGHT ON RENTS SPOTLIGHT ON RENTS

A NEW rents deal for council tenants will be good news to some — and bad news for many others.

That's the nub of a deal announced by the National Housing Commission covering tenants in almost every City and Divisional Council scheme.

Under the new scheme rents will be linked much more closely to income than under the present 'economic' and 'sub-economic' system.

This means that the needy will find their rents cut drastically.

Others, especially those in the higher income brackets, will have their rents upped by R3 with here and there people paying increases of up to about R20.

RATES

The figures came out of a recent survey conducted by the Divisional Council in its housing developments — Atlantis, Elsie's River, Grassy Park and Ocean View.

However, in the small print under the Divisional

THE NEW DEAL - GOOD

NEWS FOR

SOME

123
core
Kubler's office

Council survey it says: The above rentals are basic rentals which do not include the provision for rates, water, etc.

The rent normally includes a percentage of the total rate bill for the area.

CUT

The low-income group would seem to be on the receiving end of a fairly hefty rent cut. The middle-to-upper group

could go up or down a fraction. And the upper-income lot will almost cer-

tainly have their rents raised by R10, R15 and even R20. Yet nobody seems sure who will be affected, and how.

A spokesman for one civic association, which has been fighting high rents for some time, commented: 'Even if this system doesn't affect the majority now it will affect them later.'

SUBSIDISING

'I don't see how rents can be decreased en masse like this. At first glance it definitely looks like the higher-income group is subsidising the lower-income group.

'And when we try to find out what's going on we get conflicting stories from different 'experts.'

'There are so many loose ends that we can't see the system being implemented without problems cropping up later on.'

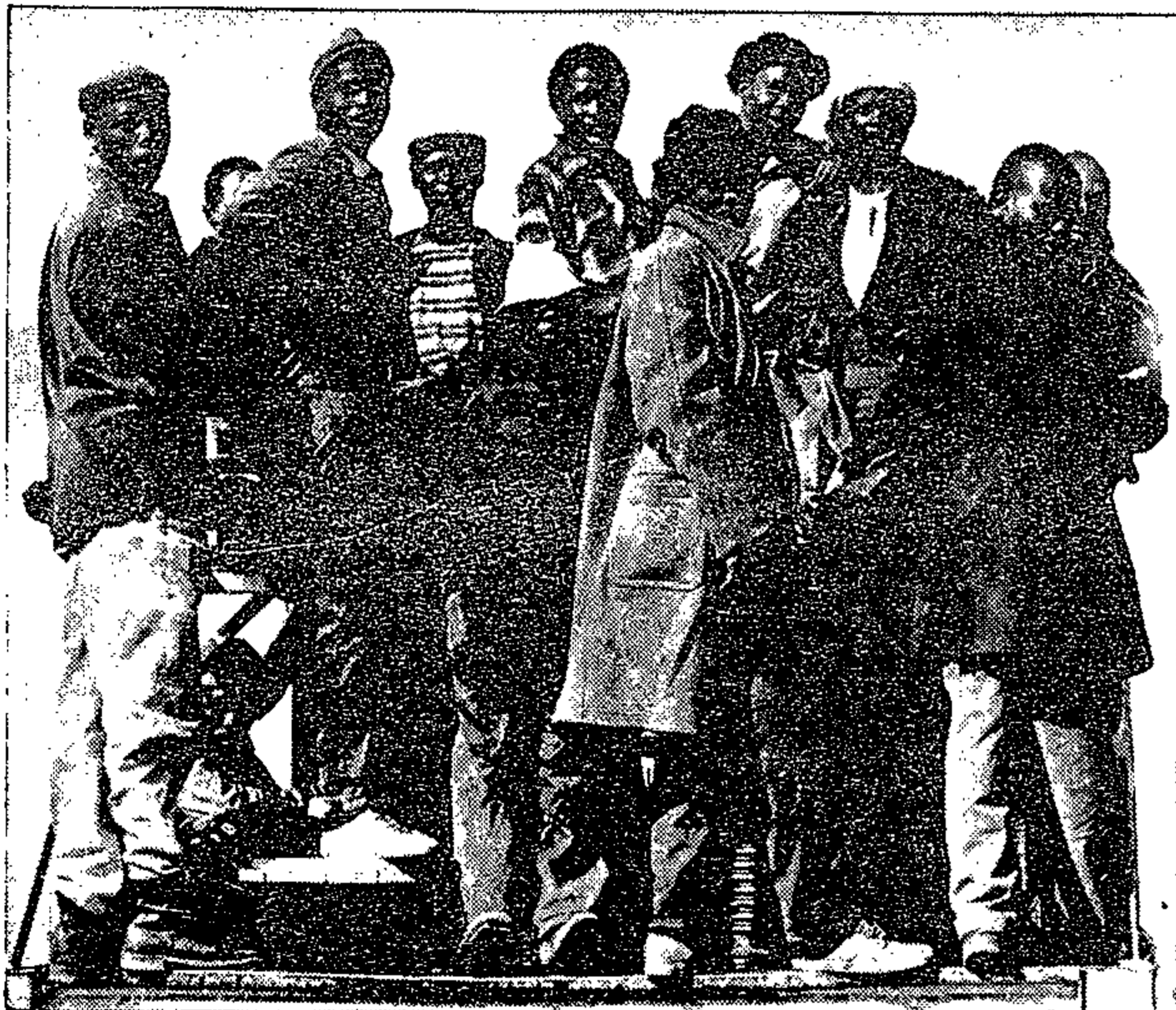
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Living

Social issue

Waiting for the Promised Land

123 S. Express 31/8/80



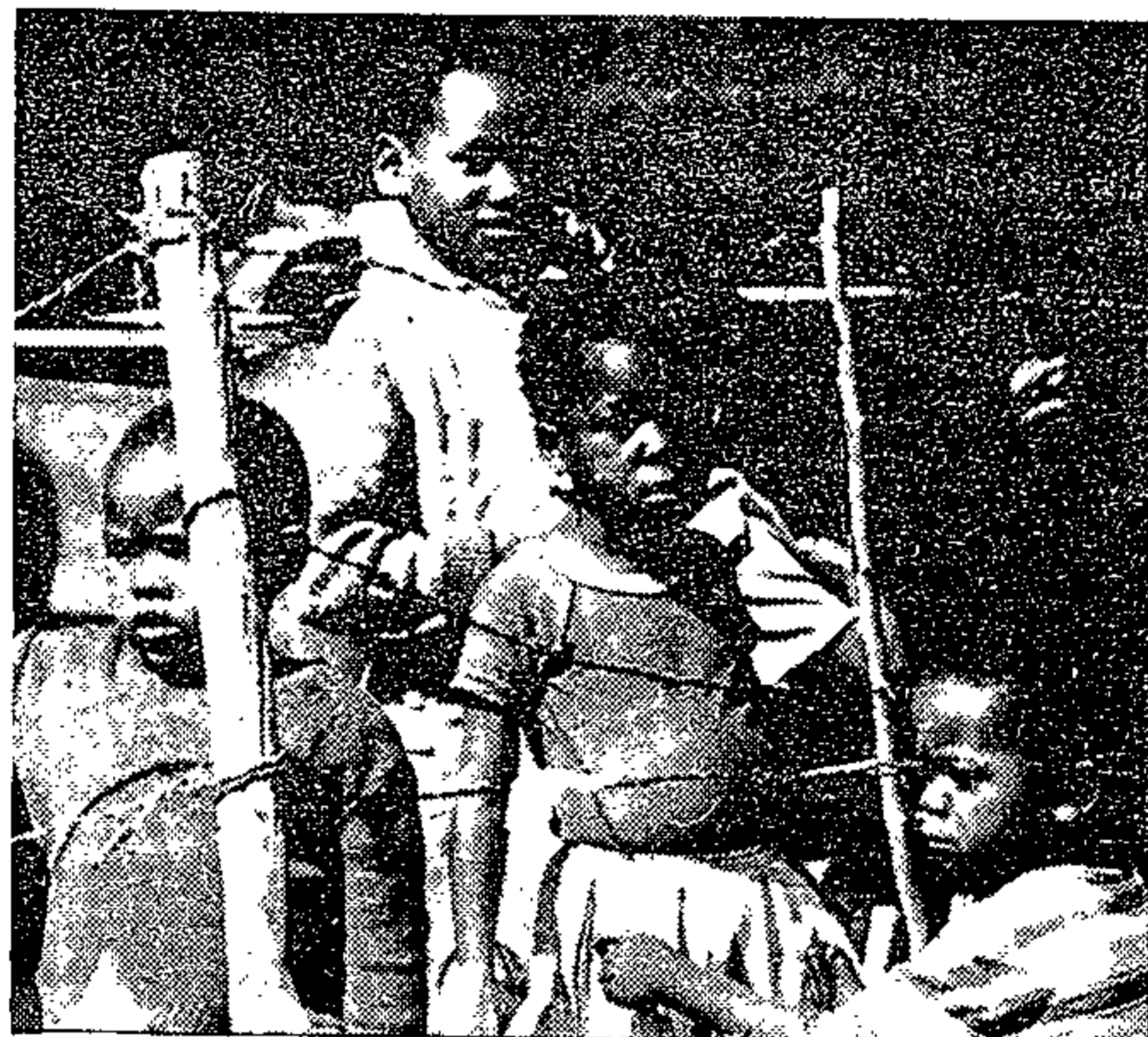
• Most of these men only see their families once a year.



• Country wives pay an unofficial visit to their menfolk.



• Some parents cannot afford school fees of R2,70 per year, so these kids play in the streets.



• These kids have known no better home than their shanty shacks destroyed by floods and their present hostel camp.



• Mrs Betty Brown.

Township hostels have become a fact of life in South Africa. LERATO TAU spent a day visiting several hostels and seeing how the people live.

ON THIS particular Saturday, I was on a mission to explore some Soweto hostels.

My first destination was Mzimhlophe hostel in the South-Eastern area of Soweto.

This hostel houses former flood victims of a shanty town. Whole families wait here, until they can be found permanent housing. The question is

with a coin or two to buy themselves bread.

No one in the family has ever had a sound education as the Sekeses have always struggled to make ends meet.

Sleeping on an empty stomach is nothing new in the Sekese household. Planning for a meal is unknown as they have to rely on a good Samaritan to offer a loaf of bread or

ing with a hope — which at sunset is converted into despair. Each family with a tragic tale to tell about the problems and misfortune they have encountered whilst awaiting for the "Promised Land".

"Blessed are the poor in spirit, for theirs is the kingdom of heaven.

Blessed are they that mourn, for they shall be comforted.

Blessed are they which do hunger and thirst after righteousness for they shall be filled."

So the Bible says. What other qualifications or qualities do the flood victims need to earn those heavenly promises? How long do they have to wait for better housing, compulsory education and job opportunities?

I meet Mrs Betty Brown, known as the "Mother" of the hostel dwellers. She is a voluntary worker who has been

hostel. Many of the young girls from Mzimhlophe make a living by indulging in prostitution with these men.

It is difficult for parents to control their daughters when the boundary between hostels is an insecure fence.

The males in the hostel cannot help having affairs with their neighbours for their wives are far away from them.

Nancefield hostel lies in the South-Western part of Soweto.

Thousands of Black la-

bourers stay in this hostel and the compound. Their families are back home in the rural areas.

The men whose home towns are nearer, manage to spend a weekend or two each month, while others only see their families once a year.

Mr Jacob Ledwaba and Mr Arnold Matume have lived in the hostel for the past 10 years.

Both hail from Lebowa-Kgomo in Pietersburg where they have families and homes. Every month their wives pay them an

unofficial visit in their rooms.

Remember, in the mens' hostels you may find a dormitory consisting of 16 beds and no privacy at all.

During the day the wives visit relatives in the townships and the nights, they spend illicitly with their husbands, at the hostel.

Many couples live by their wits to stick to their legal or common wives.

As a result of separate development, many families have been forgotten in the rural areas.

"The land of milk and honey, the "Promised Land" is a dream which may never come true to the flood victims at Mzimhlophe Hostel."

where? Most of them have been here for four years.

For the first time in my life I felt I must count my blessings.

The four-roomed semi-detached matchbox I called home became an illusion of a marble-walled mansion compared to what I saw at Mzimhlophe.

The ever-leaking toilet at home at least rendered some privacy unlike the filthy, smelly toilets here.

In Room 636, I met Mrs Agnes Sekese, a flood victim.

A 52-year-old mother of 11, her face mirrors the hard times she has gone through. Traces of poverty, misery and woe can be seen on the wrinkles below her troubled eyes.

Agnes, nine of her children and five grandchildren share the small, one-roomed apartment. One of her daughters is pregnant and none of the family is employed.

Their monthly rent is R22,50 and at present, Agnes owes eight months in arrears. "Where will we go if we are evicted?" she says.

contribute some tinned food.

Although it was noon, it was obvious that the Sekese family had not had breakfast nor were they certain if they were to have any lunch or supper at all.

In the gloomy passage, a stench of decay hung over me. And then I heard a mischievous giggle be-

"How on earth can one raise a normal child in such filth?"

hind me.

Through the curtains which serve as partitions small faces peered at me.

Little children who have never known any better home other than the shanty shacks which were destroyed by flooding, and Mzimhlophe.

The children in this hostel sleep in the same room as their parents, elder brothers, sisters and other relatives.

The curtains and other partitions do not prevent the children from overhearing conflicts between parents, misconduct of other families or drunken neighbours, and seeing what they ought not to see at this stage.

helping them survive.

A warm, homely person, she welcomes me to her home. I do not miss the sadness that lies beyond her beaming smile.

Mrs Brown runs a nursery school of which she is the founder.

As a community worker, she is responsible for a scheme whereby she teaches women to sew, crochet and knit. The products created are then sold to the public and the funds are used to make ends meet at the hostel.

During the International Year of the Child, Mrs Brown won an award for the active and important role she played in contributing to the little children.

Her husband deserted his family years ago and he cannot be traced. The little ones of school-going age do not attend school as Agnes cannot afford the school fees of R2,70 a year.

As a result, the youngsters hang around the hostel hoping to be sent on an errand and be rewarded

They cannot help overhearing vulgar language.

The flood victims at Mzimhlophe struggle along. They persevere, living through discomfort, hunger and poverty.

For four years they have waited, each morn-

Every morning, she runs a free soup kitchen for the hostel people. The South African Council of Churches is responsible for donating the soup she cooks for the old men, little children and other needy people.

Next door, is a mens'

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8/9/80

ARews

Housing boost for Western Cape blacks

THE establishment of a non-profit housing utility company to develop housing for Africans in the Western Cape by giving prospective home builders access to finance was announced in Cape Town today by Mr Justice J H Steyn, executive director of the Urban Foundation.

Mr Justice Steyn said in a Press release that the company, launched by lo-

cal black leaders and the private sector, would have an initial financial resources of R7,5-million.

The local community council and the Western Cape Administration Board have been empowered by the Government to enter into 30-year leasehold agreements with the new utility company, renewable for a further 30

years.

This represents a major breakthrough in Government attitude towards African housing in the Western Cape, a coloured labour preference area which has been excluded from such housing-pro-motion schemes as the 99-year leasehold scheme.

Mr Justice Steyn said the steering committee formed to establish the utility company and the

Urban Foundation, which represented the private sector, saw the leasehold available through the company as a significant advance in security of tenure over the present position.

They remained committed, however, to eventual freehold tenure for all people in South Africa.

The new company, expected to be operational in a month, will make fin-

ance available to home builders at an interest rate of 3,5 percent over 30 years.

Negotiations with the Administration Board are under way to obtain ground for the proposed first phase of 700 housing units.

The utility company will probably operate by leasing ground from the community council, developing

it and subletting it to participants in the scheme.

A long term loan 'suited to the participants' needs, desires and financial capabilities' will be granted and be repaid by monthly instalments.

Requirements for participation in the scheme will be legal residence within the metropolitan area, occupation of a dwelling or listing on an official waiting list, and ability to afford the monthly repayments.

The lessee will be free to transfer his sub-lease.

At a Press conference today, Mr Justice Steyn said the utility company was a mechanism through which blacks could have

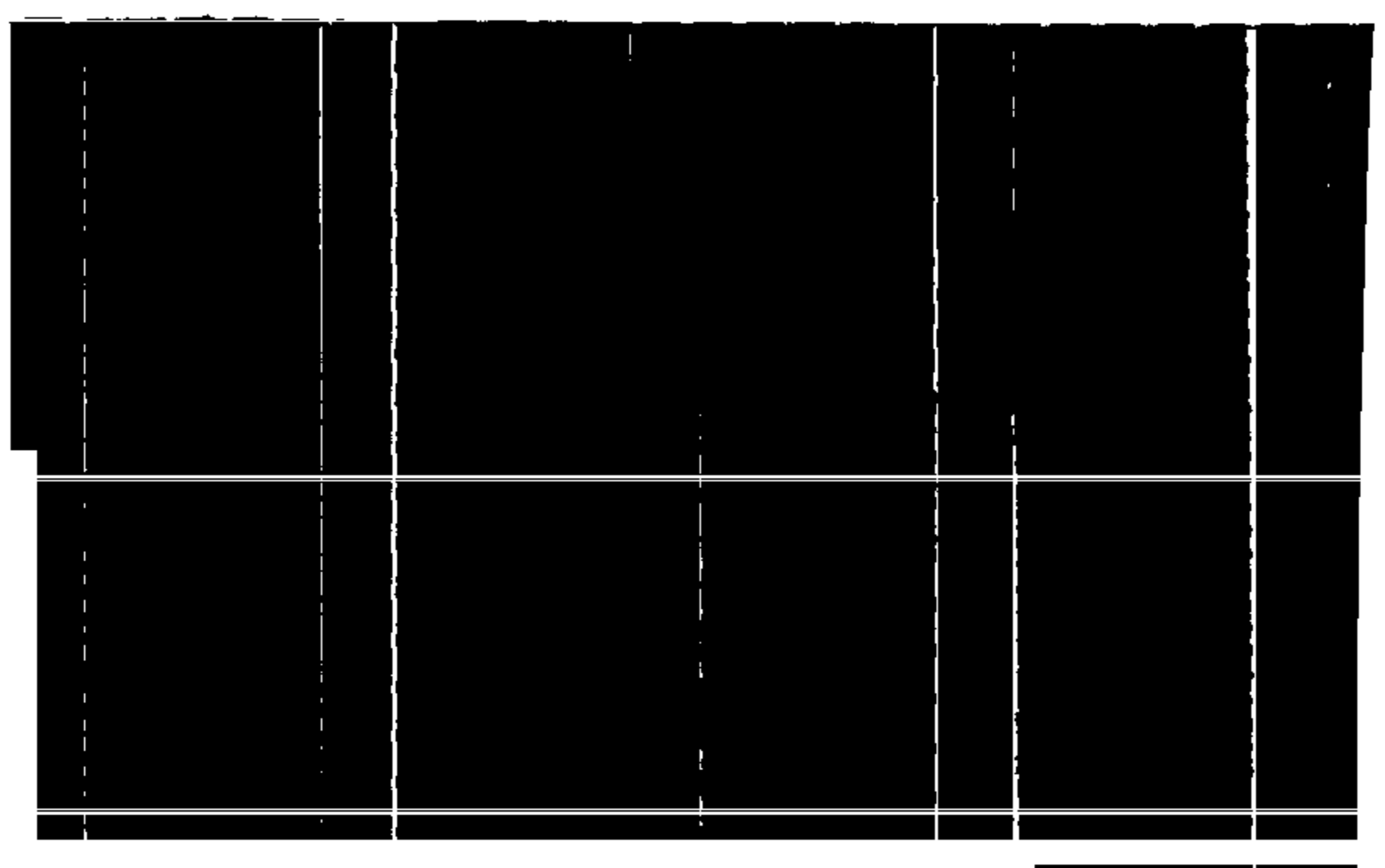
access to private sector finance.

In a significant breakthrough, he said, the authorities had approved a self-help component in the building operation, which would reduce costs.

Mr Justice Steyn said he believed substantial

(Continued on Page 3, col 1)

● See Page 13.



Opening in African housing logjam

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CROSSROADS, the sprawling shanty town which is home to more than 23 000 people, is stark evidence of the extent of the housing shortage for Africans in the Western Cape.

The New Crossroads housing scheme is a major breakthrough in the logjam which Government ideology imposed on African housing in the Western Cape.

It is intended to house all the squatters in about 2 700 homes within the next few years.

Clearly, however, each of the estimated 4 800 Crossroads families will not have their own homes. Most householders will have to take in lodgers, as they do now.

And New Crossroads will do nothing to relieve the mounting pressure for family accommodation in the established townships of Langa, Guguletu and Nyanga.

WAITING-LIST

The Western Cape Administration Board has a waiting-list of 1 500 families requiring houses in the three townships, and the real need is probably much greater.

At present the board is converting 850 hostels for single men in the Langa zones into 1 700 family dwellings. It plans to build 170 houses at Nyanga next year.

Responsibility for housing single contract workers has been shifted on to employers, who have spent 'many millions' on accommodation in recent years, according to a board spokesman.

Homes shortage hits worker on the move

8/9/80 ARGUS (123)

THE LACK of suitable family accommodation in Cape Town is one of the main stumbling blocks facing Africans wishing to move here from other urban areas where they enjoy residence rights.

Recent amendments to the black labour regulations have made movement between different prescribed areas easier for people who qualify under Section 10 (1) (a), (b) or (c) of the Urban Areas Act.

According to regulation 14 (3) (a) (i), a person with Section 10 qualifica-

tion no longer requires the permission of a labour officer to take up employment within different prescribed areas falling under the same administration board.

A qualified person wishing to take up employment in an area under another administration board cannot be refused permission, according to regulation 14 (4), provided he satisfies the labour bureau concerned that suitable accommodation is available for him in that other prescribed area.

For someone wishing to find a job in the Western Cape, however, the serious housing shortage is not the only problem.

CERTIFICATE

Because the Western Cape is officially a coloured labour preference area, the prospective employer must obtain a certificate from the Department of Manpower Utilisation stating that there are no coloured workers available for the job.

The Western Cape Administration Board's director of labour, Mr P S

Pietersen, said the new regulations were being applied.

'Responsibility now rests with the employer to advise us when they employ a black who qualified under Section 10 (1) (a), (b) or (c).'

Mr Pietersen said most of the movement of qualified people involved domestic workers, who could be housed on their employer's premises.

'It is only where male labourers in industry want employment here that housing is likely to be a restrictive factor.'

RENT control has leapt into the headlines lately, with emotive calls for a reprieve from eviction or soaring rents by pensioners.

In the sectional title scramble, it has been claimed, needy tenants, particularly the aged, have been left out in the cold.

At the same time property owners have hailed the passing of rent-control as a re-introduction of normal free-market operation in flat-letting.

Meanwhile the situation has, according to Mr Alf Widman, MP for Hillbrow, reached crisis proportions and he has asked the Government to freeze the phasing out of rent control while the demand for and availability of accommodation is re-assessed.

But while the problem is vivid, the facts of rent control have not always been spelt out.

Long before the Fouche Commission into Housing, appointed in 1976, weighed up rent control and found it wanting, the system's abuses had been evident.

Landlords were using every device to get past the rent control boards and push up rents, including the harassment of tenants.

More than one case, for instance, came to light of landlords applying for rent increases on the basis of servicing costs for non-existent lifts and wages for non-existent caretakers.

The speculative operations of the notorious Chaim Wainer who bought rent-controlled buildings, renovated them and hiked the rents dramatically — earned him the opprobrium of the public — and in Parliament an accusation by Dr G F Jacobs of harassment and intimidation of tenants reminiscent of Chicago gangsterism.

At the same time developers were scared off building new flat blocks for fear their returns would not be adequate, especially while there was an oversupply of flats keeping down rents in any case.

In 1973 the Southern Transvaal branch of the Institute of Estate Agents slammed the Rents Act as an "ogre" saying the sale of blocks of flats at the time was almost completely stagnant.

The then president Mr Ray Hardy said:

"What an ogre the Act is, creating as it does, grave doubts and reservations in the minds of prospective investors. The risk of having rents frozen and your investment ruined is something too dreadful to contemplate."

While some tenants believed the rent boards were acting in collusion with landlords in pushing up rents, some landlords claimed that by not seeing to it that flat owners were getting a fair return on their investments the Rent Boards were neglecting their duty and throwing the door open to exploiters.

It was also claimed that many tenants whose incomes were more than high enough for them to move to more expensive flats were being pro-

Rent control: Row goes on

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Form
11/9/80

Attention has been focused on the phasing out of rent control and the Sectional Titles Act by the plight of pensioners threatened with soaring rents and evictions. But the problems of rent control emerged some years ago, and should probably have been tackled then by the Government. **REG RUMNEY** reports.



Mr Wainer in front of a block of flats in Johannesburg.

tected undeservedly, while deserving cases were not being protected.

And improvements to buildings were being passed up and standards of maintenance being allowed to fall by landlords unwilling to "subsidise" tenants.

Indeed there were cases of buildings being left to slide into ruin and then being pulled down, the owners reckoning it more profitable to let the vacant property appreciate than to continue collecting "uneconomic" controlled rents.

But the Government was unwilling to rush into rent control removal, it seems.

When the Government did act, in 1978, and the then Minister of Community Development, Mr Marais Steyn, accepted the Fouche Commission's recommendation that rent control be phased out, flats were fairly plentiful.

It was argued at the time that under-supply in the generally depressed property market would keep prices down while rent control was being phased out.

In April of that year the tortuous task of phasing out was begun with proclamations issued by Mr Marais Steyn, and continued in April the following year and this year.

The phasing out was to be done in stages, according to the age of the buildings:

● Dwellings first occupied after June 30, 1966, have never

been controlled.

● Dwellings first occupied between January 1, 1960 and June 30 1966 were decontrolled in April 1978.

● Dwellings first occupied between January 1955 and December 31 1959 were decontrolled in April last year.

● Dwellings first occupied between October 20, 1949, and December 31, 1954, were decontrolled in April this year.

● Dwellings first occupied before October 20, 1949 have not yet been decontrolled, though the Government has promised to do this.

This is further complicated by provisos for low-income tenants, who are protected by the Housing Act.

But these tenants can only claim protection if they were in occupation at the date the age category of their dwelling was decontrolled and have remained in occupation since.

So for tenants living in flats first occupied between 1960 to 1966, only those who have been living there since April 6, 1978, can claim protection.

Also, to qualify for protection, their earnings will have to be as follows:

- R300 or less, if single.
- R380 or less for a childless couple.
- R440 for a couple with one or two dependent children.
- R500 for couples with three or four dependent children.

● R540 for couples with more than four dependent children.

For 1955/59 dwellings, protection is afforded single tenants who earn R300, and couples, irrespective of children, earning R540.

The onus is on the tenants to prove their income.

So the recent statement by the Minister of Community Development, Mr S F "Pen" Kotze that, despite the final phasing out of rent control next year, people earning less than R540 would "still be protected by law" seems to be a restatement of the existing position.

Also, for the first two years after deproclamation of any particular group of buildings rents were not to be raised by more than 10% a year.

This still applies to the 1955/59 buildings, deproclaimed in April last year, but the Government is expected to remove it in April next year.

The Minister also reserved the right to re-impose rent control by proclamation on any particular building if exploitation of tenants came to light.

Tied in with the plight of some tenants in rent-controlled buildings is the intended repeal of Section 39 (1) of the Sectional Titles Act.

When this section is repealed, buyers of flats under Sectional Title, or their parents or children, can move into the newly owned flats, just as house-buyers can now do.

The South African Property Owners Association has pointed

● The onus is on the buyer to evict the tenant.

● Three months' notice must be given.

● The owner must take occupation within one month.

● The owner must remain in occupation for at least 12 months after taking occupation.

The furor over rent control will, however, continue, because there is no doubt that the needy and the aged are losing out.

The boom in sectional title selling is depleting the stock of flats for rent and, with demand outstripping supply, rents are rising.

And Mr Widman has pointed out that the supply-to-demand ratio has changed since the first announcement of the phasing out of rent control.

He says the building of new flat blocks since 1966 has been minimal despite the fact that the Rents Act did not apply and therefore could not have been a deterrent factor in buildings.

The demand for flats has been pushed up by the influx of white South West Africans and Zimbabweans into South Africa, he has pointed out.

And while landlords raise rents the income of fixed investments on pensions are not increasing commensurately — and not keeping pace with inflation.

"The removal of protection under Sectional Title will remove the protection that thousands of people in South Africa have against eviction, which protection they are given for as long as they pay their rent timeously."

By being forced to move into a new and strange environment pensioners are losing their security of tenure, Mr Widman says.

Perhaps had rent control been removed when both the problem in its enforcement and its effect on the market were first being felt, present hardships being suffered by hard-done-by tenants would never have materialised.

Rents would have been allowed to find their market level, and prospective flat owners would have been encouraged to build.

The private sector has long argued that providing housing for the poorer sections of the community is the Government's task, not the private sector's.

The effect of the removal could have been mitigated by some form of Government assistance to lower-income groups in need of housing, either in the form of more or better subsidised housing, or, for instance, higher pensions for the aged to allow them to afford higher rents.

By Kerl Swift

Some tenants have been given as little as two months to 'buy or get out.'

Tenants in flats still under rent control cannot be ejected before April 1 next year, and then only if the owner himself needs the flat.

Mr Colin Eglin, MP, who runs a rent clinic to advise those affected by sectional titles and other problems, said he had been inundated with queries from those who were now at the mercy of the developer — even though their flats were still rent controlled.

'Those who have to move — some of them are 70 or 80 — face total disruption of their personal lives.'

Mrs Gwen Hardie, vice-president of the Green and Sea Point Ratepayers' Association, described sectional

title as the 'biggest tragedy' ever to happen to elderly people, especially in the Sea Point area.

'People are desperate. Where are they to go? Where can they go?' Mrs Hardie asked.

She said several elderly people from Sea Point were being forced to move to the suburbs in the hope of finding cheaper accommodation.

'I have been here for over 40 years. As yet I have not been personally affected, but the situation hangs like the Sword of Damocles over all of our heads,' she said.

An old-age pensioner who has lived in the same flat for 13 years and who is being forced to move because it is being sold under sectional title, said she still did not know where she was going to live.

'I can't afford a big rental and I certainly don't have the money to buy my flat,' she said.

I have applied to an old-age home in Sea Point, but I know it is very full.

'I'm all alone in this world and I'm just praying to God that something will come up.'

She said that several others in her block were in the same boat.

Mr Eglin said sectional titles had given rise to a new breed of speculators who were taking over entire blocks. They usually offered to sell the flats to existing tenants at a price way beyond the equivalent of what they were paying rent.

As a result, flats were often sold to outsiders and foreigners.

Another problem was that the number of letting units was reduced as a result of sectional titles and rents were

going up. Those flats built before 1950 were still protected under rent control until April next year.

Mr Eglin said, 'I don't believe the Government is aware of the problems or of the terrible callousness as far as old people are concerned and, if they're not, it's our intention to continue our efforts to make them aware.'

Sectional title was first instituted by law in 1973 and was given a boost when the Sectional Title Amendment Act allowed property owners to evict tenants previously protected under the Rent Control Act.

The Consumer Council in Pretoria, which has received several complaints, has asked those affected by the regulations to contact the council to enable it to assess the situation and make recommendations.

'BUY OR GET OUT' — THOUSANDS FACE EVICTION

THOUSANDS of flat tenants in the Peninsula could face eviction in terms of regulations concerning sectional title transactions.

Particularly affected are those in the lower income brackets — pensioners and newly-weds who cannot afford to buy their flats.

Labelled callous, insensitive and anti-social by Opposition spokesmen when the Sectional Titles Amendment Act was passed in April this year, it has left hundreds of people insecure and confused.

Under the Act tenants in buildings not subject to rent control can be ejected if they do not choose to buy their flats within a certain period.

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Yes, there is some protection for tenant

ST 19/11/81
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Flat tenants are not at the mercy of heartless, unscrupulous landlords. Despite the phasing-out of rent control on certain types of buildings, and despite the sectional title craze, tenants have a high degree of protection under the law.

A recent statement from the South African Property Owners' Association (Sapoa), the national body representing owners, said: "Tenants are giving themselves a great deal of worry through not knowing their rights, and very often their concern is either unnecessary or has a remedy."

The association said "misleading interpretations" had been placed on Press reports of rent control and sectional title.

To clarify the statutory position first: the Rent Control Act has not been repealed. Its application only to specified tenancies has been removed by proclamation.

MORATORIUM

First to go were units first occupied between January 1 1960 and May 31 1966. The two-year moratorium or phasing-out period for these blocks ended in April this year.

Second to be decontrolled were buildings first occupied between January 1 1955 and January 1 1960. The moratorium on these will be up in April next year.

The third category, announced in May this year, applies to buildings first occupied between October 20 1949 and January 1 1955. The two-year limit on these will expire in May 1982.

Flats occupied since June 1966 have never been controlled.

Now for the rights of tenants.

the landlord has increased the rent, as distinct from water rates or electricity tariffs, at any time during the last few years.

● Hardship cases — people with low incomes — are completely protected because for as long as they remain in the flat and keep below the specified income the flat is rent-controlled. To claim this safeguard the person must have been living in the flat on the date of its deproclamation.

INCOMES

For any dwelling first occupied between January 1 1960 and May 31 1966 the monthly incomes that qualify for protection are R300 for a single tenant; R380 for a married tenant; R440 for a married tenant with one or two dependent children; R500 for a married tenant with three or four dependent children; R540 for a married tenant with five or more dependent children.

For dwellings first occupied between October 20 1949 and December 31 1959 the incomes are: R300 for a single tenant; R540 for a married tenant regardless of dependants.

Tenants must be able to prove their financial status. As from April 1981 they will be liable to eviction if the flat is bought and is needed as accommodation for the new owner.

● Section 39(1) of the Sectional Titles Act is still in force at the moment. It is due to be repealed in April next year. It protects any tenants in rent-controlled flats from eviction.

RENT BOARD

● People living in flats they first occupied before October 20 1949 are still protected by the Rent Control Act. Anyone living in a flat first occupied between then and the end of 1954 comes under the two-year phasing-out moratorium which limits rent increases to 10 percent a year.

● Tenants of these flats can complain in writing to their local Rent Board or to the Department of Community Development if the rent is raised more than 10 percent in actual rands. The Rent Board takes into account whether or not

Even if the whole block is converted to sectional title, tenants cannot be thrown out. From April next year they can be thrown out only on three months' notice if the flat is to be taken over by the new owner for self, spouse or the children.

● Tenants of rent-controlled flats, or protected hardship tenants, come under the Rent Control Act in other respects too.

Mr. S. F. "Pen" Kotze who will take over as Minister of Community Development and State Auxiliary Services next month has pledged that the Government will always protect the lower income groups.

RENT CONTROL

123 FM 19/9/80
Tough measures coming

Government is having a major re-think on sectional title conversion. And the market isn't going to like it.

Incoming Community Development (Comdev) minister Pen Kotze, tells the *FM* that his department is now actively looking at the idea of stopping the sale of flat blocks built before 1950.

In May, outgoing Comdev Minister Marais Steyn said: "It has always been taken for granted that the older blocks of flats would not be converted in large numbers into sectional title units because such buildings are generally not suited to this purpose. But should this unhealthy tendency persist, measures will have to be considered to curb the indiscriminate conversion of blocks of flats to enable the sale of individual units."

Just why Steyn took it "for granted" isn't clear. Certainly there was never any serious suggestion that some flats should qualify while others did not. But for the last few months at least, converters should have known that something was in the wind.

Certainly, there have been enough complaints against newcomer converters to warrant action. The SA Property Owners Association (Sapoa) is concerned at the growing number of complaints and the Estate Agents Board wants to hear from prejudiced parties.

Now Kotze confirms that specific action is under consideration. At the same time, however, he has allayed one of the market's major fears. Government, he says, will implement legislation to make it possible for a flat-buyer to move into his own property.

The amending legislation was passed during the last session of Parliament but the idea was to bring it into force next April. Even Sapoa anticipates a new parliamentary debate before the measure becomes law.

But Kotze says there is no need to delay it beyond the original limit because "it only brings flats into line with the situation applying to houses."

When the controls are dropped it will mean that even tenants in controlled flats can be evicted by the new owner. Provisos are that he, his parent or child takes occupation; that he is the registered owner and that the tenant is given three months notice.

Kotze says special consideration is being given to the pre-1950 flats because they are tenanted mainly by pensioners. But it's going to take some fancy legal work to accomplish.

As things stand all flats, controlled and

uncontrolled, can be sectionalised and sold. Some old blocks are already operating on registers. Obviously, they won't be touched.

But many others have been sold on deed of sale in anticipation of sectional title. Some documents allow for cancellation if sectional title cannot be achieved. Others do not.

So it is going to be a complicated and messy business to bring in new rules at this stage. Far better, surely, to bring in the final phase of de-control by amending the Rents Act next session. That will



Pen Kotze . . . good news and bad

effectively mean de-control for every flat in the country — barring those occupied by low-income tenants protected through the Housing Act.

It will mean that the poor of all descriptions will be immune to arbitrary rent increases because levels will continue to be set by the rent boards. What they won't be able to do is remain in occupation if their flats are sold to third parties.

And if they have nowhere to go, they will inevitably become the responsibility of the State. It's that responsibility which the State appears to be avoiding.

'Home ownership is preferable'

(23) DM
23/9/80

Financial Reporter

HOME ownership rather than tenancy should be promoted in the interests of community stability in urbanising South Africa said Professor Dr JL Sadie of Stellenbosch University yesterday.

He was speaking at the "Challenge of the Future Towns" conference yesterday, held by the South African Institute of Civil Engineers at the

Bedfordview Country Club.

The modern trend among urban developers in the Third World emphasised self-help and low-cost housing.

Urbanisation in South Africa, as in the rest of the world, was an "inexorable" process said Professor Sadie.

He added that it was usually the result of the search for opportunity to stave off hunger, and not to increase an already reasonable standard of living.

Wage scale rents plan helps poor blacks

By Tom Duff
Political Reporter

Millions of poor and elderly black people will benefit from a new rents scheme in which people pay in proportion to their income.

Reports of the new scheme have been confirmed by high-level Government sources.

The scheme provides for people earning less than R100 per month to pay only R2,50 a month for a house, while those earning up to R150 a month will pay R7,50 a month.

In cases where some people living in old housing schemes fall into these income categories, but pay less than R2,50 or R7,50 a month respectively, their rent will remain unchanged. People in higher income categories will pay proportionately more for housing. Those in upper income groups are expected to face substantial rises in rents.

The new rents scheme is part of a government effort to bring housing within the reach of all people in South Africa. It will result in economic and subeconomic rental terms being brought onto the same basis for all races.

There are several problems facing the implementation of the scheme. There were hopes that it could be introduced in many parts of South Africa from next month. But due to practical problems in several areas, including Soweto, its implementation is likely to be delayed until January 1 next year.

There are fewer problems facing its introduction into new housing schemes and smaller townships. The main problem is finding an economical way of measuring the income of each black household. Greater Soweto for example has 110,000 houses.

STAR 24/9/80 (123)

Rent plan criticised by blacks

By Carol Mathiane

Black leaders have condemned the new rental scheme in which blacks in higher-income groups will pay more rent and those in lower-earning brackets will pay less.

They have referred to the scheme which is planned to come into effect soon as "unfair" to the blacks.

Dr Nthato Motlana, chairman of the Soweto Committee of Ten, said it was objectionable.

"Nobody minds paying more if one lives in an exclusive area like Sandton, with fore-determined standards, whose environment is healthy, and townhouses built to one's specifications.

"It is also equitable that the low-income group ought to pay lower rentals.

"But we object strenuously to paying differently on the basis of salary for the same squalid surroundings. If we have to pay higher rentals we must live in better housing.

"Basically, it is grossly unfair that the well-to-do should pay the same rate as the poorest of the poor living in the same kind of dwelling. Those who can afford it should be given the opportunity of acquiring homes in an area tailored for their needs and income."

Melons in

HOUSING ACT

123 FM

26/9/80

More royal game

Government has effectively extended rent control protection for thousands of tenants. That's the effect of a decision last week to raise the income limits for lessees claiming protection under the Housing Act.

Main reason for the change is to put more families in line for State housing assistance. But there will be an inevitable rub-off on the private flat market.

Low-income tenants who claim protection have to be in occupation at the time of each decontrol proclamation. So the only newcomers who could join the protected list are those who were in occupation and who earn more than the old maximum but less than the new one. But it's by no means certain.

If a breadwinner who qualifies under the occupation clause earns R600 a month, is he entitled to protection? And if he previously qualified but his income now goes over the original R540, will he remain under control?

Sapoa says he shouldn't, but Community Development (Comdev) has been asked to issue an explanatory circular. The less acceptable alternative will be a test case.

What is beyond dispute is that many more tenants will qualify for protected status when final decontrol (hopefully) takes effect next year. This ultimate phase will apply to flats first occupied before 1950.

To qualify, families now have to show that breadwinner's monthly income does not exceed R650. Previously the limit was R540. And in the case of single tenants, the ceiling has been raised from R300 to R360.

Yet there is an obvious drawback for low-income flat-seekers. Landlords of pre-1950 blocks are unlikely to accept new tenants who would qualify for protection. With decontrol due next year, no landlord will wittingly accept a tenant who is about to become royal game.

Nigel Mandy, who chairs Sapoa's rent control committee, sees the new income limits as consistent. He says adjustments could be expected to bring the levels in line with inflation.

But he admits there is an inequity. A family "breadwinner" (usually the husband) may earn R650 and his wife R600. That gives them a joint income of R1 250 a month — hardly a level where subsidies are needed from the state, let alone private developers.

Sapoa, says Mandy, has asked government to change the rules and base the limit on joint income.

Yet Comdev is clearly more concerned

with the housing development ramifications of the new formula. National Housing Fund loans can now be used to build houses of up to R18 500 (including land and other costs). The previous limit was R14 000.

And individuals wanting to build their own will be able to go as high as R23 000, an additional R7 000. They will also qualify for state loans of up to R18 900 against the former limit of R12 800. Interest rates vary from 1% for people with incomes of R150 a month to 9% where income exceeds R450.

A Comdev spokesman is at pains to point out that the facility is open to all races. And, soaring building costs notwithstanding, there's still a lot that can be done at those prices in the economic field.

Builders should thus get a beneficial spin-off on the contracting side, but, as usual, there's a catch. The National Housing Fund is short of cash. Applications for more generous allocations have gone to the Treasury, but unless more money is forthcoming, the whole thing at this stage looks no more than a gallant gesture.

HOPE FOR 'PROTECTED TENANTS'

27/9/80
ARCUMS
(P.K.)
"PROTECTED"
123

Alan Cooper, Property Editor

THE raising of income limits for 'protected tenants' — those who may not be evicted from flats because of low incomes — is being seen in property circles as an indication that the Government may extend protection to these tenants beyond April next year when it was expected this shelter would fall away.

As it stands, the situation regarding 'protected tenants' is strange. These tenants have enjoyed protection because of their low incomes in flats where rent control has been removed. Provided they proved their incomes to the landlord, their rents could not be raised.

The old limits were R300 for single tenants and R540 for married tenants plus five children.

These limits were raised last week to R360 for

single tenants and R650 for married tenants by the Department of Community Development. Its move was welcomed by the South African Property Owners' Association.

While 'protected tenants' also welcomed the extension of income limits their gratitude must have still been tinged by apprehension for they learnt during February's Parliamentary session that their tenure in these 'protected flats' may be lost in April next year when repeal of Section 39 (1) of the Sectional Titles Act may come into effect.

Under Clause 39 (1) protection of needy tenants in rent de-controlled flats would be removed. However, its repeal was postponed to April 1981 for further consideration. Thus 'protected tenants' had some 14 months to decide their future.

The category of buildings first occupied before October 21 1949, are still subject to rent control. These buildings, the last to be decontrolled, constitute by far the largest of all groups subject to rent control as they were erected immediately after

the war when there was a great need for accommodation.

Many of these tenants fall within the 'protected' group because of the low rents at present being asked.

If Section 39 (1) is repealed in April next year these tenants may suffer considerable hardship trying to find alternative accommodation in today's property market which is marked by a shortage of rented accommodation and soaring rents.

This shelter for low income tenants also applies to those in decontrolled flats who are protected from eviction if the block of flats is converted to sectional title and the flats sold individually.

However, if the repeal of Section 39 (1) goes through, their tenancy is equally threatened for they must leave their flats if the owner, his parent or child want to occupy it.

Against this gloomy background has come the news that the income limits would be raised.

The Government has already expressed its concern at the sudden rush to convert rented flats into

sectional title with the consequent hardship to some tenants unable to afford the high asking prices of their flats.

It was considering whether or not to stop the decontrol of the last category of controlled flats — those occupied before 1949, to prevent the loss of rented accommodation.

With property prices at a record level obviously this strata of low income tenants will never be able to afford to buy their flats or houses and a housing crisis would arise if the repeal of Section 39 (1) came into effect next April.

A rethinking among Government circles is evident and offering new hope — even if a temporary reprieve — for the 'protected tenant'.

For R41 250

A HOUSE, No 45 Middel Road, was auctioned recently for R41 250 by Mr J M Sass of Sass and Co.

Standing on 471 sq m, its municipal valuation was R16 390. It has four bedrooms and boasts superior finishes. Mr Sass said there was unusual interest in the house.

Squatters: Major policy reversal

Political Staff

PORT, ELIZABETH. — In a major reversal of government policy, the in-coming Minister of Community Development, Mr Pen Kotze, yesterday announced the appointment of a committee of inquiry into unconventional housing for squatters.

His announcement at the Cape National Party congress was in direct contrast to the



Mr Pen Kotze

hardline attitude of his controversial predecessor, Mr Marais Steyn, who has been appointed Ambassador to London. Mr Kotze said the committee under Professor Tobie Louw, chairman of the National Housing Commission, would look into such alternative housing schemes as core, site-and-service, and other self-build projects.

But in an interview after his announcement, he said he did not "want to take sides" on whether or not the new plans amounted to a major repudiation of Mr Steyn's long-standing opposition to unconventional housing.

"I am not talking for my predecessor", he said. "People speak of different methods of housing and I just want the best scientific advice".

Mr Kotze said the new plans would only involve black, coloured and Indian squatters and low-income groups in the country's "white" areas.

He said he wanted to draw the private sector, local authorities, the Building Industries Federation, the Urban Foundation and the Building Research Institute into the investigation.

But he also made a strong plea to local authorities not to delay their own efforts to house squatters while the committee of inquiry was sitting.

"If this should happen, existing shortages will increase", he warned.

Mr Kotze claimed that the government had already significantly reduced the number of squatters. In 1975 in the Cape Peninsula, for example, there were 24 000 shacks housing 34 000 coloured families. Since then, 14 000 shacks had been cleared and 19 000 families resettled.

123

C. Times 1/10/80

~~24/80~~

Rent increases: chiding for a city councillor

NM 29/10/80

123

SIR — Regarding Councillor Nick Steyn's comments on rent increases, as one of the oppressed blacks in this country I have often heard and read bigoted remarks relating to the people of colour in this country.

The comments made by Mr Steyn make one reflect on the white municipal electorate, who vote such people into office.

We blacks realise that Mr Steyn was elected by whites and that his allegiance is to them — but we ask him to please refrain from abusing our people. His remarks emanate obviously from his ignorance and lack of insight and understanding of the nature of the problems facing Indian Council tenants.

The fact that masses of our people, largely the labouring classes, have been relegated to the extreme periphery of our city limits, is as a result of the vicious mechanics of the Group Areas Act (to satisfy the fancies of the Nationalist South African — a minority within a minority).

No choice

These council tenants have had no choice in their place of abode. The majority were haplessly and maliciously uprooted from settled areas and clustered together in great depersonalised anonymous housing schemes — far far away from work and recreation. With the vast increases in petrol prices our people are forced to pay the price to commute to places of work in the city centre.

To say that these townships are poorly serviced by essential facilities is an understatement of the truth — but they are continuously faced with rent increases!

Why should a black own a car or a TV set when he can pay this extra money to the City Council? — possibly so that they can offset the vast loss in revenue incurred by the large number of council flats for whites, lying vacant.

Others wait

On the last occasion I bothered to check there were 230 empty flats for whites despite intensive efforts to have them filled.

This is the situation which exists in this fair city of Durban while 25 000 (17 000

sub-economic) Indian families wait for homes.

Can Mr Steyn explain the justification behind the fact that when the increased allocation of R371 566 to the National Housing Fund was received that the subsequent net allocation for whites was 16,36 percent while that for Indians was 14,42 percent? Perhaps these allocations are based on colour and not needs!

Mr Steyn also dares have the audacity to compare us with white pensioners. How can any rational person comparatively equate black and white in this country of have and have-nots! Mr Steyn would come up with some very interesting observations should he look at the living standards of pensioners in the black groups. Before the October increase old-age pension rates for the different groups were:

White R97, coloured and Indian R54, blacks R27,50. Mr Steyn should try comparing these!

Should marvel

If he feels that the council tenants look 'well fed and clothed' then Mr Steyn should stand back and marvel at these people who can still look 'well fed and clothed' despite vindictive policies that were tailor-made to permanently keep black people down!

The Province in the past lifted blame to the State for their stand on certain issues, but it takes the comments of one of its city councillors to make us realise otherwise!

INDIAN HOUSEWIFE

Reply to anti-rates criticism

SIR — Your correspondent Leslie Riggall (The Forum, October 21) sees the anti-rates plan as economic nonsense. I cannot recall Mr Riggall ever having attended an anti-rates committee meeting to discuss with the committee the economic feasibility of the scheme, or to find out just how it would be administered.

If, as Mr Riggall claims, it is economic nonsense, then it is noteworthy that GST was introduced subsequent to the anti-rates plan being submitted. General sales tax as against general salary tax or national salary tax as it is now known.

Further, Mr Riggall must believe all who have signed the anti-rates petition to be void of any sense of responsibility, seeing that the signatories, many thousands, comprise all walks of life... economists, physicians, directors, African businessmen, Asian businessmen and the average man in the street.

As an economist, I am sure the Ministry of Finance would welcome Mr Riggall's services.

J F H YORKE
Vice Chairman

Anti-rates Committee
835 Bluff Road
Bluff

Plan for 'controlled squatting'

CAPE TIMES
2/10/80
(123)
306
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Police try to avoid killing

From MICHAEL ACOTT

Political Staff

PORT ELIZABETH. — A change in official attitudes towards the growing squatting problem became apparent yesterday with a disclosure that the government is preparing to plan for a "controlled amount of squatting".

The Deputy Minister of Development, Dr George Morrison, told the Cape National Party congress here that the country had to "learn to live" with a certain amount of squatting which, he said, was the "physical manifestation of of a social and political process".

Squatting, he argued, was "part of the emancipation of the Third World".

His statement followed the announcement earlier this week by the in-coming Minister of Community Development, Mr Pen Kotze, that the cabinet had approved the appointment of a committee of inquiry into unconventional housing for squatters.

The committee, Mr Kotze said, would investigate such alternative housing schemes as core, site-and-service and other self-build projects. He added the new plans would only involve black,



coloured and Indian squatters and low-income groups in the country's "white" areas.

Welcoming Mr Kotze's announcement, Dr Morrison said yesterday the Minister of Co-operation and Development, Dr Piet Koornhof, recently held talks with experts on the problems of squatting.

They included Dr P Smit, vice president of the Building Research Institute, Professor P van der Merwe, of Pretoria University's economics department, Mr Ken Finlayson, a senior official of the Council for Scientific and Industrial Research, and Professor D Fair of the University of Durban-Westville's urban geography department.

The discussions had concluded that "squatting is basically a problem of poverty and not so much one of urbanisation".

"It is therefore essential, if the problem is to be adequately controlled and curbed, to encourage and assist blacks to build their own homes according to approved plans and under strict and adequate control to prevent slum conditions", Dr Morrison said.

"Without condoning the phenomenon, we shall have to learn to live with a certain amount of it as part of the emancipation of the Third World.

PORT ELIZABETH. — The Minister of Police, Mr Louis le Grange, said yesterday that police always tried to ensure minimum loss of life when dealing with riots and unrest.

He told the Cape National Party Congress it was not pleasant to remember that 30 or 40 people had died in a short period of unrest in the Cape Peninsula recently.

The police had the best possible equipment and training, and successful methods were being applied with the least possible loss of life. They did not hesitate to take firm action, however, if a "skollie, criminal or murdering element" endangered police or public lives.

"If we face a dangerous element, we are also dangerous," he said.

The answer lay not in killing, but in using modern methods. These included plastic and rubber bullets, the "sneeze machine" and teargas.

Mr Le Grange said another effective, if unpopular, method of dealing with unrest was to detain people, removing them from the community until the situation had cooled down.

Some 200 people had recently been detained under section 10 of the Internal Security Act. A small group was still in detention, most of them in the Victor Verster Prison near Paarl.

He said church and university friends of these "so-called angels" would hang their heads in shame if they knew of the detainees' behaviour and their attitude towards the Prime Minister, Mr P W Botha, and the cabinet.

KDM 28/10/80 (123) (22)

Builders urged: Erect more homes

DURBAN. — Alternative ways of meeting the enormous housing need in South Africa, such as self-building and other self-help schemes, must be explored intensively, the Deputy Minister of Finance, Dr Danie Steyn, said in Durban.

In his opening address at the annual national congress of the Building Industries Federation of South Africa (Bifsa), Mr Steyn said only a portion of the apparent housing need could be met through State-assisted programmes.

"Estimates of the future demand for housing in South

Africa are truly staggering. One semi-official estimate puts it at some 170 000 dwelling units per year for urban blacks alone up to the year 2 000," Mr Steyn said.

Seen within the perspective of the special effort in Government-assisted housing programmes for which funds were made available in 1977, it was clear that after the State had done what could be realistically expected of it in the conventional way, large numbers of people would still be inadequately housed.

To encourage the return of

private initiative in the building industry, the Government would continue with its policy aimed at the final removal of rent control.

"If it is possible again for private investors in accommodation to obtain a realistic return on their investment, it should encourage new investment in such accommodation," he said.

"This would inevitably entail a rise in flat rent in many instances, but it is a necessary price which will have to be paid."

He also said steps were nec-

essary to divert into lower-cost housing some of the resources in the boom in private building activity, which were going to an excessive extent into the more expensive types of housing.

"One way to do this is to step up the implementation of policies to enable building societies to invest in housing in the black towns and cities."

Plans were also far advanced for building societies to take over some of the outstanding investments of the national housing fund in black housing. — Sapa.

Housing headache

NM 28/10/80 (123)

THERE is sound commonsense in the plea by Mrs Sybil Hotz, Mayor of Durban, for the lowering of building standards in our country in order to provide more homes for the majority of South Africans. Warning that inflation was inhibiting the construction of dwellings of a high standard, Mrs Hotz said available resources must be spread as far as possible.

There is indeed no way that the younger generation and people with limited incomes will ever have their own homes unless luxuries are dispensed with and buildings planned with an eye to space saving. Failure to introduce such a utilitarian doctrine means that prices will rise at an even faster rate than is the case today, and in time home ownership will become a luxury that few people can afford.

With building costs rocketing by more than 20 percent a year it is small wonder that the Government, now thoroughly alarmed, has substantially increased State aid. The income ceiling for family breadwinners seeking assistance was recently increased from R540 to R650 a month, and for people living alone it went up from R300 to R360 a month.

Meanwhile, the maximum allowable cost of dwellings built by the Department of Community

Development and local authorities with National Housing Commission loans has been increased from R14 000 to R18 500, and loans to individuals have gone up from a maximum of R16 000 to R23 000. To its credit, the Government appears to be making a real effort to enable wage and salary earners to counter the inflationary spiral.

If the rise in building costs continues at the present rate of 2 percent a month the price of houses will double in less than five years. As it is most unlikely that incomes will increase at the same rate it becomes obvious that fewer people will eventually be able to buy or build their own homes.

The crisis is world-wide. In the Third World the backlog is increasing, and in South Africa the urbanisation of blacks is creating tremendous problems, as is the case in many other countries. The Government intends to spend R20 000 million on housing in the next 20 years, but the ongoing population explosion makes it unlikely that even this vast sum will be sufficient.

Mrs Hotz's appeal for the construction of more austere (or should we say less luxurious) homes in future is therefore valid, if only to ensure that a greater number of people will benefit in the long run.

Caught with our pants down

Abolition of rent control is vital to the long-term health of the SA property market. But if the phase-out was expected to provide immediate stimulus for the building of rental stock, a lot of people are going to be disappointed. Years of stagnation caused by controls cannot be solved overnight.

The current flat accommodation crisis — and crisis it is — is not the result of rent control but an inflationary quirk. This year building costs will probably rise 30%; salaries won't rise half as much.

And there's nothing to suggest that things will get better next year, or the year after. So the conclusion is inescapable: economic housing of all kinds is rapidly moving beyond the reach of the average wage-earner.

For several reasons rental flats will be hardest hit. Building society bonds are still sufficiently low-rated and long-term to meet the needs of many buyers. And bond subsidies in both the public and private sectors are becoming an accepted way of life. But who subsidises rents?

To some extent landlords do. Under the current timorous decontrol programme they have got shot of the greedy, but are still stuck with the needy.

For the rest, tenants are on their own. Where landlords can base returns on historic costs, the sums can still work. But even the older blocks are rapidly falling to sectional title converters. The supply of flats to rent is thus diminishing for two reasons — new stock isn't being built because tenants can't afford to pay and established buildings are being sold off in sections.

There are no official statistics to make the point. But the Property Economist's David Berkowitz has taken out figures for the FM showing that while flats made up 25% of all new housing stock in 1970, the ratio dropped to a miserable 8% last year.

In the first seven months of 1980, the market share for flats has risen rapidly again to 15%. But that's no sign of a surge in rental accommodation. Virtually all the action is in the booming sectional title field.

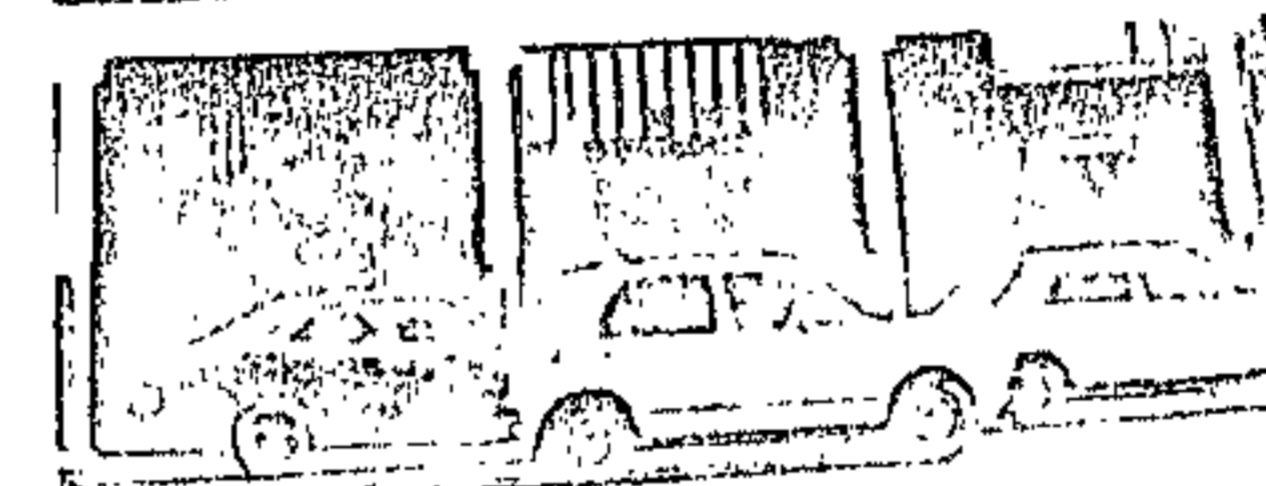
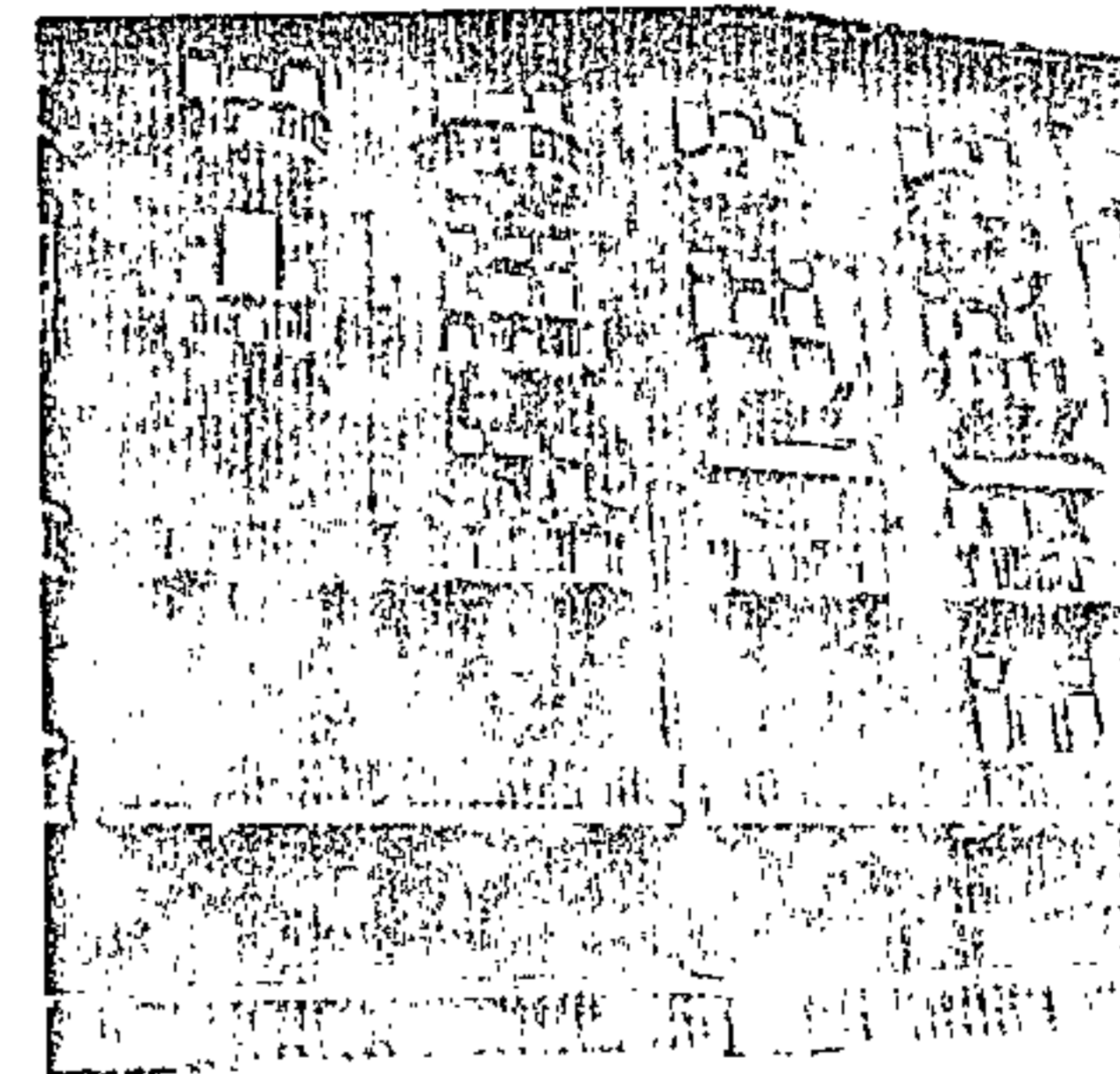
The depression of the mid-70's certainly did nothing to help. Huge voids were a feature of the flat market in all major centres. In some areas, blocks were standing 50% empty and there was no incentive to develop new flats anyway.

Now the vacancy rate in Johannesburg — and the rest of the country is little different — stands at less than 1%. That's as close to a sellout as the market can get, and the incentives to increase supply should be strong.

But try as they might, investors can't see returns of more than 7% or 8% on

rented flats. And that's not on. With bond money at more than 10%, it means a negative return even on a two-thirds gearing rate. Developers want to see a 2% cushion between yield and loan commitment before venturing into any investment.

Interest rates are climbing anyway. So, short of tying up fixed bonds at considerably higher rates, there's always the risk that the gap will disappear and send landlords to the wall.



Where have all the flats gone?

The simplistic solution is to cut building costs or increase rentals — or both. Cost reductions seem unlikely. A combination of soaring black wages (without concomitant increases in productivity) and runaway fuel prices has been one of the root causes of the problem. But there are others.

Nowhere have the counter-productive effects of price control been more marked. Cement, bricks, steel — the whole gamut of material prices has risen quickly enough to mock the whole control system.

Yet the greatest inflator at the moment could well be builders' margins. No longer do contractors have to tender on survivalist terms as they did in 1978. They want profits and they are getting them.

The prospect of any meaningful cut in building costs is consequently remote. And projected rent levels are about as high as the market will bear.

Murray & Roberts' Charl Pienaar calculates that a two-bedroom (100m²) flat will have to let at R700 to R800 today and R1 000 a month within the next few years to give investors acceptable returns.

The figures came in for some criticism when Pienaar suggested them at the Sapo conference a few months ago. And, as he based the calculations on a comparison with the cost of offices, the problem may have been overstated.

But there's no denying the trend. Sectional title units are already selling at R1 000/m² (at Umhlanga Rocks) although the national average for new stock is probably about half that. But production costs look like doubling in less than four years. Incomes will not.

Then what? The prospect won't please everybody, but here is a classic case for State intervention. As government has been largely responsible for the distortion, the least it can do is lend a hand to pull it straight.

It should have done more already. True, the whole affair is now under investigation, but the Fouche Commission was already sounding the alarms more than three years ago.

"The Commission must point out," it said "that if there is an upswing in the economy this will inevitably result in a serious shortage, particularly of letting units." The upswing came, action did not.

And by bad luck or bad management, phased rent decontrol coincided with the new-found landlords' market. Inevitably, it has become a major political issue.

One of the most sensitive points is the plight of the needy. No-one will argue against official participation in that area. Provision of sub-economic space is not the responsibility of the private sector.

But government's contribution has fallen short. It needs help, but will have to come up with incentives if it is going to get it.

Although there was international precedent to support the idea of direct subsidies, Fouche was against it. Yet inducements will have to be forthcoming if developers are to be persuaded to build more rental flats.

As a kick-off, Pretoria should accept that flat-builders deserve at least similar concessions to those enjoyed by hoteliers. The long-standing suggestion is that flat developers should be permitted to write off buildings over five to 10 years.

The effect on real margins could be attractive enough to bring investors back to a sector where they are most badly needed.

Direct rental subsidies, which operate with some success in West Germany, probably won't find favour. The problem of protected tenancies won't confront developers of new space. Subsidies will thus have little effect on the volume of new building unless government decides to pay a portion of the rent to landlords on behalf

of lower-income occupants.

That alternative is obviously open to abuse and is probably the worst of available options.

The better way will be to provide State finance at lower rates of interest. Building loans at 7% or even 8%, should give developers the kind of buffer that caution demands. This is the price that may have to be paid for years of rent control which militated against flat development.

Much could also be done at local authority level. What about offering enhanced commercial bulk in multi-use buildings on condition that an agreed ratio of residen-

tial space is thrown in?

The councils will say that town planning constraints make the idea impractical. Granted, it will work only in selected areas and is by no means an answer in itself. But it is one way of helping to bring on more stock.

And then, of course, there are the institutions: The FM has often pointed out that assurers and pension funds, to a lesser extent, are not subjected to the same restraints as the rest of the investment market. They don't have to borrow, they are essentially long-term investors and operate from a privileged tax base.

But if they can bid office blocks up to return of 7% and 8%, why not get into flats on similar yields?

Long-term growth may not be as rewarding, but Government should make it clear that privilege carries social responsibility to which they should respond.

Stop-gap measures, yes. And even now it is too late to overcome the immediate problem.

The ongoing need is for more flexibility. Crises need to be headed off before they arise. How many more times is a sudden change of economic fortune going to catch us with our pants down?

from 3-11-60 123

Minister, PFP in rent talks

Political Staff

THE new Minister of Community Development, Mr P. N. Kotze, is to disclose before the end of the year his attitude towards the phasing out of rent control.

The Opposition spokesman on community development, Mr Alf Widman, MP for Hillbrow, said yesterday that Mr Kotze had given this assurance when he met him for the first time in his new capacity late last week.

Mr Widman said he had met Mr Kotze, his new deputy, Mr Pierre Cronje, MP for Port Natal, and the director general for Community Development, Mr Louis Fouche, for an hour.

"I asked the Minister to consider the retention of rent control for the time being on those properties first occupied prior to October 20, 1949," Mr Widman said.

He had also asked that protection to existing tenants in properties sold under sectional title should be extended to enable the public and private sec-

tors to catch up with the large housing backlog.

"While the Minister does not appear to be convinced that there is a crisis in housing, he does accept that there have been changes since the Fouche Commission recommended the complete phasing out of rent control," Mr Widman said.

"The Minister said steps had to be taken to cope with the situation. He had called for certain statistics and further information and would make known his recommendations before the end of the year."

CURRICULUM VITAE

Klaas van der Poel

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Church plans to buy flats for the elderly

Staff Reporter

THE Methodist Church is investigating the possibility of buying blocks of flats so that it can become landlord to hundreds of pensioners living under threat of street violence and sectional title sales.

The superintendent of the Johannesburg Central Circuit, the Rev Peter Storey, who initiated the idea, said that as many as 60% of pensioners who belonged to the Central Methodist Church congregation had been mugged — and this was preventing the elderly from attending evening services.

"I believe this is a major issue affecting pensioners' lives and their freedom to move around in the evening.

"If there was a ribbon awarded to every lady in our congregation who had been mugged, we would have a highly decorated congregation," he said, adding that there was need for more policemen on the beat.

Mr Storey said the "deep insecurity" which people were experiencing because of sectional title and the lifting of rent control, were also reasons why the church was considering buying blocks of flats.

"They are helpless victims of legislation designed to stimulate the economy, but which is not working to the benefit of the tenant.

"I am surprised that there are still people who believe in the gospel of unchecked capitalism, without safeguards for the weak and vulnerable in our society.

"I believe the church needs to become landlords — unwillingly — and that we need to buy blocks of flats which can be run, not for profit but for the benefit of the community who live in them."

Mr Storey said elderly parishioners had welcomed the idea.

Though the financing of the project has not yet been decided, Mr Storey said the church would approach the Department of Community Development and the Council for Care of the Aged about assistance.

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Housing inquiry result out soon

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Political Correspondent
CAPE TOWN — The Department of Community Development has launched an inquiry into housing problems, including Sectional Title difficulties, the responsible Minister, Mr S F Kotze, said today.

Mr Kotze was reacting to recent allegations that people were being exploited in some Sectional Title transactions.

An announcement, following a departmental inquiry, could be expected within the next fortnight, Mr Kotze said.

He pointed out that buildings erected after 1966 were not subject to rent control and that the

matter had come under his department only in the past few months.

The Director-General of Community Development, Mr Louis Fouche, said at the weekend that the department was having a thorough look at all aspects of housing.

Representations were being received from many quarters.

Mr Alf Widman, MP, the Opposition's chief spokesman on housing matters, has handed a memorandum to the Minister in which he asks for protection for tenants until the housing situation has become normal.

BLACK ACCOMMODATION

For the masses

FM 7/11/80

An experimental self-help housing scheme has transformed the rolling sugar-cane fields of Inanda, near Durban, into a tent-town virtually overnight. If ultimately successful, the project — unprecedented in scope or scale, and a radical departure from traditional government planning policy — could provide a viable solution to SA's black housing problem.

At Inanda, 4 500 serviced sites have been demarcated by the Department of Co-operation and Development as the first phase of a plan to eventually rehouse 250 000 people. Nearly half of the plots are already occupied. At present, 2 100 tents house approximately 15 000 people, and at least 60 more are being pitched daily. Each site has its own toilet, but initially one water outlet will be shared between six dwelling units. It appears that the main problem at present is the haste with which government is trying to get the scheme off the ground — if it was conducted at a slower pace, there would be no need for so many people to be living in tents.

Participants are being resettled from the existing informal settlement at Inanda, where conditions are so bad that typhoid broke out earlier this year. It is therefore not surprising that demand for the serviced sites is so strong that the organisers — the Urban Foundation (UF), Natal, in conjunction with the Department of Co-operation and Development — simply cannot keep pace.

During the first phase, participants are resettled and housed in tents. During the second stage, residents build alternative interim accommodation from temporary

materials such as wattle and daub. In the final phase, the interim structure is upgraded or a new "final" house built to specified minimum standards.

What constitutes acceptable housing standards poses a thorny problem for the UF — since these must also be within the income limits of the housing recipients. As a first step, the Foundation has established a temporary technical advice centre and materials store from which plans and advice are freely available and materials can be purchased at cost.

Although most residents are still in tents, house building operations are well under way. According to Alan Mountain, regional director of the UF, "houses are already being erected to a fairly high standard." Ultimately, the intention is to upgrade both services and dwelling units and it is expected that the process could take anything from three years upwards.

Financing is being provided by the Department of Co-operation and Development. The maximum loan for each plot is R2 500 with a required 10% deposit, which may be in the form of materials already in the applicant's possession for use in the "final" house. Loans are repayable over 30 years with interest rates that vary according to the head-of-household's income.

But even for those who are not able to enter the scheme with their own financial resources, opportunities are being created for generating funds through the "sweat-equity system." The scheme offers short-term employment opportunities on site, expressly to assist applicants to generate deposits. It allows prospective residents to participate in brick-making and to obtain materials in lieu of payment, or as part of payment, so as to raise deposits and also to acquire marketable skills.

Ultimately, the success of this scheme will probably lie in the provision of security of tenure, which is a proven motivating factor for the investment of time and energy in house building.

Problems still face Sectional Titles Act

(23) vom 7.11.80

Own Correspondent
CAPE TOWN. — Dr D V Cowen, chairman of the Standing Advisory Committee on the Sectional Titles Act, said in Cape Town yesterday there had been a "tremendous upswing" in the number of properties being registered under the Act. But he gave a warning to owners and agents that problems created by sectional title must not be ignored or minimised. "People don't have to be hurt in the process," he said at a seminar on sectional title organised by the SA Property Owners' Association (Sapoa). "What is needed is a partnership between the public and private sectors which will recognise and come to grips with these problems, and ensure that sectional title doesn't get a bad name. "This has to be seen as a symptom of the overall

national housing problem, and not as a problem within itself. There is no overall panacea, and the right solutions will have to be related to specific areas, at specific times."

Dr Cowen, former dean of the faculty of law at the University of Cape Town, said safeguards for everyone concerned in sectional title transactions should be contained in a code of practice on similar lines to codes successfully applied for some years in the United States.

At least 120 days notice should, for instance, be given tenants of flats that had been converted from a rental basis to sale by sectional title, and state subsidies should be considered for those who stood to suffer genuine hardship through such sales.

Dr Cowen said figures produced by the Chief Registrar of Deeds showed that since the Sectional Titles Act had come

into operation in March 1973, 1 594 sectional title schemes comprising 37 022 units had been registered, and 27 815 transfers of individual units had taken place.

"But just in 1980, 13 888 transfers have already been registered — in other words half the total volume of transfers over the past seven years.

"The 1980 figure is also 300% higher than last year's figure, which was the best so far. It is probable that the marked increase in the number of transfers this year is due to the activity in the conversion market because of the repeal of the protection previously given to tenants of rent-controlled flats."

The magnitude of sectional title transfers, said Dr Cowen, could also be ascribed to the South African public's acceptance of sectional title as a workable and agreeable lifestyle.

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Building...

The traditional middle-class white South African brick-and-mortar house, now quoted at some R50 000, has alternatives for as little as half the price.

The R25 000 house is no pipe-dream. Even in 1980 it can be built, say the builders. Wait until some time next year and it will probably pick another R5 000 out of your pocket.

To reduce a fifty-grand house to one costing a mere R25 000 requires some sacrifice, but more than that, some ingenuity and unconventional thinking.

Many builders now claim that the traditional South African house, built from stock and face brick in laborious methods that have not changed much since the Middle Ages, is now the most expensive. And it will be getting more so as costs rise for its labour intensive methods, as well as the bricks.

The latest consignments of British imported bricks will work out at R330 a thousand (in this way the bricks in a house will soon be worth R10 000 alone) and the 12-month waiting list for bricks itself adds another 25 percent to building costs.

Trade-thinking is expensive in other ways. An "essential" double garage may cost R60 a month in repayments, alone for most of your life. Closed garages are not necessary on the highveld and can be replaced with cheap prefab carports.

Sacred cows

Similarly other sacred cows of our building tradition can be put to pasture for later: the knick-knacky entrance hall, the often anachronistic servant quarters and the second bathroom, which could well be reduced to a shower cubicle.

Then, instead of brick-and-mortar (which through labour costs and distance factors still works out most economically sometimes) look at some other, and newer, home building materials:

Brick-veneer timber, board-clad timber frame, concrete blocks or bricks, cement panelling, industrialised and prefabricated fittings, no-fines concrete, and a host of others.

There is a great variety of new methods as well, mostly designed to reduce skilled labour costs to 25 percent by section building in factories and fast on-site construction with panels and shuttering.

Examining all the options may not resemble the happy house hunting of other times. They are often confusing, and the buyer will have to sift

JAAP BOEKKOI investigates cheaper methods of building, and finds that instead of having to spend at least R50 000 on a conventional new house the prospective home-owner could manage on R25 000 — just half.

through the varying claims of the method builders.

Some of the lower-cost house options:

Restrictions

The clench of the entrenched clause — The very first obstacles to building on the cheap are the entrenched clauses in township regulations. They are likely to make expensive minimum demands, like tiled roofs, face-brick structures and minimum floor spaces such as an extravagant 150 sq m.

One day, who knows, such clauses may compel you to fit gold door handles or baths.

To keep home costs down examine township regulations' fine print; then choose a township site with the least restrictions, a minimum floor space of 80 to 100 sq m, and no compulsion to add costly but worthless frills.

Remember for the future: entrenched township clauses which forced home buyers to spend beyond their eventual means have contributed to property slumps in many a so-called "posh" suburb.

Ignore apartheid housing—Many of the most attractive new houses now on the South African scene have been designed for the middle-class Indian and for the coloured market.

They have all mod cons, incorporate all the price advantages of revolutionary building techniques, especially concrete panelling, blocks and no-fines concrete, timber-and-shield; and they cost between R16 000 and R25 000 depending on location.

Most of these houses are more attractive and have better finishes than existing lower middle-class houses in the suburbs of cities like Johannesburg and Pretoria. Their only disadvantage: square metreage is down to 80, about a quarter down from a small house in the white market. So save by building yourself a "black" house.

Start small

Core building — This is the solution recommended by researchers at the National Building Research Institute (NBRI), and also by the head of Wits University's department of building management, Mr Ron

Schloss, to young couples who cannot afford a conventional house from one of the large builders. The minimum prices from the large builders now stand at R35 000.

Core Housing is a term widely used after World War 2, but based on an old concept: that is, to build a small house to be extended later.

In Europe core houses were built because of wartime shortages and usually started with two bedrooms only, and no entrance hall or garage.

In South Africa, says Mr Ronnie Schloss of Wits, a young couple could easily afford to build a R25 000 core house by planning it as follows:

- Saving an average R3 000 on a second bathroom;

- R2 300 on a garage;

- R4 000 on servant's quarters;

- up to R3 000 on kitchen fittings that can be bought later (including a R400 saving by not buying an eye level stove);

- and saving as much as R2 500 on eliminating a 10 sq m entrance hall, or reducing bedroom size by one metre.

Altogether this makes a saving of just less than R15 000 on a house that convention now deems "essential." As Mr Schloss explains: "Couples who build such a house can extend it at leisure as the family and finances grow. One end of the house can be left unfurnished and extended with a third bedroom and a built-in garage."

The core house is much lower-priced than the more traditional Starter House, a small shelter on a small site in an expensive suburb which can be sold as a deposit on a larger, more desirable house elsewhere. But starter homes start higher, at some R35 000, today.

Timber frame

The Lumbering Giant — an informal name for the fast-growing timber-frame house industry which is making inroads into the traditional brick-and-mortar market.

The erection of thousands of timber houses with brick veneer or gypsum board cladding, which makes them unrecognisable from conven-

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COSTS CAN BE CUT

From previous page

tional houses, is in the pipeline at present.

The new popularity of timber houses has several causes: the simultaneous abundance of bricks and the shortage of timber, which because of its relative scarcity until a few years ago, made timber houses more expensive, except in isolated areas, such as Knysna and the forest areas of the Transvaal.

Mr Doug Trower, a building science graduate who is now consultant to the Lumber Millers' Association, says a fully approved timber house, with agreement certificate from the National Institute for Building Research, costs between R230 to R240 per sq m, up to 20 percent below the conventional house-building cost of R300 a sq metre.

South African timber houses have been exported to Germany and Israel, and the rhinoshield wall board invention has crept into the American market.

Building societies now approve timber houses, and insurance companies and premiums are no higher than for conventional houses because exhaustive tests have shown no increased fire hazards in approved timber construction. The wood used is permanently vermin-proofed under high pressure.

Timber frame has a few other advantages. There are few delays in construction: a house can theoretically be ready to move in to six weeks after the building society has granted the bond.

Revolution

They remain crack-free on expansive clays, need much lighter and cheaper foundations, save on labour because of easy erection costs, and have service ducting built into walls.

Many of the ideas in industrialised timber housing have come from Australia where the system represents 80 percent of all housing at a cost of 75

percent and less of brick housing.

“What happened in Australia 20 years ago, when timber took over from brick, is now happening in South Africa. The industrialised home-building revolution is coming,” says Mr Douglas Trower.

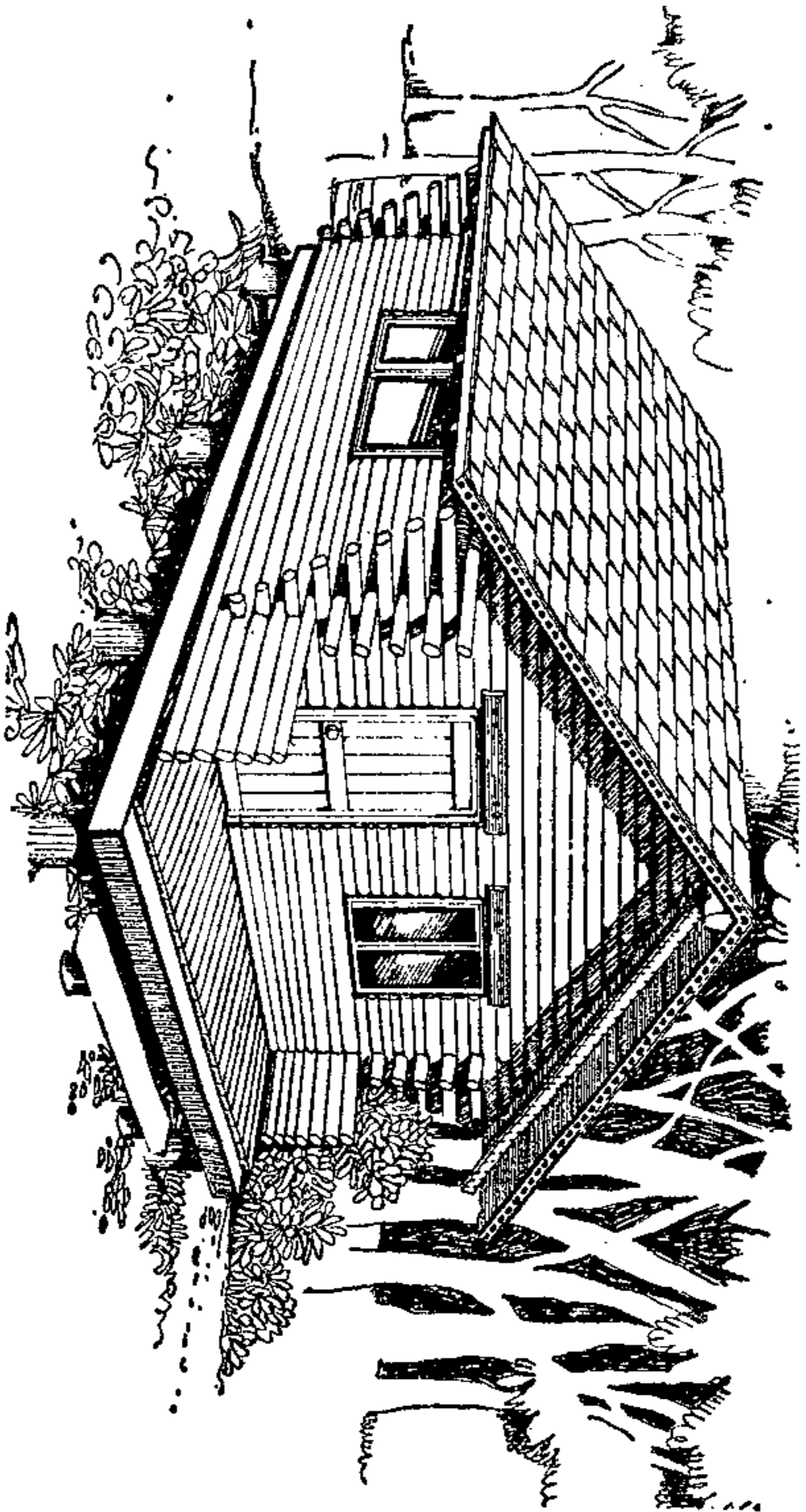
New concrete proposals — The old maligned building block, baked by farmer Van der Merwe in rusty moulds to fix the kraal wall, has given a bad name to the new SABS-approved concrete blocks, each of which replaces 12 conventional bricks.

The blocks themselves do not work out cheaper than the equal volume in bricks, but builder Frikkie Labuschagne now uses them exclusively, and says he will “never again touch a brick.”

worried about this city's refusal, for there are few building sites left here. “We're building them all round the city boundaries.”

Ignorance and a deep suspicion of anything new still pervades building inspection departments where objections are raised about fires and termites in timber houses, despite the NBR's exhaustive fire tests, and the fact that in the latest timber system not a single ant (or rat) can physically get into a house.

One municipal engineer, on hearing of brick veneer timber houses, innocently remarked: “How do you put the veneer on the brick?”



Log cabins, American pioneer relics, are coming back into fashion in South Africa. This cabin costs less than R3 000 in kit form for do-it-yourself building, but others are double-storied with all mod cons, and the biggest go to R32 000. Firms in the Transvaal make 1 m x 1 m houses in heavily veneered wood which needs occasional retreatment, but their use is limited to country, peri-urban areas and some municipalities.

He quotes savings such as three quarters on mortar used and those on labour and transport. One of Oom Frikkie's bricklayers can build an average concrete-block house all by himself in 15 days, a small one in 10.

According to manufacturer Tony Baron, the delivery delay on blocks is only six weeks, and now that they are becoming popular in their new form “competition has become unreal.”

Both Mr Baron and Mr Labuschagne say the savings on this type of house are between 15 and 20 percent, and the latter adds that he can build a basic core house, as described above, from blocks at R30 000 or even less, because a concrete block house costs R20 to R30 less a square metre than

the equivalent brick house.

The use of concrete bricks is also a money-saver in house-building. Mr I A Hunter, manager of a concrete brickyard at Sasolburg, claims that because of lower prices at R36 a thousand the saving on a R50 000 house is about R1 000.

Builders love their fat profits on luxury homes during the present boom, but in sober moments they agree that the average South African aims too high, and his design ideas are too irrational for his financial means. In Europe many people live in a 50 sq m flat; here many singles stay in palatial houses with three times the floor space.

An average 4 m by 4 m bedroom can often be reduced to 3 m by 3 m simply by correct placing of cupboards, a door and a vertical, instead of horizontal, window.

More living space can be added by cheaper outside patios during warm summer months, and elaborate architectural designs often push up costs. As one architect said: “The square house is still the best low cost design.”

Commercial housing companies agree that less expensive houses could be built, but add that their customers think in stereotypes and abhor being adventurous.

Best example is that of the manager of the country's largest home-building company which markets conventional brick houses — but who last month discreetly moved into a timber-frame home for himself.

No future but to stay put...

My friend, the university lecturer, moved into his pretty R9 300 suburban home in the late '60s, and now he wants to move. Cheapest quote to build a similar house in another suburb — R63 000.

That was R50 000 for the conventionally-built house; R13 000 for the plot.

It is happening in thousands of instances all over South Africa. Building costs first went through the ceiling, then through the roof with 25 percent

rises a year (against an inflation rate of between 14 and 15 percent). Now many families see no prospect but to stay in the home they first bought as newlyweds for the rest of their lives.

Young couples are again repopulating decayed old flats in cities, where cockroaches scurry in prehistoric lifts, in a desperate effort to save the R10 000-or-so deposit for a tiny dream house in a fringe suburb.

The builders rub their palms, for the moment; but stare gloomily into the fu-

ture. They blame the boom, higher labour costs, the looming cloud of unionism, shortages and spiralling prices.

The statisticians tell them the shortage of housing units, for all races, has reached a critical 300 000 right now.

That's not all they have to solve the gargantuan problem of building as many houses as are now dotted all over South Africa again during the next 19 years — some 4-million.

The situation is not as gloomy as it looks. There are solutions.

Crash plan to relieve housing shortage

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By Jaap Boekkooi

A crash programme to relieve the painful housing shortage of about 300 000 units with rapidly-built industrialised timber houses is to be launched next year by the State and industry.

The State's contribution is an urgent Public Works Department investigation into methods to build 5 000 timber homes a year.

The homes will be built by the Department, which has appointed a special timber homes commission.

They will be indistinguishable from traditional South African brick or plaster homes from the outside.

At the same time, the country's largest conglomerate of individual home builders is erecting a show "timber village" at Rand Park Ridge, north west of Johannesburg.

Contracts for hundreds of timber houses as far afield as Secunda and Simonstown have also gone out.

Rising costs and brick shortages have also forced the Transvaal Provincial Administration to design new schools in timber frame for which a firm of architects has been commissioned.

The Anglo Vaal mining house is building a timber home factory which will

produce a thousand houses, initially for its staff.

The idea of the Rand Park Ridge timber village is to test the reactions of conventional white home buyers to the looming timber revolution in housing.

This revolution, confined mostly to Coloured, Asian and black areas so far, is a direct result of brick shortages, lack of skilled labour and rising wages in the building industry, plus a fear of growing unionism.

There is a lively current exchange of frame house technology with Australia, where the timber revolution started two decades ago through identical problems of brick and skill shortages and wage inflation.

The local timber house industry models itself on that of Australia where, despite rocketing living costs, such homes are built at not much more than half the cost of brick houses in South Africa.

Early next year a group of South African builders and building science students will undertake a tour of Australia to study industrialised building projects.

● Building costs CAN be cut — See pages 14 and 15.

Govt policy on black housing is unwise—Rive

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By Tom Duff, Political Reporter

South Africa will not have a stable future unless the principles of justice and merit are applied to all its people, according to Soweto planning chief, Mr Louis Rive.

In an address to the annual meeting of the National Development and Management Foundation yesterday, Mr Rive sharply questioned the wisdom of the Government's housing policy for blacks.

Within the next 20 years more than 4 000 000 housing units had to be provided for black people at a cost of R2 000-million. The policy that only the State should provide housing was unwise, he said, emphasising that blacks should be helped to help themselves.

Mr Rive also emphasised that he did not want to remain in his job "one minute longer than is necessary." He felt there would come a time when his presence was counter-productive and then he would quit. It was possible that in the future he might hamper officials and be resented by black leaders.

"It is not right that I should be the focal point of attention."

South Africa would have a great future "if we build together instead of breaking down separately," he said.

"The key to this is sincerity, integrity and mutual trust and respect."

Justice and merit lay at the basis of this. Unless people realised that security depended on the principles of justice and merit being applied to all, the country had no future.

Mr Rive emphasised that through the development of Soweto the credibility and communications gap between black and white could be closed. But there were other Sowetos, he said, and the development of Soweto should be seen as "a launching pad" in the process of helping black people throughout South Africa.

Mr Rive said it was unfair that none of the money spent by blacks in Johannesburg's central business area was being used to aid Soweto. He urged the private sector to help blacks to achieve their full potential.

He had strong praise for the wide array of

Verbal agreement all that protects tenants

City Editor

A "gentleman's agreement" is all that will keep tenants of certain flat blocks from having to pay rocketing rents after April 1 next year when the final stage of rent control is phased out.

This was disclosed yesterday by a Johannesburg spokesman for the Department of Community Development.

However, he made it clear that if landlords did not "co-operate" in the phasing out of rent control, the Government was still empowered to reimpose controls.

The "gentleman's agreement", the spokesman said, was that rentals would not be increased by more than 10% a

year for two years after April 1 next year.

This agreement applies to flat blocks which were first occupied before October 1, 1949. These buildings constitute the last stage in the phasing out of rent control.

The spokesman said the agreement was made between the Minister of Community Development and the owners of blocks of flats, after a warning that if owners did not co-operate, the Minister would reintroduce the old system.

Yesterday the city councillor for Hospital Hill, Mr Harold Rudolph, warned of the danger that it was only a "gentleman's agreement" and not a law which prevented rents from rising dramatically at certain

blocks after April 1 next year.

He said he anticipated that rents would rocket at the end of the two-year period. By that time, with rents rising beyond the reach of many people, other blocks would be under Sectional Title, "which is fine for those who can afford to buy flats".

Warning of an impending new dimension to Johannesburg's accommodation crisis, Mr Rudolph added his voice to repeated calls for the Government to provide housing.

He said that ultimately the Government was the only body which had the resources to provide large-scale housing.

Mr Rudolph emphasised that he was not attacking landlords, whose approach, he said, was understandable.

Has a degree in Operations Research from Tilburg, Holland. He has been with Shell International for 10 years and worked for that company as an international consultant in several countries around the world. His experience includes the design and development of systems for financial management, manufacturing control and production optimisation. He has taught courses in Management Information Systems and Operations Research at the Business Schools of the Universities of Cape Town and Stellenbosch. He is recognised as a member of the consultants group of the Computer Society of South Africa and specialises in requirement definition and design of industrial systems.

Klaas van der Poel

CURRICULUM VITAE

Access to housing finance probed ⁽¹²³⁾

By NEVILLE FRANSMAN
Municipal Reporter

LOWER-INCOME people who are most in need of funds for housing have the least access to such funds — which are in any case inadequate. In addition, the flow of finance is irregular and this militates against a long-term solution to the housing problem.

These are some of the conclusions of the Urban Problems Research Unit (UPRU) at UCT in a working paper just published on "Housing finance: Towards an integration of resources in South Africa".

In addition, inadequate funds and the prevailing policy of providing very large benefits in the form of generous subsidies and completed dwelling units of high quality resulted in "satisfying the many needs of the few and not the few needs of the many".

Huge backlog

UPRU believed that in spite of the high priority given to and enormous investment in low-income housing made possible by the steep upturn in the economy and the high gold price,

present investment was "just, if at all" keeping pace with the demand created by new family formation and was not reducing the huge existing backlog.

The primary source of finance was (central government) budgetary allocations which varied with the state of the economy and this resulted in the flow of finance being irregular.

In turn this led to local authority officials finding themselves "suddenly and on very short notice" being without funds to continue building programmes, and retrenchment of staff which increased unemployment and broke down the organization needed to build houses on a large scale and which had to move into top gear once money was again available.

Building was therefore conducted on a "stop-start" basis and overall production rate was affected. Delays in building increased costs because of inflation and escalation.

These factors caused anomalies.

Large sums of money lay unused within the building society

movement where supply was in excess of demand while, on the other hand, the demand on government money for low-income housing was massively in excess of supply.

People who were best able to fend for themselves had relatively easier access to funds (loans) than the poorer section of the community because these had little or no security to offer private lending institutions.

There were two "markets" — the private sector building societies; and the public sector National Housing Fund from which low-income housing was financed.

One market

UPRU believed that the most effective and efficient way of increasing the supply of funds, improving access to these funds and smoothing the flow of finance was to bring about greater integration of the two markets, that is, to bring about a situation in which only one housing market existed and in which the parts were mutually reinforcing.

One of the initial steps could be the formation of a "national bank" based on the existing institution of the National Housing Fund which would guarantee building society loans to low-income families, who were not necessarily of high risk as the security would be the property being developed.

Idle finance

This would bring into circulation private sector finance lying idle in the building society movement. The "national bank" could also float public loans and aid in the establishment of savings and credit unions formed by groups of people on the lines of co-operatives.

Access to credit for the poor would be facilitated by the extension of building society activity to lower-income people, relaxation of building society demands in terms of deposits and the acceptance by local authorities of lower physical standards so stringently insisted upon at present before plans were passed and loans granted.

Lawyers welcome tenants' new deal

STAR
22/11/80

(123)

Staff Reporters and
Own Correspondent
The Government's decision yesterday to amend the Sectional Titles Act has been welcomed by the public and lawyers but property agents are up in arms over the announcement.

Lawyers were pleased that the Government had isolated the two major weaknesses of the Act that owners could sell on Deed of Sale before even applying for sectional title and that agents or owners could force legitimate tenants out of flats on a sectional title excuse.

"I am very pleased. I will be interested to see whether there is anything in the new legislation that can help people who have already been caught by unscrupulous agents and owners," a lawyer said.

"I think it is to the credit of the Government that it recognises its role as protector of the ordinary tenant, particularly the aged.

"The original legislation was well meant but badly put together. It left many loopholes. This amendment, I hope, will close loopholes so that unscrupulous agents and property owners will no longer be able to fleece buyers legally," he said.

"I hope that among the amendments will be a paragraph forcing flat sellers to hold deposit money in trust because that has been one of the biggest recent problems. With that provision, together with the rest of the proposed amendments, any sectional title purchaser will have the full weight of the law on his side."

Blocked

One of the amendments could give power to a single flat tenant to prevent an entire block of flats being converted to sectional title.

The amendment states that a sectional titles register may not be opened "as long as any units in the building are still under rent control."

A spokesman for the South African Property Owners Association said it was still too soon to say whether the final Act would have this effect, as there was still opportunity for representations to the Minister.

Govt to the rescue of flat sales victims

123 22/11/80

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By HELEN ZILLE
Political Correspondent

THE Government yesterday outlined sweeping measures to halt abuses of the sale of flats under sectional title.

Mr Pen Kotze, the Minister of Community Development, announced that during the coming session of Parliament the Sectional Title Act would be amended to halt malpractices.

His statement follows a widespread campaign, spearheaded by the Progressive Federal Party, against sections of the Act which led to pensioners and poor people being evicted from flats sold under sectional title.

During this year's session of Parliament, the PFP fought these sections vehemently.

It warned that they left the door wide open for the malpractices the Government is now trying to end.

Mr Kotze said owners of blocks of flats were abusing their right to convert dwellings to sectional title units by:

- Selling units "on a large scale" before local authorities had approved applications for conversion to sectional title.

- "Victimising" tenants, including the elderly and those of limited means, by serving them notices forcing them either to buy or leave, and;

- Serving eviction orders to tenants on behalf of buyers.

In a bid to prevent these malpractices, he proposed the following amendments:

- If any units in a flat block were still under rent control, permission by the local authorities would not be granted for its conversion to sectional title, nor would the opening of a register at the deeds registry be permitted.

- A flat owner would not be permitted to sell a unit or to serve a tenant with an eviction order until the sectional title plan had been registered.

- A clause allowing buyers of sectional title units to serve eviction notices on tenants would be amended to change the inception date from April 1 next year to a date yet to be announced in the Government Gazette.

Mr Kotze also said he intended proposing legislation aimed at the continued phasing out of rent control by means of proclamation.

Further abolition of rent control would not be considered before May 1981 and this would give the Government the opportunity to consider the matter at the time in the light of prevailing circumstances.

Mr Harry Schwarz, MP for Yeoville, and Mr Alf Widman, MP for Hillbrow, who led the campaign against the Sectional Title Act, are both overseas and could not be contacted for comment last night.

But representatives of the property industry and sectional title conversion experts yesterday criticised the proposed amendments, reports Property Editor REG RUMNEY.

A spokesman for the SA Property Owners Association, Mr Don Kennedy, felt the Act did not need amending.

"In general, developers and converters have acted with considerable responsibility," he said.

"There have, however, been some newcomers who have indulged in sharp practices, such as giving rent-paying tenants very short options to buy and selling on inadequate documentation, which has led to mistrust and insecurity."

Another Sapoa spokesman, Mr Boet van Straten, said the proposals were surprising in the light of new legislation due next year which would in any case curb many malpractices.

This legislation, he said, would prevent a sectional title developer accepting any money before a register opened.

Mrs Muriel Preller of the Housewives' League said protected tenants of rent-controlled flats — those with single incomes of R380 a month and family unit incomes of R650 a month — were now assured of legal occupancy without harassment.

Drie eeue se huise in twintig jaar

20/11/80 (123) Sake-RAPPOR
Deur FRANZ ALBRECHT

NET soveel huise as wat daar in die afgelope 328 jaar — sedert Jan van Riebeeck voet aan wal gesit het in Tafelbaai — in Suid-Afrika gebou is, sal in die volgende twintig jaar tot die jaar 2000 gebou moet word.

Dit is hoeveel bykome-nde huise in die jaar 2000 nodig sal wees om in die behoeftes van die totale bevolking te voorsien, sê die uitvoerende direkteur van die Federasie van Bounywerhede in Suid-Afrika (Bifsa), mnr. Lou Davis.

In 'n toekomsblik van die boubedryf se vooruit-sigte oor die medium en lang termyn, het hy vande- week in 'n onderhoud met Sake-RAPPOR, daarop gewys dat in die huidige jaar die totale bevolking van Suid-Afrika, insluitende die on-afhanklike nasionale state, 27,5 miljoen is. In 2000 sal daar na skatting 40,4 miljoen mense in Suid-Afrika wees.

„Teenswoordig — son-der die inagneming van die bevolkingsaanwas — is daar reeds 'n tekort van 300 000 wooneenhede vir al die bevolkingsgroepe. Hiervan is die tekort aan huise net in die blanke sektor 50 000.

„Indien ons dus die tekort aan wooneenhede vir nou en vir die toekoms wil uitwis en nog steeds in die behoeftes van die tota- le bevolking in 2000 wil voorsien, sal ons die tota- le bestaande getal huise in die Republiek in die volgende twintig jaar moet verdubbel,” sê mnr. Davis.

Dit is nie die enigste skok wat mnr. Davis vir die behuisingsmark in Suid-Afrika het nie. In die kort termyn voorspel hy geweldige stygings in die boukoste en 'n nypende tekort aan geskoolde arbeid.

„Bifsa skat dat die sty- ging in boukoste in die volgende vier jaar nie minder nie as 20 persent per jaar sal wees weens 'n situasie van bottelnek-

inflasie. Die saamgestel- de groei in die boukoste sal veroorsaak dat die pryse om huise te bou, in die volgende vier jaar sal verdubbel,” sê hy.

Op die arbeidsfront skil- der mnr. Davis 'n sombere prentjie. Hoewel daar in Augustus vanjaar sowat 40 000 vakmanne in die boubedryf gestaan het, was daar, konserwatief geskat, 'n tekort van sowat 3 150 vakmanne in die bedryf.

Meer as die helfte van alle vakmanne in die be- dryf is messelaars en skrynwerkers — waarvan daar meer as 10 000 elk is. Dit is juis hier waar die grootste tekort lê. Byna 1 000 messelaars en 550 skrynwerkers is nou nodig.

„In die volgende drie jaar tot 1984 word geskat dat die boubedryf gemid- deld sowat 1 500 geskool- de arbeiders en vakman- ne per jaar sal moet bykry om in sy behoeftes te voorsien.

„Veel gewigtiger is die feit dat oor die volgende twintig jaar gemiddeld sowat 3 000 bykomende geskoolde arbeiders en vakmanne per jaar tot die boubedryf sal moet toe- tree as die bedryf met net 5 persent per jaar groei. Die verwagting is egter dat die bedryf met veel meer per jaar sal groei in hierdie tyd,” sê mnr. Davis.

Die totale huisboube- drywighede van 1980 tot 1985 behoort teen 'n ge- middelde koers van 7 per- sent per jaar toe te neem. Dit word bereken op 'n verwagte investering deur die openbare sektor in woongeboue van 10,7 per- sent per jaar en 'n gemid- delde investering deur die privaat sektor van 5 persent per jaar. Hierdie gemiddeldes word be- swaar om die totaal te bereken.

Die historiese groei- koers van die openbare sektor in woongeboue in die jare van 1946 tot 1978 was maar 5,2 persent per jaar, terwyl die van die private sektor 2,5 persent per jaar was.

Threat to act on flat sale dodges

STAR 28/11/80

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By Marion Duncan

The Government has threatened to backdate to November 21 its proposed amendments to the Sectional Titles Act.

This latest announcement from the Ministry of Community Development will effectively prevent property owners from pushing through fast sales of flats to beat the legislation.

The warning was issued yesterday by the Director-General of the Department of Community Development, Mr Louis Fouche, at a meeting in Pretoria of the South African Property Owners Association (SAPOA).

It has since been backed up by the Minister, Mr Kotze.

The controversial amendments, announced last week, say that:

- Property owners may not sell units in flat blocks, or give notice to tenants to vacate, until a Sectional Titles register has been opened;

- No Sectional Title scheme will be approved as long as any single unit in a building is still under rent control;

- Buyers of units under rent control will not be able to evict tenants until a date to be set by the State President.

Mr Kotze said he had decided to propose the amendments under great pressure from members of the Progressive Federal Party and other bodies.

He was reluctant to take "such a step," but had been left with the impression that he could be "forced into it."

"I took it (the decision) deliberately knowing that property owners would not like it. I would very much like the co-operation of private investors."

He liked the concept of Sectional Title as a means of helping people own their own homes, but admitted that he had personal knowledge of abuse and exploitation of the Act.

The Minister said his staff had investigated complaints from tenants throughout South Africa before he had reached the conclusion that the Act had to be amended.

Director-General Mr Fouche appealed to property owners and landlords to act "responsibly" and "sympathetically" towards tenants, and not to force the Government into back-dating the amendment legislation.

Property owners, however, have received the news with shock, particularly the latest threat of the amendments being retrospective.

Now the iron fist

Just what is Pretoria up to? After the strident, and opportunistic, political reaction to its rent decontrol programme, a re-think has been in the wind for some time.

Indeed, the FM warned sectional converters back in September that unpalatable changes were on the way (*Property* Sept 19). Some amendments then would have been more acceptable, even desirable.

But the heavy-handed *volte face* by Community Development Minister Pen Kotze over the last few days is as impractical as it is ill-advised.

At worst the new measures could drive some sectional title converters into insolvency and leave thousands of deed of sale buyers without the chance to take transfer.

At best, the additional controls will merely kill off the conversion market and bring an abrupt halt to the re-cycling of older housing stock.

To gauge the impact of the changes, it is as well to recall what the decontrol programme set out to achieve. In four phases, it was designed to bring all flats out of control with the exception of a few — some 4% of the total — occupied by poorer tenants protected in terms of income limits laid down under the Housing Act.

As part of the arrangement, the inequitable Section 39 of the Sectional Title Act was repealed by Parliament and the amending Act was to have come into force on April 1. The idea was to permit buyers of all flats to give notice to any tenant. In the case of protected tenancies, the buyer, his parent or child would have to move in.

The repeal of Section 39 will now be deferred indefinitely, according to Kotze. But this will require a legislative change because the effective abolition date is stipulated in the amending Act. A change, however, will mean that buyers of controlled units won't be allowed to take occupation of their own properties.

Kotze says, rightly, that landlords have been exploiting tenant ignorance by telling them erroneously that the flats have been sold and that they will have to move. Legally, only the new buyer would have been entitled to do that.

Kotze's point is thus taken. There was an inconsistency anyway in that protected tenants would be cushioned against rent increases but would have no security of tenure.

The second point in the reformist programme is likewise long overdue. Govern-

ment says it will introduce legislation to ban the sale of flats until the register is open. If only it had laid down that proviso five years ago, none of the current problems would have arisen.

Above all, it has been the actions of the under-capitalised gunslingers which have tended to make sectional title a dirty phrase. Small-time syndicates and companies which have been able to scrape together a few thousand rands to buy buildings on deed of sale or take them on option have done nothing to promote the sense of security and good orderliness that the conversion market so sadly lacks.

If the register has to be open before selling begins, converters will have to find the finance from their own resources. They will not be able to use tenant deposits to roll into ensuing buildings, hoping all



Denis Cowen . . . who wants a draconian solution?

the while that nothing goes wrong on the way.

Through it all has run the spoken and unspoken threat to "buy or get out." In a landlords' market, tenants often had very little choice. And in line with the official shift to free market mechanisms, it was the owner's right to maximise his investment.

The stipulation that he should be in a position to deliver the goods when making the sale can't be faulted.

Yet the third of the new restrictions will make this impossible to achieve in the majority of cases. Kotze says that blocks which contain rent-controlled flats will not be registered. His idea is to kibosh applications at the municipal approval stage.

That will also need new legislation.

But the end result is a paradox. Selling before a register is opened is taboo. Yet the register can't be opened while there is a rent-controlled flat in the building.

The majority of blocks first occupied before June 30, 1966 (the cut-off point for rent control) contain one or more flats occupied by protected tenants. Unless there is a change of heart, these blocks will not get registration.

The following scenario emerges. A man buys a rent-controlled flat. If he wants to move in he must serve the tenant with three months notice. But he can't do that until he is the registered owner. He can't become the registered owner because there is a rent-controlled flat in the building and a register will be refused. Clearly an exercise in the absurd.

Small compensation, perhaps, but the latest pronouncement does commit Government to implementing the final phase of decontrol. This involves flats first occupied before October 20, 1949.

The necessary changes will be considered in May. But just about all those blocks will contain protected tenants and will be precluded from opening a register. So converters will be back to square one, except that, after the two year moratorium, landlords will be able to obtain better rentals from the unprotected.

One way round the register problem could be to convert to share block ownership, and many owners will be looking at it. Unless they can come up with something, they could face disaster. Many buildings have been bought for conversion on returns as low as three and four per cent.

Where gearing is involved that will spell disaster, especially for the heavily borrowed, unless they can get their money out quickly. And if converters get into trouble, so will their deed of sale buyers.

There are literally thousands of them around the country, but it's still not too late to get it all into better perspective. Kotze has announced an intention rather than a *fait accompli*. Still, it will be a brave, or desperate, tenant who buys an unregistered flat at this stage.

And as Dr Denis Cowen, chairman of the Standing Advisory Committee on Sectional Title says: "In solving the problem of needy tenants we should try not to create even worse problems.

"Plainly, we need a real solution with teeth in it, not a mere token gesture. But we should not overdo it. No one wants a draconian legislative solution likely to wreck the whole sectional title market."

Castles and cabins

FM 28/4/80

Should the poor pay the same interest as the rich when borrowing money for housing? "No," says Professor Dave Dewar of the University of Cape Town's Urban Problems Research Unit. He feels a high rate for large bonds should subsidise a low one for small loans for the disadvantaged.

Dewar wants a new approach to housing finance in order to increase funds for low-income housing. Investment in housing is only just keeping pace with growth, and not reducing the backlog in any meaningful fashion, he says.

Dewar points out that two relatively independent housing markets exist — the subsidised market operating through the National Housing Fund, and the non-subsidised market through building societies and commercial banks.

What is needed, he says, is a greater integration of the public and private housing markets — particularly an extension of building society services from their historic white market to the lower-income categories.

Under the existing system, the largest loans are granted to the most wealthy at the same interest rates as smaller loans. Dewar suggests increased charges on luxury loans through a progressive interest rate system.

Interest rates should increase with the size of the bond, he argues. For example, for all bonds up to R16 000 there should be

a basic rate. Above that the rate should increase in unit blocks on additional amounts (eg 0,5% for every additional R1 000). The income generated on the additional interest could then be used to subsidise interest rates on lower income loans.

Dewar maintains the better-off would be willing to pay the additional rate, since its marginal cost would be slight. Even if it did fundamentally alter consumer behaviour patterns and cause the wealthy to cut expenditure on luxury housing, the system could ultimately benefit.

More funds would be available for distribution over the total market and there would be a closer fit between the distribution of loans, and need, than at present.

The poor, he says, are locked into a vicious cycle — having no access to funds for housing and no means of acquiring the security that would give them access to finance.

Dewar says it seems likely that this situation will be exacerbated by official attitudes. In September the Deputy Minister of Community Development announced that the income limit for people qualifying for State housing would increase from R540 to R650 per month and the maximum allowable cost of dwellings for hire or rent built with National Housing Commission loans would increase from R14 000 to R18 500. Says Dewar: "If extra funds are available they should be channelled into those areas where need is greatest — the bottom end of the income spectrum."

However, a new institutional structure is necessary to attain this. He suggests the establishment of a Central National Housing Bank based on the National Housing Fund. The bank would extend the functions of the fund and its sources of funding. It would underwrite building society risks (at least in the short term) and provide subsidies for borrowers.

The State would benefit by effectively increasing funds available for low income housing at no extra cost, and would be able to concentrate expenditure where need is greatest.

The only real cost to the National Bank would be subsidisation of the difference between the commercial rate of interest and the interest rate to which the householder is entitled under the subsidy structure.

However, an essential prerequisite for the use of private sector funds to finance low-income housing would be the granting of sufficient security to blacks in urban areas to allow them to raise bonds.

FM 28/11/80
QUALITY OF LIFE



R256m boost

Employers committed to improving the quality of life for employees could well follow the example of Transvaal Consolidated Land and Exploation Company (TCL), a Barlow Rand subsidiary.

According to the latest company report, the Rand Mines group — which manages TCL subsidiaries, and some associated ones — has committed a massive R256m for the period 1980-1984 to this end. This is in line with the company's commitment to the "removal of discrimination in pay and benefits," and the principles embodied in Barlow Rand's group code of employment practice.

The company will be embarking on extensive housing, training and literacy programmes. Work is underway on a projected 877 houses for black married employees on the Rietspruit coal mine and "considerable progress is being made on the mines to upgrade existing single and married accommodation, schooling, recreation and various other facilities. Particular attention is being given to reduce

the numbers of persons in rooms in hostels and to improving the privacy of single employees."

In addition to sustained efforts by the group to improve existing in-house training, plans for the establishment of two major training facilities at an estimated cost of R7m are being pursued — a new technical training centre to be located near Virginia and a multiracial training college at Crown Mines. The college will offer tuition in subjects such as metallurgy, engineering, mining, surveying, administration, accounting, computer science and personnel management.

A recent survey on the mines revealed a very low level of educational attainment, so the company has committed itself to an adult education programme specifically directed at illiterate and semi-literate employees.

However, most fundamental to the success of any programme directed towards improving employees' quality of life is an improved wage structure. According to the report, the group is continuing attempts to close the wage gap, substantially uplift the earnings of the lower-paid, and integrate the remuneration structure.

State may act against rush to sell flats

29/11/80
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THE Government would take strict action if property owners rushed to sell blocks of flats to beat proposed amendments to the Sectional Titles Act next year, the director-general of the Department of Community Development, Mr Louis Fouche, told a meeting of the South African Property Owners Association (Sapoa) in Pretoria this week.

The amendment terms are:

- Landlords may not sell units in a building, or give notice to tenants to vacate a flat, until a sectional titles register has been opened;
- No sectional titles scheme will be approved so long as a single unit in the building is still under rent control;
- Buyers of sectional title units still under rent control will not be able to eject tenants so that they themselves can move in

until some time in the future — a date to be set by the State President.

Mr Fouche said that if the Government found property owners rushing to beat these amendments, strict action would be taken.

This could include putting any building under rent control, and/or making the proposed amendments retrospective — so that any deals concluded now which did not comply with the amendments would be illegal.

Mr Fouche appealed to landlords to act responsibly and sympathetically towards tenants.

"The Government is to amend the Sectional Titles Act to protect tenants from too-easy eviction by unscrupulous property owners," he said.

The amendments are also fair to private enterprise, he

said, and are not designed to discourage the private sector from constructing housing units.

Mr Robbie Schilz, a member of Sapoa, said the Sectional Titles Act could not be blamed for the present housing crisis. The shortage was because of the phasing out of rent control and the high cost of housing, which outstripped the inflation index.

"The Sectional Titles Act has not lowered the number of flat units — it has merely resulted in changes of owners," he said.

"The Act has encouraged property developers to build. In the first 10 months of this year, flat development building plans worth R432,5-million were approved — and many of these flats would not have been planned if there were no sectional titles." — Sapoa.

Group against Govt bid to curb conversion

ONE of the country's leading property groups has come out strongly against proposed clampdowns on sectional title conversions as an over-reaction which is likely to lead to serious repercussions for the home-hungry public.

It was announced last week that the authorities are considering tightening controls on sectional title conversions, including prohibiting sales of units until a sectional title register is opened, and ruling out the right of new owners of sectional title units to give existing tenants notice in rent controlled blocks.

Behind the furore are allegations of intimidation and a "gunslinger" approach to conversions by "unscrupulous" developers. The issue is further complicated by the phasing out of rent control and because of the emotive issue of the "little old lady pensioner".

Reacting to the situation this week, Philip Gershater, a director of Gallic Developments, argued that the proposed clampdowns could have far-reaching repercussions on the supply of quality apartments and could again discourage the

development of new blocks of apartments at a critical stage when the relative return on such schemes for developers was beginning to look more attractive.

Ultimately, he says, flat tenants of today stand to be penalised most "in their imagination" if they do not have the option to buy their units and fix their costs at today's prices.

"One of the original purposes of the sectional title legislation was to offer rent-paying tenants the opportunity to acquire their own homes," he adds.

"That objective still stands, and is entirely realisable given that ownership ensures that the asset, namely the sectional title apartment, is well maintained and increases in value."

The solution, he believes, lies not in stopping conversions, as the proposed clampdown could do, but in educating the buying public to be more discriminating in their purchases of such homes.

This education process should teach buyers to apply their own tests of the validity of a purchase along the lines of:

- Consulting an attorney.

- Asking the seller or his agent to provide satisfactory evidence that a building was capable of being sectionalised and that a building society had agreed to give bonds when a register was opened.

"Moreover," he adds, "if dissatisfied about the financial stability of the seller, the buyer can insist that his deposit is put in trust."

The point Gerhater makes is that these control mechanisms already exist and, if applied, ensure minimal risk for the purchaser. The alternative of banning sales until the sectional title register is opened would mean the immediate removal of large numbers of apartments from the market long enough for holding costs and the longer risk of the developers to force up prices.

The issues of "victimsed" tenants, Gerhater feels, has become emotional.

"The facts are that the greater percentage of buyers of converted apartments are the former tenants who are only too keen to obtain a stake in bricks and mortar."

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The process of converting flats from leased premises to individually owned sectional title units is not unique to South Africa.

It is happening in cities throughout the western world. But there can be few places where tenants — especially the aged and less affluent — are less secure and more vulnerable to eviction and exploitation than they are in South Africa.

Governments and administrations, including those committed to the private enterprise economic system, raise that in the acutely sensitive field of personal living accommodation, they cannot sit back and put the economic well-being of the rich and the economically powerful.

And so, in many cities around the world there are laws to ensure that the process of sectional conversion proceeds without the attendant social evils of insecurity of exploitation or the mass evictions of tenants.

This is how this process of conversion to sectional title is regulated in New York:

1. Most buildings in central New York are subject to either the New York

Sectional title and humaneness

South Africa could well follow New York's example in the way it converts leased flats to sectional titles units. There the rights of the tenants — especially the poor and the elderly — are protected under laws which attempt to strike a reasonable balance between the interests of the tenant and those of the landlords. The Star's Correspondent in Cape Town reports.

City Rent Control Law or to the New York City Rent Stabilisation Law. In these buildings the procedures to be followed in converting sectional titles as well as the obligations of owners and the rights of tenants are governed by section 352-C (1)(A) of the general business law.

2. The owner of a building to be converted to sectional title ownership must submit an "offering plan" giving details of his proposals to the State of New York, simultaneously providing copies of the plan to the tenants in the building.

3. A period of negotiation between the owner and the tenants then ensues, as the owner can have his final conversion plan approved only when at least 35 percent of the tenants have agreed to buy their flats.

What happens when 35 percent of the tenants have agreed to buy and the owner has received approval by the Attorney-General accepting the conversion plan for filing?

4. Should the owner not be able to get 35 percent of the tenants to buy their flats, but is able to get 15 percent to do so, he may proceed with his conversion plan, but he cannot evict any tenants who do not buy.

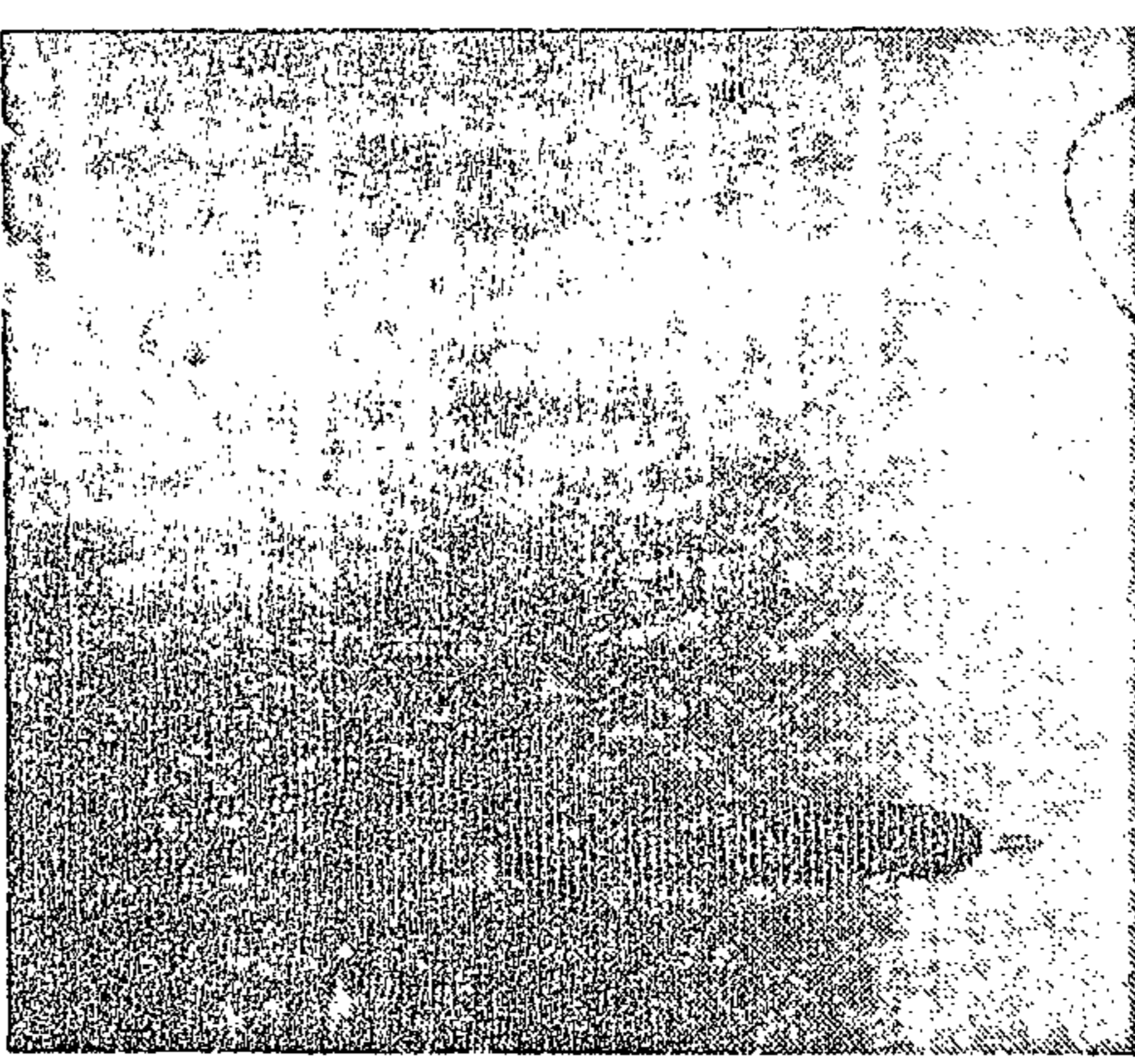
These laws in New York attempt to maintain a reasonable balance between the interests of the tenant and those of the property owner during the socially sensitive process of converting from letting to sectional title.

someone else who will proceed to evict him.

Because the owner needs the participation of 35 percent of the tenants to proceed with the scheme and the tenants need the co-operation of the owner to buy their flats, the prices and other conditions of purchase are set by a process of negotiation between the owner and the tenants — and not by the owner holding a pistol at the tenants' head.

In view of the social problems and community tensions that are being generated by the process of conversion to sectional title in South Africa, it is as well that we should hold up the process for a while to re-examine our own legislation in the light of the experience of others.

There must be a way of enabling people to enjoy the benefit of sectional title ownership without those who do not want to buy — or the aged and less affluent who cannot afford to buy — becoming the victims of exploitation or insecurity.



New York . . . looking after everyone's interests.

There is no such thing as an owner, with the implied threat that if the tenant does not accept the offer the flat will be sold to

Sapoa slams Kotze over Titles

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By Marion Duncan
The Ministry of Community Development refused to comment this morning on a scathing attack made by Sapoa (the South African Property Owners Association) against proposed Government moves to amend the Sectional Titles Act.

Executive director of the association Mr Don Kennedy said yesterday the Minister had "over-reacted to a complaint against rent control and conversion which has been furthered in some cases by persons of dubious integrity."

Mr Kennedy said subsequently it was obvious the

Minister's decision was political.

"If it had been a business decision I think he would have consulted us to find better solutions."

Mr Kennedy admitted there had been abuses of the Act, and malpractices by unscrupulous owners and agents.

But he was disappointed that the Estate Agents Board and the Institute of Estate Agents "have been remarkably silent."

He further criticised the silence of the Government, which he claimed had been aware for the last four years of the accommodation situation

and its projected direction.

"It is up to the Government to look after those tenants who cannot afford to rent or buy on the current market," he said.

Sapoa in its statement yesterday, agreed. "Our point of view is that the building owner must not be singled out to subsidise the housing of such people."

The State does not interfere with a butchery or a grocery in order to provide food more cheaply to such people, and the same principle should be valid with regard to flats."

The association said the Minister had other avenues open to him to resolve the problems, without resorting to new legislation.

This could include the imposition of rent control on any unit or block of flats where malpractices were found.

It also said that the proposed new Sale of Land Bill, to be piloted through Parliament next year would provide sufficient protection for the public "in that it permits sales before registration, subject to the condition that no money for such sales is placed in the hands of the developer."

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ACCOMMODATION CRUNCH

Scramble for

Hard-pressed families looking for roofs over their heads are facing tough new competition. Government corporations and major industrial companies are pouring millions into private property purchases in a bid to accommodate employees.

The search for skilled staff overseas is compounding the problem. Without guaranteed housing, they won't come. And the shortage, already serious, is now critical.

Rand Mines has set the pace with a R4,5m outlay on seven blocks of flats and a number of houses in Boksburg. Existing tenants have been, or will be, moved out.

The properties were bought to house additional employees needed to service the R300m expansion programme at ERPM. A spokesman says it was far cheaper to buy than build and, without accommodation to offer, "we found we were not competitive in the labour market."

ERPM's move has raised the inevitable storm. Some 200 tenants are involved and, to soften the blow, they have been given until the end of January to vacate. The company has also undertaken to consider special cases.

Gencor confirms that it also has out feelers. Artisans are already difficult to come by, says property manager Noel Edkins, and unless there is something to offer in the way of housing they won't sign up.

But the approach will be different. Without the immediate problem faced by ERPM, Gencor feels it can buy flats and wait for the space to fall vacant through effluxion of time. "We certainly won't buy and then insist that tenants vacate," he says.

All mining groups are probably looking at similar propositions, and the industrial sector, too, is climbing into the private residential market.

Just one of them is electrical group LH Marthinusen (LHM) which is looking for about 15 flats to house specialist workers it is hoping to recruit from overseas. A company executive tells the FM the local employees are still expected to look after themselves.

But immigrant workers, he says, are usually offered at least a month's free accommodation on arrival. And with the present crush in hotels and boarding houses, flats look like the only answer.

LHM, he says, has been looking at possibilities but finds little value for money at the prices being asked for old or refurbished stock. But like other companies, it will have to take what is available

OR COVER

or fail in its recruiting campaign.

And the problem isn't confined to the Reef. Marthinusen is looking for accommodation for branch personnel as far afield as Welkom and Witbank. Apart from five houses it has managed to pick up in Welkom, it has had no luck.

The confusion in the sectional title conversion market, the spokesman points out, has done nothing to help. Until the dust settles, buyers in many blocks won't even know if or when transfer will be given — even if the flats are uncontrolled.

General Electric is yet another contender for flats. But there are many others, not least Government departments.

The Post Office (Sapo) has just bought a R500 000 block in the southern suburbs to add to properties it already holds in Robindale and Parkview. Sapo's Joe de Jager says the scale of buying is small, but it is essential to have housing on hand for transferred employees and newcomers from overseas.

The Defence Force is another major customer, and its needs are being serviced by the Department of Community Development.

In saner times such high-powered interest in the private residential sector would be welcome. In present circumstances it's no more than a drain on a critical national resource.

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FM 5/12/80

Minister threatens rent control, if

Pretoria Bureau

The Minister of Community Development and State Auxiliary Services, Mr Kotzé, today threatened any landlord who tried to evade next year's tightening of the Sectional Titles Act with the immediate imposition of rent control.

Amendments to the Act next year will include the prohibition of any sectional title sales of flats unless a sectional title register has been opened.

"It has come to my attention that people who know the amendment to the Act will be made, will

now try as quickly as possible to finalise a possible sale or take other steps to evade the effect of the proposed legislation.

"If this should happen, I will not hesitate to place units where dealings have been against the spirit of the regulations, under rent control and to take even more drastic measures if necessary," he said.

Mr Kotze said that people who had bought sectional title units in good faith before his recent announcement, and who intended to live in them, would be able to apply for permission to occupy their flats.

Teachers' sites cause delay ^{6/11/80} (123)

EAST LONDON — The problem of the allocation of plots in Braelynn 5 stemmed from accommodation problems experienced in regard to teachers for the East London High School, the housing director here, Mr K. Martinsen, said yesterday.

Mr Martinsen was commenting on claims that a request from the Department of Community Development for five plots in the area was holding up the allocation of 73 plots.

The problem of accommodating teachers at the new school had at one stage resulted in municipal officials, in consultation with the Indian Management Committee (IMC) requesting the Department of Community Development to purchase plots in the suburb.

He said at one stage it was considered that the total number of plots available would be taken up.

After the teacher accommodation problem had subsided 107 applications had been

received for 73 plots.

"In the interim the Department of Community Development responded to the request, inspected the area, selected the five plots and requested that they be advised of the amount to be paid to council," Mr Martinsen said.

Difficulties in dealing with allocation had led to negotiations between the department and the IMC and the position now was that the department had been requested by the housing department to reduce the number of plots required in the area to two erven and to take up the other three erven in Braelynn 4 when completed. He said the IMC wanted the Department to accept three plots within Braelynn 5 but in a different position.

"It must be understood that any change in the number of plots or the location as requested by the Department of Community Development or the IMC has a ripple effect in that the total allocation must be reconsidered," Mr Martinsen said. — DDR

<u>No. of Tuts</u>	<u>Details</u>	<u>Code</u>
9	Miscellaneous	CX
8	Standard costing	CS
4	Probability	CP
7	Marginal costing	CM
5	Linear programming	CL
2	Contract costing	CC
8	Capital budgeting	CB
4	Cash budgets	CA

Martinsen: claims on rent structure wrong

123
Date

EAST LONDON —The statement that the municipal housing department had tried to work out the new rental structure was misleading and incorrect, the director of housing here, Mr K. Martinsen, said yesterday.

Mr. Martinsen was reacting to a statement by the chairman of the Coloured Management Committee (CMC), Mr D. Alexander, who had said the housing department had tried to work out the new figures for CMC members.

Mr Martinsen said it was news that nobody understood the new formula and rejected claims that this was the case.

He said his department had studied the circular and followed this up with lengthy discussions between Council and the Department of Community Development.

"In turn we have explained and are willing to explain to anybody who is interested and prepared to listen," he said.

He conceded the new structure was involved but added that anyone who was "really interested" could understand the basis.

On relief measures he said the position was that every head of a household in the R100 a month income group and under where there was no additional family income, would receive rental relief of R3 a month.

Mr Martinsen provided a chart of figures detailing out the position in respect of Windyridge Flats.

He thought it would be conceded that consumers had to pay for lights and water which had not been the case in the Windyridge Flats area in the past.

It was the individual's choice to have electricity and if one chose not to, one could inform the municipality to discontinue supply.

This could bring relief calculated at R15 a month.

Mr Martinsen said it had to be emphasised that any cost to the Council not paid by tenants was loaded to the rest of the community, either through direct taxation or by rental.

"For instance, old age pensioners living in rented accommodation out of a scheme pay higher rentals as a result of

higher property taxes to the owner," he said.

Reacting to former CMC member Mr Peter Mopp's intention to hold a public meeting next Thursday to discuss the rental increases, Mr Alexander said last night the CMC had been fighting rent rises from 1974 and Mr Mopp had also done so during his term as a CMC member.

He added that the CMC strongly objected to rent increases where the earnings of an individual tenant had not increased.

"The CMC would like to meet the council's action committee because we feel that after the 1981 income survey rentals will again rocket.

"I would also like to compare the difference in the white and coloured pension.

"White pensioners receive about R150 and coloureds R64.

"It is unfair pushing up pensioners' rentals and I would like to challenge the housing department from whom we got a definite promise to ease the pensioners' burden regarding rentals," Mr Alexander said — DDR.

Code	Details	No. of Tuts
CX	Miscellaneous	0
CS	Standard costing	8
CP	Probability	4
CM	Marginal costing	7
CL	Linear programming	5
CC	Contract costing	2
CB	Capital budgeting	8
CA	Cash budgets	4

Effect of rate rise 'minimal'

7/12/82
S. Trib
Prop.
123

By COLIN VINEALL, Property Editor

THE effect on the property market of the proposed increase in the mortgage bond rate still seems uncertain. Some estate agents have forecast a levelling off of prices but the president of the Institute of Estate Agents Peter Strachan believes there will be little effect.

The next step in the move to up the mortgage rates lies with the Minister of Finance, whose approval is needed. Sources have said that he may consider the across-the-board rise of 1.25 percent, as agreed by the Association of Building Societies, to be too high.

In that case he could insist on a little-by-little increase phased over several months.

When the rates came down they did so by half a percent at a time, and some financial experts feel that it would be fair to revise the rates in the same way.

One agent interviewed this week said he felt the man-in-the-street was being caught in the crossfire of a battle of interest rates between the banks and the building societies.

He said the rates were manipulated to suit the financial institutions, and the current proposals, which would increase the family homeowner's repayments each month, were inflationary.

Strachan, who became president of the institute a few weeks ago, told Tribune

Property he felt the rise in rates had been inevitable.

Building society funds were drying up after a long period of buoyancy in which major financial institutions had poured in millions of rands to take advantage of what were the higher interest rates.

The rates had fallen and many institutions had withdrawn funds, in some cases to invest in major property deals.

Strachan forecast the effect on the property market as minimal. In many cases people would merely be asked to extend their repayments and their monthly repayments would not be affected.

Where it could bite is in the case of a man on

the borderline of qualifying for a loan. Here a rule applies that the repayments must not be more than 25 percent of his salary.

As an example, a man borrowing R25 000 at 10 percent interest for 25 years would be repaying at the rate of R232 a month to qualify for which he would have to earn R928 a month.

With the rate increased according to the proposals to 11.25 percent, his repayments would rise to R254 a month and his salary qualification would go up to R1 016 — a pay "rise" of R88 a month — a salary increase of nearly 9.5 percent.

Strachan said the interest rates were cyclical and had been higher in the past. "In a year or two they will probably come down again," he said.

accumulate human and physical capital, just as Afrikaner true as time goes on if they use their present position to discussion (though it is possible that this will be less Figure 1. Their position depends on the systems under much of the right hand tail of the income distribution in insider Africans has come into the existence. These inhabit systems, then, that a relatively privileged group of urban It is a consequence of influx control and the labour bureau categories from 'insiders'. to be made, making employers keener to recruit the latter clerical workers, in whom a greater training investment has

Call to prevent firms buying up flats

123 STAR
S12/80

By Marion Duncan

The Government should step in to prevent big business bulk-buying blocks of flats to house workers — particularly foreign labour.

This is the opinion of two financial experts in major South African corporations, Anglo American and Barlow Rand.

They were commenting on reports that several major businesses are considering spending millions to buy blocks of flats as employee accommodation, particularly for the regular inflow of foreign labour.

The trend has already begun. East Rand Proprietary Mines Limited has bought seven blocks of flats in the Boksburg area in the past four months, and has caused extreme hardship to hundreds of people by giving them notice.

Escom has bought in Germiston with the same result.

Other organisations — including the Post Office, Barlow Heavy Equipment and General Mining — are looking for nearly 3 000 flats between them.

The two economists will not permit publication of their names, for fear of being fired. They said the trend was "disastrous".

They maintain it will:
● Worsen an already chronic accommodation crisis in South African cities, particularly Johannesburg.

● Drive prices on the property market to artificially high, over-inflated levels.

● Divorce property prices from the economy as a whole. "Further reducing the availability of flats, and pushing people into buying houses means that house prices will soar," said Mr B.

"This means owners will demand and get very high prices, probably despite the expected economic recession next year."

The result, the two economists say, will be widespread homelessness and massive debt among lower-income and middle-income whites.

Said Mr A: "I am appalled and terrified at this trend in big business.

"The major corporations, the massive companies, are the ones that can afford to build accommodation. The only reason they are going to buy is to save money.

"But at what cost?

"People who do not work for a big company are going to find themselves on the street. Then they are going to have to look for houses in a dwindling market with increasing prices.

"And the building societies are going to clamp down on loans any minute now. So then what? The scenario is catastrophic."

Both men saw Government intervention as the only possible answer. They said it was "obligatory" for the Government to interfere.

Said Mr B: "The corporations are crying out for the Government to step in, by creating a situation which is too ghastly to contemplate.

"It has got to be stopped or the misery is going to be unthinkable. What about old people? What about pensioners? What about young couples with young families? What about divorcees with children?"

● Force people who do not work for the corporations (particularly the elderly) into houses which they cannot afford. "In effect it will compel people to buy houses," said Mr A.

Curbs on landlords likely to Eglin.



Mr. Colin Eglin

Staff Reporter
LANDLORDS who push up rentals of previously rent-controlled premises too quickly run the risk of having rent control re-imposed.

This was said last night by the Progressive Federal Party MP for Sea Point, Mr. Colin Eglin, when he addressed about 700 people in Sea Point's Weismann Hall.

Mr Eglin said he had come away from a meeting with the Minister of Community Development, Mr. Pen Kotze, with the impression that moves would be taken against landlords who raised rents too quickly.

Mr Kotze had also agreed to investigate alleged harassment of tenants being induced to vacate their flats for sectional title development.

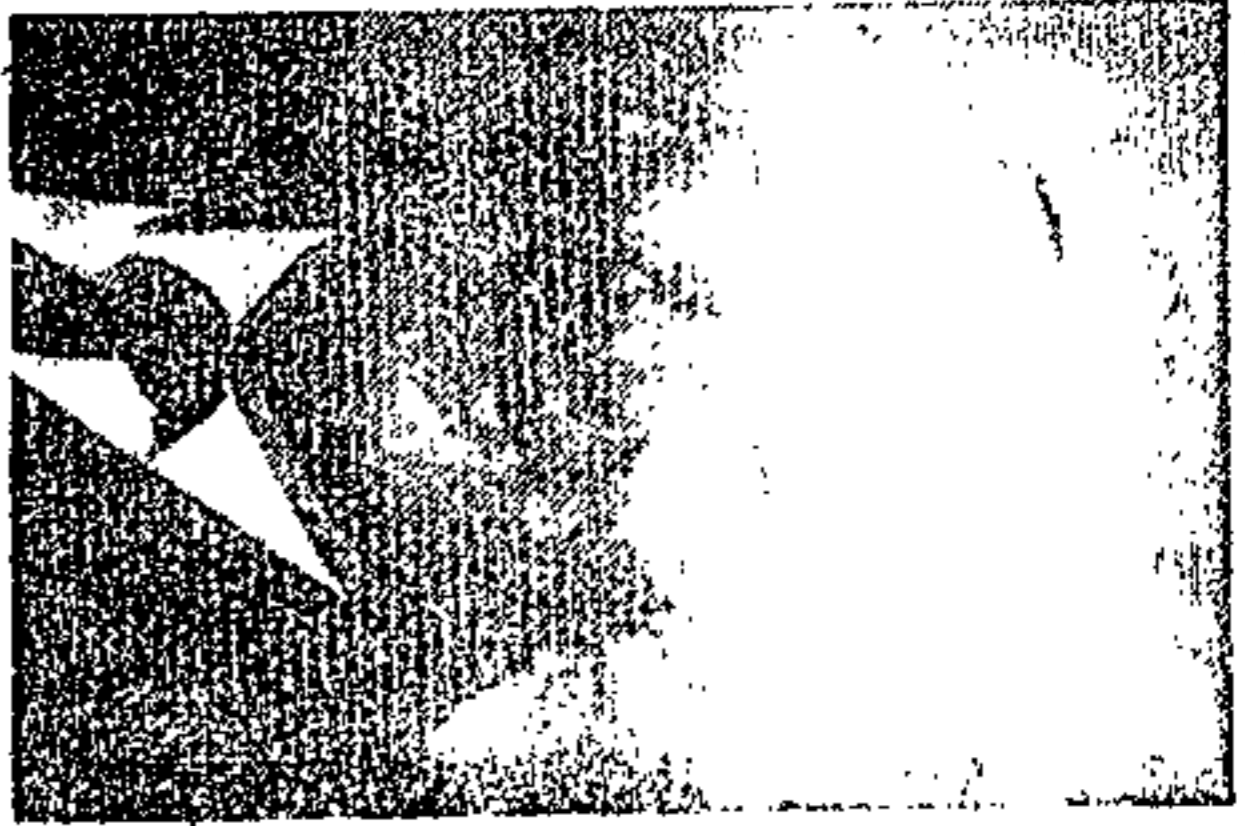
His impression from his talks with Mr Kotze was that the Government was not prepared to re-imposed rents controlled in the interests of sectional title developers.

Mr Eglin said that as far as he was concerned, and his experience was that the sectional title issue as well as the "Key" legislation, he wanted to appeal to people to show understanding and sympathy for the other person involved.

Many of those present did not have the vote but the fact that there were so many flat-owners and tenants, employers and employees with and without the vote present was an indication that "we all depend on each other".

The Government was so obsessed with applying an economic system and enforcing group identities that "we are forgetting we are dealing with people here. We must revert to local experience, Mr Eglin said on the subject of the "Key" legislation he could only repeat what the prime minister had said: Stop treating the coloured people as lepers.

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Mr Pen Kotze

Homeowners get a 1981 bond shock

31/12/80
STAR
123
55



Mr Boet Viljoen . . . not this year — but very early next year.

By Pieter de Vos

At least a million homeowners will be affected when repayments on home mortgages rise by an average of five percent a month next year.

Mortgage rates will rise 0,75 percent in the New Year, Mr Boet Viljoen, president of the Association of Building Societies, announced in Johannesburg today.

The increase takes effect on January 12 for new loans and on March 1 for existing loans.

Higher interest rates were an inevitable part of the current boom, said a leading economist. Homeowners should prepare themselves for further rises in 1981, he added.

The cost of funds to the building societies has been increased. An an-

nouncement this morning said that dividends on investments in the societies would go up by about one percent.

The rate on indefinite period paid-up shares has been raised from eight to nine percent, on special issue tax-free paid-up shares from seven to eight percent, on partially tax-free subscription shares from eight to nine percent, and on full tax-free shares from seven or 7,5 to eight percent.

Interest

The rate on new fixed period paid-up shares has been increased to 10,5 percent and on special savings accounts from 5,5 to six percent.

As a result of these extra costs to building societies, homeowners with 30-year bonds of R10 000 will repay R90 instead of about R85.

At the top end of the market, home-owners with a R50 000 bond will repay R541,81 monthly compared with R516,10. This represents a rise of just below five percent.

In April last year mortgage rates were reduced by 0,5 percent.

A spokesman for the association pointed out that the new rate of 9,75 percent for bonds up to R10 000 was still below the bottom rate of 10,5 percent in September 1975 and that the top rate of 11,75 percent would be below the top rate of 12 percent at that time.

These increases have been announced within three weeks of a statement by Mr Viljoen that mortgage rates would not be lifted this year.

Mr Viljoen said he expected that housing loans would be more difficult to obtain next year.

But economists greeted today's announcement with little surprise as the market, in general, has expected increases for some time now. Increases of up to two percent had been predicted.

Higher interest rates could bring the property market further off its recent peak, a property expert predicted.

What you will have to pay

Amount of bond	Term	Current rate	Amount	New rate	Amount
R10 000	30 years	9 percent	R85,50	9,75 percent	R89,92
R20 000	25 years	9,5 percent	R174,74	10,25 percent	R185,28
R30 000	20 years	10 percent	R289,50	10,75 percent	R304,50
R40 000	20 years	10,5 percent	R399,36	11,25 percent	R419,70
R50 000	20 years	11 percent	R516,10	11,75 percent	R541,81

The High Mathematics/Statistics curricula are intended for students with a good background in mathematics. The attention of students interested in these curricula is drawn to the entrance requirements for Mathematics I, as detailed in the entry of the Department of Mathematics in the last section of this prospectus.